

RESOLUTION NO. 2008-13

A RESOLUTION RELATING TO THE INDUSTRIAL REVENUE BONDS ENTITLED TORRANCE COUNTY, NEW MEXICO INDUSTRIAL REVENUE BONDS (HIGH LONESOME WIND PROJECT), SERIES 2008, AND DECLARING THE INTENT OF TORRANCE COUNTY TO ISSUE INDUSTRIAL REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$195,000,000 IN CONNECTION WITH A PROPOSED PROJECT LOCATED WITHIN THE BOUNDARIES OF TORRANCE COUNTY, NEW MEXICO, FOR THE PURPOSE OF INDUCING HIGH LONESOME WIND RANCH, LLC TO DEVELOP THE PROJECT SITE AND TO CONSTRUCT AND INSTALL THE PROJECT.

WHEREAS, the New Mexico ("State") legislature has passed the "Industrial Revenue Bond Act" (the "Act"), Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Torrance County, New Mexico (the "County") to issue industrial development bonds and to acquire projects as defined in the Act; and

WHEREAS, the County desires to promote industry and develop trade by inducing manufacturing, industrial and commercial enterprises to locate in the State promoting the agricultural products and the natural resources of the State and to secure and maintain a balanced and stable economy in the County and to promote public health, safety, security, and the general welfare of the citizens of the County; and

WHEREAS, High Lonesome Wind Ranch, LLC, a Delaware limited liability company, authorized to do business in New Mexico (the "Company"), made a proposal to the County (the "Proposal") whereby the County will acquire, through acquisition of leasehold title to land, and

fee title to buildings and equipment located in the County which will constitute an industrial development project (the "Project"); and

WHEREAS, the issuance of its industrial revenue bonds (the "Bonds") by the County to finance the Project will constitute one of the inducements whereby the Company will determine to proceed with the Project; and

WHEREAS, the Board of County Commissioners (the "Commission") of the County constitutes the governing body of the County within the meaning of the Act; and

WHEREAS, the Project has been considered by the Commission and it has been concluded that the Project will promote the health, safety, security, and general welfare of the citizens of the County, and the Commission desires to indicate its intent to consider proceeding with the issuance of the Bonds for the financing of the Project; and

WHEREAS, concurrently with the issuance of the Bonds, the Company will enter into a leasing or other financing agreement with the County providing for the payment of lease rentals or other payments on the Project sufficient to pay the debt service on the Bonds, subject to the prior adoption by the Commission of an ordinance approving such agreement and authorizing issuance of the Bonds (the "Bond Ordinance").

WHEREAS, the County and the Company understand that the adoption of this Resolution shall not obligate the County to issue the Bonds except in full compliance with the terms of the Bond Ordinance to be considered for adoption by the Commission prior to the issuance of the Bonds and with the terms of the related bond documents.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, THE GOVERNING BODY OF THE COUNTY OF TORRANCE, NEW MEXICO:

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Section 1. All actions (not inconsistent with the provisions hereof) heretofore taken by the Commission and the officers and employees of the County, related to the Proposal, the acquisition of the Project, and the sale and issuance of the Bonds therefor, be and the same hereby are ratified, approved and confirmed.

Section 2. The Commission understands that:

(A) The facility will consist of leased land, buildings and equipment for a wind farm, including all supporting towers, nacelles, rotors and improvements for the generation and transportation of electricity.

(B) The maximum aggregate face amount of industrial revenue bonds to be issued for the Project is \$195,000,000.

(C) The developer and operator of the facility will be the Company.

(D) The location of the facility is in Torrance County on Mesa de los Jumanos, approximately 9 miles south of Willard.

Section 3. In order to promote the health, safety, security and general welfare, of the citizens of the County, it is the Commission's intent to take all necessary and advisable steps to consider and, if appropriate, to effect the issuance of the Bonds in an aggregate principal amount up to \$195,000,000 in order to defray part or all of the costs of the Project. The Bonds are to be entitled substantially as follows "Torrance County, New Mexico Industrial Revenue Bonds (High LonesomeWind Project), Series 2008." This expression of the Commission's intent is subject to the provision of Section 6 of this resolution and conditioned upon the issuance of the Bonds on or before December 31, 2008.

