

**PEBBLE LABS ACQUISITIONS LLC**  
**AS PURCHASER**  
**INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO**  
**AS ISSUER**  
**and**  
**PEBBLE LABS U.S.A., INC.**  
**AS COMPANY**

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**BOND PURCHASE AGREEMENT**

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**Dated as of July 15, 2019**

**\$60,000,000 (Maximum Amount)**  
**Incorporated County of Los Alamos, New Mexico**  
**Taxable Industrial Revenue Bond**  
**(Pebble Labs U.S.A., Inc. Project)**  
**Series 2019**

## **BOND PURCHASE AGREEMENT**

PEBBLE LABS ACQUISITIONS LLC, a New Mexico limited liability company (together with its successors, assigns and transferees, the “Purchaser”), INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (the “Issuer”) and PEBBLE LABS U.S.A., INC., a New Mexico corporation (the “Company”) agree:

Section 1. Recitals. The Issuer, the Purchaser, the Company and BOKF, NA as Depositary (the “Depositary”), have entered into an Indenture dated as of July 15, 2019 (the “Indenture”). Pursuant to the Indenture, the Issuer will issue its Taxable Industrial Revenue Bond (Pebble Labs U.S.A., Inc. Project) Series 2019 in the maximum aggregate principal amount of \$60,000,000 (the “Bond”). Proceeds of the Bond will be used to finance the acquisition of land, buildings and equipment, infrastructure and related facilities for scientific laboratories in Los Alamos County, New Mexico (the “Project”).

Section 2. Purchase and Delivery. On the basis of the representations and covenants contained in this Bond Purchase Agreement (this “Purchase Agreement”) and subject to the terms and conditions contained in this Purchase Agreement, the Purchaser agrees to purchase the Bond from the Issuer and the Issuer agrees to sell the initial series of the Bond to the Purchaser in the aggregate principal amount of \$12,500,000. As consideration for the sale of the Bond, the Purchaser agrees to make advances on the Bond at the times and under the conditions specified in Section 404 of the Indenture. The Issuer will deliver the Bond to the Purchaser, at or prior to 10:00 a.m., Mountain Time, on July 15, 2019, or at such other time not later than five business days thereafter as the Issuer, the Depositary and the Purchaser may agree (the “Closing Date”).

Section 3. Issuer Representations. The Issuer represents that, as of the date of this Purchase Agreement:

(a) Each of the representations of the Issuer in the Lease Agreement dated as of July 15, 2019 (the “Agreement” and, together with the Indenture and this Purchase Agreement, the “Bond Documents”) and the Indenture is true and correct as if made on and as of the date of this Purchase Agreement.

(b) Pursuant to an ordinance duly adopted by the County Council of the Issuer on June 11, 2019 (the “Bond Ordinance”), the Issuer duly authorized and approved (i) the execution and delivery by the Issuer of the Bond Documents and the performance by the Issuer of its obligations under the Bond Documents, and (ii) the issuance, execution and delivery of the Bond. The Bond Ordinance has not been amended, modified or repealed.

(c) The Issuer is duly authorized under the Constitution and laws of the State to issue the Bond and to execute, deliver and perform its obligations under the Bond Documents and the Bond, to pledge the security described in the Indenture and pledged thereby in the manner and to the extent therein set forth; based on the opinion of Bond Counsel, all actions required of the Issuer for the issuance of the Bond and the execution and delivery of, and the performance of its obligations under, the Bond Documents and the Bond have been duly and effectively taken; the Bond Documents have been duly executed, issued and delivered by the Issuer and, assuming the due authorization and execution thereof by the other parties thereto, are valid, binding and

enforceable agreements of the Issuer, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity, and, based on the opinion of Bond Counsel, the Bond has been duly authorized, executed, issued and delivered and constitutes, and in the hands of the Purchaser will constitute, the valid and binding limited obligation of the Issuer, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

(d) To the Issuer's knowledge and belief, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body or other governmental authority pending, with respect to which the Issuer has received service of process, or, threatened against or affecting it wherein an unfavorable decision, ruling or finding could adversely affect the transactions contemplated by this Purchase Agreement, or which in any way raises any question concerning the validity of the Bond or the Bond Documents, nor to the best knowledge and belief of the Issuer is there any basis therefor.

