

VALENCIA COUNTY, NEW MEXICO

ORDINANCE NO. 2020-02

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF VALENCIA COUNTY, NEW MEXICO, GENERAL OBLIGATION BONDS, SERIES 2020, IN THE PRINCIPAL AMOUNT OF \$2,550,000 FOR THE PURPOSES OF CONSTRUCTING AND REPAIRING PUBLIC ROADS, INCLUDING PURCHASING CAPITAL EQUIPMENT FOR SUCH PROJECTS, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE AWARD AND SALE OF THE BONDS TO THE NEW MEXICO FINANCE AUTHORITY PURSUANT TO A BOND PURCHASE AGREEMENT; DELEGATING AUTHORITY TO MAKE CERTAIN DETERMINATIONS CONCERNING THE TERMS OF THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

WHEREAS, at a special general obligation bond election duly called and held for Valencia County, New Mexico (the "County") on the 21st day of August, 2018, the electors of the County authorized the County's Board of Commissioners (the "Board") to contract bonded indebtedness on behalf of the County and upon the credit thereof by issuing general obligation bonds of the County to secure funds for the following purposes in the following amounts (the "Project"):

<u>Purpose:</u>	<u>Amount Authorized At Election</u>	<u>Amount Previously Issued</u>	<u>Amount To Be Issued</u>
Constructing and repairing public roads and purchasing capital equipment for such projects.	\$5,100,000	\$2,550,000	\$2,550,000

WHEREAS, the Board has determined, and does hereby determine, that it is necessary and in the best interest of the County and the inhabitants thereof that a portion of the general obligation bonds authorized at the election (the "Bonds") be issued at this time; and

WHEREAS, the Board has received an offer to purchase the Bonds from the New Mexico Finance Authority (the "Finance Authority") pursuant to a Bond Purchase Agreement, a form of which has been presented to the Board with this Ordinance; and



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WHEREAS, pursuant to Sections 6-14-8 through 6-14-12 NMSA 1978, as amended (the "Supplemental Public Securities Act"), the Governmental Unit is authorized to adopt a resolution delegating to one or more of its officers the authority to determine the final terms for public securities to be issued so long as such final terms are within the parameters established by an authorizing resolution or ordinance adopted in conformity with the Supplemental Public Securities Act; and

WHEREAS, in order to, among other things, allow the Governmental Unit to grant to its Manager and/or finance Director the authority (a) to determine any or all of the following terms of the Bonds: (i) the interest and principal payment dates, (ii) the interest rates, or (iii) the redemption provisions (b) to make any changes with respect thereto from those terms which were before the Governing Body at the time of adoption of this Ordinance, provided such terms do not exceed the parameters set forth for such terms in this Ordinance; and

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF VALENCIA COUNTY, NEW MEXICO:

Section 1. All actions heretofore taken by the Board and the officers and employees of the County directed toward the issuance and sale of the Bonds to secure funds for the Project be, and the same hereby are, ratified, approved and confirmed, including the sale of the Bonds in the amount of \$2,550,000 to the New Mexico Finance Authority pursuant to the Bond Purchase Agreement which is hereby approved. The Chairman of the Board is authorized to complete and modify the Bond Purchase Agreement consistent with this Ordinance.

Section 2. The Board hereby declares that it has considered all relevant information and data and hereby makes the following findings:

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

B. The full faith and credit of the County may lawfully be pledged to secure the payment and redemption of the Bonds.

C. The issuance of the Bonds to provide funds for the financing of the Project is necessary and in the interest of the public health, safety, morals and welfare of



the residents of the County.

D. The net effective interest rate on the Bonds shall be less than 10% per annum, the maximum rate permitted by State law.

E. The Project is needed to meet the needs of the County and its residents.

Section 3.

A. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the residents of the County, it is hereby declared necessary that the County issue its negotiable, fully registered, general obligation bonds to be designated "Valencia County, New Mexico General Obligation Bonds, Series 2020," in an aggregate principal amount of \$2,550,000. The issuance, sale and delivery of the Bonds are hereby authorized. The Bonds shall mature and bear interest on the dates and at the rates set forth in the certificate approving the final terms of the Bonds executed by the Manager or Finance Director of the County (the "Pricing Certificate").

B. The Bonds shall be dated the date of delivery (herein the "Series Date"), will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates per annum set forth in the Pricing Certificate, payable to the registered owner thereof, or registered assigns, on February 1, 2021, and semiannually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year, or as otherwise set forth in the Pricing Certificate. The Bonds shall mature no later than twenty (20) years after their date of issuance. The Bonds shall be sold in a negotiated sale to the New Mexico Finance Authority. The underwriter's discount for the Bonds shall be no more than two percent (2%) of par.

