

\$ _____
CITY OF SANTA FE, NEW MEXICO
Retirement Facility Revenue Bonds
(El Castillo Retirement Residences Project)
Series 2019

consisting of

\$ _____ Series 2019A	\$ _____ Series 2019B
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BOND PURCHASE AGREEMENT

_____, 2019

City of Santa Fe, New Mexico
200 Lincoln Avenue
Santa Fe, New Mexico 87501

Members of the City Council of Santa Fe, New Mexico:

The undersigned, B.C. Ziegler and Company (the "Underwriter"), offers to enter into the following agreement with the City of Santa Fe, New Mexico (the "Issuer"). Upon your acceptance of this offer, this agreement will be binding between the Issuer and the Underwriter.

This offer is made subject to your acceptance of this agreement on or before 5:00 p.m., Santa Fe, New Mexico time, on the date hereof.

1. Purchase Price; Purpose of Issue. Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein and in the Letter of Representation and Indemnification of El Castillo Retirement Residences (the "Obligor"), of even date herewith substantially in the form attached hereto and marked Exhibit A (the "Letter of Representation"), the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the Issuer's \$24,030,000 aggregate principal amount of Retirement Facility Revenue Bonds (El Castillo Retirement Residences Project) Series 2019A (the "Series 2019A Bonds") and Series 2019B Bonds (the "Series 2019B Bonds" and, together with the Series 2019A Bonds, the "Series 2019 Bonds"). The Series 2019 Bonds are to be issued under and pursuant to an Indenture of Trust, dated as of _____, 2019 (the "Bond Indenture"), by and between the Issuer and The Bank of New York Mellon Trust Company, National Association, as bond trustee (the "Bond Trustee"). The Series 2019 Bonds shall mature on the dates and in the amounts, and shall bear interest at the rates, stated in Schedule I hereto. The purchase price for the Series 2019A Bonds shall be \$ _____ (representing the par amount of the Series 2019A Bonds plus a net original issue premium with respect to Series 2019A Bonds of \$ _____ and less an underwriting discount of \$ _____). The purchase price for the Series 2019B Bonds shall be \$ _____ (representing the par amount of the Series 2019B Bonds plus a net original issue

premium with respect to Series 2019B Bonds of \$ _____ and less an underwriting discount of \$ _____).

As described in the Official Statement (defined below), upon delivery of the original Series 2019 Bonds registered in the name of the Underwriter, the Underwriter shall cause all of the Series 2019 Bonds to be immediately transferred to and registered in the name of the Depository Trust Company ("DTC") or its designee for purposes of future transfer of the Series 2019 Bonds pursuant to the book entry system.

Concurrently with the execution and delivery of the Series 2019 Bonds, there are to be executed and delivered, to the extent not previously executed and delivered, the following documents:

- (i) the Bond Indenture;
- (ii) a Master Trust Indenture and Security Agreement, dated as of _____, 2019 (the "Master Indenture"), between the Obligor and The Bank of New York Mellon Trust Company, National Association, as master trustee (the "Master Trustee");
- (iii) a Mortgage and Security Agreement, dated as of _____, 2019 (the "Mortgage"), from the Issuer to the Master Trustee;
- (iv) a Supplemental Indenture Number One, dated as of _____, 2019 (the "Supplemental Indenture"), between the Obligor and the Master Trustee;
- (v) an Lease and Purchase Agreement, dated as of _____, 2019 (the "Lease and Purchase Agreement"), between the Issuer and the Obligor;
- (vi) the promissory note of the Obligor (the "Series 2019A Note") relating to the Series 2019A Bonds created by and issued pursuant to the Supplemental Indenture;
- (vii) the promissory note of the Obligor (the "Series 2019B Note" and, together with the Series 2019A Note, the "Series 2019 Notes") relating to the Series 2019B Bonds created by and issued pursuant to the Supplemental Indenture;
- (viii) a Continuing Disclosure Agreement, dated as of _____, 2019 (the "Continuing Disclosure Agreement"), between the Obligor and The Bank of New York Mellon Trust Company, National Association, as dissemination agent; and
- (ix) a Construction Disbursement and Monitoring Agreement, dated as of _____, 2019 (the "Disbursement Agreement"), by and among the Obligor, zumBrunnen Inc., as construction consultant (the "Construction Consultant") and the Bond Trustee.

Substantially all of the proceeds of the sale of the Bonds will be used by the Issuer for the benefit of El Castillo Retirement Residences (the "Obligor" or the "Obligated Group Representative") as set forth in the Official Statement (as defined below)

The Bond Indenture, the Lease and Purchase Agreement, the Series 2019 Bonds, and this Bond Purchase Agreement are collectively referred to herein as the "Issuer Documents", and this Bond Purchase Agreement, the Letter of Representation, the Lease and Purchase Agreement, the Master Indenture, the Supplemental Indenture, the Series 2019 Notes, the Continuing Disclosure Agreement, the Disbursement Agreement, and the Mortgage are collectively referred to herein as the "Obligor Documents."

2. Public Offering. The Underwriter intends to make an initial bona fide public offering of all of the Series 2019 Bonds at a price not in excess of the public offering price or prices (or at public offering yield or yields which are not less than those) set forth on the inside cover of the Official Statement (as hereinafter defined) and may subsequently change such offering price or prices (or yield or yields) without any requirement of prior notice. The Underwriter may offer and sell the Series 2019 Bonds to certain dealers (including dealers depositing Series 2019 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement.

3. Establishment of Issue Price of Series 2017 Bonds. Notwithstanding any provision of this Bond Purchase Agreement to the contrary, the following provisions related to the establishment of the issue price of the Series 2017 Bonds apply:

(i) Definitions. For purposes of this Paragraph 3, the following definitions apply:

(a) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Tax Law Underwriter or a Related Party to a Tax Law Underwriter.

(b) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(c) "Sale Date" means the date of execution of this Bond Purchase Agreement by all parties.

(d) "Tax Law Underwriter" means (A) any person that agrees pursuant to a written contract with the issuer to participate in the initial sale of the Series 2017 Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the Public).

(ii) Issue Price Certificate. The Underwriter agrees to assist the issuer in establishing the issue price of the Series 2017 Bonds and to execute and deliver to the issuer at Closing

(defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Series 2017 Bonds (the “Issue Price Certificate”).

(iii) Public Offering. The Underwriter confirms that, on the Sale Date, the Underwriter offered the Series 2017 Bonds to the Public at the offering price or prices (each, an “Initial Offering Price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto.

(iv) 10% Test. Except with respect to each Held Maturity as identified in the Issue Price Certificate, the issuer will determine the issue price of the Series 2017 Bonds based on the first price at which 10% of each maturity of the Series 2017 Bonds is sold to the Public (the “10% Test”) (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). The Issue Price Certificate will set forth the maturities, if any, of the Series 2017 Bonds for which the issue price will be the applicable Initial Offering Price because the 10% Test was satisfied as of the Sale Date.

(v) Hold-The-Offering-Price Rule. The Issue Price Certificate will set forth the maturities, if any, of the Series 2017 Bonds for which the 10% Test was not satisfied as of the Sale Date and for which the issuer and the Underwriter agree that the restrictions in the next sentence will apply (each such maturity of the Series 2017 Bonds being referred to as a “Held Maturity”), which will allow the issuer to treat the Initial Offering Price to the Public of each such Held Maturity as the issue price of that Held Maturity (the “Hold-the-Offering-Price Rule”). For any maturity identified in Schedule I as a Held Maturity, the Underwriter will neither offer nor sell unsold Series 2017 Bonds of such Held Maturity to any person at a price that is higher than the applicable Initial Offering Price of such Held Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (a) the close of the fifth business day after the Sale Date; or
- (b) the date on which the Tax Law Underwriters have sold at least 10% of such Held Maturity to the Public at a price that is no higher than the Initial Offering Price of such Held Maturity.

