

COUNTY OF TORRANCE
RESOLUTION NO. 99-34

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE COUNTY OF TORRANCE, NEW MEXICO AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE COUNTY OF TORRANCE TO PAY A PRINCIPAL AMOUNT OF \$82,052, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF PURCHASING FIREFIGHTING EQUIPMENT FOR THE COUNTY OF TORRANCE MCINTOSH FIRE DISTRICT; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTION OF FIRE PROTECTION FUND REVENUES RECEIVED BY THE COUNTY OF TORRANCE FROM THE STATE OF NEW MEXICO TREASURER; PROVIDING FOR THE DISTRIBUTION OF FIRE PROTECTION FUND REVENUES FROM THE STATE TREASURER TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO THE INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST DUE ON THE LOAN AGREEMENT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; PROVIDING FOR AN INTERIM RATE OF INTEREST ON THE LOAN AGREEMENT WITH THE PERMANENT RATE TO BE FIXED IN CONJUNCTION WITH FUTURE PERMANENT FINANCING; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INTERCEPT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in Section 1 of the Resolution unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing municipality under the general laws of the State of New Mexico; and

WHEREAS, pursuant to the Sections 6-21-1 through 6-21-31, NMSA 1978, the NMFA is authorized to make temporary loans and permanent loans from money on deposit in its public project revolving fund (the "Public Projects Revolving Fund") to qualified entities, such as the Governmental Unit, for the acquisition of certain types of equipment or the acquisition, construction and improvement of fire stations, with the restrictions that any such loan or combination of loans to any qualified entity not exceed \$500,000 in any Fiscal Year and that the NMFA reimburse the Public

Projects Revolving Fund through the issuance of debt securities, for the amount of the loan within one year of the date of the loan; and

WHEREAS, in order to provide the amounts necessary to initially fund the Loan Agreement, the NMFA will draw upon its Public Projects Revolving Fund;

WHEREAS, in order to provide the amount necessary to permanently fund the Loan Agreement (i) the NMFA may transfer and assign all of its rights, title, and interest in and to the Loan Agreement (except for certain Unassigned Rights as defined in the Loan Agreement) and the Intercept Agreement to the Permanent Financing Provider, and the proceeds from the Permanent Financing Provider will be used to reimburse the NMFA's Public Projects Revolving Fund or (ii) the NMFA may obtain specific authorization of the Project by law, permanently fund the Loan from the Public Projects Revolving Fund and transfer and assign all of its rights, title, and interest in and to the Loan Agreement (except for Unassigned Rights) and the Intercept Agreement to the Trustee; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and its residents that the Loan Agreement and the Intercept Agreement be executed and delivered and that the financing of the Project (as defined herein) take place by executing and delivering the Loan Agreement and the Intercept Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which is currently outstanding; and

WHEREAS, the Loan Agreement shall be a special limited obligation of the Governmental Unit, payable solely from the Pledged Revenues, and shall not constitute a general obligation of the Governmental Unit, or a debt or pledge of the faith and credit of the Governmental Unit or the State; and

WHEREAS, the Governing Body hereby determines pursuant to the Public Securities Short-Term Interest Rate Act, that the Loan Agreement be executed and delivered as a variable rate obligation with the rate of interest on the Loan Agreement initially being the Interim Rate before the Permanent Rate is established; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the County Clerk this Resolution and the form of the Loan Agreement and the Intercept Agreement, which are incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit and will not be

used for purposes which would cause the Loan Agreement to be deemed a "private activity bond" as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the NMFA (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement and the Intercept Agreement, which are required to have been obtained by the date of the Resolution have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE COUNTY OF TORRANCE:

Section 1. Definitions. As used in the Resolution, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Act" means the general laws of the State, including Sections 4-62-1 through 4-62-10, Section 59A-53-7 and Sections 6-18-1 to 6-18-16 NMSA 1978, as amended, and enactments of the Governing Body relating to the Loan Agreement, including the Resolution.