(e) To the Issuer's knowledge and belief, the execution, delivery and performance by the Issuer of the Bond Documents and the Bond do not and will not violate any order, injunction, ruling or decree by which the Issuer is bound, and do not and will not constitute a breach of or a default under any agreement, indenture, mortgage, lease, note or other obligation, instrument or arrangement to which the Issuer is a party or by which the Issuer or any of its property is bound, or contravene or constitute a violation of any law, rule or regulation to which the Issuer or any of its property is subject, and no approval or other action by, or filing or registration with, any governmental authority or agency is required in connection therewith which has not been previously obtained or accomplished (except that the Issuer makes no representation as to compliance with state securities or "Blue Sky" laws or the securities laws of the United States and as to any permits, governmental permissions, including environmental clearances, rights and licenses as may be necessary for the construction and operation of the Project, as to which no representation or warranty or covenant is made).

(f) The statements contained in any certificate provided under this Purchase Agreement and signed and delivered to the Purchaser by any authorized official of the Issuer will be deemed a representation and warranty by the Issuer to the Purchaser.

Section 4. Company Representations. The Company represents that, as of the date of this Purchase Agreement:

(a) The Company is a corporation duly formed and validly existing and in good standing under the laws of the State of New Mexico and has or will obtain at the necessary time, all necessary licenses and permits to lease and operate the Project and other property financed with the proceeds of the Bond. To the Company's knowledge and belief, the Company has not received any notice of an alleged violation and is not in violation of any zoning, land use, environmental or other similar law or regulation applicable to the property subject to the Agreement. The Company has full right, power and authority to approve the Bond Documents and to perform the other acts and things as provided for in this Purchase Agreement. The Company has full right, power and authority to approve, enter into, deliver and/or perform its obligations under the Bond Documents.

(b) The approval by the Company of the Bond Documents and the execution, delivery and performance of its obligations under the Bond Documents, compliance by the Company with the provisions hereof and of any and all of the foregoing documents, the application by the Company of the proceeds of the sale of the Bond for the purposes described in the Indenture, and the consummation of the transactions contemplated herein do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, the certificate of incorporation or bylaws of the Company or any material agreement, indenture, mortgage, lease or instrument to which the Company is a party or by which the Company or any of its property is or may be bound or any existing law or court or administrative regulation, decree or order which is applicable to the Company or any of its property, and do not and will not result in the creation or imposition of any lien of any nature upon any of the property of the Company, except for Permitted Liens (as defined in the Agreement).

(c) To the Company's knowledge and belief, no "Default," "Event of Default" or event which, with notice or lapse of time or both, would constitute a "Default" or an "Event of Default" under the Bond Documents has occurred and is continuing.

(d) The Company has duly authorized all necessary action to be taken by it for (i) the issuance and delivery of the Bond by the Issuer upon the terms and conditions and for the uses set forth or described herein and in the Indenture; (ii) the approval of the Bond and the Indenture; and (iii) the execution, delivery or receipt of and the performance as applicable, of its obligations under the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered or received by the Company in order to carry out, effectuate and consummate the transactions contemplated herein and therein.

(e) The Company will not take or omit to take any action which will in any way cause or result in the proceeds of the sale of the Bond being applied in a manner other than as provided in the Indenture and the Agreement.

(f) To the knowledge of the Company, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any public board or body pending or, to the knowledge and belief of the Company, threatened against or affecting the Project wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the transactions contemplated in this Purchase Agreement or (ii) the validity or enforceability in accordance with their respective terms of the Bond Documents.

(g) On or before the date of the sale of the Bond, the Company will approve or execute and deliver, as applicable, the Bond Documents. This Purchase Agreement is, and when executed and delivered, as applicable, the Bond Documents will be the legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principles of equity.

(h) To the knowledge and belief of the Company, all approvals, consents, authorizations, certifications, and other orders of any government authority, board, agency or council having jurisdiction, and all filings with such entities, failure to obtain or make which would

materially adversely affect the performance by the Company of its obligations hereunder or under the Bond Documents, have been duly obtained. All permits and approvals required to date for the construction and operation of the Project have been obtained or will be obtained in due course.