The Underwriter will promptly advise the issuer when the Tax Law Underwriters have sold 10% of each such Held Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Held Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The Issuer acknowledges that, in making the representation that the Underwriter will comply with the Hold-the-Offering-Price Rule with respect to any Held Maturity, the Underwriter will rely on (A) in the event a selling group has been created in connection with the initial sale of the Series 2017 Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling

group agreement and the related pricing wires, and (B) in the event that the Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2017 Bonds of the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The issuer further acknowledges that each Tax Law Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering Price Rule and that no Tax Law Underwriter will be liable for the failure of any other Tax Law Underwriter to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Series 2017 Bonds.

(vi) Matters Relating to Certain Agreements. The Underwriter confirms that any selling group agreement and each retail distribution agreement to which the Underwriter is a party relating to the initial sale of the Series 2017 Bonds to the Public, together with related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such retail distribution agreement, as applicable, to (i) report the prices at which it sells to the Public the unsold Series 2017 Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% Test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017 Bonds of that maturity have been sold to the Public and (ii) comply with the Hold-the-Offering Price Rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires.

(vii) Sale to Related Party not a Sale to the Public. The Underwriter acknowledges that sales of any Series 2017 Bonds to any person that is a Related Party to a Tax Law Underwriter do not constitute sales to the Public for purposes of this Paragraph 3.

4. Official Statement. On any date specified by the Underwriter following the date hereof, but in any event no more than seven business days after the time of your acceptance hereof, the Issuer, at the expense of the Obligor, shall deliver to the Underwriter the number of copies of the Official Statement relating to the Series 2019 Bonds required to permit the Underwriter to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. The Official Statement shall be dated the date hereof, in substantially the form approved by the Issuer (which, together with the cover page, and all exhibits, appendices, maps, pictures, diagrams, reports and statements included or incorporated therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Series 2019 Bonds is herein called the "Official Statement"). From the date of this Bond Purchase Agreement to the 91st day (or such later date, not to exceed 150 days, that may be specified by the Underwriter) following the date of the Closing provided by Paragraph 7 below, you will notify the Underwriter whenever, in your judgment, the information in the Official Statement regarding the Issuer should be amended or supplemented in order for the Official Statement not to contain any untrue statement of a material fact, or not to omit to state any material fact necessary to make the statements in the Official Statement not misleading with respect to such information. In addition, you agree to amend or supplement the Official Statement at your expense whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such amendment or supplementation is required.

You hereby ratify and approve the distribution of the Preliminary Official Statement and

its use by the Underwriter prior to the date hereof, and authorize and approve the distribution of the Official Statement and the form of the Issuer Documents, the Obligor Documents and other pertinent documents referred to in Paragraph 8 hereof to be used in connection with the offering and sale of the Series 2019 Bonds.

5. Representations and Warranties. The Issuer hereby represents and warrants to the Underwriter that:

(a) Due Organization; Existence. The Issuer is a municipality organized and existing under the laws of the State of New Mexico;

(b) Issuer Documents. The Issuer has full right, power and authority to execute, deliver and perform its obligations under the Issuer Documents and to consummate the transactions contemplated by such instruments and the Official Statement;

(c) Due Authorization. The Issuer has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Series 2019 Bonds upon the terms set forth herein and in the Official Statement, (ii) the approval of the distribution of the Official Statement, (iii) the use of the proceeds from the sale of the Series 2019 Bonds, and (iv) the execution, delivery and receipt of the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated by the Official Statement and the Issuer Documents;

(d) Execution and Enforceability. On the date of the Closing, the Bond Ordinance adopted on November 14, 2019 (the "Bond Ordinance"), which authorizes the execution and delivery of the Issuer Documents and approves and authorizes the distribution of the Official Statement, will be in full force and constitute the legal and valid act of the Issuer and the other Issuer Documents will have been duly executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Issuer Documents will constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights generally and general principles of equity);

(e) No Conflict. The authorization of the Official Statement and the execution and delivery by the Issuer of the Issuer Documents and the other documents contemplated hereby and by the Official Statement, and compliance by the Issuer with the provisions of such instruments, do not and will not conflict with or constitute on the part of the Issuer a breach of or a default under any provision of the Constitution of the State of New Mexico or any existing state or federal constitution, law or administrative regulation, or by any court or administrative decree or order issued wherein the Issuer is a party, or by any agreement, indenture, mortgage, lease or other instrument entered into by the Issuer by which the Issuer or its properties are or, on the date of Closing, will be bound;

(f) No Adverse Actions. Except as may be disclosed in the Official Statement, there

is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated hereby or by the Official Statement or the validity or due adoption of the Bond Ordinance or the validity, due authorization and execution of the Issuer Documents or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, (ii) the exclusion from gross income for federal income tax purposes of interest on the Series 2019 Bonds, (iii) the exemption from taxation indicated in Paragraph 5(l) below, or (iv) the condition or operations of the Issuer or the collection of revenues by the Issuer or on behalf of the Issuer;

(g) No Defaults. The Issuer will not be in default under the terms and provisions of the Issuer Documents on the date of the Closing, and the Issuer is not on the date hereof, and will not be on the date of the Closing, in default under any other agreement, indenture, lease, mortgage, note or other instrument entered into by the Issuer or by which it or its properties are or may be bound, which would have a material adverse effect on the condition of the Issuer, financial or otherwise, or otherwise materially affect its ability to perform its obligations under the Issuer Documents;

(h) Preliminary Official Statement; Accuracy of Information. The Preliminary Official Statement is hereby deemed final, as of its date, by the Issuer for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission. As of the date of Closing, the information contained under the captions "THE ISSUER" and "LITIGATION-Issuer" in the Official Statement will be correct in all material respects and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements under such captions in the Official Statement, in light of the circumstances under which they were made, not misleading;

(i) Validity of Series 2019 Bonds. The Series 2019 Bonds, when issued, delivered and paid for as herein and in the Bond Indenture provided, will have been duly authorized, executed and issued and will constitute legal, valid and binding limited obligations of the Issuer secured by a pledge of the Issuer's rights under the Obligor Documents;

(j) Application of Proceeds; No Prior Liens. The Issuer will apply the proceeds from the sale of the Series 2019 Bonds as specified in the Issuer Documents and as more fully described in certificates delivered at the Closing. Except as otherwise contemplated by the Issuer Documents, the Issuer has never issued, assumed, guaranteed or otherwise in any manner become liable with respect to any bonds, notes, contracts, arrangements or obligations of any kind that might give rise to any lien or encumbrance on the Trust Estate (as defined in the Issuer Documents);

(k) All Approvals. To the best knowledge of the Issuer, all permits, consents and approvals or licenses, if any, and all notices to or filings with governmental authorities necessary for the consummation by the Issuer of its obligations described in the Official Statement and Issuer Documents (other than such permits, consents, licenses, notices and filings, if any, as may

be required under the securities or blue sky laws of any jurisdiction) required to be obtained or made by the Issuer have been obtained or made;

(l) Tax Matters. Neither the Issuer nor the income of the Issuer is subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), or any taxation imposed by the State of New Mexico, or any other state, or any political subdivision thereof; and the issuance and sale of the Series 2019 Bonds to the Underwriter are not subject to any transfer or other documentary or stamp taxes of the State of New Mexico or any political subdivision thereof;

(m) Securities Laws. To the best of the knowledge of the Issuer, no action, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission has been taken, issued or made to the effect that the issue, offering or sale of obligations of the general character of the Series 2019 Bonds, or the execution, delivery of and performance of the Issuer Documents in the manner contemplated is in violation or would be in violation, unless registered or otherwise qualified, of any provision of the Securities Act of 1933, as amended or the Trust Indenture Act of 1939, as amended; and

(n) Bringdown. Any certificates signed by an officer of the Issuer and delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

All representations, warranties and agreements of the Issuer hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Series 2019 Bonds and any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

6. Documents Delivered Today. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject to the receipt of (a) a Letter of Representation signed by the Obligor and evidencing acceptance by the Issuer, in a form acceptable to counsel to the Underwriter, and (b) the receipt of a copy of a letter from Barraclough & Associates, P.C., as independent public accountants to the Obligor consenting to the inclusion of the audited financial statements in the Official Statement.

