



VILLAGE OF CORRALES, NEW MEXICO

RESOLUTION NO. 14-01

A RESOLUTION RELATING TO THE VILLAGE OF CORRALES HOLD HARMLESS GROSS RECEIPTS TAX REFUNDING AND REVENUE BONDS, SERIES 2014, TO BE ISSUED IN THE AMOUNT OF \$3,445,000; ESTABLISHING THE EXACT PRINCIPAL AMOUNT, MATURITY DATES, RATES OF INTEREST, REDEMPTION FEATURES, AND PRICE WITH RESPECT TO SUCH BONDS IN ACCORDANCE WITH THE BOND ORDINANCE ADOPTED BY THE GOVERNING BODY OF THE VILLAGE OF CORRALES ON DECEMBER 10, 2013; APPROVING THE BOND PURCHASE AGREEMENT FOR SALE OF THE BONDS; PROVIDING FOR BOND INSURANCE AND A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN; AND REPEALING ANY ACTIONS HERETOFORE TAKEN INCONSISTENT WITH THE BOND ORDINANCE AND THIS RESOLUTION.

Capitalized terms contained in this Resolution and not defined herein shall have the meaning given them in Ordinance No. 13-019 of the Village of Corrales, adopted December 10, 2013 (the "Bond Ordinance"), unless the context clearly requires otherwise.

WHEREAS, the Village is a legally and regularly created, established, organized and existing municipality under the general laws of the State; and

WHEREAS, pursuant to the Act, the Governing Body adopted the Bond Ordinance authorizing the issuance of the Bonds and providing for the adoption of this resolution ("Sale Resolution") setting forth certain details with respect to the Bonds; and

WHEREAS, the Governing Body has determined that it is advisable and in the best interest of the Village to sell the Bonds to George K. Baum & Company (the "Purchaser") and desires to adopt this Sale Resolution as contemplated by the Bond Ordinance; and

WHEREAS, the Purchaser has offered to purchase the Bonds at a purchase price of \$3,353,482.63 (being the par amount of the Bonds of \$3,445,000, less an Underwriter's discount of \$34,250.00 and expenses of \$81,713.22, which includes counsel, insurance premium and rating fees, plus net original issue premium of \$24,445.85) and has presented a final Bond Purchase Agreement to the Governing Body setting out the terms with respect to the purchase and sale of the Bonds for consideration and approval by the Governing Body in connection with the adoption of this Sale Resolution; and

WHEREAS, there have been presented to the Governing Body, and there presently are on file with the Acting Village Clerk, this Sale Resolution, the form of the Bond Purchase Agreement the Continuing Disclosure Undertaking, the Preliminary Official Statement, and the Official Statement, each relating to the sale of the Bonds and for the approval of the Governing Body in connection with the adoption of this Sale Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE VILLAGE OF CORRALES, NEW MEXICO:

Section 1. Ratification. All action heretofore taken, not inconsistent with the provisions of this Sale Resolution, by the Governing Body and officers of the Village directed toward the issuance and sale of the Bonds, including without limitation the adoption of the Bond Ordinance, shall be, and the same hereby is, ratified, approved and confirmed.

Section 2. Details of the Bonds. The Bonds shall be issued in the aggregate principal amount of \$3,420,000, shall be dated the date of their issuance and delivery, shall bear interest from their date until maturity at the rates hereinafter designated, payable commencing on May 1, 2014 and semiannually thereafter on May 1 and November 1 in each year, and shall mature in the designated principal amounts on May 1 in each of the years hereinafter designated, as follows:

<u>Amounts Maturing</u>	<u>Interest Rate (Per Annum)</u>	<u>Year Maturing (May 1)</u>
\$210,000.00	2.000%	2014
\$130,000.00	2.000%	2015
\$135,000.00	2.000%	2016
\$135,000.00	2.000%	2017
\$140,000.00	2.000%	2018
\$140,000.00	3.000%	2019
\$145,000.00	3.000%	2020
\$150,000.00	3.000%	2021
\$155,000.00	3.000%	2022
\$160,000.00	3.000%	2023
\$165,000.00	3.000%	2024
\$170,000.00	3.125%	2025
\$355,000.00	4.000%	2027
\$590,000.00	4.000%	2030
\$665,000.00	4.200%	2033

provided, however, that the individual Bonds shall bear interest from the most recent interest payment date to which interest has been fully paid or duly provided for in full or, if no interest has been paid, from their date.