(i) Based upon the Certificate of Good Standing and Compliance issued by the New Mexico Secretary of State, the Company is duly authorized to transact business as a corporation under the laws of the State of New Mexico.

Section 5. Purchaser Representations. The Purchaser represents and acknowledges that, as of the date of this Purchase Agreement:

(a) The Purchaser is a limited liability company duly organized and validly existing and in good standing under the laws of the State of New Mexico. The Purchaser has full right, power and authority to approve the Bond Documents to which it is a party and to perform the other acts and things as provided for in this Purchase Agreement. The Purchaser has full right, power and authority to approve, enter into, deliver and/or perform its obligations under the Bond Documents to which it is a party.

(b) The Purchaser is purchasing the Bond for its own account for investment and with no present intention of distributing or reselling the Bond or any interest in the Bond but without prejudice, however, to its right at all times to sell or otherwise dispose of all or any part of the Bond in compliance with the Securities Act of 1933, as amended, the regulations promulgated thereunder, applicable state securities laws and regulations and the terms of the Bond and the Indenture.

(c) The Purchaser understands that the Bond is a special, limited, and not a general, obligation of the Issuer, is payable solely from the Basic Rent (as defined in the Agreement) received by the Purchaser on behalf of the Issuer under the Agreement and from the security therefor as described in the Indenture but from no other sources. It understands that the Bond is not secured by any obligation or pledge of any monies received or to be received from taxation or from the State of New Mexico (the "State") or any political subdivision or taxing district thereof (including, without implied limitation, the Issuer), and that the Bond will never represent or constitute a general obligation, debt or bonded indebtedness of the Issuer, the State, or any political subdivision thereof, and that no right will exist to have taxes levied by the Issuer, the State, or any political subdivision thereof, for the payment of principal of, premium, if any, and interest on the Bond. The Purchaser understands that the payment of the Bond depends upon the general credit of the Company, and upon the security granted in the Indenture for the Company's obligations under the Agreement.

Pursuant to the terms of the Agreement, the Company shall make payments to the Purchaser for the account of the Issuer, in such amounts at such times as are necessary to make all payments of principal of, interest on and redemption price of the Bond in accordance with the terms of the Bond Documents as and when due, and all such payments shall be netted against any monies and investment made by the Purchaser to the Acquisition Account (as defined in the Indenture) (including interest income). The Purchaser will look only to the Company for payment of the Bond and upon the security granted in the Indenture for the Company's obligations under the Agreement. As described in Section 6.1 of the Agreement, the Issuer will assign and pledge

to the Purchaser all right, title and interest of the Issuer in and to the Basic Rent under the Agreement.

(d) The Purchaser has received copies of financial statements of the Company, has been afforded the opportunity to discuss the business, assets and financial position of the Company with the officers, employees and auditors of the Company, and has received such information concerning the Company and its business, assets and financial position, and the Project as it deems necessary in making its decision to purchase the Bond.

(e) The Purchaser is duly and legally authorized to purchase the Bond, has knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of its purchase of the Bond, is aware of the intended use of proceeds of the Bond, and understands that interest on the Bond is not excludable from gross income for federal income tax purposes.

(f) The Purchaser understands that the Issuer has not undertaken to furnish any information with respect to the Company or to ascertain the accuracy of any information furnished to the Purchaser with respect to the Company and the Purchaser has not requested or received any representations from the Issuer with respect to any such information, its accuracy or completeness. The Purchaser, for itself and for any subsequent holder of the Bond, waives any requirement of due diligence in investigation or inquiry on the part of the Issuer, its officials, counsel, agents and consultants and all claims, actions or causes of action which the Purchaser may have from and after the date hereof against the Issuer, its officials, counsel, agents and consultants growing out of any such action which any of the foregoing took, or could have taken, in connection with the authorization, execution, delivery, sale or resale of the Bond to or by the Purchaser or in connection with any statement or representation which induced the Purchaser to purchase the Bond.

(g) The Purchaser has received and reviewed copies in draft and final form of the Bond Documents and the Bond Ordinance.

(h) This Purchase Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principles of equity.