C. The Bonds maturing on and after August 1, 2031 shall be subject to redemption prior to maturity at the County's option in one or more units of principal of \$5,000 on and after October 23, 2030, in whole or in part at any time, in such order of maturities as the County may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner considered appropriate and fair) at a redemption price equal to the principal amount of the Bonds or portions thereof to be redeemed plus accrued interest, if any, to the date fixed for redemption.

D. The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, N.A. as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent.



If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month preceding the interest payment date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

E. Notice of redemption of the Bonds will be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the address shown as of the fifth day prior to the mailing of notice on the registration books by the Registrar/Paying Agent. The County shall give the Registrar/Paying Agent notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar/Paying Agent is required to give owners notice of redemption specifying the Bonds and the principal amount to be called for redemption and the applicable redemption dates. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. The notice will specify the number or numbers and maturity date or dates of the Bonds to be redeemed (if less than all are to be redeemed) the principal amount of any Bond to be redeemed in part, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond or part thereof to be redeemed at the office of the Registrar/Paying Agent the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date and that from and after such date interest will cease to accrue on the principal amount redeemed. Such notice may be a conditional notice of redemption insofar as the money or securities necessary to pay the redemption price of the Bonds are not required to be on deposit with the Registrar/Paying Agent prior to the giving of notice of optional redemption of the Bonds. If notice is given in the manner provided above, the



Bond or Bonds or part thereof called for redemption will become due and payable on the redemption date designated and if an amount of money sufficient to redeem all Bonds called for redemption is on deposit with the Registrar/Paying Agent on the redemption date, the Bonds or part thereof to be redeemed shall be deemed to be not outstanding and will cease to bear or accrue interest from and after such redemption date. Upon presentation of a Bond to be redeemed at the office of the Registrar/Paying Agent on or after the redemption date, the Registrar/Paying Agent will pay such Bond, or portion thereof called for redemption.

Section 4. The Bonds shall constitute the general obligation debt of the County, payable from general ad valorem taxes in amounts sufficient to meet the semi-annual payments of interest and annual payments of principal on the Bonds maturing in each year. The full faith and credit of the County shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 5. The Bonds shall bear the facsimile or manual signature of the Chairman of the Board and shall be attested by the facsimile or manual signature of the County Clerk and shall bear the facsimile or original seal of the County. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Chairman of the Board and County Clerk shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Chairman of the Board and County Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If facsimile signatures are to appear on the Bonds, the Chairman of the Board and County Clerk, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6.

A. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent, which is hereby appointed by the County as registrar and



as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each interest payment date for change of name or address of the registered owners. Transfers shall be permitted within fifteen days prior to each interest payment date but such transfer will not include transfer of interest payable on such interest payment date.

B. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided in this ordinance with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

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



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

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

G. The Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with a depository acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the depository and its participants ("Participants"). As a condition to delivery of the Bonds in book-entry form, the purchaser will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the depository, registered in the name of the depository or its nominee. Principal, premium, if any, and interest will be paid to the depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the depository, Participants or Indirect Participants.

If (i) the Bonds are not eligible for the services of the depository, (ii) the depository determines to discontinue providing its services with respect to the Bonds or (iii) the County determines that a continuation of the system of book-entry transfers through the depository ceases to be beneficial to the County or the Beneficial Owners, the County will either identify another depository or certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the County shall mail an appropriate notice to the depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

The officers of the County are authorized to sign agreements with the depository relating to the matters set forth in this Section.



Notwithstanding any other provision of this ordinance, so long as all of the Bonds are registered in the name of the depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Registrar/Paying Agent or the County to the depository as provided in this ordinance and by the depository to its Participants or Indirect Participants and to the Beneficial Owners of the Bonds.

Section 7. The County may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor registrar/paying agent. Every such successor registrar/paying agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000, or the County's Manager, Finance Director, Clerk or other officer or employee of the County as designated by the Board from time to time.

Section 8. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 9. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED

REGISTERED

NO. R-

\$ _____

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
VALENCIA COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2020

Registered Owner: NEW MEXICO FINANCE AUTHORITY

Principal Amount: _____ DOLLARS

Interest Rate	Maturity Date	Series Date
_____% per annum	_____, 20__	October 23, 2020

The Board of County Commissioners (the "Board") of Valencia County, New Mexico (the "County"), on the faith, credit and behalf of the County, for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on February 1, 2021, and thereafter on February 1 and August 1 of



each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, N.A. as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by such Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

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

The series of Bonds of which this bond is one is limited to the total principal amount of \$2,550,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the Valencia County, New Mexico, for the purposes of providing funds for (1) constructing and repairing public roads and purchasing capital equipment for such projects, and (2) paying costs of issuance of the Bonds. The Bonds are issued under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 4-49-1 through 4-49-21, NMSA 1978, the provisions of Sections 6-15-1 through 6-15-22, NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to an ordinance of the Board duly adopted and made



a law of the County prior to the issuance of this bond (collectively, the "Bond Ordinance").