Section 3. Redemption.

(a) *Optional Redemption.* On not less than thirty (30) days' notice, the Bonds maturing on and after May 1, 2024 shall be subject to redemption prior to maturity, at the option of the Village by action of its Governing Body, at any time on or after May 1, 2023, in whole or in part, and if in part, the Bonds to be prepaid or redeemed shall be selected in order of maturities as the Governing Body shall determine and if less than all of the Bonds of a particular maturity are to be redeemed, then by lot in such manner as the Paying Agent/Registrar shall determine, at a price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(b) *Conditional Notice of Redemption.* Unless money sufficient to pay the principal of and premium, if any, on the Bonds to be optionally redeemed is received by the Paying Agent prior to the giving of notice of redemption in accordance herewith, that notice shall state that the redemption is conditional upon the receipt of that money by the Paying Agent by 2:00 p.m. on the redemption date. If an amount sufficient to redeem all Bonds called for redemption is not received by that time (i) the Paying Agent shall redeem only those Bonds for which the redemption price was received, (ii) the Bonds to be redeemed shall be selected in the manner set forth in the Bond Ordinance and (iii) the redemption notice shall have no effect with respect to those Bonds for which the redemption price was not received and those Bonds shall not be redeemed. The Registrar shall give notice to the owners of the Bonds previously called for redemption which will not be redeemed in the manner in which the notice of redemption was given, identifying the Bonds which will not be redeemed, stating that the redemption did not take place with respect to those Bonds and shall promptly return any Bonds previously delivered by the owners of those Bonds. Moneys received by the Paying Agent pursuant to this paragraph shall be invested by the Paying Agent in Permitted Investments which mature on the earlier of (a) 30 days or (b) the date on which such moneys are needed.

(c) *Mandatory Sinking Fund Redemption.* The Bonds maturing on May 1, 2027, on May 1, 2030, and on May 1, 2033 are also subject to mandatory sinking fund redemption on May 1 in each of the years and principal amounts stated below at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of Bonds so specified, the Village shall cause to be deposited in the Bond Fund a sum which is sufficient to redeem (after credit as provided below) the following principal amounts of such Bonds plus accrued interest to the sinking fund redemption date:

The Bonds maturing on May 1, 2027, will be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date on May 1, in the years and in the principal amounts stated below:

<u>Year</u>	<u>Amount</u>
2026	\$175,000
2027 *	180,000

* Maturity Date

The Bonds maturing on May 1, 2030, will be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date on May 1, in the years and in the principal amounts stated below:

<u>Year</u>	<u>Amount</u>
2028	\$190,000
2029	195,000
2030 *	205,000

* Maturity Date

The Bonds maturing on May 1, 2033, will be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date on May 1, in the years and in the principal amounts stated below:

<u>Year</u>	<u>Amount</u>
2031	\$215,000
2032	220,000
2033 *	230,000

* Maturity Date

(1) Not more than seventy (70) days nor less than thirty (30) days prior to each sinking fund redemption date, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Bonds of the applicable maturity subject to sinking fund redemption, a principal amount of Bonds equal to the aggregate principal amount of Bonds redeemable with the required sinking fund payments, shall call such Bonds or portions thereof (each such portion being \$5,000 or an integral multiple thereof) for such redemption on such sinking fund redemption date, and shall give notice of such call.