(i) The Purchaser has been informed by the Company and agrees that the Indenture has not been qualified under the Trust Indenture Act of 1939, and that the Bond (i) is not being registered or otherwise qualified for sale under (a) the Securities Act of 1933, as amended, or (b) the "Blue Sky" laws and regulations of any state, (ii) will not be listed on any stock or other securities exchange, (iii) will not carry a rating from any rating service and (iv) will not be readily marketable. The Purchaser has been informed by the Company and agrees that a legend will be placed on the Bond certificates or any other documents evidencing ownership of the Bond to the effect that they have not been registered under the Securities Act of 1933, as amended, or the applicable state "Blue Sky" laws and that they may only be transferred in compliance with the Indenture and the terms of the Bond.

(j) The Purchaser acknowledges that its purchase of the Bond constitutes a transaction in a bond secured by the Indenture which is, among other things, a personal property security agreement, pursuant to which the Bond is offered and sold as a unit.

(k) The execution, delivery and performance of this Purchase Agreement by the Purchaser will not constitute a default under any other material agreement by which the Purchaser is bound.

Section 6. Indemnification.

(a) The Company agrees to indemnify, defend and hold harmless all officials, councilors, officers, agents, attorneys and employees of the Issuer and each person, if any, who has the power to direct or cause the direction of the management and policies of the Issuer (the “Indemnified Parties”) against any and all losses, claims, damages, liabilities, joint or several, or any expenses related thereto whatsoever arising out of or in connection with or caused by any pledge, offering, sale or resale of the Bond in violation of any federal or state securities laws or by an untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact made by Company to any person or caused by an omission or alleged omission of any material fact by Company in connection with the Bond or the pledge, sale, resale or delivery thereof.

In case a claim shall be made or any action shall be brought against one or more of the Indemnified Parties based upon the matters described in the preceding paragraph and in respect of which indemnity is sought against the Company pursuant to the preceding paragraph, the Indemnified Party or Parties seeking indemnity shall promptly notify the Company, in writing, and the Company shall promptly assume or cause the assumption of the defense thereof, including the employment of counsel chosen by the Company and approved in writing by the Issuer (provided that such approval by the Issuer shall not be unreasonably withheld, conditioned or delayed), the payment of all expenses and the right to participate in negotiations and to consent to settlement. If any Indemnified Party is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Party which are adverse to or in conflict with those available to the Company, or that the defenses of such Indemnified Party should be handled by separate counsel, the Company shall not have the right to assume or cause the assumption of the defense of such Indemnified Party, however, the Company shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Party in assuming its own defense. If the Company shall have failed to assume or cause the assumption of the defense of such action or to retain counsel reasonably satisfactory to the Issuer or in the event it is determined the defense of such Indemnified Party should be handled by separate counsel within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company. Notwithstanding, and in addition to, any of the foregoing, any one or more of the Indemnified Parties shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party or Parties unless the employment of such counsel has been specifically authorized in writing by the Company. The Company shall not be liable for any settlement of any such action effected without the written consent of the Company, but if settled with the written consent of the Company or if there is a final judgment for the plaintiff in any such action with or without consent, the Company

agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. The covenants and agreements of the Company herein contained shall survive the delivery of the Bond.

(b) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section is for any reason held to be unavailable to the Indemnified Parties other than in accordance with its terms, the Company shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by such indemnity agreement incurred by the Issuer in such proportions as determined by a court having jurisdiction of the matter; provided, however, that no person guilty of fraudulent misrepresentation negligence or willful misconduct shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation negligence or willful misconduct. For purposes of this Section, each person, if any, who controls an Indemnified Party shall have the same rights to contribution as such Indemnified Party.

Section 7. Conditions. The obligation of the Purchaser to purchase the Bond and the obligation of the Issuer to sell the Bond are subject to satisfaction of the following conditions precedent:

(a) The representations of the Issuer, the Purchaser and the Company in this Purchase Agreement will be true and correct on and as of the Closing Date as if made on and as of the Closing Date.

(b) As of the Closing Date, no Default (as defined in the Indenture) or Event of Default (as defined in the Agreement) will have occurred and be continuing, and no event will have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute a Default or Event of Default.

(c) On or before the Closing Date, all actions required to be taken as of the Closing Date in connection with the Bond, the Bond Ordinance and the Bond Documents by the Issuer and the Company will have been taken, and the Issuer and the Company will each have performed and complied with all agreements, covenants and conditions required to be performed or complied with by the Bond Ordinance and the Bond Documents.