7. Delivery of, and Payment for, the Series 2019 Bonds. At 10:00 a.m. local time in Santa Fe, New Mexico, on or about _____, 2019, or at such other time or date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will deliver, or cause to be delivered, to the Underwriter the Series 2019 Bonds, in definitive form, and provided that the Underwriter has made arrangements with DTC for the Series 2019 Bonds to be immobilized as book entry only securities, the Issuer shall take appropriate steps to provide DTC with one definitive bond for each series and year of maturity of the Series 2019 Bonds, each registered in the name of Cede & Co., as nominee of DTC, as securities depository for the Series 2019 Bonds, to be delivered in exchange for the initial Series 2019 Bonds, together with the other documents hereinafter mentioned; and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Series 2019 Bonds plus accrued interest, by delivering to the Issuer or upon its order a wire transfer of immediately available funds.

Delivery of the definitive Series 2019 Bonds as aforesaid shall be made at DTC in New York, New York, or its agent pursuant to its FAST delivery system, not less than 24 hours prior to the Closing and shall be held in safe custody by DTC or its agent until such time as the Bond Trustee shall release the Series 2019 Bonds upon payment for the same and satisfaction of the conditions enumerated in Paragraph 8. Delivery of the initial Series 2019 Bonds and all other documents required pursuant to Paragraph 8 below shall be made at the offices of The Jones Firm, Santa Fe, New Mexico. Payment for the Series 2019 Bonds shall be made at such location as may be agreed upon by the parties. Such payment and the related delivery is herein called the "Closing." The Series 2019 Bonds will be delivered as fully registered bonds, bearing proper CUSIP numbers, in authorized denominations and registered in such names and in such amounts as provided above.

8. Conditions Precedent. The obligations of the Issuer hereunder to deliver the Series 2019 Bonds shall be subject to (i) the execution and delivery by the Obligor of the Obligor Documents to which it is a party, (ii) the execution and delivery by the Obligor of the Mortgage, (iii) receipt of the opinion of McCall, Parkhurst & Horton LLP, as Bond Counsel ("Bond Counsel") described in Paragraph 8(b)(1) hereof, and the opinion of McCall, Parkhurst & Horton LLP, described in Paragraph 8(b)(2) and (iv) the delivery of the certificate of the Obligor referred to in Section 7(b)(3) hereof. The obligations of the Underwriter hereunder shall be subject to (i) the performance by the Issuer of its obligations to be performed hereunder, (ii) the performance by the Obligor of its obligations under the Letter of Representation to be performed at and prior to the Closing, (iii) the accuracy in all material respects of the representations and warranties of the Issuer herein and of the Obligor in the Letter of Representation as of the date hereof and as of the time of the Closing, and (iv) the following conditions:

(a) At the time of Closing, (i) the Issuer Documents and the Obligor Documents shall have been executed and delivered, and the Official Statement shall have been delivered, in the form approved by the Underwriter and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Series 2019 Bonds shall be applied as described in the Issuer Documents, and (iii) the Issuer and the Obligor shall have duly adopted and there shall be in full force and effect such ordinances and resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received executed counterparts of each of the following documents (or specimens or copies of fully executed documents in the case of the Series 2019 Bonds and the Series 2019 Notes):

(1) Bond Counsel Opinion. The approving opinion, dated the date of the Closing, of Bond Counsel, relating to, among other things, the validity of the Series 2019 Bonds and the exclusion from gross income of the interest on the Series 2019 Bonds for federal income tax purposes, in substantially the form set forth as Appendix D to the Official Statement;

(2) Other Opinions. The opinions, each dated the date of Closing and addressed to the Underwriter and (except in the case of the opinion of counsel to the Underwriter) to such other parties to the Issuer Documents and the Obligor Documents as

may have been so requested in each case in substantially the form of the indicated Exhibit to this Bond Purchase Agreement: [(i) Bond Counsel, Exhibit B; (ii) Modrall, Spering, Roehl, Harris & Sisk, P.A., as Counsel to the Issuer, Exhibit C; (iii) Sutin, Thayer & Browne, A Professional Corporation, as Special Counsel to the Obligor, Exhibit D; (iv) Brownstein Hyatt Farber Schreck, LLP, as local Counsel to Trustee and Master Trustee, Exhibit E-1 (v) Rhea Ricard, as Counsel to the Trustee and Master Trustee, Exhibit E-2; (vi) Bracewell LLP, as Counsel to the Underwriter, Exhibit F; and (vii) an opinion of the City Attorney of Santa Fe, New Mexico in a form acceptable to Counsel to the Underwriter];

(3) Obligor Certificate. A certificate of the Obligor, dated the date of the Closing and signed by an authorized executive officer of the Obligor, and in form and substance reasonably satisfactory to the Underwriter, to the effect (i) since the date hereof no material and adverse change, or any development involving a prospective change, has occurred in the financial position of the Obligor or results of operations of the Obligor; (ii) the Obligor has not, since the conclusion of its most recent fiscal year, for which audited financial statements were included in the Official Statement, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; (iii) no event materially affecting the Obligor has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein in light of the circumstances in which they are made not materially misleading as of the date of Closing; (iv) the representations and warranties included in the Letter of Representation are true and correct in all material respects as of the date of the Closing and all obligations to be performed by the Obligor under the Letter of Representation on or prior to the date of the Closing have been performed; and (v) there has been no change or, to the best of the signer's knowledge, threatened change in the status of the Obligor as a nonprofit corporation exempt from federal income taxation under Section 501(a) of the Code or its liability for federal income taxes for any tax year ended before the date of Closing; with copies of the resolutions of the Board of Directors of the Obligor authorizing the execution and delivery of the Obligor Documents to which it is a party, and the approval of the Issuer Documents certified as having been duly adopted and being in full force and effect attached;

(4) Issuer Certificate. A certificate of the Issuer, dated the date of Closing and signed on its behalf by an official of the Issuer acting solely in his official capacity, in form satisfactory to the Underwriter, to the effect that the representations of the Issuer herein are true and correct in all material respects as of the date of the Closing and that all obligations to be performed by the Issuer hereunder on or prior to the date of the Closing have been performed; with a copy of the Bond Ordinance and all other ordinances and resolutions of the Issuer authorizing the distribution of the Official Statement and the execution and delivery of the Issuer Documents certified by the City Clerk of the Issuer as having been duly adopted and being in full force and effect;

(5) Consent/Comfort Letters. [A certificate of Duty & Germanas Architects, Inc. (the "Architect") and the Construction Consultant with respect to the inclusion in the Official Statement of information and references relating to each respective firm and that

the information relating to the Architect and the Construction Consultant included in the Official Statement and Appendix A thereto is true and correct in all material respects and such information does not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements relating to the Architect and the Construction Consultant in the Official Statement, in light of the circumstances under which they were made, not misleading];