(2) At the option of the Village to be exercised by delivery of a written certificate to the Registrar on or before the seventieth day next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation bonds maturing on May 1, 2027, May 1, 2030, and May 1, 2033, as applicable, as being subject to mandatory sinking fund redemption in an aggregate principal amount desired by the Village or (ii) specify a principal amount of Bonds, maturing on May 1, 2027, May 1, 2030 and May 1, 2033, as applicable, as being subject to mandatory sinking fund redemption, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar at the request of the Village and not theretofore applied as a credit against any sinking fund obligation of the Village and not maturing on the same date. Each Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Village on such sinking fund redemption date for the bonds and any excess over such amount shall be credited against the next succeeding sinking fund obligation, if any, for the Bonds of such maturity in chronological order. In the event the Village shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the Bonds or portions thereof to

be canceled.

Section 4. Deposits into Funds and Accounts. On the date of delivery of the Bonds, the net proceeds from the sale of the Bonds and other monies of the Village legally available, if any, shall be deposited or used as follows:

- A. Accrued interest, if any, shall be deposited to the Acquisition Account.
- B. \$115,963.22 shall be used to pay Expenses on behalf of the Village.
- C. \$2,487,362.98 shall be deposited to the Acquisition Account to pay the costs of the Improvements.
- D. \$866,119.65 shall be deposited to the Refunding Project account which, along with moneys from prior issue debt service and debt service reserve funds, will be to complete the Refunding Project, with any remaining funds after completion of the Refunding Project transferred to the Acquisition Account.

Section 5. Sale of the Bonds. The Bonds are hereby sold to the Purchaser, in accordance with the Bond Purchase Agreement, at the total purchase price for the Bonds as set forth in the preambles of this Sale Resolution. All Expenses, except for those to be paid by the Purchaser, incurred in connection with the issuance of the Bonds and as set forth in the Bond Purchase Agreement, are to be paid by the Village.

Section 6. Approval of Bond Purchase Agreement; Execution of Documents. The form of the Bond Purchase Agreement has been filed in the office of the Acting Village Clerk and presented to the Governing Body on the date of this Sale Resolution. The form, terms and provisions of the Bond Purchase Agreement are in all respects approved, authorized and confirmed. The officers of the Village, including without limitation the Mayor and the Acting Village Clerk, shall be and they hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Sale Resolution, including, without limiting the generality of the foregoing, the execution of the Bond Purchase Agreement and such other documents and certificates as may be required by the Purchaser or bond counsel.

Section 7. Net Effective Interest Rate. The net effective interest rate on the Bonds is 3.670%, which is less than twelve percent (12%) as required by the applicable State law.

Section 8. Findings. It is hereby found and determined that the above terms established for the Bonds are within the limitations of such terms established by the Bond Ordinance and it is advisable to sell the Bonds to the Purchaser.

Section 9. Provisions Relating to Bond Insurance, Reserve Policy and Insurance Agreement. The officers of the Village are hereby authorized to enter into an insurance agreement (the "Insurance Agreement") with the Insurer (as hereinafter defined) under which the Insurer will issue a Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") in connection with the Bonds. Officers of the Village are authorized to deposit into the Debt Service Reserve Account in lieu of other funds a surety policy (the "Surety Policy") provided by the Insurer.

Section 10. Additional Provisions Relating to Bond Insurance. In the event there is any inconsistency between the provision of this Section 10 and any other provision of this Sale Resolution or the Bond Ordinance, the provisions of this Section 10 shall prevail to the maximum extent permitted by law, notwithstanding anything to the contrary in this Sale Resolution or the Bond Ordinance.

(a) “Insurance Policy” shall be defined as follows: The insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due. “Insurer” shall be defined as follows: Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund. Notwithstanding anything to the contrary set forth in the Bond Ordinance, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

(c) The Insurer shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds are entitled to take pursuant to the Bond Ordinance pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. Remedies granted to the Bondholders shall expressly include mandamus.