(d) The Indenture will have been duly executed and delivered by the Issuer, the Company and the Depositary. The Agreement will have been duly executed by the Issuer and the Company. Each of the Bond Documents, the Bond Ordinance and all other official action of the Issuer relating to the Bond, the Project and the Bond Documents will be in full force and effect on the Closing Date and will not have been amended, modified or supplemented on or before the Closing Date.

(e) The Issuer, the Company and the Purchaser will have received the following, each dated the Closing Date:

(i) the opinion of Law Offices of Robert M. Strumor, LLC, Bond Counsel, addressed to the Issuer substantially in the form set forth in Exhibit A (or, with respect to the Company and the Purchaser, in lieu thereof, a letter addressed to each of the Company and the Purchaser authorizing the Company and the Purchaser to rely on such opinion);



(ii) a certificate of and with reference to the Issuer signed by a duly authorized officer of the Issuer to the effect set forth in subsections (a), (b) and (c) of this Section 7;

(iii) a certificate of and with reference to the Company and the Purchaser signed by a duly authorized officer of the Company to the effect set forth in subsections (a), (b) and (c) of this Section 7;

(iv) an Investor Letter signed by the Purchaser in substantially the form attached hereto as Exhibit B; and

(v) a certificate of the Depositary signed by a duly authorized officer of the Depositary, to the effect that (A) he or she is an authorized officer of the Depositary; (B) the Indenture has been duly executed and delivered by the Depositary; and (C) the Depositary has all necessary corporate powers required to execute and deliver, and to perform its obligations under, the Indenture.

If any conditions to the obligations of the Purchaser or the Issuer under this Purchase Agreement are not satisfied and if the satisfaction of such conditions is not waived by the Purchaser and the Issuer, then, at the option of the Purchaser and the Issuer, (a) the Closing Date will be postponed for such period, not to exceed seven days, as may be necessary for such conditions to be satisfied or (b) the obligations of the Purchaser and the Issuer under this Purchase Agreement will terminate, and neither the Purchaser nor the Issuer will have any further obligations or liabilities under this Purchase Agreement, however, the Company will continue to be obligated to reimburse the Issuer for the expenses of the Issuer.

Section 8. Survival. All agreements, covenants and representations and all other statements of the Issuer, the Company and the Purchaser and their respective officers set forth in or made pursuant to this Purchase Agreement will survive the Closing Date and the delivery of and payment for the Bond.

Section 9. Governing Law. This Purchase Agreement will be governed by and construed in accordance with the laws of the State of New Mexico applicable to agreements made and to be performed in the State of New Mexico, without regard or effect given to conflict of laws or rules which would require the application of any other jurisdiction.

Section 10. Counterparts. This Purchase Agreement may be executed in any number of counterparts, each of which so executed and delivered will constitute an original and all together will constitute but one and the same instrument.

Section 11. Severability. If any section, paragraph, clause or provision of this Purchase Agreement 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 Purchase Agreement.

*(Remainder of page intentionally left blank)*

**IN WITNESS WHEREOF**, the Issuer, the Company and the Purchaser have caused this Purchase Agreement to be executed by their duly authorized officers, as of the day and year first above written

INCORPORATED COUNTY OF LOS ALAMOS,  
NEW MEXICO

By \_\_\_\_\_  
Chair, County Councilors

[Signature Page to Bond Purchase Agreement]

PEBBLE LABS ACQUISITIONS LLC, a New Mexico  
limited liability company, as Purchaser

By: \_\_\_\_\_

Its: \_\_\_\_\_

PEBBLE LABS U.S.A., INC., a New Mexico corporation,  
as Company

By: \_\_\_\_\_

Its: \_\_\_\_\_

[Signature Page to Bond Purchase Agreement]

EXHIBIT A  
FORM OF BOND COUNSEL OPINION

LAW OFFICES OF ROBERT M. STRUMOR, LLC

529 W. SAN FRANCISCO, SANTA FE, NEW MEXICO 87501

TELEPHONE: (505) 983-3272 FACSIMILE: (505) 820-9228

E-MAIL: [rstrumor@gmail.com](mailto:rstrumor@gmail.com)