(6) Official Statement and Accountants' Consent. The Official Statement, by the time and in the quantities required to permit the Underwriter to comply with Rule 15c2-12 of the Securities and Exchange Commission and evidence of the consent by Barraclough & Associates, P.C, independent certified public accountants, as to their opinions included therein in Appendix B;

(7) No Arbitrage Certificate. A certificate of a duly authorized officer of the Issuer, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Series 2019 Bonds; setting forth, in the manner permitted by Section 1.148 2(b)(2) of the Treasury Regulations, the reasonable expectations of the Issuer as of such date as to the use of proceeds of the Series 2019 Bonds and of any other funds, if any, of the Issuer expected to be used to pay principal or interest on the Series 2019 Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, the Issuer's expectations are reasonable and evidence satisfactory to the Underwriter of the approval of the Series 2019 Bonds by the applicable elected body or official following a public hearing conducted in accordance with Section 147(f) of the Code and of the filing, as required by Section 149(e) of the Code, of a statement concerning the Series 2019 Bonds with the Secretary of the Treasury. For purposes of the certification described in this paragraph, the person making such certification shall be entitled to rely upon a similar certification, dated the date of the Closing, furnished to such person for such purpose by the officers of the Obligor;

(8) Bringdown Comfort Letter. A letter, dated as of the date of the Closing, of Barraclough & Associates, P.C, covering the period beginning on _____, 2019, and ending not more than five business days prior to the date of Closing, covering substantially the same matters covered by Exhibit G hereto.

(9) Real Estate Matters. A title insurance policy covering each property on Exhibit A of the Mortgage in such form as approved by Counsel to the Underwriter and Counsel to the Master Trustee.

(10) Other Matters. Other certificates of the Issuer and the Obligor listed on a Closing Memorandum to be approved by Counsel to the Issuer, Bond Counsel and Counsel to the Underwriter, including any certificates or representations of the Obligor required in order for Bond Counsel to deliver the opinion referred to in Paragraph 8(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the Counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Issuer or the Obligor with

legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the Issuer contained herein and of the Obligor contained in the Letter of Representation and the due performance or satisfaction by the Issuer and the Obligor at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the Obligor.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are reasonably satisfactory in form and substance to the Underwriter and counsel to the Underwriter. The Issuer will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

9. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Series 2019 Bonds if between the date hereof and the Closing, (i) except as disclosed in the Official Statement, legislation shall be enacted or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House or announced by the chairman of any such committee to which such legislation has been referred for consideration, a joint announcement of the Chairman of the House Ways and Means Committee and the Senate Finance Committee and the Secretary of the Treasury shall have been made, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made with respect to the federal taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body, or upon interest on obligations of the general character of the Series 2019 Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, including the status of the Obligor under Section 501(a) and 501(c)(3) of the Code, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Series 2019 Bonds, or (ii) any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of New Mexico or a decision by a court within the State of New Mexico shall be rendered which, in the Underwriter's opinion, materially affects the market price of the Series 2019 Bonds, or (iii) there shall exist any event which in the Underwriter's reasonable judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in light of the circumstances in which they were made in order to make the statements and information contained therein not misleading in any material respect, or (iv) there shall have occurred any outbreak or escalation of hostilities or terrorist act involving the United States or the declaration by the United States of a national emergency or war if the effect of any such event specified in this clause (iv) in the judgment of the Underwriter, would make it impracticable or inadvisable to proceed with the public offering or the delivery of the Series 2019 Bonds on the terms and in the manner contemplated by the Official Statement, or (v) there shall be in force a general suspension of trading on the New York Stock Exchange, or (vi) a general banking moratorium shall have been declared by either federal, New Mexico or New York authorities, or (vii) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the affairs of the Issuer or the Obligor,

except for changes which the Official Statement discloses have occurred or may occur, or (viii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Series 2019 Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and any Issuer Document or Obligor Document to be qualified under the Trust Indenture Act of 1939, as amended, or (ix) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of the Series 2019 Bonds, of obligations of the general character of the Series 2019 Bonds or the offering of any other security that is represented by the Series 2019 Bonds as contemplated hereby, is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (x) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (xi) the New York Stock Exchange or other national securities exchange, or any governmental authority shall impose, as to the Series 2019 Bonds or obligations of the general character of the Series 2019 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter, or (xii) any state "blue sky" or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Series 2019 Bonds is materially affected thereby.

If the Issuer shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Series 2019 Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Paragraph 11 hereof, shall continue in full force and effect.

If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Series 2019 Bonds upon the proper tender thereof by the Issuer at the Closing as herein provided, the maximum liability of the Underwriter to the Issuer shall be the actual amount of its and its counsel fees and out of pocket expenses and to the Obligor (as the third party beneficiary of this Bond Purchase Agreement); provided, however, that the aggregate amount of such expenses for which the Underwriter shall be liable shall not exceed 1% of the principal amount of the Series 2019 Bonds (the lesser of the total of such expenses or such percentage being referred to herein as the "Maximum Amount"). When paid to the Issuer, the Maximum Amount shall serve as full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and such Maximum Amount shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults, and neither the Issuer, nor any other person, shall have any further action for damages, specific performance or any other legal or equitable relief against the Underwriter.

10. Particular Covenants. The Issuer covenants and agrees with the Underwriter as follows:

(a) The Issuer shall cooperate with the Underwriter and its counsel in any endeavor to qualify the Series 2019 Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Issuer shall not be required with respect to the offer or sale of the Series 2019 Bonds to file a general written consent to suit or to file a general written consent to service of process in any jurisdiction. The Issuer consents to the use of a Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualifications. If a general consent to service of process or a general written consent to suit by the Issuer is required in order to successfully qualify the Series 2019 Bonds and, in the reasonable judgment of the Underwriter, lack of qualification would adversely affect the ability of the Underwriter to successfully market the Series 2019 Bonds, the Underwriter may, at its option, be relieved of its obligation to purchase the Series 2019 Bonds under this Bond Purchase Agreement unless the Issuer agrees to file a general written consent to suit or service of process.

(b) The Issuer shall not take any action or knowingly permit any action to be taken on its behalf, or knowingly cause or permit any circumstances within its control to arise or continue, if such action or circumstance would result in the loss of the excludability for federal income tax purposes of the interest on the Series 2019 Bonds from gross income of the owners thereof.

11. Payment of Expenses. If the Series 2019 Bonds are sold to the Underwriter by the Issuer, the Issuer shall pay, but only out of the proceeds of the sale of the Series 2019 Bonds or other funds made available by the Obligor, any reasonable expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and distribution of the Bond Ordinance, the Issuer Documents and the Obligor Documents and any and all such other agreements and documents as required to be executed, delivered and received by the Issuer pursuant hereto; (ii) the cost of the preparation, printing and distribution of the Preliminary Official Statement and the Official Statement, together with a number of copies which the Underwriter deems reasonable; (iii) the cost of the preparation and printing of the definitive Series 2019 Bonds; (iv) the fees and disbursements of Counsel to the Issuer, Counsel to the Underwriter, and of Bond Counsel and any other experts or consultants retained in connection with the issuance of the Series 2019 Bonds, including the charges of any rating agency; (v) all advertising expenses in connection with the public offering of the Series 2019 Bonds; and (vi) all other reasonable customary expenses incurred by it in connection with its public offering and distribution of the Series 2019 Bonds. The fees and expenses shall be paid at the time of Closing.