(d) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(e) The Insurer shall be included as a third party beneficiary to the Bond Ordinance and this Sale Resolution.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Bond Ordinance or this Sale Resolution which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of the Bond Ordinance, this Sale Resolution or any transaction document, including any underlying security agreement (each a “Related Document”), that requires the consent of Bond Owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(h) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Acquisition Account shall not be disbursed, but shall instead

be applied to the payment of debt service or redemption price of the Bonds.

(i) The rights granted to the Insurer under the Bond Ordinance, this Sale Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bond Owners or any other person is required in addition to the consent of the Insurer.

(j) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish defeasance, the Village shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Bond Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Village, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) business days prior to the funding of the escrow.

Bonds shall be deemed "Outstanding" under the Bond Ordinance unless and until they are in fact paid and retire or the above criteria are met.

(k) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Bond Ordinance and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Village in accordance with the Bond Ordinance. The Bond Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(l) Each of the Village and Paying Agent covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Account under

applicable law.

(m) Claims upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guarantee Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent’s failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Village on any Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the “Policy Payments Account” and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check and wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to

the contrary, the Village agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus three percent (3%), and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Village hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Revenues and payable from such Pledged Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall be promptly remitted to the Insurer.

(n) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Village to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(o) The Village shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Bond Ordinance, this Sale Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bond Ordinance, this Sale Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Bond Ordinance or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any such amendment, waiver or consent proposed in respect of the Bond Ordinance, this Sale Resolution or any other Related Document.

(p) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Village or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(q) The Insurer shall be entitled to pay principal of or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Village (as such

terms are defined in the Insurance Policy) and any amount due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Bond Ordinance, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(r) The Notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 215913-N, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(s) The Insurer shall be provided with the following information by the Village or Paying Agent, as the case may be:

- (i) Annual audited financial statements within 180 days after the end of the Village’s fiscal year (together with a certification of the Village that it is not aware of any default or Event of Default under the Bond Ordinance or this Sale Resolution), and the Village’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;
- (ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;
- (iii) Notice of any default known to the Paying Agent or Village within five (5) Business Days after knowledge thereof;
- (iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (v) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) Notice of the commencement of any proceeding by or against the Village commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”);
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

- (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and
- (ix) All reports, notices and correspondences to be delivered to Bondholders under the terms of the Related Documents.

In addition, to the extent that the Village has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(t) The Insurer shall have the right to receive such additional information as may be reasonably requested.

(u) The Village will permit the Insurer to discuss the affairs, finances and accounts of the Village or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Village and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Village on any business day upon reasonable prior notice.

(v) The Village shall notify the Insurer of any failure of the Village to provide notices, certificates and other information under the transaction documents.

(w) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Bond Ordinance, no such issuance may occur (i) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (ii) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(x) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Bond Ordinance or this Sale Resolution would adversely affect the security for the Bonds or the rights of the Bondholders, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(y) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(z) Any interest rate exchange agreement ("Swap Agreement") entered into by the Village shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (c) reasonably expected to be issued within the next twelve (12) months, and (ii)

the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively offsets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Village shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Village to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's (S&P) and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Insurer.

Section 11. Amendment of Sale Resolution. This Sale Resolution may be amended only on the same terms and conditions and in accordance with the same procedures as set forth in the Bond Ordinance for amendment of the Bond Ordinance. This Sale Resolution may not be amended without the prior written consent of the Insurer.

Section 12. Repealer Clause. All bylaws, orders, and resolutions, 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 13. Severability Clause. If any section, paragraph, clause or provision of this Sale Resolution 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 Sale Resolution.

Section 14. Title and General Summary for Publication. The title and a general summary of the subject matter contained in this Sale Resolution shall be published in substantially the following form after adoption of this Sale Resolution:

[Form of Summary of Sale Resolution for Publication.]