Section 4. The Bonds shall be payable from the revenues of the Project or other moneys payable by the Company with respect thereto, and shall not constitute a debt or indebtedness of

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the County within the meaning of any provision or limitation of the Constitution or statutes of the State of New Mexico. In addition, if the Bonds are issued, the Company shall indemnify and hold harmless the County, the Commission and their respective officers, employees, designated representatives and agents (collectively, the "Indemnified Persons") from and against any liability to the Company or to any third parties that may be asserted against the County with respect to the County's ownership of or leasehold interest in the Project or the issuance of the Bonds. Nothing contained in this Resolution or in any other instrument shall be considered as obligating the County to any pecuniary liability or a charge upon the general credit of the County or against its taxing power, it being understood that no costs are to be borne by the County and that all costs incurred by the County in connection with the Bonds are to be promptly reimbursed by the Company. The County's adoption of this Resolution shall not be deemed a conclusion or expression of approval by the County or any Indemnified Person of the Company or the Project.

Section 5. The Company, as agent for the County and consistent with Taxation and Revenue Department Regulation 3.2.212.22 NMAC Renumbered, will acquire the Project. The County will, consistent with New Mexico State Law, deliver to the Company Type 9 Nontaxable Transaction Certificates ("Certificates") that have been issued to the County by the Taxation and Revenue Department. The Company will deliver a Certificate to each person selling tangible personal property to the Company for the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. For this purpose, by adoption of this Resolution, the County authorizes the Company to act as agent for the County. The Company shall not use the Certificates other than for the purchase of wind generation nacelles, rotors and related equipment, nor shall the Company use such Certificates after the completion of the Project. Prior to the use of such Certificates by the Company as agent for the County, the County

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Manager and the Company will agree to certain procedures regarding the use of the Certificates and protection of the County from any unpaid taxes determined to be due to the Taxation and Revenue Department.

Section 6. The County Commissioners and other appropriate County officials and employees 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; provided, however, the issuance of the Bonds and the execution and delivery of any documents to which the County is a party in connection therewith shall be subject to the approval and authorization of the Commission pursuant to the Bond Ordinance, to be adopted following public notice of the Commission's intent to adopt such Ordinance at least fourteen (14) days prior to the consideration of the Ordinance by the Commission at a public meeting, such public notice to specify the time, date and place of the Commission's meeting. In particular, no provision of this Resolution shall in any way obligate the County or any other person to issue the Bonds, any other bonds or in any way finance the Project; and the County retains full and complete discretion with respect thereto.

Section 7. If Bonds are issued by the County, the documentation evidencing the obligations of the developer shall provide (i) the developer shall make payments in lieu of taxes to the County in an amount mutually agreeable to the developer and the County, and (ii) if the Project is abandoned within five (5) years after the issuance of the Bonds, the developer shall reimburse the County for all or a portion of the property taxes which were abated as a result of the issuance of the Bonds.

Section 8. This Resolution shall not give rise to a pecuniary liability of the County and shall not give rise to a charge against its general credit or taxing powers.

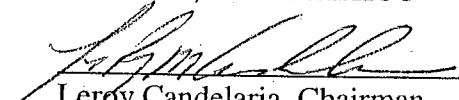
Section 9. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 10. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.

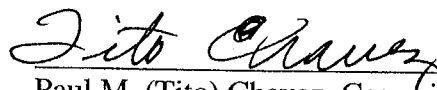
Section 11. This Resolution shall take effect immediately upon its adoption and approval by the Commission.

PASSED, ADOPTED, SIGNED AND APPROVED this 1st day of February, 2008.

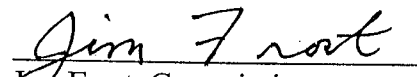
BOARD OF COUNTY COMMISSIONERS, TORRANCE
COUNTY, NEW MEXICO



Leroy Candelaria, Chairman



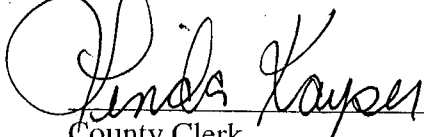
Paul M. (Tito) Chavez, Commissioner



Jim Frost, Commissioner



[SEAL]
ATTEST:



Linda Kayser
County Clerk