The Bonds maturing on and after August 1, 2031 are callable on and after October 23, 2030, or on any date thereafter, in whole or in part, at the option of the County at par plus accrued interest, if any, to the date of redemption.

Notice of redemption of the Bonds will be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the address shown as of the fifth day prior to the mailing of notice on the registration books by the Registrar/Paying Agent. The County shall give the Registrar/Paying Agent notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar/Paying Agent is required to give owners notice of redemption specifying the Bonds and the principal amount to be called for redemption and the applicable redemption dates. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. The notice will specify the number or numbers and maturity date or dates of the Bonds to be redeemed (if less than all are to be redeemed) the principal amount of any Bond to be redeemed in part, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond or part thereof to be redeemed at the office of the Registrar/Paying Agent the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date and that from and after such date interest will cease to accrue on the principal amount redeemed. Such notice may be a conditional notice of redemption insofar as the money or securities necessary to pay the redemption price of the Bonds are not required to be on deposit with the Registrar/Paying Agent prior to the giving of notice of optional redemption of the Bonds. If notice is given in the manner provided above, the Bond or Bonds or part thereof called for redemption will become due and payable on the redemption date designated and if an amount of money sufficient to redeem all Bonds called for redemption is on deposit with the Registrar/Paying Agent on the redemption date, the Bonds or part thereof to be redeemed shall be deemed to be not outstanding and will cease to bear or accrue interest from and after such redemption date. Upon presentation of a Bond to be redeemed at the office of the Registrar/Paying Agent on or after the redemption date, the Registrar/Paying Agent will pay such Bond, or portion thereof called for redemption.

The Registrar/Paying Agent will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the



same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each Interest Payment Date for change of name or address of the registered owners. Transfers shall be permitted within fifteen days prior to each Interest Payment Date but such transfer will not include transfer of interest payable on such Interest Payment Date.

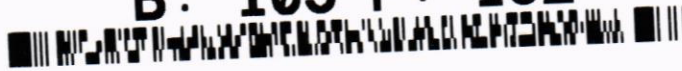
The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

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

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the County in the issuance of this bond; that the total indebtedness of the County, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall

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not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

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

VALENCIA COUNTY, NEW MEXICO

By _____
Chairman, Board of County Commissioners

(SEAL)

ATTEST

By Peggy Carbajal
County Clerk

[Form of Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

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

BOKF, N.A.

Date of Authentication and
Registration: October 23, 2020

_____,
as Registrar/Paying Agent

By: _____
Authorized Officer

[End of Form of Certificate of Authentication]



[Form of Assignment]

ASSIGNMENT

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

Dated: _____

Signature Guaranteed: _____

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

[End of Form of Assignment]

[End of Form of Bond]

Section 10. When the Bonds have been duly executed and authenticated, they shall be delivered to the lawful purchaser thereof named in Section 1 of this ordinance. The funds realized from the sale of the Bonds shall be applied solely to the specified purposes for the Bonds, but the purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the County, or any of its officers, of any of the funds derived from the sale thereof.

Section 11. In order to pay the principal of and interest on the Bonds as they become due and, at the option of the County, to reimburse the general fund or other funds for the payment of principal of or interest on the Bonds for which property taxes were not available, there shall be an annual assessment and levy upon all of the taxable property of the County subject to taxation which provides an amount sufficient to pay the principal of and the interest on the Bonds as they become due and payable. However, the County may, at its option, apply any other funds lawfully available for the purpose to the payment of principal or interest on the Bonds as they become due, and the levies required by this Section may be reduced to the extent other revenues are or will be available and used for payment of the Bonds. To the extent property taxes are not available for that purpose, the principal of and interest accruing on the Bonds shall be paid from the County's general fund or from any other fund lawfully available for that purpose. The taxes shall be assessed, levied and collected annually at the time and in the manner as



other County taxes are assessed, levied and collected. Annually, the Board shall take all reasonable action to insure the levy and collection of taxes by the governmental authority charged with legal responsibility to levy and collect taxes in amounts sufficient at the time to pay the principal of and interest on the Bonds. The money produced by the levy of taxes provided in this Section to pay the principal of and interest on the Bonds is appropriated for that purpose and that amount shall be included in the annual budget adopted and passed by the Board each year. The taxes collected shall be maintained in an interest and sinking fund, which is hereby created, and kept for and applied only to the payment of the principal of and interest on the Bonds when due and as otherwise required or permitted by law.