**Village of Corrales, New Mexico
Notice of Adoption of Sale Resolution**

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. 14-01 (the "Sale Resolution"), duly adopted and approved by the Governing Body of the Village of Corrales, New Mexico ("Governing Body"), on January 14, 2014, relating to the details of the Village of Corrales, New Mexico, Hold Harmless Gross Receipts Tax Refunding and Revenue Bonds, Series 2014 (the "Bonds") as authorized pursuant to Ordinance No. 13-019 duly adopted by the Governing Body on December 10, 2013. Complete copies of the Sale Resolution are available for public inspection during normal and regular business hours in the office of the Village Clerk of the Village of Corrales, 4324 Corrales Road, Corrales, New Mexico 87048.

The title of the Sale Resolution is:

A RESOLUTION RELATING TO THE VILLAGE OF CORRALES HOLD HARMLESS GROSS RECEIPTS TAX REFUNDING AND REVENUE BONDS, SERIES 2014, TO BE ISSUED IN THE AMOUNT OF \$3,445,000; ESTABLISHING THE EXACT PRINCIPAL AMOUNT, MATURITY DATES, RATES OF INTEREST, REDEMPTION FEATURES, AND PRICE WITH RESPECT TO SUCH BONDS IN ACCORDANCE WITH THE BOND ORDINANCE ADOPTED BY THE GOVERNING BODY OF THE VILLAGE OF CORRALES ON DECEMBER 10, 2013; APPROVING THE BOND PURCHASE AGREEMENT FOR SALE OF THE BONDS; PROVIDING FOR BOND INSURANCE AND A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN; AND REPEALING ANY ACTIONS HERETOFORE TAKEN INCONSISTENT WITH THE BOND ORDINANCE AND THIS RESOLUTION.

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

Dated: January 14, 2014.

The Village of Corrales
Jennifer A. Hise, Acting Village Clerk

[End of Form of Summary of Sale Resolution for Publication.]

Section 15. Effective Date. This Sale Resolution shall become effective immediately upon its passage and adoption by the Governing Body of the Village of Corrales.

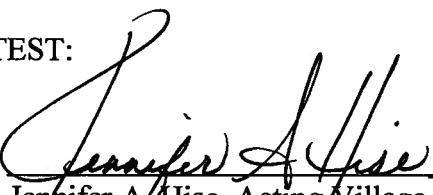
PASSED, APPROVED AND ADOPTED THIS 14th DAY OF JANUARY, 2014.

VILLAGE OF CORRALES, NEW MEXICO

By: 
Honorable Philip Gasteyer, Mayor

[SEAL]

ATTEST:

By: 
Jennifer A. Hise, Acting Village Clerk

Councilor Ennio Garcia Miera then moved adoption of the foregoing Sale Resolution, duly seconded by Councilor James Fahey.

The motion to adopt the Sale Resolution, upon being put to a vote, was passed on the following recorded vote:

Those Voting Aye: Ennio Garcia-Miera

James Fahey

John Alsobrook

Patricia Clauser

Mick Harper

Hoyt Hart

Those Voting Nay: (None)

Those Absent: (None)

Six (6) members of the Governing Body having voted in favor of said motion, the Mayor declared said motion carried and the Sale Resolution adopted, whereupon the Mayor and the Acting Village Clerk signed the Sale Resolution upon the records of the minutes of the Governing Body.

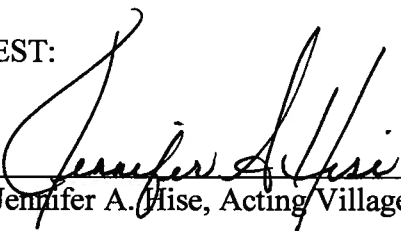
After consideration of other matters not relating to the Sale Resolution, the meeting on motion duly made, seconded and carried, was adjourned.

