

RESOLUTION NO. 2001-40

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE COUNTY OF TORRANCE (THE "COUNTY") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE TORRANCE COUNTY SOLID WASTE AUTHORITY AND ITS PARTICIPATING MEMBERS (THE "PARTICIPANTS"), INCLUDING THE COUNTY, TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$132,729 TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF REFINANCING EXISTING INDEBTEDNESS OF THE AUTHORITY; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF ENVIRONMENTAL GROSS RECEIPTS TAX REVENUES RECEIVED BY THE PARTICIPANTS FROM THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUES AND FROM THE NET REVENUES OF THE AUTHORITY DERIVED FROM THE OPERATION OF THE AUTHORITY'S SOLID WASTE FACILITY; PROVIDING FOR THE COUNTY'S DISTRIBUTIONS OF THE ENVIRONMENTAL GROSS RECEIPTS TAX FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO AN 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; PROVIDING FOR A RATE OF INTEREST ON THE LOAN AGREEMENT; 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, pursuant to a joint powers agreement dated December 16, 1993 duly authorized and executed by Torrance County, New Mexico, the Village of Encino, New Mexico, the Town of Estancia, New Mexico, the City of Moriarty, New Mexico, the Town of Mountainair, New Mexico and the Village of Willard, New Mexico (Torrance County, Estancia, Moriarty, Mountainair and Willard are collectively referred to herein as the "Participants") designated as the "Torrance County Solid Waste Authority Joint Powers Agreement, as amended by the First Amendment to the Torrance County Solid Waste Authority Joint Powers Agreement (the "Joint Powers Agreement"), all pursuant to Sections 11-1-1 through 11-1-7 NMSA 1978 and as approved by the New Mexico Department of Finance and Administration, the Participants have determined to jointly exercise

common powers relating to solid waste disposal and have created the Torrance County Solid Waste Authority (the "Authority"); and

WHEREAS, pursuant to the Joint Powers Agreement, the Authority is authorized to acquire, operate and maintain a solid waste disposal system for the benefit of the Participants and their residents, and desires to acquire and operate a solid waste disposal system (the "System," as defined in this Resolution); and

WHEREAS, the Authority and Participants previously entered into a loan agreement with Rural Communities Assistance Corporation for the short-term financing of the costs of purchasing land for the Authority's solid waste disposal facilities (the "RCAC Loan"), with the intention of refinancing the RCAC Loan (the "Project"); and

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interest of the County and its residents that the Loan Agreement and Intercept Agreement be executed and delivered and that the Project be undertaken; and

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

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

WHEREAS, other than as described in Exhibit "A" to the Loan Agreement, the County Pledged Revenues have not heretofore been pledged to secure the payment of any obligation; and

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

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan is to be used for governmental purposes of the County 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 Revenues Code of 1986, as amended; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the County Pledged Revenues to the NMFA (or its assigns) for the payment of 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 this 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 11-1-1 through 11-1-7, Sections 4-62-1 through 4-62-10 and Section 7-20E-17, NMSA 1978, as amended, and enactments of the Governing Body relating to the Loan Agreement and the Intercept Agreement, including the Resolution.

"Aggregate Annual Debt Service Requirement" means the total principal, interest and premium payments 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.

"Authority" means the Torrance County Solid Waste Authority and any successor entity.

"Authority Pledged Revenues" means the Gross Revenues of the System less Operation and Maintenance Expenses.

"Authorized Officers" means the Chairperson, Clerk and Treasurer of the County.

"Bonds" means Public Project Revolving Fund Revenues bonds, if any, issued hereafter by the NMFA and related to the Loan Agreement and the Loan Agreement Payments.

"Closing Date" means the date of execution, delivery and funding of the Loan Agreement.

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

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

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

"County Pledged Revenues" means the means the Environmental Gross Receipts Tax revenues distributed to the County of Torrance by the State Taxation and Revenue Department pursuant to Section 7-20E-17, NMSA 1978.

"Debt Service Account" means the account in the name of the Authority and the Participants established under the Indenture and held by the NMFA to pay principal and interest on the Loan Agreement as the same become due.

"Expense Fund" means the Expense Fund created pursuant to the Indenture, to be held and administered by the Trustee to pay costs of issuance of the Loan Agreement and the Bonds, if any,

and the periodic and regular fees and expenses incurred by the NMFA and the Trustee in administering the Loan Agreement, including legal fees.

"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 Board of County Commissioners of the County or any future successor governing body of the County.

"Governmental Unit" means collectively, the Torrance County Solid Waste Authority and the Participants.

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

"Indenture" means the General Indenture of Trust and Pledge dated June 1, 1995, between NMFA and the Trustee, and all supplemental indentures.

"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.

"Loan" means the funds to be loaned to the Authority and the Participants by the NMFA pursuant to the Loan Agreement.

"Loan Agreement" means the Loan Agreement dated the Closing Date between the NMFA, the Authority and the Participants which provides for the financing of the Project, requires payments by or on behalf of the Authority and the Participants to the NMFA and/or the Trustee, and requires that the project be utilized for governmental purposes as provided therein.