Section 12. The Chairman of the Board, County Manager, County Treasurer, County Clerk and other 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 deposit of the proceeds of the Bonds into an acquisition fund for payment of the costs of the Project and the costs of issuance of the Bonds, the printing of the Bonds, accounting and verification fees, and the execution of such certificates as may be required by the New Mexico Finance Authority relating to the signing of the Bonds, the tenure and identity of County officials, the receipt of the purchase price of the Bonds from the purchaser and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes. Pursuant to Section 6-14-10.2, NMSA 1978, the Manager and/or Finance Director of the Governmental Unit are each individually hereby delegated authority to execute the Pricing Certificate, and to determine any or all of the final terms of the Bonds, subject to the parameters and conditions contained in this Ordinance. The Manager and/or finance Director shall present the Pricing Certificate to the Governing Body in a timely manner, before or after delivery of the Bonds, at a regularly scheduled public meeting of the Governing Body.

Section 13. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The County Manager, County Finance Director, County Treasurer, County Clerk and any other officer of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The County covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the



Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The County Manager, County Finance Director, County Treasurer, County Clerk 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, as may be appropriate to assure such exclusion of that interest.

Section 14. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") hereunder when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or other) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a qualified depository for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment (as verified by a certified or registered public accountant), and when proper arrangements have been made by the County with a qualified depository for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes herein levied and pledged as provided in this ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

Any moneys so deposited with the qualified depository may, at the written direction of the County, also be invested in Government Obligations, maturing in the amounts and times required to make payments when due on the Defeased Bonds, and all income from such Government Obligations received by the qualified depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the County for deposit in the interest and sinking fund for payment of principal and interest on the Bonds. The term "Government Obligations" means direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

Section 15. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Board and the County hereby covenant to the purchasers and the holders of the Bonds from time to time that the County will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds



which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

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

Section 17. If any section, paragraph, clause or provision of this 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 18. The following notice shall be published one time in a newspaper having general circulation in the County as soon as is practicable following the adoption hereof and this ordinance shall be effective five days after such publication as provided by law.

[Form of Notice]

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Board of the County Commissioners of Valencia County, New Mexico, did on the 16th day of September, 2020, adopt an ordinance entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF VALENCIA COUNTY, NEW MEXICO, GENERAL OBLIGATION BONDS, SERIES 2020, IN THE PRINCIPAL AMOUNT OF \$2,550,000 FOR THE PURPOSES OF CONSTRUCTING AND REPAIRING PUBLIC ROADS, INCLUDING PURCHASING CAPITAL EQUIPMENT FOR SUCH PROJECTS, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE AWARD AND SALE OF THE BONDS TO THE NEW MEXICO FINANCE AUTHORITY PURSUANT TO A BOND PURCHASE AGREEMENT; DELEGATING AUTHORITY TO MAKE CERTAIN DETERMINATIONS CONCERNING THE TERMS OF THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.



The title sets forth a general summary of the subject matter contained in the ordinance.

Complete copies of the ordinance are on file in the Office of the County Clerk and are available for inspection and/or purchase during regular office hours. This Notice constitutes compliance with Sections 6-14-4 through 6-14-7, NMSA 1978.

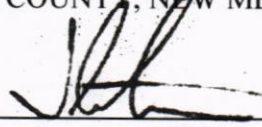
[End form of Notice]

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

PASSED, APPROVED AND ADOPTED THIS 16th DAY OF SEPTEMBER,
2020.

VALENCIA COUNTY, NEW MEXICO

[SEAL]

By 
Chairman

ATTEST:

By 
County Clerk

B: 103 P: 158



\$2,550,000
VALENCIA COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2020
BOND PURCHASE AGREEMENT
September 16, 2020

Valencia County, New Mexico
Los Lunas, New Mexico

The New Mexico Finance Authority (the "Purchaser") enters into this Bond Purchase Agreement (the "Agreement") with Valencia County, New Mexico (the "County") to purchase the Valencia County, New Mexico General Obligation Bonds, Series 2020, in the aggregate principal amount of \$2,550,000 (the "Bonds"). The Bonds are issued pursuant to Sections 4-49-1 through 4-49-21, Sections 6-15-1 through 6-15-22, NMSA 1978, as amended (collectively referred to hereafter as, the "Act"), the Ordinance of the County Commission of the County (the "Commission") adopted on September 16, 2020 (the "Ordinance"), authorizing the sale of the Bonds in the total principal amount of \$2,550,000 (the "Purchase Price") and authorizing the Pricing Officer to act on behalf of the County in selling and delivering the Bonds, which authorization shall be evidenced by a certificate signed by the Pricing Officer (the "Pricing Certificate"). The Pricing Certificate will be presented to the Commission. Capitalized terms in this Agreement (including Exhibits) shall have the same definitions as set forth in the Ordinance, unless the term is defined herein or the context used clearly requires otherwise.