VILLAGE OF CORRALES, NEW MEXICO

By: 
Honorable Philip Gasteyer, Mayor

[SEAL]

ATTEST:

By: 
Jennifer A. Wise, Acting Village Clerk

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANDOVAL)

I, Jennifer A. Hise, the duly appointed, qualified, and acting Acting Village Clerk of the Village of Corrales, New Mexico (the “Village”), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Village Council (the “Governing Body”), constituting the governing body of the Village of Corrales, had and taken at a duly called regular meeting held at the Village Council Chambers/Municipal Court, 4324 Corrales Road, Corrales, New Mexico, on January 14, 2014, at the hour of 6:30 p.m., insofar as the same relate to the adoption of Resolution No. 14-01 (the “Sale Resolution”) and the execution and delivery of the proposed Bond Purchase Agreement, copies of which are set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

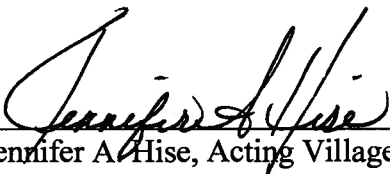
2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the January 14, 2014 meeting was given by the Village in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the Governing Body’s Open Meetings Resolution then in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of January, 2014.

VILLAGE OF CORRALES, NEW MEXICO

[SEAL]

By: 
Jennifer A. Hise, Acting Village Clerk

**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. 14-01 OF THE VILLAGE COUNCIL
OF THE VILLAGE OF CORRALES, NEW MEXICO
JANUARY 14, 2014**

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANDOVAL)

The Village Council (the “Governing Body”) of the Village of Corrales, New Mexico (the “Village”), met in regular session in full conformity with the law and the rules and regulations of the Governing Body at the Village Council Chambers/Municipal Court, 4324 Corrales Road, Corrales, New Mexico, being the meeting place of the Governing Body for the meeting held on the 14th day of January, 2014, at the hour of 6:30 p.m.

Upon roll call, the following members were found to be present:

Present:

- Mayor: Philip Gasteyer
- Councilors: John Alsobrook
- Patricia Clauser
- James Fahey
- Ennio Garcia-Miera
- Mick Harper
- Hoyt Hart

Absent:

(None)

Also Present:

- Jennifer A. Hise, Acting Village Clerk
- John Archuleta, George K. Baum & Co.

John L. Appel, Coppler Law Firm, P.C.,
Bond Counsel

Thereupon, there was officially filed with the Acting Village Clerk a copy of a proposed Sale Resolution in final form, as follows.

EXHIBIT "A"

Notice of Meeting



VILLAGE OF CORRALES
GOVERNING BODY
AGENDA FINAL

January 14, 2014

6:30 p.m.

COUNCIL/MUNICIPAL COURT CHAMBERS

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

1.

IV. 2. ANNOUNCEMENTS

V. 3. PETITIONS

N/A

VI. COMMUNICATIONS

4. Administrator's Report

VII. COUNCILORS FORUM: *This section is for information purposes only, not for discussion and debate, to inform the Governing Body of an issue/ concern that would not be addressed on the agenda during the business session.*

VIII. CORRALEÑOS FORUM: *This section is for information purposes only, not for discussion and debate, to inform the Governing Body of an issue or concern that would not be addressed on the agenda during the business session. There is a 3-minute time limit, unless approved by the Presiding Officer.*

IX. CONSENT AGENDA:

5. N/A

X. CONFIRMATION OF PERSONNEL RECOMMENDATION:

6. N/A

XI. CONFIRMATION OF APPOINTMENTS

- 7. Peggy Weigle for the No-Kill Animal Shelter Task Force
- Alexander S Cochran for the No-Kill Animal Shelter Task Force
- Amanda Cooper for the No-Kill Animal Shelter Task Force
- Phil Padrid, D.V.M. for the No-Kill Animal Shelter Task Force
- Peter Rachtman for the No-Kill Animal Shelter task Force
- Paul Mansfield for the Wastewater On-Site Task Force

XII. OLD BUSINESS:

- 8. Discussion and instruction to the Mayor regarding a Wildland/Urban Interface and Hazardous Fuels Reduction Grant Programs Project Work Plan for Village of Corrales Invasive Species Removal & Fuels Reduction.