If the Closing does not occur, the Obligor has agreed, pursuant to the Letter of Representation, to pay the Issuer's expenses as described above.

12. Miscellaneous.

(a) The headings herein are for convenience only and shall not affect the construction hereof.

(b) Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereunder to be made upon, given or furnished to, or filed with,

(1) the Issuer by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it as first noted above, Attention City Attorney, or at any other address previously furnished in writing to the Underwriter by the Issuer;

(2) the Obligor by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, to the Obligor addressed to it at El Castillo Retirement Residences, 250 East Alameda, Santa Fe, NM 87501-2155, Attention: Al Jahner, or at any other address previously furnished to the Underwriter and the Issuer by the Obligor; or

(3) the Underwriter by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to B.C. Ziegler and Company, 200 South Wacker Drive, Suite 2000, Chicago, IL 60606, Attention: Rich Scanlon, or at such other address previously furnished in writing to the Issuer by the Underwriter.

(c) All covenants and agreements in this Bond Purchase Agreement by the Obligor, the Underwriter and the Issuer shall bind their respective successors and assigns, whether so expressed or not.

(d) In case any provision in this Bond Purchase Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(e) Nothing in this Bond Purchase Agreement, express or implied, shall give to any Person, other than the parties hereto, and the successors of such parties hereunder, any benefit or any legal or equitable right, remedy or claim under this Bond Purchase Agreement.

(f) THIS BOND PURCHASE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW MEXICO, AND THE PARTIES AGREE THAT ANY ACTION ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS BOND PURCHASE AGREEMENT SHALL, TO THE EXTENT PERMITTED BY LAW, BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW MEXICO OR IN A FEDERAL COURT LOCATED IN NEW MEXICO.

13. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Underwriter and the Issuer and the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or are currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby

expressly are set forth in this Bond Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

[Execution page follows]

This Bond Purchase Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

This written Bond Purchase Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between the parties.

Very truly yours,
B.C. Ziegler and Company

By: _____
Authorized Officer

Accepted and agreed to as of
the date first above written:

City of Santa Fe

By: _____
Mayor

Approved:

El Castillo Retirement Residences

By: _____
Authorized Officer

SCHEDULE I

CITY OF SANTA FE, NEW MEXICO
Retirement Facility Revenue Bonds
(El Castillo Retirement Residences Project)
Series 2019A

The Series 2019A Bonds shall bear interest at the rates per annum and shall mature on _____ in the years and in the principal amounts as follows:

\$ _____ Series 2019A Bonds (Serial Bonds)

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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\$ _____ Series 2019A Bonds (Term Bonds)

\$ _____ % Term Bonds due 20__; priced at _____ to yield _____ %
 \$ _____ % Term Bonds due 20__; priced at _____ to yield _____ %
 \$ _____ % Term Bonds due 20__; priced at _____ to yield _____ %

c – Yield shown is yield to first call date, _____, _____.

The Sinking Fund installments for the Series 2019 Term Bonds shall be as follows:

Optional Redemption

The Series 2019A Bonds maturing on and after _____ (other than the Last Term Bond), are subject to optional redemption in whole or in part on and after _____, or on any date thereafter at a redemption price equal to the principal amount of such Series 2019 Bonds, together with accrued interest to the date of redemption.

Other Redemption Provisions

The Series 2019A Bonds are also subject to Extraordinary Optional Redemption as set forth in the Official Statement.

CITY OF SANTA FE, NEW MEXICO
 Retirement Facility Revenue Bonds
 (El Castillo Retirement Residences Project)
 Series 2019B

The Series 2019B Bonds shall bear interest at the rates per annum and shall mature on _____ in the years and in the principal amounts as follows:

\$ _____ Series 2019B Bonds (Serial Bonds)

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-------------	-------------------------	----------------------

\$ _____ Series 2019B Bonds (Term Bonds)

\$ _____ % Term Bonds due 20__; priced at _____ to yield _____ %
 \$ _____ % Term Bonds due 20__; priced at _____ to yield _____ %^c
 \$ _____ % Term Bonds due 20__; priced at _____ to yield _____ %^c

_____ ^c – Yield shown is yield to first call date, _____, _____.

The Sinking Fund installments for the Series 2019 Term Bonds shall be as follows:

Optional Redemption

The Series 2019B Bonds maturing on and after _____ (other than the Last Term Bond), are subject to optional redemption in whole or in part on and after _____, or on any date thereafter at a redemption price equal to the principal amount of such Series 2019B Bonds, together with accrued interest to the date of redemption.

Other Redemption Provisions

The Series 2019B Bonds are also subject to Extraordinary Optional Redemption as set forth in the Official Statement.

EXHIBIT LIST

- Exhibit A: Letter of Representation and Indemnification
- Exhibit B: Form of Supplemental Opinion of Bond Counsel
- Exhibit C: Form of Opinion of Counsel to Issuer
- Exhibit D: Form of Opinion of Counsel to Obligor
- Exhibit E: Form of Opinion of Counsel to Trustee and Master Trustee
- Exhibit F: Form of Opinion of Counsel to Underwriter
- Exhibit G: Form of Bringdown Comfort Letter

EXHIBIT A
to the Bond Purchase Agreement

[FORM OF LETTER REPRESENTATION AND INDEMNIFICATION]

_____, 2019

City of Santa Fe, New Mexico
Santa Fe, New Mexico

B.C. Ziegler and Company
Chicago, Illinois

Ladies and Gentlemen:

The City of Santa Fe, New Mexico (the "Issuer") proposes to issue its Retirement Facility Revenue Bonds (El Castillo Retirement Residences Project) Series 2019 Bonds (the "Series 2019 Bonds").

The Series 2019 Bonds are to be issued under and pursuant to, and are to be secured by, an Indenture of Trust, dated as of _____, 2019 (the "Bond Indenture"), by and between the Issuer and The Bank of New York Mellon Trust Company, National Association, as trustee (the "Trustee"). The Series 2019 Bonds are to be entitled to the benefits and security of the Bond Indenture. The Series 2019 Bonds are limited obligations of the Issuer payable solely out of the revenues derived from or in connection with the Lease and Purchase Agreement, the Series 2019 Notes and the Bond Indenture, all as described in the Official Statement.

The Series 2019 Bonds are to be sold by the Issuer pursuant to a Bond Purchase Agreement between the Issuer and B.C. Ziegler and Company (the "Underwriter"), dated as of the date hereof (the "Bond Purchase Agreement"). Unless the context requires otherwise, the capitalized terms not herein defined shall have the same meanings as set forth in the Bond Purchase Agreement.