1. Purchase, Sale and Delivery of the Bonds.

A. On the basis of the representations, warranties, covenants and agreements contained in this Agreement, the Ordinance and the Bonds, 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 Bonds 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 Bonds shall be in the principal amounts, mature on the dates, bear interest at the rates and have the terms set forth in the Pricing Certificate subject to the parameters and conditions established by the Commission in the Ordinance.

B. The date of delivery of and payment for the Bonds is referred to in subparagraph C below in this Agreement as the "Closing Date." The Bonds 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 Bonds 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 October 23, 2020, or such other mutually agreeable date.

D. Proceeds from the sale of the Bonds in amounts 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 upon receipt of properly executed requisition in substantially the same form attached to this Agreement as Exhibit B-1 directing the Trustee to transfer the proceeds of the Bonds to the Escrow Account, as defined below.

E. As of the date of execution of this Agreement, the County is a disadvantaged qualified entity within the meaning of Section 8(B)(4)(a) of the Purchaser's Amended and Restated Rules and Regulations Governing the Public Project Revolving Fund Program with a median household income of \$45,084, which is less than one hundred percent (100%) of the State of New Mexico (the "State") median household income of \$46,718.

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 a political subdivision of the State, duly organized and validly existing under the laws of the State;

B. In connection with the issuance of the Bonds, 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 has properly appointed the Pricing Officer.

D. The County is authorized to issue the Bonds for the purpose of constructing and repairing public roads and purchasing capital equipment for such projects and paying the costs of issuance of the 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, the Ordinance and the Pricing Certificate. The Chairman has duly executed the Ordinance and the _____ has duly executed the Pricing Certificate, both of which are valid and enforceable against the County and which authorize the execution and delivery of this Agreement and the execution, issuance, sale and delivery of the Bonds. 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 Ordinance, the Pricing Certificate and the Act, (B) issue, execute and deliver, and perform its obligations under the Bonds, 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 Ordinance, the Pricing Certificate 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 Ordinance and to execute the Pricing Certificate;

E. The Ordinance, the Pricing Certificate 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 Bonds, when issued, delivered and paid for, in accordance with the Ordinance, the Pricing Certificate and this Agreement, will constitute legal, valid and binding general obligations of the County entitled to the benefits of the 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 Bonds as aforesaid, the Ordinance will provide the legally valid and binding pledge of certain taxes it purports to create as set forth in the Ordinance;

F. The proceeds of the Bonds will be deposited in the Capital Projects Escrow Account (the "Escrow Account") created pursuant to the Capital Projects Escrow Agreement Regarding Proceeds of Sale and Delivery of Valencia County, New Mexico General Obligation Bonds, Series 2020 (the "Escrow Agreement") held by the Trustee, as Escrow Agent, and shall be used by the County only for (i) payment of costs of the Project, (ii) to pay debt service on the Bonds and (iii) for payment of the County's costs of issuance of the Bonds. The distribution and use of the Bond proceeds will be in compliance with the provisions of the Ordinance. Money on deposit in the Escrow Account held by the Escrow Agent may be invested by the Escrow Agent as permitted by applicable State law. Any earnings on the Escrow Account shall be held and administered in the account and utilized in the same manner as the other moneys on deposit therein;

G. Moneys deposited to the Escrow Account, being the Purchase Price of the Bonds, will be made available to the County upon submittal of Requisitions to the Finance Authority and the Escrow Agent in the form attached as Exhibit B-2 to this Agreement;

H. The proceeds of the Bonds will be expended within three (3) years of the Closing Date, unless a longer term is approved by Bond Counsel (as defined below) in writing. Upon completion of the Project, the County agrees to deliver a Certificate of Completion to the Purchaser and the Trustee (as defined below) substantially in the form attached as Exhibit C to this Agreement stating that, to the best of his or her knowledge, the Project has been completed by the County, and all costs have been paid;

I. 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 Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance, the Pricing Certificate or this Agreement, or contesting the powers of the County or its authority with respect to the Bonds, the Ordinance, the Pricing Certificate or this Agreement;