XIII. NEW BUSINESS:

9. FUTURE AGENDA ITEMS

- 10. Discussion and consideration of Resolution 14-01, a resolution relating to the Village of Corrales hold Harmless Gross Receipts Tax refunding and revenue bonds, series 2014, to be issued in the amount of \$3,500,000; establishing the exact principal amount, maturity dates, rates of interest, redemption features, and price with respect to such bonds in

accordance with the bond ordinance adopted by the governing body of the Village of Corrales on December 10, 2013; Approving the bond purchase agreement for sale of the bonds; Ratifying certain actions heretofore taken; and repealing any actions heretofore taken inconsistent with the bond ordinance and this resolution.

11. FIRST READING:

Discussion and consideration to publish and post Ordinance 14-01, an ordinance amending ordinance No 300, adopted May 13, 1997; Relating to excavation, construction and barricading in the public right of way; requiring permits for excavation, construction and barricading of the public right away and for other activities obstructing the public right of way; establishing permit conditions and other standards for excavation, construction and barricading in the public right of way; establishing application and permit fees to compensate the Village for costs incurred in connection with excavation, construction, barricading and other activities in the public right of way; establishing penalties for violation.

12. FIRST READING:

Discussion and consideration to publish and post Ordinance 14-02, an ordinance to change the zone designation of lots one and two of Noah's Acres; MRGCD Map 16, Village of Corrales, Sandoval County, comprising 3.2214 acres more or less from A-1 agricultural residential, to M Municipal, quasi-public and public.

13. FIRST READING:

Discussion and consideration to publish and post Ordinance 14-03, an ordinance amending subsection 18-79(e)(3) of the code of ordinances of the Village of Corrales, being part of ordinance No.63, adopted January 13, 1976, as subsequently amended; Reflecting the statutory requirement that property taxes for the current year be paid before filing of a final plat for subdivided or combined property.

14. FIRST READING:

Discussion and consideration to publish and post Ordinance 14-04, an ordinance amending subsection 18-30(a) of the code of ordinances of the Village of Corrales, being a part of ordinance No. 220, adopted October 9, 1989, as subsequently amended; providing that access from any state highway shall be in accordance with applicable regulations of the New Mexico Department of Transportation.

15. Update on Instruction to the Mayor regarding a one-year agreement with Souder Miller Associates for an at- cost wastewater system supervisor.

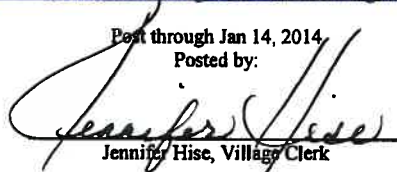
XIV. ADJOURNMENT:

POSTING LOCATIONS:

- | | |
|---|---|
| 1. Village Office – Lobby | 4. Corrales Fire Substation (Station-2) |
| 2. Village Offices – Outside Marquee | 5. Corrales Senior Center |
| 3. Corrales Fire Station (Main Station) | 6. Corrales Community Library |
| 7. www.Corrales-nm.org/council-meeting.htm | |

Post through Jan 14, 2014.