Section 1. Representations and Warranties. In order to induce you to enter into the Bond Purchase Agreement and to make the offering of the Series 2019 Bonds therein contemplated, El Castillo Retirement Residences (the "Obligor"), hereby represents, warrants and agrees with each of you as follows:

a. Due Organization; Existence. The Obligor is a nonprofit corporation duly incorporated, organized and existing under the laws of the State of New Mexico and the Obligor has full power and authority to own its properties and to operate its facilities as described in the Preliminary Official Statement (except as to statements contained in the Preliminary Official Statement that have been changed or supplemented in the Official Statement) and the Official Statement.

b. Authority. The Obligor has full right, power and authority to (a) execute and deliver the Obligor Documents to which it is a party; and (b) perform its obligations

Signature Page for Letter of Representation

under, and carry out and consummate all other material transactions described in the Obligor Documents and the Official Statement.

c. Due Authorization. The Obligor has duly authorized all necessary action to be taken by it for the execution, delivery and performance of the Obligor Documents to which it is a party and any and all such other agreements and documents as may be required to be executed, delivered and received by the Obligor in order to carry out the transactions contemplated by such instruments and by the Official Statement.

d. Execution and Enforceability. On the date of Closing, the Obligor Documents to which the Obligor is a party will have been duly executed and delivered by or on behalf of the Obligor and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, will constitute legal, valid and binding obligations of the Obligor enforceable in accordance with their respective terms, except that the enforceability thereof may be limited by laws relating to bankruptcy, insolvency, reorganization or other similar laws of general application affecting the rights of creditors and general principles of equity.

e. No Conflicts. The execution and delivery by or on behalf of the Obligor of the Obligor Documents and the consummation of the transactions described in all of such instruments, will not conflict with or constitute on the part of the Obligor a breach or violation of any of the terms and provisions of, or constitute a default under (i) any agreement, indenture, mortgage, lease, mortgage, note or other instrument to which the Obligor, or its properties are or may be bound, (ii) any existing constitution, law, court or administrative rule or regulation, decree, order or judgment applicable to the Obligor, or (iii) the [Certificate of Formation] or any bylaws of the Obligor.

f. No Adverse Actions. Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity by or before any court or public board or body pending to which it is a party or, to the knowledge of the Obligor, threatened against or affecting the Obligor (or, to the knowledge of the Obligor, any basis therefor) that in any way questions or challenges the powers of the Obligor referred to in Section 1(b) of this Letter of Representation, or the validity of any proceedings taken by the Obligor in connection with the issuance of the Series 2019 Bonds, or that might result in a material adverse change in the condition (financial or otherwise), operations or affairs of the Obligor, or wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions described in the Official Statement and the Obligor Documents, (ii) the validity or enforceability of the Obligor Documents or any other agreement or instrument to which the Obligor is a party and which is used or contemplated for use in the consummation of the transactions described in the Official Statement and the Obligor Documents, (iii) the exclusion from gross income of the interest of the Series 2019 Bonds for federal income tax purposes, or (iv) the status of the Obligor as a New Mexico nonprofit corporation exempt from federal income taxation to the extent provided in the Code by virtue of being an organization described in Section 501(c)(3) of the Code.

g. No Defaults. The Obligor is not in breach of or in default under any agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it is bound, and no event has occurred or is continuing which, with passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, except (in each case) for such minor breaches, defaults or potential defaults or events of default, if any, which individually and in the aggregate would have no material adverse effect on the Obligor's financial condition, operations or properties.

h. Accuracy of Information. The Preliminary Official Statement is hereby, as of its date, deemed final by the Obligor for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission; the Preliminary Official Statement (except as to statements contained in the Preliminary Official Statement that have been changed or supplemented in the Official Statement) does not and the Official Statement will not at the date thereof, contain any untrue statement of a material fact relating to the Obligor or omit to state a material fact relating to the Obligor necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Obligor makes no representation or warranty (i) to the Underwriter as to information contained in the Preliminary Official Statement or the Official Statement under the captions "UNDERWRITING," "THE ISSUER" or "LITIGATION-Issuer."

i. Financial Information. Except as set forth in the Preliminary Official Statement and the Official Statement, subsequent to the respective dates as of which information is given in the Preliminary Official Statement (except as to dates or information contained in the Preliminary Official Statement that have been changed in the Official Statement) and the Official Statement, the Obligor has not incurred any liabilities, direct or contingent, or entered into any transactions not in the ordinary course of its operation, that are material to its operations and the affairs of the Obligor, taken as a whole, and there has not been any material change in the financial structure of the Obligor or any material change in the condition, results of operation or general affairs of the Obligor (financial or otherwise).

j. All Approvals. All material permits, consents, certificates, approvals or licenses necessary for the execution and delivery by the Obligor of the Obligor Documents and all other obligations of the Obligor described in the Official Statement required to be obtained as of the date hereof, have been obtained.

k. Tax Exemption. The Obligor has been determined to be and is exempt from federal income taxes under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code, and the Obligor has done nothing to impair its status as a tax exempt organization. Under existing law, the Obligor's income is not subject to any taxation imposed by the State of New Mexico or any political subdivision thereof. The Obligor is exempt under New Mexico law from ad valorem taxation on the tangible personal property owned and used exclusively by the Obligor in the operation of a continuing care retirement facility.

l. Securities Laws. To the best of the knowledge of the Obligor, without

Signature Page for Letter of Representation

investigation, no action, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission has been taken, issued or made to the effect that the issue, offering or sale of obligations of the general character of the Series 2019 Bonds, or the execution, delivery and performance of the Issuer Documents or the Obligor Documents in the manner contemplated, is in violation or would be in violation, unless registered or otherwise qualified, of any provision of the Securities Act of 1933 or the Trust Indenture Act of 1939.

m. Title to Properties. The Obligor has good and indefeasible fee simple title in the real property comprising the current operating facilities of the Obligor and its future operating facilities and good title in its other assets. At the time of Closing, the real property comprising the future operating facilities of the Obligor will be free and clear of any material adverse claim, mortgage, lien, charge or encumbrance, except for the mortgage created under the Mortgage referred to in the Obligor Documents and the other assets of the Obligated Group will be subject only to those material adverse claims, deeds of trust, mortgages, liens, charges or encumbrances disclosed in the Official Statement.

n. Bringdown. Any certificate signed by an authorized officer of the Obligor delivered to the Issuer or the Underwriter shall be deemed a representation and warranty by the Obligor as to the statements made therein.

Section 2. Special Covenants. The Obligor covenants and agrees with the Issuer and with the Underwriter as follows:

a. Amendments and Supplements to Disclosure Materials. During such period as the Underwriter believes delivery of the Official Statement is necessary or desirable in connection with the initial distribution of the Series 2019 Bonds (but not less than 90 days following the date of the Closing described in the Bond Purchase Agreement), if any event shall occur within its knowledge as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances when the Official Statement is delivered to a prospective purchaser, not misleading, the Obligor will promptly notify the Underwriter of the occurrence of such event and will cooperate in the preparation of a revised Official Statement or amendments or supplements to the Official Statement so that the statements in the Official Statement, as revised, or the Official Statement, as so amended or supplemented, will not, in light of the circumstances when such Official Statement is delivered to a prospective purchaser, be misleading.

b. Blue Sky Qualification. The Obligor will cooperate with the Underwriter and its counsel in any endeavor to qualify the Series 2019 Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Obligor shall not be required to file a general or special consent to suit or service of process in any jurisdiction. If general consent to service of process or general consent to suit or to qualify to do business by the Obligor is required in order to successfully so qualify the Series 2019 Bonds and, in the reasonable judgment of the Underwriter, lack of such qualification would adversely affect

the ability of the Underwriter to successfully market the Series 2019 Bonds, the Underwriter may, at its option, be relieved of its obligation to purchase the Series 2019 Bonds under the Bond Purchase Agreement unless the Obligor agrees to file general written consent to suit or service of process.

c. Application of Proceeds. The Obligor shall not take any action or omit to take any action required to be taken by it that will in any way cause the proceeds from the sale of the Series 2019 Bonds to be applied or result in their being applied in a manner other than as provided in the Official Statement, the Issuer Documents and the Obligor Documents.

d. Preservation of Tax Status. Between the date hereof and the date of Closing, the Obligor shall not take any action or permit any action within its control to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance would result in (i) the loss of exclusion of the interest on the Series 2019 Bonds from gross income for federal income tax purposes, (ii) the loss by the Obligor of its tax exempt status under the Code, or (iii) the taking by the Internal Revenue Service of formal action inconsistent with the continued validity and effectiveness of any determination letter previously received by the Obligor from the Internal Revenue Service.