"Aggregate Annual Debt Service Requirement" means the total principal, interest and premium payments, if any, due and payable pursuant to the Loan Agreement and on all Parity Obligations secured by a pledge of the Pledged Revenues for any one Fiscal Year.

"Authorized Officers" means the Chairman of the County Commission, the County Treasurer and the County Clerk of the Governmental Unit.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"Completion Date" means the date of final payment of the cost of the Project.

"Debt Service Account" means the account in the name of the Governmental Unit to be established and used to pay principal and interest on the Loan Agreement as the same becomes due.

"Expense Fund" means the fund to be established and used to pay the cost of execution and delivery of the Loan Agreement and the Governmental Unit's portion of the cost of obtaining Permanent Financing.

"Fiscal Year" means the period commencing on July 1 in each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month

period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

"Governing Body" means the County Commission of the County of Torrance, New Mexico or any successor governing body of the Governmental Unit.

"Governmental Unit" means the County of Torrance, New Mexico.

"Herein", "hereby", "hereunder", "hereof", "hereinabove" and "hereafter" refer to the entire Resolution and not solely to the particular section or paragraph of the Resolution in which such word is used.

"Independent Accountant" means (i) an accountant employed by the State and under the supervision of the State Auditor, or (ii) any certified public accountant, registered accountant, or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Governmental Unit who (a) is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an officer or employee of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

"Intercept Agreement" means the Intercept Agreement between the Governmental Unit and NMFA providing for the direct payment of Pledged Revenues in amounts sufficient to pay principal and interest due on the Loan Agreement and certain expenses required to be paid by the Governmental Unit as provided in the Loan Agreement and the Interim Agreement.

"Interim Rate" means the rate of 0% per annum plus an administrative fee of 0.25% payable to the NMFA, which rate of interest on the Loan will be in effect from the Closing Date until the Permanent Financing Date.

"Loan" means the lending of moneys by the NMFA to the Governmental Unit in the Loan Agreement Principal Amount as evidenced by the Loan Agreement.

"Loan Agreement" means the Loan Agreement between NMFA and the Governmental Unit which provides for the financing of the Project and requires payments by or on behalf of the Governmental Unit.

"NMFA" means the New Mexico Finance Authority.

"NMSA" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

"Parity Obligations" mean the Loan Agreement, and any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with the Loan Agreement.

"Permanent Financing" means financing to be obtained by the NMFA within one year of the date hereof (i) through the sale, whether by transfer or assignment of the Loan Agreement to a third party to provide a source of repayment to the Public Project Revolving Fund, including but not limited to, execution and delivery of certificates of participation in the Loan Agreement by a trustee pursuant to an indenture or (ii) by permanently funding this Loan from the NMFA's Public Projects Revolving Fund.

"Permanent Financing Date" means the date when the Permanent Financing is obtained.

"Permanent Financing Provider" means the individual, institution or trustee, if any, selected by the NMFA to provide the Permanent Financing and its successors or assigns.

"Permanent Rate" means the rate or rates of interest on the Loan which will be determined on the Permanent Financing Date and which will be in effect from the Permanent Financing Date until the time that the Loan is paid in full either pursuant to maturity or prepayment. The Permanent Rate shall be established pursuant to procedures or bond market indices utilized by the NMFA in obtaining Permanent Financing, shall not vary after establishment of the Permanent Rate on the Permanent Financing Date, and shall equal the rate or rates of interest established for the Permanent Financing, plus 0.25% for an administrative fee payable to _____; provided, however, that in no event may the Permanent Rate exceed the rate of 12%

"Pledged Revenues" means the revenues derived from _____ one percent increment of the fire protection excise tax imposed by Ordinance No. ___ pu _____ tion 7-20E-15 NMSA 1978 and distributed to the County of Torrance by the State Dep. _____ taxation and Revenue.