J. The issuance, sale and delivery of the Bonds, 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 Bonds do not materially conflict with or constitute a material breach or material default under any administrative regulation, judgment, decree, loan agreement, indenture, note, bond, resolution, 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;

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

L. 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 bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, or interest;



M. Since June 30, 2020, the County has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position of the County, whether or not arising from transactions in the ordinary course of business;

N. At or prior to the Closing Date, except as may be required under the securities laws 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 Bonds prior to the Closing Date will have been obtained and will be in full force and effect;

O. Upon issuance of the Bonds, the County shall file with the New Mexico Department of Finance and Administration a copy of the Ordinance, the Pricing Certificate, the agreement, if any, with the Paying Agent/Registrar and the name, address, telephone number of the Paying Agent/Registrar; and

P. The County agrees to provide continuing disclosure to the Purchaser, as the Purchaser may reasonably require, that shall include, but not be limited to: annual audits, operational data required to update information in any disclosure documents used to assign or securitize debt service on the Bonds by issuance of bonds by the Purchaser pursuant to the Indenture, as defined below, and notification of any event reasonably deemed material by the Purchaser.

Q. The County agrees that neither this Agreement nor the Bonds will be amended without the prior written consent of the Purchaser, and, if the Bonds have been pledged under the Indenture (as defined below), without the prior written consent of the Trustee (as defined below) pursuant to the Indenture.

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 Bonds.

B. In connection with the purchase of the Bonds, the Purchaser acknowledges that no offering document or prospectus has been prepared with respect to the sale of the Bonds to the Purchaser, and that the Purchaser is buying the Bonds 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 Bonds.

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

D. The Purchaser is purchasing the Bonds for its own account (and not on behalf of another) and has no present intention of reselling the Bonds; however, the Purchaser reserves the right to sell, pledge, transfer, convey, hypothecate, mortgage, or dispose of the Bonds 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 Bonds and in

compliance with the Securities Act of 1933, as amended, and as then in effect, the regulations promulgated thereunder and applicable state securities laws and regulations.

E. The Purchaser intends to reimburse the Public Project Revolving Fund (as defined in the New Mexico Finance Authority Act, NMSA 1978, Section 6-21-1 *et seq.*) for the amount of the Bonds from the proceeds of tax-exempt bonds which the Purchaser expects to issue within eighteen (18) months of the Closing Date.

4. Redemption. The Bonds maturing on and after August 1, 2031 are subject to redemption at the option of the County prior to their scheduled maturity, in whole or in part on or after October 23, 2030, without premium, with funds derived from any available and lawful source, and the County shall designate the amount that is to be redeemed, and if less than a whole maturity is to be redeemed, the County shall direct the paying agent/registrar of the Bonds to call by lot Bonds, or portions thereof within such maturity, for redemption (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price of par, plus accrued interest to the date fixed for prepayment or redemption.

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

A. The County shall have performed its obligations and agreements to be performed under the 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, reasonably exercised, 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 Bonds.

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

(1) Written opinion of Modrall, Sperling, Roehl, Harris & Sisk P.C. ("Bond Counsel") dated the Closing Date approving the legality and enforceability of the Bonds and regarding the tax-exempt status of the Bonds, addressed and delivered to the Purchaser;

(2) A written opinion of Sutin, Thayer & Browne A Professional Corporation ("Purchaser's Counsel") that the Bonds may be pledged by the Purchaser as a loan or as securities pursuant to the General Indenture of Trust and Pledge dated as of June 1, 1995, as amended and supplemented, by and between the Purchaser and BOKF, NA (the "Trustee"), as successor trustee, or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as amended and supplemented, by and between the Purchaser and the Trustee (collectively,



the "Indenture"), as determined by the Purchaser pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture);

(3) 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;

(4) A General Certificate dated the Closing Date of an authorized officer of the County;

(5) A No-Litigation Certificate dated the Closing Date of an authorized officer of the County;

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

(7) A specimen Bond;

(8) An executed Tax Certificate of the County with respect to the Bonds;

(9) An executed Pricing Certificate of the County with respect to the Bonds;

(10) An executed Escrow Agreement;

(11) 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 Ordinance; and

(12) Such additional certificates, opinions or other documents as Bond Counsel, Purchaser, or Purchaser's Counsel 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 Ordinance and this Agreement.

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

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 Commission, shall have been issued or commenced with the purpose or effect of prohibiting the issuance or sale of the Bonds.

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 shall 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.