e. Preservation of Representations and Warranties. Between the date hereof and the date of the Closing, the Obligor will not take any action that would cause the representations and warranties contained in Section 1 to be untrue on the date of the Closing. On the date of the Closing, the Obligor shall deliver or cause to be delivered all opinions, certificates and other documents to be delivered by the Obligor or on its behalf as provided for in the Bond Purchase Agreement, and to deliver such additional certificates and other documents as the Underwriter may reasonably request to evidence performance of or compliance with the provisions of this Letter of Representation and the transactions contemplated by the Official Statement, the Issuer Documents and the Obligor Documents, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

Section 3. **INDEMNIFICATION.**

a. **IN ADDITION TO ANY LIABILITY THAT THE OBLIGOR MIGHT OTHERWISE HAVE, THE OBLIGOR AGREES TO INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW THE ISSUER, THE UNDERWRITER, EACH OFFICER, DIRECTOR, COUNCIL PERSON, OR EMPLOYEE OF THE ISSUER AND THE UNDERWRITER AND EACH PERSON, IF ANY, WHO CONTROLS THE UNDERWRITER OR THE ISSUER WITHIN THE MEANING OF SECTION 20 OF THE SECURITIES EXCHANGE ACT OF 1934 OR SECTION 15 OF THE SECURITIES ACT OF 1933 (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES OR LIABILITIES (OR ACTIONS WITH RESPECT THERETO) TO THIRD PARTIES THAT ARISE OUT OF OR ARE BASED UPON ANY UNTRUE STATEMENT OR**

ALLEGED UNTRUE STATEMENT OF A MATERIAL FACT CONTAINED IN THE OFFICIAL STATEMENT OR ANY PRELIMINARY OFFICIAL STATEMENT, OR ARISE OUT OF OR ARE BASED UPON THE OMISSION OR ALLEGED OMISSION TO STATE THEREIN A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS THEREIN, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING IN ANY MATERIAL RESPECT; PROVIDED, HOWEVER, THAT (A) WITH RESPECT TO THE OBLIGOR'S LIABILITY TO THE UNDERWRITER, ANY OFFICER, DIRECTOR OR EMPLOYEE OF THE UNDERWRITER OR ANY PERSON CONTROLLING THE UNDERWRITER, THIS INDEMNITY AGREEMENT SHALL NOT APPLY TO ANY SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR LITIGATION ARISING OUT OF OR BASED UPON ANY UNTRUE STATEMENT OR ALLEGED UNTRUE STATEMENT OF A MATERIAL FACT CONTAINED IN THE OFFICIAL STATEMENT OR ANY PRELIMINARY OFFICIAL STATEMENT UNDER THE CAPTION "UNDERWRITING" OR THE CAPTION "THE ISSUER" OR THE CAPTION "LITIGATION – ISSUER" OR ARISING OUT OF OR BASED UPON THE OMISSION OR ALLEGED OMISSION TO STATE UNDER SUCH CAPTIONS A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS UNDER SUCH CAPTIONS, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING, AND (B) WITH RESPECT TO THE OBLIGOR'S LIABILITY TO THE ISSUER, ANY OFFICER, DIRECTOR, COUNCIL PERSON, OR EMPLOYEE OF THE ISSUER, OR ANY PERSON CONTROLLING THE ISSUER, THIS INDEMNITY AGREEMENT SHALL NOT APPLY TO ANY SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR LITIGATION ARISING OUT OF OR BASED UPON ANY UNTRUE STATEMENT OR ALLEGED UNTRUE STATEMENT OF A MATERIAL FACT UNDER THE CAPTION "THE ISSUER" AND "LITIGATION-ISSUER" CONTAINED IN THE OFFICIAL STATEMENT OR ANY PRELIMINARY OFFICIAL STATEMENT OR ARISING OUT OF OR BASED UPON THE OMISSION OR ALLEGED OMISSION TO STATE UNDER SUCH CAPTIONS A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS UNDER SUCH CAPTION, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING.

b. IF ANY ACTION SHALL BE BROUGHT AGAINST ONE OR MORE OF THE INDEMNIFIED PARTIES WITH RESPECT TO WHICH INDEMNITY MAY BE SOUGHT AGAINST THE OBLIGOR, SUCH INDEMNIFIED PARTIES SHALL PROMPTLY NOTIFY THE OBLIGOR IN WRITING AND THE OBLIGOR SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, PROMPTLY ASSUME THE DEFENSE THEREOF, INCLUDING THE SELECTION OF AND EMPLOYMENT OF COUNSEL, AND THE PAYMENT OF ALL EXPENSES, BUT SHALL NOT HAVE THE RIGHT TO NEGOTIATE THE SETTLEMENT THEREOF WITHOUT THE CONSENT OF THE INDEMNIFIED PARTY, SUCH CONSENT NOT TO BE UNREASONABLY WITHHELD. THE OBLIGOR SHALL NOT BE LIABLE

FOR ANY SETTLEMENT OF ANY SUCH ACTION EFFECTED WITHOUT ITS CONSENT, BUT IF ANY SUCH ACTION IS SETTLED WITH THE CONSENT OF THE OBLIGOR OR IF THERE SHALL BE A FINAL JUDGMENT FOR THE PLAINTIFF IN ANY SUCH ACTION WITH OR WITHOUT CONSENT, THE OBLIGOR AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, TO INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM AND AGAINST ANY LOSS OR LIABILITY BY REASON OF SUCH SETTLEMENT OR JUDGMENT TO THE EXTENT SET FORTH IN THIS SECTION 3. EACH INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY SUCH ACTION AND PARTICIPATE IN THE INVESTIGATION AND DEFENSE THEREOF, BUT THE FEES AND EXPENSES OF SUCH COUNSEL SHALL BE PAID BY SUCH INDEMNIFIED PARTY UNLESS (I) THE EMPLOYMENT OF SUCH COUNSEL HAS BEEN SPECIFICALLY AUTHORIZED BY THE OBLIGOR, IN WRITING, (II) THE OBLIGOR HAS FAILED AFTER RECEIPT OF NOTICE OF SUCH ACTION TO ASSUME THE DEFENSE AND TO EMPLOY COUNSEL, OR (III) THE NAMED PARTIES TO ANY SUCH ACTION (INCLUDING ANY IMPEADED PARTIES) INCLUDE BOTH AN INDEMNIFIED PARTY AND THE OBLIGOR, AND THE INDEMNIFIED PARTY SHALL HAVE BEEN ADVISED BY COUNSEL THAT THERE MAY BE ONE OR MORE LEGAL DEFENSES AVAILABLE TO IT THAT ARE DIFFERENT FROM OR ADDITIONAL TO THOSE AVAILABLE TO THE OBLIGOR (IN WHICH CASE, IF SUCH INDEMNIFIED PARTY NOTIFIES THE OBLIGOR IN WRITING THAT IT ELECTS TO EMPLOY SEPARATE COUNSEL AT THE OBLIGOR'S EXPENSE, THE OBLIGOR SHALL NOT HAVE THE RIGHT TO ASSUME THE DEFENSE OF THE ACTION ON BEHALF OF SUCH INDEMNIFIED PARTY; PROVIDED, HOWEVER, THAT THE OBLIGOR SHALL NOT, IN CONNECTION WITH ANY ONE ACTION OR SEPARATE BUT SUBSTANTIALLY SIMILAR OR RELATED ACTIONS IN THE SAME JURISDICTION ARISING OUT OF THE SAME GENERAL ALLEGATION OR CIRCUMSTANCES, BE LIABLE FOR THE REASONABLE FEES AND EXPENSES OF MORE THAN ONE SEPARATE FIRM OF ATTORNEYS FOR THE INDEMNIFIED PARTIES, WHICH FIRM SHALL BE DESIGNATED IN WRITING BY THE INDEMNIFIED PARTIES).

