

RESOLUTION NO. 2014-17

A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 2013-36, RELATING TO THE PROPOSED INDUSTRIAL REVENUE BONDS ENTITLED TORRANCE COUNTY, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (EL CABO WIND PROJECT), SERIES 2014, AND DECLARING THE INTENT OF TORRANCE COUNTY TO ISSUE SUCH INDUSTRIAL REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$575,000,000 IN CONNECTION WITH A PROPOSED PROJECT LOCATED WITHIN THE BOUNDARIES OF TORRANCE COUNTY, NEW MEXICO, FOR THE PURPOSE OF INDUCING [EL CABO WIND, 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 revenue 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 County promoting the agricultural products and natural resources of the County 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, Iberdrola Renewables, LLC, a limited liability company, made a proposal to the County (the "Proposal") whereby the County will acquire from El Cabo Wind, LLC, a limited liability company formed to be by Iberdrola Renewables, LLC and to be authorized to do business in New Mexico (the "Company"), 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 County adopted Resolution No. 2013-36 on July 10, 2013, providing for the issuance industrial revenue bonds in the principal amount of \$450,000,000 to finance the Project (the "Bonds"), constituting one of the inducements whereby the Company determined 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 (A) will be located on a site that does not require County approval (other than a building permit) for the development, installation and operation of the Project, and

(B) 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 an installment sale, leasing or other financing agreement with the County under which the County will acquire the Project and which will provide for the payment of installments, lease rentals or other payments by the Company from the revenues generated by the Project or other Company funds 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"); and

WHEREAS, the Company has requested that the maximum principal amount of the Bonds to be issued by the County to finance the Project be increased from \$450,000,000 to \$575,000,000; and

WHEREAS, the Commission has considered the Company's request to increase the maximum principal amount of the Bonds and has concluded that such increase is in the best interest of the County; and

WHEREAS, the Commission desires to increase the maximum principal amount of the Bonds from \$450,000,000 to \$575,000,000; and

WHEREAS, the Commission wishes to amend and restate Resolution No. 2013-36 in its entirety; and

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 Amended and Restated 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:

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 Project will consist of leased land, buildings and equipment for a wind farm, including all turbines, blades, nacelles, rotors and supporting structures used to

generate electricity from wind and related equipment 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 \$575,000,000;

(C) The developer and operator of the Project will be the Company, or its permitted successors or assignees;

(D) The location of the Project is in Torrance County north of State Highway 60 and west of State Highway 285;

(E) The development, installation and operation of the Project at the proposed site is not subject to land-use regulation or approval by the County (other than a building permit);

(F) The Company will make all necessary arrangements with the proposed bond purchaser for the purchase of the Bonds and the County shall have no responsibility to make such arrangements; and

(G) The Company has agreed to pay or reimburse the County for all legal counsel, including independent bond counsel and financial advisory expenses of the County directly related to adoption of this Resolution ("Resolution"), consideration and adoption of the Bond Ordinance and issuance of the Bonds. The Company has agreed to such payment or reimbursement irrespective of whether the Bonds are issued.

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 \$575,000,000 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 Taxable Industrial Revenue Bonds (El Cabo Wind Project), Series 2014." 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, 2014, or by December 31, 2015 if the Company exercises an option to extend such deadline for issuance of the Bonds pursuant to the terms of the Bond Ordinance or the documents executed and delivered in connection with issuance of the Bonds.

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 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, will acquire the Project. For this purpose, by adoption of this Resolution, the County authorizes the Company to act as agent for the County for the purchase of wind generation equipment used to generate electricity from wind and related equipment as defined in NMSA 1978 Section 7-9-54.3. For other tangible personal property relating to the Project, the County will cooperate with the Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates ("Certificates") that have been properly executed for acquisition of tangible personal property relating to the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. The Company shall not use the Certificates other than for such things as may be permitted by law, if any, 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 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. No costs, expenses or other monetary relief will be recoverable from the County by vendors of wind generation equipment.

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, adopted following public notice of the Commission's intent to adopt such Bond Ordinance at least fourteen (14) days prior to the consideration of the Bond Ordinance by the Commission at a public meeting, such public notice to specify the time, date and place of the Commission's public hearing on the Bond Ordinance and the meeting at which the Bond Ordinance will be considered. 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 Company shall provide (A) the Company shall make payments in lieu of taxes to the County in an amount mutually agreeable to the Company and the County, and (B) 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.

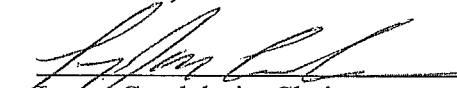
Section 10. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; provided, however, this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.


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


Section 12. This Resolution amends, restates and supersedes Resolution No. 2013-36 in its entirety.

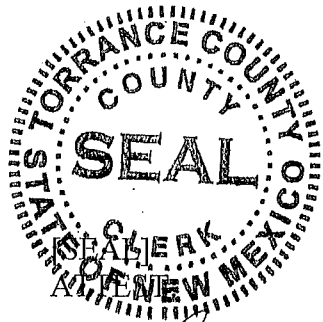
PASSED, ADOPTED, SIGNED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

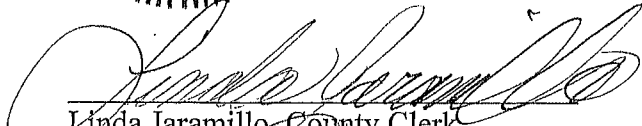
BOARD OF COUNTY COMMISSIONERS, TORRANCE  
COUNTY, NEW MEXICO

  
\_\_\_\_\_  
Leroy Candelaria, Chairman

  
\_\_\_\_\_  
Leanne Tapia, Commissioner

  
\_\_\_\_\_  
Lonnie Freyburger, Commissioner



  
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Linda Jaramillo, County Clerk