

OFFICIAL NOTICE OF BOND SALE

\$23,845,000

CITY OF ALBUQUERQUE, NEW MEXICO

Gross Receipts Tax/Lodgers' Tax Improvement Revenue Bonds Taxable Series 2016

PUBLIC NOTICE IS HEREBY GIVEN that electronic bids will be received by the City Council (the "Council") of the City of Albuquerque, New Mexico (the "City"), for the purchase of all of the City's Gross Receipts Tax/Lodgers' Tax Improvement Revenue Bonds, Taxable Series 2016 (the "2016 Bonds"), more particularly described below. The Council will meet in regular session at 5:00 p.m., prevailing Mountain Time, January 20, 2016, to take official action awarding the 2016 Bonds.

Bids for the purchase of the 2016 Bonds will be accepted through the Grant Street Group electronic bidding web site ("Grant Street Group") at www.grantstreet.com. No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

Bid Date: January 20, 2016

**Bid Time: Between 11:30 a.m. and 12:00 p.m. Eastern Time
(Between 9:30 a.m. and 10:00 a.m. Mountain Time)**

Submit Bid to: www.grantstreet.com

Information related to this auction can be obtained from Grant Street Group Auction Support at (412) 391-5555 (x370), attention John Carver.

To bid, bidders must have both (1) completed the registration form on the Grant Street Group website and (2) requested and received admission to the City's auction, as described under "TERMS OF SALE - Submission of Bids" below. The use of Grant Street Group shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto.

Neither the City, Grant Street Group, the Municipal Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Grant Street Group time stamp will govern the receipt of all bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.

This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the 2016 Bonds. The information set forth herein is subject, in all respects, to a more complete description

of the 2016 Bonds and the security therefore set forth in the Preliminary Official Statement dated January 13, 2016 (the “Preliminary Official Statement”).

BOND DETAILS

The 2016 Bonds will be issued in the aggregate principal amount of \$23,845,000. The 2016 Bonds and the interest thereon are special limited obligations of the City. The City has prepared the Preliminary Official Statement, relating to the 2016 Bonds which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission (“the Rule”), except for the omission of certain information as permitted by the Rule. Details of the 2016 Bonds, including maturities, redemption provisions, payment dates and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement.

Official Statement. The Preliminary Official Statement may be viewed and downloaded from www.grantstreet.com or a physical copy may be obtained by contacting the City or the Municipal Advisor, see “Information” below.

The City will make available to the winning bidder, within seven business days after the award of the sale of the 2016 Bonds, the Final Official Statement which is to be downloaded from www.grantstreet.com. One physical copy of the Final Official Statement also will be provided to the winning bidder at that time; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

TERMS OF SALE

Submission of Bids. All bids must be submitted only by electronic bidding on Grant Street Group at www.grantstreet.com. No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the 2016 Bonds will begin at 11:30 a.m., Eastern Time (9:30 a.m. Mountain Time), as indicated above. The receipt of bids will end promptly at 12:00 p.m., Eastern Time (10:00 a.m. Mountain Time), unless extended in accordance with the two-minute rule described herein. If any bid becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by Grant Street Group. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

To bid, bidders must first visit the Grant Street Group website where, if they have never registered with Grant Street Group, they can register and then request admission to bid on the 2016 Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to

bid. Only FINRA registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group may call **(412) 391-5555, x 370, attention John Carver**, for their ID Number or password.

Rules of Grant Street Group. Bidders must comply with, and all bids must be made in accordance with, the Rules of Grant Street Group in addition to the requirements of this Official Notice of Bond Sale. The Rules of Grant Street Group can be viewed on the Grant Street Group website and are incorporated herein by reference. In the event the Rules of Grant Street Group conflict with this Official Notice of Bond Sale, this Official Notice of Bond Sale shall prevail.

Bidding Parameters. Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the 2016 Bonds. Minimum bid price shall not be less than 99.50% of the par amount of the 2016 Bonds. Interest shall be bid in multiples of 1/20th or 1/8th percentum and only one interest rate may be bid for each maturity of the 2016 Bonds. The maximum interest rate specified for any maturity of the 2016 Bonds may not exceed the minimum interest rate specified for any maturity of the 2016 Bonds by more than 3 percent (3%). The maximum net effective interest rate of the 2016 Bonds shall not exceed twelve percent (12%) per annum.