c. TO THE EXTENT THE INDEMNIFICATION PROVIDED FOR IN PARAGRAPH (A) OR (B) OF THIS SECTION 3 IS UNAVAILABLE TO AN INDEMNIFIED PARTY OR INSUFFICIENT WITH RESPECT TO ANY LOSSES, CLAIMS, DAMAGES OR LIABILITIES REFERRED TO THEREIN, THEN THE OBLIGOR, IN LIEU OF INDEMNIFYING SUCH INDEMNIFIED PARTY THEREUNDER, SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRIBUTE TO THE AMOUNT PAID OR PAYABLE BY SUCH INDEMNIFIED PARTY AS A RESULT OF SUCH LOSSES, CLAIMS, DAMAGES OR LIABILITIES IN SUCH PROPORTION AS IS APPROPRIATE TO REFLECT THE RELATIVE BENEFITS RECEIVED BY THE INDEMNIFYING PARTY OR PARTIES ON THE ONE HAND AND THE OBLIGOR ON THE OTHER HAND IN CONNECTION WITH THE

STATEMENTS OR OMISSIONS THAT RESULTED IN SUCH LOSSES, CLAIMS, DAMAGES OR LIABILITIES, AS WELL AS ANY OTHER RELEVANT EQUITABLE CONSIDERATIONS.

d. THE AMOUNT PAID OR PAYABLE BY AN INDEMNIFIED PARTY AS A RESULT OF THE LOSSES, CLAIMS, DAMAGES AND LIABILITIES REFERRED TO IN THE IMMEDIATELY PRECEDING PARAGRAPH SHALL BE DEEMED TO INCLUDE, SUBJECT TO THE LIMITATIONS SET FORTH ABOVE, ANY LEGAL OR OTHER EXPENSES REASONABLY INCURRED BY SUCH INDEMNIFIED PARTY IN CONNECTION WITH INVESTIGATING OR DEFENDING ANY SUCH ACTION OR CLAIM. NO PERSON GUILTY OF FRAUDULENT MISREPRESENTATION (WITHIN THE MEANING OF SECTION 11(F) OF THE SECURITIES ACT) SHALL BE ENTITLED TO CONTRIBUTION FROM ANY PERSON WHO WAS NOT GUILTY OF SUCH FRAUDULENT MISREPRESENTATION. THE REMEDIES PROVIDED FOR IN THIS SECTION 3 ARE NOT EXCLUSIVE AND SHALL NOT LIMIT ANY RIGHTS OR REMEDIES WHICH MAY OTHERWISE BE AVAILABLE TO ANY INDEMNIFIED PARTY AT LAW OR IN EQUITY.

Section 4. Payment of Expenses. As provided in Section 10 of the Bond Purchase Agreement, all fees and expenses of the Issuer shall be paid by the Obligor at the time of Closing and delivery of the Series 2019 Bonds. In the event that, for any reason, the Series 2019 Bonds are not delivered by the Issuer and purchased by the Underwriter as provided in Section 6 of the Bond Purchase Agreement, all expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, sale and delivery of the Series 2019 Bonds to the Underwriter, specifically including, without limiting the generality of the foregoing, the cost of printing or reproducing the Preliminary Official Statement, the Official Statement, the blue sky and legal investment memorandum, the Issuer Documents and the Obligor Documents, and all ancillary papers, rating agency fees and the fees and expenses of counsel to the Issuer incurred in connection with the Series 2019 Bonds under applicable state securities laws and legal investment survey shall be paid by the Obligor.

In addition, if the Closing does not occur as a result of the failure of the Obligor to meet its obligations hereunder, the Obligor agrees to pay all expenses incurred by the Underwriter including fees and expenses of counsel to the Underwriter.

Section 5. Survival of Representations and Warranties. All representations, warranties, covenants and agreements contained in this Letter of Representation or contained in certificates of officers of the Obligor submitted pursuant hereto or pursuant to the Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter, or any other person, and shall survive (i) delivery of the Series 2019 Bonds to the Underwriter and payment by the Underwriter therefor pursuant to the Bond Purchase Agreement, (ii) any termination of the Bond Purchase Agreement by the Underwriter pursuant to the provisions thereof or (iii) any failure on the part of the Issuer to satisfy any condition to the obligations of the Underwriter specified in the Bond Purchase Agreement, which failure results in a refusal by the Underwriter to purchase and pay for the

Signature Page for Letter of Representation

Series 2019 Bonds.

Section 6. Miscellaneous.

a. The headings herein are for convenience only and shall not affect the construction hereof.

b. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereunder to be made upon, given or furnished to, or filed with, the Issuer, the Obligor or the Underwriter by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, certified mail, return receipt requested, postage prepaid, to the Issuer, the Obligor or the Underwriter, as the case may be, addressed to it at the address set out in the Bond Purchase Agreement, or at any other address previously furnished in writing by the Issuer to the other parties hereto.

c. All covenants and agreements in this Letter of Representation by the Obligor, the Underwriter and the Issuer shall bind their respective successors and assigns, whether so expressed or not.

d. In case any provision in this Letter of Representation shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

e. Nothing in this Letter of Representation, express or implied, shall give to any Person, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Letter of Representation.

f. THIS LETTER OF REPRESENTATION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW MEXICO, AND THE PARTIES AGREE THAT ANY ACTION ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS LETTER OF REPRESENTATION SHALL, TO THE EXTENT PERMITTED BY LAW, BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW MEXICO OR IN A FEDERAL COURT LOCATED IN NEW MEXICO.

Section 7. No Advisory or Fiduciary Role. The Obligor acknowledges and agrees that: (i) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Obligor and the Issuer; (ii) the Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer or the Obligor and has not assumed any advisory or fiduciary responsibility to the Obligor, the Issuer, or any other party with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has have provided other services or is currently providing other services to the Obligor or the Issuer on other matters); (iii) the only obligations the Underwriter has to the Obligor with respect to the transaction contemplated hereby are set forth expressly in this Letter of Representation; and (iv) the Obligor has consulted its own

financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

This Letter of Representation may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

This written Letter of Representation represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between the parties.

If the foregoing is in accordance with your understanding of the agreement between us, please sign and return to the Obligor a duplicate of this Letter of Representation whereupon this will constitute a binding agreement with the Obligor in accordance with the terms hereof.

Very truly yours,

EL CASTILLO RETIREMENT RESIDENCES

By: _____
Authorized Officer

Accepted and agreed to as of
the date first above written:

B.C. ZIEGLER AND COMPANY

By: _____
Authorized Officer

Accepted and agreed to as of
the date first above written:

CITY OF SANTA FE

By: _____

Signature Page for Letter of Representation

Mayor

EXHIBIT C
to the Bond Purchase Agreement

[

EXHIBIT D
to the Bond Purchase Agreement

SCHEDULE I

EXHIBIT E-1
to the Bond Purchase Agreement

EXHIBIT E-2
to the Bond Purchase Agreement

[

EXHIBIT F
to the Bond Purchase Agreement

[FORM OF OPINION OF COUNSEL TO UNDERWRITER]

EXHIBIT G
to the Bond Purchase Agreement
[BRING DOWN COMFORT LETTER]