"Loan Agreement Reserve Account" means the loan agreement reserve account established in the name of the Authority and the Participants funded with a portion of the Loan Agreement proceeds, and administered by the Trustee pursuant to the Indenture.

"Loan Agreement Reserve Requirement" means with respect to the Loan, an amount not to exceed the least of (i) ten percent (10%) of the Loan Agreement Principal Amount, (ii) 125% of the average Aggregate Annual Debt Service Requirement under the Loan Agreement, or (iii) the

maximum Aggregate Annual Debt Service Requirement under the Loan Agreement.

"NMFA" means the New Mexico Finance Authority.

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

"Parity Obligations" means 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 Authority Pledged Revenues and Participant Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with the Loan Agreement.

"Participant Pledged Revenues" means the Environmental Gross Receipt Tax revenues distributed to, respectively, the County of Torrance pursuant to Section 7-20E-17, NMSA 1978, and to the Town of Estancia, the City of Moriarty, the Town of Mountainair and the Village of Willard pursuant to Section 7-19D-10, NMSA 1978, as set forth in the Term Sheet attached as Exhibit "A" to the Loan Agreement.

"Participant" or "Participants" means, individually or collectively as the context dictates, the County of Torrance, the Town of Estancia, the City of Moriarty, the Town of Mountainair and the Village of Willard, each in the State of New Mexico.

"Pledged Revenues" means, collectively, the Authority Pledged Revenues and the Participant Pledged Revenues.

"Program Account" means the account in the name of the Authority and the Participants established under the Indenture and held by the Trustee for deposit of the net proceeds of the Loan Agreement for disbursement to the Authority for payment of the costs of the Project.

"Project" means the project described in Exhibit "A" to the Loan Agreement.

"State" means the State of New Mexico.

"Trustee" means Bank of Albuquerque, N.A., Albuquerque, New Mexico, or any successor trustee company, national or state banking association or financial institution at the time appointed Trustee by the NMFA.

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

Section 3. Authorization of the Project and the Loan Agreement. The acquisition of the Project and the method of financing the Project through execution and delivery of the Loan

Agreement is hereby authorized and ordered. The Project is for the benefit and use of the Authority and the Participants.

Section 4. Findings. The County 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 County and its inhabitants.
- B. Moneys available and on hand for the Project from all sources other than the Loan are not sufficient to defray the cost of acquiring the Project.
- C. The County 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 to provide funds for the financing of the Project are necessary and in the interest of the public health, safety, morals and welfare of the residents of the County.
- F. The Authority will carry out the Project, in whole or in part, with the net proceeds of the Loan.
- G. Other than as described in Exhibit "A" to the Loan Agreement, the County does not have any outstanding obligations payable from Authority Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement.
- H. The net effective interest rate on the Loan does not exceed 12.0% per annum, which is the maximum rate permitted by State law.

Section 5. Loan Agreement and Intercept 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, protecting the general welfare and prosperity of the citizens of the Participants and the Project, it is hereby declared necessary that the County, pursuant to the Act, execute and deliver the Loan Agreement evidencing a special, limited obligation of the Authority and the Participants, including the County, to pay a principal amount of \$132,729 and the execution and delivery of the Loan Agreement is hereby authorized. The Authority shall use the proceeds of the Loan to carry out the Project and to pay the costs of issuance of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project (i.e. the payment of all remaining principal of, interest on, and all other charges required to fully discharge the RCAC Loan) is for the

benefit of the Authority and the Participants, including the County.

B. The Loan Agreement and the Intercept Agreement shall be in substantially the forms of the Loan Agreement and the Intercept Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Loan shall be in the original aggregate principal amount of \$132,729, shall be payable in installments of principal due on May 1 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on May 1 and November 1 of each year, commencing on May 1, 2002, at the rates designated in Exhibit "B" to the Loan Agreement, which rates include an administrative fee of 0.25 % per annum.

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

Section 8. Disposition of Proceeds: Completion of Acquisition of the Project.

A. Program Account. The County hereby consents to creation of the Debt Service Account by the NMFA and the Program Account, Loan Agreement Reserve Account and the Expense Fund by the Trustee pursuant to the Indenture, which accounts and fund shall be maintained in the name of the Authority and the Participants. The County hereby approves of the deposit of a portion of the proceeds of the Loan Agreement in 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 Program Account, as provided in the Loan Agreement and the Indenture.

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

The Authority and the Participants will acquire the Project with all due diligence.

B. Completion of the Project. Upon the Completion Date, the Authority shall execute a certificate stating that acquisition of and payment for the Project has 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 and Trustee Not Responsible. The NMFA and the Trustee shall in no manner be responsible for the application or disposal by the Authority or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of County Pledged Revenues, Distributions of the Authority Pledged Revenues and Flow of Funds.