July 15, 2019

Incorporated County of Los Alamos, New Mexico  
1000 Central Avenue  
Los Alamos, New Mexico 87544

**\$12,500,000**  
**Incorporated County of Los Alamos, New Mexico**  
**Taxable Industrial Revenue Bond**  
**(Pebble Labs U.S.A., Inc. Project)**  
**Series 2019**

Ladies and Gentlemen:

We have acted as bond counsel to the Incorporated County of Los Alamos (the “County”), in the State of New Mexico, in connection with its issuance of the above-captioned bond (the “Bond”) in the aggregate principal amount of \$12,500,000, issued and secured pursuant to Ordinance No. 2019 - \_\_\_\_\_ adopted by the Board of County Commissioners of the County on June 11, 2019, and an Indenture dated as of July 15, 2019 (the “Indenture”), by and among the County, Pebble Labs Acquisitions LLC, as the Purchaser (the “Purchaser”), Pebble Labs U.S.A., Inc., as the Company (the “Company”), and BOKF, NA, as Depositary (the “Depositary”). In such capacity, we have examined the County’s certified proceedings and such other documents and such law of the State of New Mexico and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Indenture.

The proceeds of the Bond will be used by the County to finance the cost of the Project, as defined in the Lease Agreement dated as of July 15, 2019 (the “Agreement”) between the County and the Company, for the benefit of the Company. The Bond and the interest thereon are payable solely out of the lease payments to be made by the Company to the County under the Agreement, except to the extent otherwise provided in the Agreement and the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the County's certified proceedings and other representations and certifications of officials of the County, the Company, the Purchaser, the Depository, public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, and assuming there are no changes in applicable law after the date hereof and assuming continuous compliance with the covenants and the continued accuracy of the representations contained in the County's certified proceedings, and in other certifications furnished to us, it is our opinion as bond counsel that:

1. The County has been duly created and is a county validly organized and existing under the laws of the State of New Mexico. Pursuant to the County Industrial Revenue Bond Act, Sections 4-59-1 through 4-59-16, NMSA 1978, as amended (the "Act") and the proceedings of the County, the County has full authority and power to issue and sell the Bond, to execute and deliver and perform its obligations under the Indenture, the Agreement, the Bond Purchase Agreement and the Bond and the other documents to which it is a party.

2. The Bond has been duly authorized by the County, duly executed and delivered by authorized officials of the County, all in accordance with the Act, and is a valid and binding, special, limited obligation of the County; however, the County has not pledged its faith and credit to the payment of the interest on or principal of the Bond, and the Bond is payable solely out of the revenues and assets pledged therefor pursuant to the Indenture, subject to the provisions of the Indenture permitting the use and application thereof for the purposes and on the terms and conditions set forth in the Indenture. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the revenues and assets pledged therefor or on the funds and accounts created by the Indenture.

3. The Indenture, the Agreement and the Bond Purchase Agreement have been duly authorized by the County, duly executed and delivered by authorized officials of the County and (assuming due authorization, execution and delivery by the other parties thereto) constitute valid and binding obligations of the County enforceable in accordance with their respective terms.

4. Interest on the Bond is included in gross income for federal income tax purposes.

5. Under laws of the State of New Mexico in effect as of the date hereof, interest on the Bond is exempt from all taxation by New Mexico, or any subdivision thereof.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the County incurred pursuant to the Bond, the Indenture, the Agreement and the Bond Purchase Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In rendering the foregoing opinions, we are not passing upon (i) the organization, existence or corporate status of the Company, (ii) the power of the Company to authorize, execute and deliver the Indenture, the Agreement or the Bond Purchase Agreement or any other project document, or to perform its obligations under any such instrument, or (iii) the due authorization, execution and delivery by, the binding effect upon and the enforceability against, the Company of the Indenture, the Agreement or the Bond Purchase Agreement or any other project document, or (iv) the security afforded by the Indenture or the Agreement. We are also not passing upon title to the Project Property (as defined in the Agreement).

In this opinion letter issued in our capacity as bond counsel, we are passing only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of any statements made in connection with any offer or sale of the Bond or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bond, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

**LAW OFFICES OF ROBERT M. STRUMOR, LLC**

## EXHIBIT B

### Investor Letter