"Program Account" means the account in the name of _____ ental Unit established by the NMFA for deposit of the net proceeds of the Loan Agreement _____ ursoral to the Governmental Unit for payment of the costs of the Project.

"Project" means the Project described in Exhibit A to the Loan Agreement and financed with the proceeds of the Loan Agreement, including any necessary and reasonable costs associated therewith.

"Public Securities Short-Term Interest Rate Act" means Sections 6-18-1 to 6-18-16, NMSA 1978.

"Resolution" means this Resolution No. 99-34, as supplemented from time to time.

"State" means the State of New Mexico.

"Trustee" means First Security Bank of New Mexico, N.A., Albuquerque, New Mexico, as Trustee under an Indenture of Trust dated as of June 1, 1995 by and between the NMFA and the Trustee.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of the Resolution) by the Governing Body and officers of the Governmental Unit directed toward the completion of the Project, and the execution and delivery of the Loan Agreement and the Intercept Agreement be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement and the Intercept Agreement. The Project and the method of financing the Project through execution and delivery of the Loan Agreement and the Intercept Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

Section 4. Findings. The Governmental Unit hereby declares that it has considered all relevant information and data and hereby makes the following findings:

- A. The Project is needed to meet the needs of the Governmental Unit and its inhabitants, and the issuance and delivery of the Loan Agreement in the amount of \$82,052 is necessary or advisable.
- B. Moneys available and on hand for the Project from all sources other than the Loan Agreement are not sufficient to defray the cost of acquiring the Project.
- C. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.
- D. It is economically feasible to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.
- E. The Project and the execution and delivery of the Loan Agreement and the Intercept Agreement pursuant to the Act and the Public Securities Short-Term Interest Rate Act to provide funds for the financing of the Project are necessary in the interest of the public health, safety, morals and welfare of the residents of the Governmental Unit.
- F. The Governmental Unit will finance the Project, in whole or in part, with the net proceeds of the Loan Agreement.
- G. Other than as described in Exhibit A to the Loan Agreement, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement and the Intercept Agreement.

H. The execution and delivery of the Loan Agreement under the Public Securities Short-Term Interest Rate Act will result in a savings in interest cost to the Governmental Unit.

I. The Interim Rate on the Loan does not and the Permanent Rate on the Loan will not exceed 12% per annum on a net effective interest rate basis per annum, which is the maximum rate permitted by State law. The maximum rate, the method of determining the maximum rate as reflected in the Permanent Rate and the maximum net effective interest rate on the Loan are reasonable under existing or anticipated bond market conditions and are necessary and advisable for the marketing and sale of the Loan Agreement and obtaining the Permanent Financing.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the citizens of the Governmental Unit and completing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the Act, execute and deliver the Loan Agreement and the Intercept Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of \$82,052, and interest thereon, and the execution and delivery of the Loan Agreement and the Intercept Agreement are hereby authorized. The Governmental Unit shall use the proceeds of the Loan to (i) finance the Project, (ii) pay the costs of issuance of the Loan Agreement, and (iii) pay a portion of the costs of obtaining the Permanent Financing. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement and the Intercept Agreement shall be in substantially the form of the Loan Agreement and the Intercept Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Loan Agreement shall be in the original aggregate principal amount of \$82,052, which shall be payable in installments commencing on or after the Permanent Financing Date, and which shall bear interest at the Interim Rate from the Closing Date to the Permanent Financing Date, which interest will be due and payable on or after the Permanent Financing Date, and thereafter will bear interest at the Permanent Rate, all as set forth in Exhibit B of the Loan Agreement as amended at the time of obtaining the Permanent Financing.

Section 6. Approval of Loan Agreement and Intercept Agreement. The forms of the Loan Agreement and the Intercept Agreement as presented at the meeting of the Governing Body at which this Resolution was adopted are hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement and the Intercept Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and the Intercept Agreement and attest the same. The execution of the Loan Agreement and the Intercept Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Resolution, and the Loan Agreement shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Resolution nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit, (except with respect to the application of the Pledged Revenues) or as incurring a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Resolution, the Loan Agreement, the Intercept Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds; Completion of the Project.