Posted by:



Jennifer Hise, Village Clerk

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Village Clerk at the Village Offices located at 4324 Corrales Road, at least five (5) days prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the Village Clerk at 897-0502, or by e-mail at jreves@corrales-nm.org if a summary or other type of accessible format is needed. The complete council packet may be viewed on the web, visit www.Corrales-NM.org click on Government & Council Meetings

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 P.O. Drawer J-T Albuquerque, New Mexico 87103
 (505) 823-7777

Account Number
 1009952

Ad Proof / Order Confirmation

Ad Order Number
 0001122688

VILLAGE OF CORRALES
 ATTN: FINANCE DEPT
 4324 CORRALES RD
 CORRALES NM 87048-8607

<u>Ordered By</u>	jennifer hise	<u>Customer Phone</u>	505-897-0502	<u>Pickup #</u>
<u>Customer Email</u>	jreyes@corrales-nm.org	<u>PO Number</u>	18621	<u>Joint Ad #</u>
<u>Ad Cost</u>	\$44.10	<u>Sales Rep</u>	pnorman	
<u>Tax Amount</u>	\$3.09	<u>Order Taken by:</u>	pnorman	
<u>Total Amount</u>	\$47.19	<u>Payment Method</u>		
<u>Amount Due</u>	\$47.19	<u>Payment Amount</u>	\$0.00	

Product Albuquerque Journal
Ad Number 0001122688-01
Ad Type APC-Legals
Ad Size : 1.0 X 70 LI
Color <NONE>
Run Dates 1/22/2014

Placement Legal Notices
Classification Government-0000
Sort Text VILLAGEOFCORRALESNEWMEXICON
 OTICEOFADOPTIONOFSALERESOLUTI

Affidavits

0

Village of Corrales, New Mexico
 Notice of Adoption of Sale
 Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. 14-01 (the "Sale Resolution"), duly adopted and approved by the Governing Body of the Village of Corrales, New Mexico ("Governing Body"), on January 14, 2014, relating to the details of the Village of Corrales, New Mexico, Hold Harmless Gross Receipts Tax Refunding and Revenue Bonds, Series 2014 (the "Bonds") as authorized pursuant to Ordinance No. 13-019 duly adopted by the Governing Body on December 10, 2013. Complete copies of the Sale Resolution are available for public inspection during normal and regular business hours in the office of the Village Clerk of the Village of Corrales, 4324 Corrales Road, Corrales, New Mexico 87048.

The title of the Sale Resolution is:

A RESOLUTION RELATING TO THE VILLAGE OF CORRALES HOLD HARMLESS GROSS RECEIPTS TAX REFUNDING AND REVENUE BONDS, SERIES 2014, TO BE ISSUED IN THE AMOUNT OF \$3,445,000; ESTABLISHING THE EXACT PRINCIPAL AMOUNT, MATURITY DATES, RATES OF INTEREST, REDEMPTION FEATURES, AND PRICE WITH RESPECT TO

Albuquerque Publishing Company
 7777 Jefferson N.E. Albuquerque, New Mexico 87109
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**Village of Corrales, New Mexico
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The title sets forth a general summary of the subject matter contained in the Sale Resolution.

Dated: January 14, 2014.

The Village of Corrales

Jennifer A. Hise,

Acting Village Clerk

Journal: January 22, 2014

Ad Proof / Order Confirmation

Account Number

1009952

Ad Order Number

0001122688

VILLAGE OF CORRALES

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
County of Bernalillo SS

Linda MacEachen, being duly sworn, declares and says that she is Classified Advertising Manager of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times, the first publication being on the 22nd day of January, 2014, and the subsequent consecutive publications on _____, 20____.

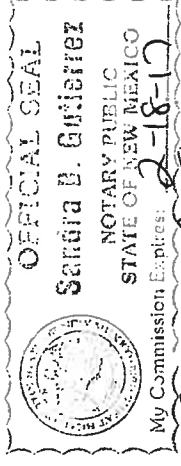
Linda MacEachen

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 22nd day of January, 2014.

PRICE \$47.19

Statement to come at end of month.

ACCOUNT NUMBER 1009952



Sara B. Gutierrez

Village of Corrales, New Mexico
Notice of Adoption of Sale Resolution

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Dated: January 14, 2014.
The Village of Corrales
Jennifer A. Hise, Village Clerk
Acting Village Clerk
Journal: January 22, 2014