6. The Purchaser's Right to Cancel. The Purchaser shall have the right in its sole discretion, reasonably exercised, to cancel its obligations under this Agreement to purchase the Bonds 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 the U.S. Congress shall be enacted or actively considered for enactment by the U.S. Congress, or recommended by the President of the United States of America to the U.S. 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 Bonds;

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 Ordinance and this Agreement and, in the judgment of the Purchaser, reasonably exercised, materially adversely affects the purchase of the Bonds 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 Securities and Exchange Commission (the "SEC") or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that (1) the Bonds 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, or (2) the Ordinance is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, 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 Bonds, 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, or the Trust Indenture Act of 1939, as amended and as then in effect;

E. There shall exist any fact or there shall occur any event which, in the reasonable judgment of the Purchaser, 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 Bonds 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 Bonds 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, reasonably exercised, impractical or inadvisable to proceed with the purchase of the Bonds;

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 Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, this Agreement, the Ordinance, the Pricing Certificate, the existence or powers of the County, or any of the transactions described herein.

7. 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 Bonds 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 Bonds to the Purchaser.

8. Payment of Expenses. The Purchaser shall pay the fees, expenses and costs incurred by it, its counsel and its financial advisor relating to the preparation, issuance, delivery and sale of the Bonds. All other fees, expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds shall be paid by the County.

9. 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.

10. 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.

11. 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 the New Mexico Finance Authority, 207 Shelby Street, Santa Fe, New Mexico 87501, Attention: Chief Executive Officer; 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 Valencia County, 444 Luna Avenue, Los Lunas, New Mexico 87031, Attention: Finance Director.

12. 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

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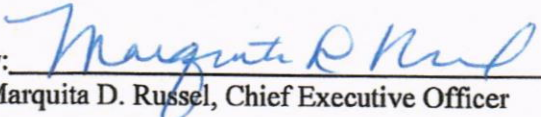
and is made solely for the benefit of the Purchaser and the County, and no other person shall acquire or have any right hereunder or by virtue hereof.

13. 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, and, if the Bonds have been pledged under the Indenture, without the prior written consent of the Trustee pursuant to the Indenture.

[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.

NEW MEXICO FINANCE AUTHORITY

By: 
Marquita D. Russel, Chief Executive Officer

Accepted and confirmed
as of September 22, 2020:

VALENCIA COUNTY, NEW MEXICO

By: _____
Pricing Officer/Chairman

5586694_2

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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.

NEW MEXICO FINANCE AUTHORITY

By: _____
Marquita D. Russel, Chief Executive Officer

Accepted and confirmed
as of September 22, 2020:

VALENCIA COUNTY, NEW MEXICO

By: _____
Pricing Officer/Chairman

Revised BPA 9.28.20 (002).docx

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EXHIBIT A

FORM OF DELIVERY, DEPOSIT AND CROSS-RECEIPT CERTIFICATE
\$2,550,000
VALENCIA COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2020

STATE OF NEW MEXICO)
) ss: DELIVERY, DEPOSIT AND
VALENCIA COUNTY) CROSS-RECEIPT CERTIFICATE

IT IS HEREBY CERTIFIED by the undersigned, the duly chosen, qualified and acting Chairman of Valencia County, New Mexico (the "County"):

1. On the date of this Certificate, the County executed and delivered, or caused to be delivered, its \$2,550,000 Valencia County, New Mexico General Obligation Bonds, Series 2020 (the "Bonds") to the New Mexico Finance Authority (the "Finance Authority"), the purchaser of the Bonds, as authorized by the County's authorizing Ordinance of the County Commission (the "Commission") adopted on September 16, 2020 (the "Ordinance"), relating to the issuance, sale and delivery of the Bonds. Certain amounts relating to the Bonds in the amount of \$2,550,000, being the full purchase price therefore, are being deposited as set forth below.

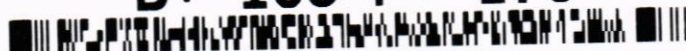
2. Such amounts relating to the Bonds will be placed in the funds and accounts created under the Escrow Agreement (as defined in the Bond Purchase Agreement), among the Finance Authority, the County and BOKF, NA, as Escrow Agent, and its successors and assigns, and all supplemental indentures thereto and used as set forth below and in the Ordinance:

Escrow Account Deposit (including \$60,000 for cost of issuance):	<u>\$2,550,000.00</u>
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TOTAL:	\$2,550,000.00
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3. Moneys deposited to the Escrow Account, being the purchase price of the Bonds, will be made available to the County upon submittal of Requisitions to the Finance Authority and the Escrow Agent in the form attached to the Bond Purchase Agreement as Exhibit B-2 and will be used as set forth in the Ordinance and the Bond Purchase Agreement.