A. Program Account. The Governmental Unit hereby consents to creation of the Program Account.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Debt Service Account, the Program Account, and the Expense Fund, as provided in the Loan Agreement.

Until the Completion Date, the money in the Program Account shall be used and paid out solely for the purpose of Project in compliance with applicable law and the provisions of the Loan Agreement.

The Governmental Unit will complete the Project with all due diligence.

B. Completion of the Project. Upon the Completion Date, the Governmental Unit shall execute and send to the NMFA a certificate stating that the Project and payment therefor have been completed. As soon as practicable, and in any event not more than 60 days from the Completion Date, any balance remaining in the Program Account shall be transferred and deposited into the Debt Service Account, as provided in the Loan Agreement.

C. NMFA, Trustee and Permanent Financing Provider Not Responsible. The NMFA, the Trustee and the Permanent Financing Provider shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues; Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pursuant to the Intercept Agreement, Pledged Revenues shall be redirected to the NMFA or its assignee, in an amount sufficient to pay principal, premium, if any, interest and other amounts due under the Loan Agreement.

B. Termination upon Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount to become due as to principal, premium, if any, and interest on, and any other amounts due under, the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal, premium, if any, and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such account shall be transferred to the Governmental Unit and used as provided below.

C. Use of Surplus Revenues. After making all the payments hereinabove required to be made by this Section, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the Governmental Unit grants a security interest therein, for the payment of the principal, premium, if any, interest, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Resolution. The Loan Agreement constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein, and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Loan Agreement and the Intercept Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Resolution, the Loan Agreement and the Intercept Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan Agreement and the Intercept Agreement including, but not limited to, the execution and delivery of closing documents and reports to the Internal Revenue Service in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Resolution set out in Section 17 of this Resolution (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Resolution. Prior to the date of the initial delivery of the Loan Agreement to the NMFA, the provisions of this Resolution may be supplemented or amended by resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Resolution. Thereafter, this Resolution may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the NMFA and, if applicable, the Permanent Financing Provider.

Section 13. Resolution Irrepealable. After the Loan Agreement and the Intercept Agreement have been executed and delivered, this Resolution shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. Severability Clause. 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 provisions of this Resolution.

Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of resolutions of the Governmental Unit kept for that purpose, authenticated by the signatures of the Mayor and City Clerk, and the title and general summary of the subject matter contained in this Resolution (set out in Section 17 below) shall be published in a newspaper which maintains an office and is of general circulation in the Governmental Unit, or posted in accordance with law, and said Resolution shall be in full force and effect thereafter, in accordance with law.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Resolution shall be published in substantially the following form:

(Form of Summary of Resolution for Publication)

County of Torrance, New Mexico

Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. 99-34, duly adopted and approved by the Governing Body of the County of Torrance, New Mexico (the "Governmental Unit"), on August 25, 1999. Complete copies of the Resolution are available for public inspection during the normal and regular business hours of the County Clerk, County Courthouse, Estancia, New Mexico.

The title of the Resolution is:

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE COUNTY OF TORRANCE, NEW MEXICO AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE COUNTY OF TORRANCE TO PAY A PRINCIPAL AMOUNT OF \$82,052, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF PURCHASING FIREFIGHTING EQUIPMENT FOR THE COUNTY OF TORRANCE MCINTOSH FIRE DISTRICT; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTION OF FIRE PROTECTION FUND REVENUES RECEIVED BY THE COUNTY OF TORRANCE FROM THE STATE OF NEW MEXICO TREASURER; PROVIDING FOR THE DISTRIBUTION OF FIRE PROTECTION FUND REVENUES FROM THE STATE TREASURER TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO THE INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST DUE ON THE LOAN AGREEMENT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; PROVIDING FOR AN INTERIM RATE OF INTEREST ON THE LOAN AGREEMENT WITH THE PERMANENT RATE TO BE FIXED IN CONJUNCTION WITH FUTURE PERMANENT FINANCING; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INTERCEPT AGREEMENT.

