



COUNTY OF TORRANCE, NEW MEXICO

**RESOLUTION NO. 2007-17**

DIRECTING THAT THE TITLE AND A GENERAL SUMMARY OF THE SUBJECT MATTER OF THE PROPOSED ORDINANCE BE PUBLISHED ONE TIME IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE COUNTY, AT LEAST TWO WEEKS PRIOR TO THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS AT WHICH THE ORDINANCE IS PROPOSED FOR FINAL PASSAGE, AND THAT THE PUBLICATION STATE THE DATE AND TIME OF THE MEETING AT WHICH THE ORDINANCE IS TO BE CONSIDERED.

WHEREAS, the County of Torrance (the "**County**"), State of New Mexico (the "**State**") is a political subdivision of the State duly organized and existing pursuant to the Constitution and laws of the State; and

WHEREAS, the Torrance County Board of County Commissioners (the "**Commission**") is the governing body of the County; and

WHEREAS, Western Water & Power Production Limited, LLC, a New Mexico limited liability company (together with its successors, the "**Company**"), has presented to the County a proposal (the "**Project Plan**") whereby the County, in accordance with the Act and for benefit of the Company, will acquire an approximately 50 acre parcel located within the County (the "**Project Site**"), and will cause to be acquired, constructed, equipped and installed for the benefit of the Company certain buildings, facilities and other improvements on the Project Site for the purpose of generating, through the implementation of renewable biomass fueled generation technology, electrical power for sale on the wholesale market, which Project Site, together with such improvements and as so equipped, will constitute a project (the "**Project**") as defined in the County Industrial Revenue Bond Act, Chapter 4, Article 59, New Mexico Statutes Annotated, 1978 Compilation, as amended (the "**Act**"); and

WHEREAS, on March 14, 2007, the Commission approved Resolution 2007-16, which demonstrates the Commission's intent to take all necessary and advisable steps to effect the issuance by the County of its Industrial Revenue Bonds (Estancia Basin Biomass Power Plant Project) Series 2007 (the "**Bonds**") under the Act in an aggregate principal amount not to exceed \$94,000,000 to finance, as described in the Project Plan, all or part of the costs of acquisition, construction, installation and equipping of the Project and certain costs in connection with the authorization, issuance and sale of the Bonds; and

WHEREAS, the Commission desires to consider an ordinance (the "**Bond Ordinance**") under which the County would authorize the issuance of the Bonds; and

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

Section 1     Ratification. All actions (not inconsistent with the provisions hereof) heretofore taken by the Commission and the officers and officials of the County, related to the purpose of this Resolution are ratified, approved and confirmed.

Section 2     Consideration of the Bond Ordinance. The Bond Ordinance to be introduced before the Commission shall be filed with the County Clerk, and shall be considered by the Commission at a meeting of the Commission on April 25, 2007 or as soon thereafter as the matter may be heard.

Section 3     The Notice. The following notice shall be published one time in the Mountain View Telegraph, a newspaper of general circulation in the County, as soon as is practicable following the adoption of this resolution:

(Form of Notice)

NOTICE OF CONSIDERATION OF ORDINANCE

COUNTY OF TORRANCE, NEW MEXICO

NOTICE IS GIVEN that the Torrance County Board of County Commissioners (the "Commission"), constituting the governing body of Torrance County, New Mexico (the "County"), will consider the adoption of an ordinance (the "Ordinance") authorizing the issuance of industrial revenue bonds in an aggregate principal amount not to exceed \$94,000,000 (the "Bonds") to finance the acquisition, construction, equipping and installation of an industrial revenue bond project, which will generate, through the implementation of renewable biomass fueled generation technology, electrical power for sale on the wholesale market (the "Project") on an approximately 50 acre parcel located within the County (the "Project Site") for use by Western Water & Power Production Limited, LLC, a New Mexico limited liability company (together with its successors, the "Company") and payable solely from the net revenues of the Project and unexpended proceeds of the Bonds, at a meeting of the Commission on April 25, 2007 at 9:00 a.m., or as soon thereafter as the matter may be heard at the Administrative Offices of Torrance County, Commission Chambers, 205 9th Street, Estancia, NM 87016. The title and subject matter of the Ordinance are as follows:

AUTHORIZING THE ISSUANCE AND SALE OF TORRANCE COUNTY, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (ESTANCIA BASIN BIOMASS POWER PLANT PROJECT) SERIES 2007, IN A MAXIMUM PRINCIPAL AMOUNT OF \$94,000,000 TO PROVIDE FUNDS TO FINANCE THE ACQUISITION, CONSTRUCTION, INSTALLATION AND EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY WESTERN WATER & POWER PRODUCTION LIMITED, LLC; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A LEASE, A BOND PURCHASE AGREEMENT, THE BONDS AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

Under the terms of a proposed Lease Agreement (the "Lease Agreement") between the County and the Company, the Company will operate the Project and be obligated to pay rent for the Project sufficient to pay, when due, the principal of, interest on and redemption price, if any, of the Bonds. The Bonds will be issued pursuant to an Indenture (the "Indenture") between the County and a Trustee or a depository to be designated in the Indenture. The Bond will be sold to a purchaser in a private sale pursuant to the terms of a proposed Bond Purchase Agreement (the "Bond Purchase Agreement").

THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE, IF ANY, OF THE BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR

LAWS OF THE STATE OF NEW MEXICO. THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE COUNTY AND WILL NEVER CONSTITUTE NOR GIVE RISE TO PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

The Bonds will mature, bear interest and be subject to prior redemption all in accordance with the Ordinance and the Indenture. A copy of the Ordinance, the Indenture, the Lease Agreement and a Bond Purchase Agreement relating to the Bonds in draft form are on file and available for inspection during normal business hours at the office of the County Clerk, located at Administrative Offices of Torrance County, 205 9th Street, Estancia, NM 87016.

This notice is given pursuant to Section 4-37-7.A NMSA 1978.

(End of Form of Notice)

Section 4 Authorized Actions. The County Manager and other appropriate County officials are hereby authorized and empowered to take such steps and to do such things as may be necessary to achieve the purposes of this Resolution.

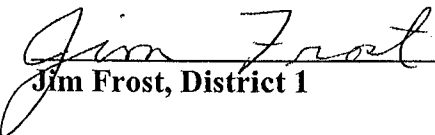
Section 5 Severance Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

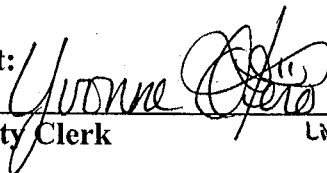
Section 6 Headings. Titles of sections in this Resolution are included for convenience only, and shall not be construed as modifying the text.

Section 7 Repealer. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; however, this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.

Passed, Approved, Signed and Adopted this 28<sup>th</sup> day of March, 2007.

TORRANCE COUNTY COMMISSION

  
Jim Frost, District 1

Attest:   
County Clerk Linda KOYSER  
T.C.C.

  
Paul M. (Tito) Chavez, District 2

  
LeRoy M. Candelaria, District 3