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It is hereby certified by the undersigned, on behalf of the Finance Authority, the lawful purchaser of the Bonds, that on this day the Finance Authority received from Valencia County, New Mexico, its General Obligation Bonds, Series 2020, in the aggregate principal amount of \$2,550,000.

NEW MEXICO FINANCE AUTHORITY

By: _____
Marquita D. Russel, Chief Executive Officer

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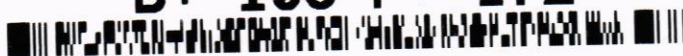


EXHIBIT B-1
FORM OF REQUISITION

REQUISITION
(PAYMENT OF PURCHASE PRICE)

RE: \$2,550,000 Valencia County, New Mexico, General Obligation Bonds, Series 2020
– New Mexico Finance Authority Purchase Transaction

TO: BOKF, NA
c/o New Mexico Finance Authority
PPRF@nmfa.net

LOAN NO.: PPRF-5309

CLOSING DATE: October 23, 2020

You are hereby authorized to disburse from the Program Account – Valencia County, New Mexico General Obligation Bonds, Series 2020, with regard to the above-referenced Bond Purchase Transaction, the following:

REQUISITION NUMBER:	1
NAME AND ADDRESS OF PAYEE:	Valencia County, New Mexico Capital Projects Escrow Account held by BOKF, NA
AMOUNT OF REQUISITION:	\$2,550,000
PURPOSE OF REQUISITION:	To fund Capital Projects Escrow Account for the sole benefit and use of Valencia County, New Mexico

The requisition of funds is for the purpose stated above and is a proper charge against the Program Account – Valencia County, New Mexico.

All representations contained in the Bond Purchase Agreement and the related closing documents remain true and correct and Valencia County is not in breach of any of the covenants contained therein.

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If this is the final requisition, payment of costs of the Project is complete or, if not complete, Valencia County understands its obligation to complete the acquisition of the Project from other legally available funds.

VALENCIA COUNTY, NEW MEXICO

DATED: _____

By: _____

Print Name and Title

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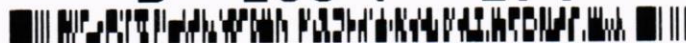


EXHIBIT B-2

FORM OF REQUISITION

**REQUISITION
(PAYMENT FROM CAPITAL PROJECTS ESCROW ACCOUNT)**

RE: \$2,550,000 Valencia County, New Mexico, General Obligation Bonds, Series 2020
– New Mexico Finance Authority Purchase Transaction

TO: BOKF, NA
c/o New Mexico Finance Authority
PPRF@nmfa.net

LOAN NO.: PPRF-5309

CLOSING DATE: October 23, 2020

You are hereby authorized to disburse from the Capital Projects Escrow Account – Valencia County, New Mexico General Obligation Bonds, Series 2020, with regard to the above-referenced Bond Purchase Transaction, the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT OF REQUISITION: \$ _____

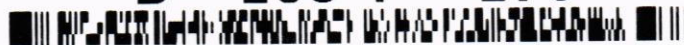
PURPOSE OF REQUISITION: _____

Each obligation, item of cost or expense mentioned herein is for costs of the Project, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Capital Projects Escrow Account – Valencia County, New Mexico.

All representations contained in the Bond Purchase Agreement and the related closing documents remain true and correct and Valencia County, New Mexico is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Project is complete or, if not complete, Valencia County, New Mexico understands its obligation to complete the acquisition of the Project from other legally available funds.

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VALENCIA COUNTY, NEW MEXICO

DATED: _____

By: _____

Print Name and Title

APPROVED FOR DISTRIBUTION:

NEW MEXICO FINANCE AUTHORITY

By: _____

Print Name and Title

DATED: _____

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EXHIBIT C

CERTIFICATE OF COMPLETION

RE: \$2,550,000 Valencia County, New Mexico, General Obligation Bonds, Series 2020
– New Mexico Finance Authority Purchase Transaction

TO: New Mexico Finance Authority
PPRF@nmfa.net

Susen Ellis
Vice President, Corporate Trust
BOKF, NA
100 Sun Avenue NE, Suite 500
Albuquerque, New Mexico 87109

LOAN NO.: PPRF-5309

CLOSING DATE: October 23, 2020

In accordance with Section 2.G of the Bond Purchase Agreement, the undersigned states, to the best of his or her knowledge, that the financing of the Project has been completed by the County, and all costs have been paid as of the date of this Certificate. Notwithstanding the foregoing, this certification is given without prejudice to any rights against third parties which exist at the date of this Certificate or which may subsequently come into being.

Capitalized terms used herein, are used as defined or used in the Bond Purchase Agreement.

DATED: _____

By: _____
Authorized Officer of County

Title: _____
Print Name and Title

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