A. Deposit of County Pledged Revenues. The County Pledged Revenues shall be paid to the NMFA in an amount sufficient, when combined with the Authority Pledged Revenues and Participant Pledged Revenues, to pay principal, premium, if any, interest and other amounts due under the Loan Agreement including sufficient County Pledged Revenues, Authority Pledged Revenues and Participant Pledged Revenues in the Loan Agreement Reserve Account to maintain the Loan Agreement Reserve Requirement. The County shall pay County Pledged Revenues in an amount sufficient to pay Loan Agreement Payments, including an amount sufficient to cure any deficiencies in the Debt Service Account, to the NMFA or its assignee to be deposited in the Debt Service Account.

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 of Loan Agreement Payments to become due on and any other amounts due under the Loan Agreement, in which case moneys in such account or accounts in an amount at least equal to the Loan Agreement Payments shall be used solely to pay such obligations as the same

become due, and any moneys in excess thereof in such accounts shall be transferred to the County 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 County as it shall direct, 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 for other purposes authorized by the County as it may from time to time determine.

Section 10. Lien on County Pledged Revenues. Pursuant to the Loan Agreement, the County Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the County grants a security interest therein for, the payment of Loan Agreement Payments, 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 County Pledged Revenues as set forth herein and therein.

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, the Loan Agreement, 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, the Loan Agreement and the Intercept Agreement, including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement and the Intercept 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 they may determine).

Section 12. Amendment of Resolution. Prior to the date of the initial delivery of the Loan Agreement to NMFA, the provisions of this Resolution may be supplemented or amended by ordinance or resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Resolution. This Resolution may be amended without receipt by the Authority of any additional consideration, but only with the prior written consent of the NMFA.

Section 13. Resolution Irrepealable. After the Loan Agreement has 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.

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 the Authority kept for that purpose, authenticated by the signatures of the Chairperson and Clerk of the County, 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 County, 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)

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.2001-40, duly adopted and approved by the Governing Body of the County of Torrance (the "County") on November 14, 2001. A complete copy of the Resolution is available for public inspection during the normal and regular business hours of the Office of the County Clerk, Torrance County Courthouse, 205 9th Street, Estancia, New Mexico.

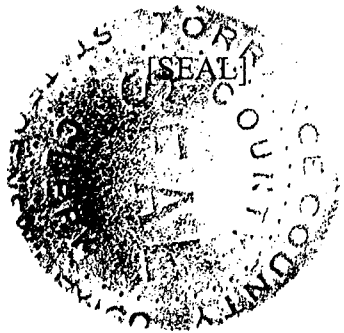
RESOLUTION NO. 2001-40

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE TORRANCE COUNTY SOLID WASTE AUTHORITY (THE "AUTHORITY") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE AUTHORITY AND ITS PARTICIPATING MEMBERS (THE "PARTICIPANTS"), INCLUDING THE COUNTY OF TORRANCE (THE "COUNTY") TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$132,729 TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF REFINANCING EXISTING INDEBTEDNESS OF THE AUTHORITY; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF ENVIRONMENTAL GROSS RECEIPTS TAX REVENUES RECEIVED BY THE

PARTICIPANTS FROM THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUES AND FROM THE NET REVENUES OF THE AUTHORITY DERIVED FROM THE OPERATION OF THE AUTHORITY'S SOLID WASTE FACILITY; PROVIDING FOR THE COUNTY'S DISTRIBUTIONS OF THE ENVIRONMENTAL GROSS RECEIPTS TAX FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO AN 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; PROVIDING FOR A RATE OF INTEREST ON THE LOAN AGREEMENT; 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.

A general summary of the subject matter of the Resolution is contained in its title. This notice constitutes compliance with Section 6-14-6, NMSA 1978.

WITNESS my hand and  County of Torrance this 14th day of November, 2001.



/s/ Linda Jaramillo
Linda Jaramillo, Clerk

(End of Form of Summary for Publication)

PASSED, APPROVED AND ADOPTED THIS 14th DAY OF NOVEMBER, 2001.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO



Buckwell
Chair

ATTEST:

[Signature]
Clerk

Member ~~Chester~~^{Riley} then moved adoption of the foregoing Resolution, duly seconded by Member ~~Bill Williams~~

The motion to adopt said Resolution, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Bill Williams-Chairman
Chester Riley-Member

Those Voting Nay: Rodger Rayner-Member

Those Absent:

2 members of the Governing Body having voted in favor of said motion, the Chair declared said motion carried and said Resolution adopted, whereupon the Chair and the Secretary signed the Resolution upon the records of the minutes of the Governing Body.

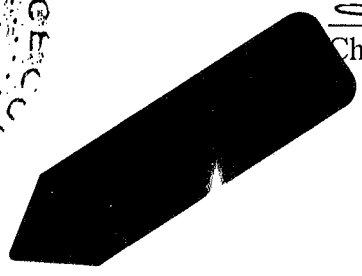
After consideration of matters not relating to the Resolution, the meeting on the motion duly made, seconded and unanimously carried, was adjourned.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO



Bill R. Wells

Chair



ATTEST:

[Signature]
Clerk

Exhibit "A"
Meeting Agenda