Term Bonds. A bidder may elect to have all or a portion of the 2016 Bonds scheduled to mature in consecutive years issued as one or more term bonds (the “Term Bonds”) scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement, however, not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

Adjustment of principal amounts, modification or clarification prior to examination of bids. The City Treasurer, in consultation with the City’s Municipal Advisor and Bond Counsel, in the City Treasurer’s sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the 2016 Bonds will be received, by issuing a notification of the adjusted series, amounts, modification or clarification via Thomson Municipal News (“TM3”) and/or Grant Street platform and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

Adjustments to principal amounts after determination of best bid. The aggregate principal amount of the 2016 Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the City Treasurer after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the City. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Cilia Aglialoro at caglialoro@cabq.gov or such other address as may be indicated by the City Treasurer within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the 2016 Bonds, the initial offering price of each maturity, the cost of bond insurance, if any, and the

amount received from the sale of the 2016 Bonds to the public that will be retained by the Purchaser as its compensation.

The City Treasurer in consultation with the City's financial and bond advisors may change the dollar amount bid by the Purchaser if the aggregate principal amount of the 2016 Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The City Treasurer in consultation with the City's financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the 2016 Bonds to the public and the price to be paid to the City, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the 2016 Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule. The City will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. Mountain Time on the day of the sale and award of the 2016 Bonds. **THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE CITY FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE 2016 BONDS.**

Information Regarding Bids. Bidders may change and submit bids as many times as they wish during the bidding, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (i.e., "Leader," "Cover," "3rd," etc.).

Bids Constitute an Irrevocable Offer. Each bid submitted through Grant Street Group shall be deemed an irrevocable offer to purchase the 2016 Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

Basis of Award. The 2016 Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the 2016 Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2016 Bonds as of January 20, 2016, produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a semiannual interval for compounding.

The winning bid or bids will be indicated on Grant Street Group and the auction results, as posted on such website, will be subject to verification by the City. The City will verify the auction results immediately following the close of the bidding period and notice of confirmation by the City of the winning bidder or bidders will be made by a posting on Grant Street Group stating "Auction Results Verified and Confirmed".

An award may be made by the City to any bidder in a principal amount less than the principal amount of the 2016 Bonds for which the bid is submitted. Further, in the event of an

award by the City for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Grant Street Group, shall be deemed to be the leading bid.

Sale Reservations. The City reserves the right (a) to reject any and all bids for any Bonds, (b) to reoffer any Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

Good Faith Deposit Not Required to Bid. A good faith deposit will not be required in connection with the submission of any bid for the Series 2016 Bonds. The winning bidder will be required to submit a Bid Award Deposit (see “Bid Award Deposit” below).

Bid Award Deposit. Not later than 3:00 p.m., Mountain Time on January 20, 2016, the winning bidder is required to submit a Bid Award Deposit of \$476,900.00. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the City Treasurer and provided to the winning bidder after the sale of the Bonds:

No interest will be paid by the City on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the Series 2016 Bonds, or in the event of the failure of a winning bidder to take up and pay for the Bonds in compliance with the terms of the bid, at the option of the City, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the City.

Manner and Time of Delivery. The 2016 Bonds will be delivered to DTC for the account of the winning bidder or bidders at the expense of the City on February 16, 2016, or such later date as the City and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the City.

Continuing Disclosure Undertaking. The City has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The City has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as may be disclosed in the Preliminary Official Statement.

State Securities Laws. The City has taken no action to qualify the offer or sale of the 2016 Bonds under the securities laws of any state. Should any such qualification be necessary, the City agrees to cooperate with the winning bidder in such matters, provided that the City reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

CUSIP Numbers. CUSIP numbers will be issued and printed on the 2016 Bonds at the expense of the City. Any error or omission in printing such numbers on the 2016 Bonds will not constitute cause for any winning bidder to refuse delivery of any Bond.

Legal Opinion, Certificates and Transcript. The validity and enforceability of the 2016 Bonds will be approved by the City's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The purchaser of the 2016 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

- (a) a certificate of the City to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;
- (b) a certificate of the City to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the 2016 Bonds as of the date of their delivery; and
- (c) a certificate of the City to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2016 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Postponement of Sale. The City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Grant Street Group prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2016 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2016 Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Grant Street Group at the time the sale date and time are announced.

Rating. A rating has been applied for to Moody's Investors Service, Standard & Poor's Public Finance Group, and Fitch Ratings.

Information. Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the City and the 2016 Bonds may be obtained from:

Cilia Aglialoro, City Treasurer
Albuquerque, New Mexico
P.O. Box 17
Albuquerque, New Mexico 87103
Phone: (505) 768-3309

Paul Cassidy, Managing Director
RBC Capital Markets
6301 Uptown Blvd.
Suite 110
Albuquerque, New Mexico 87110
Phone: (505) 872-5999

The date of this Official Notice of Bond Sale is January 13, 2016.

CITY OF ALBUQUERQUE, NEW MEXICO