

R E S O L U T I O N

A RESOLUTION PROPOSING ISSUANCE AND SALE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS OF THE COUNTY OF TORRANCE, NEW MEXICO, IN AN AMOUNT OF NOT MORE THAN 24 million dollars TO DEFRAY PART OF ALL OF THE COST OF ACQUIRING ASSETS NECESSARY FOR A PROPOSED PROJECT OF Food Ecology & Recycling Corp. A CORPORATION. THEREFORE, IN ORDER TO INDUCE SUCH CORPORATION TO LOCATE CERTAIN OF ITS MANUFACTURING AND COMMERCIAL FACILITIES IN THE STATE OF NEW MEXICO, SUCH PROJECT TO BE LOCATED WITHIN THE COUNTY OF TORRANCE.

WHEREAS, the County of Torrance, duly organized and existing under the laws of the State of New Mexico (herein called "county") is empowered pursuant to the Industrial Revenue Bond Act (Sections 3-32-1 to 3-32-16, inclusive, N.M.S.A., 1978) (herein called "Act") to acquire one or more projects (as that term is defined in the Act) to be located within the County for the purpose of promoting industry and trade other than retail trade, by inducing manufacturing, industrial and commercial enterprises to locate or expand in the State of New Mexico; and

WHEREAS, the County specifically desires to promote industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand within the County; and

WHEREAS, the County is empowered to issue its industrial development revenue bonds pursuant to the Act for the purpose of defraying the cost of acquiring by construction and purchase, or either, any project, and to secure the payment of such bonds as provided in the Act; and

WHEREAS, the Act precludes the County from operating any project as a business or in any manner except as lessor thereof and provides that each project shall be self-liquidating; and

WHEREAS, Food Ecology & Recycling Corp. has presented to the County a proposal whereby the County will acquire the land, together with the building or buildings thereon, and improvements thereto and other property to be used in locating certain of its manufacturing and commercial facilities within the County; and

WHEREAS, at the time of issuance of the bonds, the Company proposes to enter into a lease agreement with the County under which the Company would be obligated to pay rental on the Project sufficient to pay the principal of, interest on, and redemption premium, if any, on the bonds as and when the same shall be due and payable; and

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WHEREAS, the Company has requested the County to take official action declaring its intention to authorize issuance of industrial development revenue bonds to finance acquisition of the Project in whole or part; and

WHEREAS, the County as an inducement to the Company to locate the Project in Torrance County, New Mexico, desires to declare its intention to authorize the issuance of industrial development revenue bonds for the purposes of the Project.

BE IT RESOLVED BY THE COMMISSION, THE GOVERNING BODY OF THE COUNTY OF TORRANCE, NM:

Section 1. That all action (not inconsistent with the provision hereof) heretofore taken by the Torrance County Commission and the officers thereof directed toward acquisition of the Project and the issuance and sale of the bonds therefor, if any, be and the same is hereby ratified, approved, and confirmed.

Section 2. That for the purpose of inducing the company to locate and establish the project in the County of Torrance hereby declares its intention to issue and sell its industrial revenue bonds (herein referred to as the Bonds) in the amount of not more than 24 million dollars to defray part or all of the cost of acquiring assets necessary for the Project, which Bonds may be issued and sold in one series or more in an aggregate principal amount of not more than 24 million dollars.

Section 3. That the County undertake all steps necessary to establish the Project as a self-liquidating facility for the use of the Company in accordance with the purpose and intent of the Act as hereinabove described, provided the Project will be located within the County of Torrance.

Section 4. That nothing contained in this resolution or in any other instrument relating to the Project or to the Bonds shall be construed as giving rise to a pecuniary liability to the County or a charge against its general credit or taxing powers, it being understood that no costs respecting acquisition of the project shall be paid by the County, except to the extent such costs shall be paid out of the proceeds of the Bonds, and that all expenses reasonably incurred by the County in connection therewith are to be promptly reimbursed by the Company.

Section 5. That prior to the execution of the Bond Purchase Agreement, Lease, Mortgage and Indenture of Trust and other necessary documents, if any, in connection with the Project and issuance of the Bonds, such documents shall be subject to authorization by ordinance of Torrance County in accordance with provisions of the Act.

Section 7. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provision of this Resolution.

PASSED, ADOPTED, SIGNED AND APPROVED THIS 17 DAY OF December 1983

Attest:

County Clerk

*Diane Sutherland*

TORRANCE COUNTY COMMISSION

By

*Wayne Connell*  
Chairman