The following is a general summary of the subject matter contained in the Resolution:

Preambles recite or include such matters as the authority of the Governing Body to pledge certain Fire Protection Fund revenues ("Pledged Revenues") to the repayment of the obligation (the "Loan Agreement"); that it is in the best interests of the County of Torrance and its residents to finance the acquisition of fire fighting equipment (the "Project") by executing and delivering the

Loan Agreement (the "Loan Agreement") and the Intercept Agreement (the "Intercept Agreement"); that the Loan Agreement shall be a special limited obligation and not a general obligation of the Governmental Unit and that certain documents have been placed on file with the City Clerk and presented to the Governing Body of the Governmental Unit.

Sections 1 through 4 define the terms used in the Resolution; ratify and confirm all previous actions taken by the Governing Body and officers of the Governmental Unit directed toward the Project and execution and delivery of the Loan Agreement and the Intercept Agreement; authorize the execution and delivery of the Loan Agreement and the Intercept Agreement for the purpose of financing the Project; and set forth certain findings of the Governing Body which include the need for the Project; monies available and on hand for the Project from all sources other than the execution and delivery of the Loan Agreement are not sufficient to defray the cost of the Project; and Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

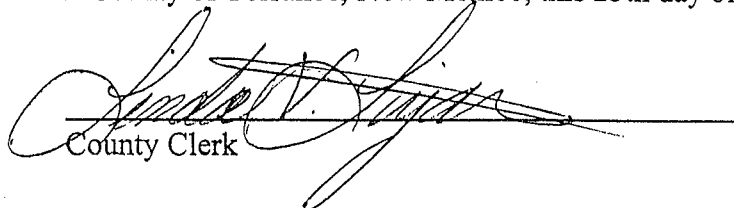
Sections 5 through 8 approve the form of the Loan Agreement and the Intercept Agreement to be delivered by the Governing Body; state that the Loan Agreement is a special limited obligation of the Governmental Unit and shall never constitute an indebtedness of the Governmental Unit within the meaning of any state Constitutional provision or statutory limitation; provide for the use of the proceeds derived from the execution of the Loan Agreement; and approve the deposit of proceeds of the Loan Agreement.

Sections 9 and 10 relate to deposits of the Pledged Revenues and flow of funds; and provide for a lien on the Pledged Revenues.

Sections 11 through 17 authorize execution of other documents related to the obligation of the Governmental Unit and the taking of other acts related to the Resolution; delegate powers to the officers of the Governing Body to effectuate the provisions of the Resolution; provide for amendments to the Resolution; state that the Resolution is irrevocable; provide for severability and repealer clauses; provide an effective date for the Resolution; and provide a form for publication.

This notice constitutes compliance with § 6-14-6, N.M.S.A. 1978.

WITNESS my hand and the seal of the County of Torrance, New Mexico, this 25th day of August, 1999.

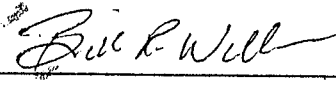

County Clerk

[SEAL]

(End of Form of Summary for Publication)

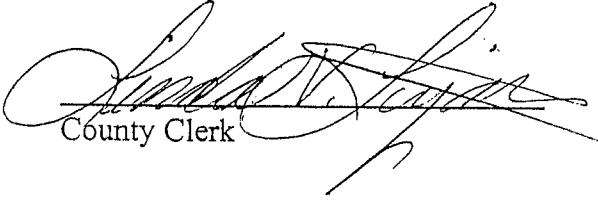
PASSED, APPROVED AND ADOPTED THIS 25th DAY OF AUGUST, 1999.

COUNTY OF TORRANCE, NEW MEXICO

By: 
Chairman, County Commission

[SEAL]

ATTEST:


County Clerk