

TORRANCE COUNTY
RESOLUTION NO. 2014-056

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AMONG THE ESTANCIA VALLEY SOLID WASTE AUTHORITY (THE "GOVERNMENTAL UNIT"), TORRANCE COUNTY, NEW MEXICO ("TORRANCE COUNTY"), THE VILLAGE OF ENCINO, NEW MEXICO ("ENCINO"), THE TOWN OF ESTANCIA, NEW MEXICO ("ESTANCIA"), THE CITY OF MORIARTY, NEW MEXICO ("MORIARTY"), THE TOWN OF MOUNTAINAIR, NEW MEXICO ("MOUNTAINAIR"), THE VILLAGE OF WILLARD, NEW MEXICO ("WILLARD"), THE TOWN OF VAUGHN, NEW MEXICO ("VAUGHN"), THE CITY OF SANTA ROSA, NEW MEXICO ("SANTA ROSA"), GUADALUPE COUNTY, NEW MEXICO ("GUADALUPE COUNTY") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), AN INTERCEPT AGREEMENT AMONG THE GOVERNMENTAL UNIT, THE FINANCE AUTHORITY AND TORRANCE COUNTY, EVIDENCING THE SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT, TORRANCE COUNTY, ENCINO, ESTANCIA, MORIARTY, MOUNTAINAIR, WILLARD, VAUGHN, SANTA ROSA AND GUADALUPE COUNTY TO PAY THE PRINCIPAL AMOUNT OF \$418,630, TOGETHER WITH INTEREST THEREON FOR THE PURPOSE OF DEFRAYING THE COST OF PURCHASING SOLID WASTE EQUIPMENT FOR USE BY THE GOVERNMENTAL UNIT, FUNDING A LOAN AGREEMENT RESERVE ACCOUNT AND PAYING A LOAN PROCESSING FEE; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET SYSTEM REVENUES OF THE GOVERNMENTAL UNIT AND THE DISTRIBUTIONS OF ENVIRONMENTAL SERVICES GROSS RECEIPTS TAX REVENUES RECEIVED BY TORRANCE COUNTY AND GUADALUPE COUNTY PURSUANT TO SECTION 7-20E-17, NMSA 1978 AND BY ENCINO, ESTANCIA, MORIARTY, MOUNTAINAIR, WILLARD AND SANTA ROSA PURSUANT TO SECTION 7-19D-10, NMSA 1978 AND DISTRIBUTED BY THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUE PURSUANT TO SECTIONS 7-1-6.1, 7-1-6.4, AND 7-1-6.15, NMSA 1978; PROVIDING FOR THE DISTRIBUTIONS OF ENVIRONMENTAL GROSS RECEIPTS TAX REVENUES FROM THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE FINANCE AUTHORITY OR ITS ASSIGNS FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT PURSUANT TO INTERCEPT AGREEMENTS WITH EACH PARTICIPANT; 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 INTERCEPT AGREEMENTS.

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

WHEREAS, Torrance County is a legally and regularly created, established, organized and existing county under the general laws of the State; and

WHEREAS, pursuant to a Joint Powers Agreement dated December 16, 1993, the First Amendment to the Joint Powers Agreement dated May 15, 2003, the Amended Joint Powers Agreement dated February 2, 2011, and the Amended Joint Powers Agreement dated [November 20], 2014, duly authorized and executed by Torrance County, Encino, Estancia, Moriarty Mountainair, Willard, Vaughn, Santa Rosa and Guadalupe County (collectively, the "Participants") prior to the adoption hereof and designated as the "Estancia Valley Solid Waste Authority Joint Powers Agreement," formerly known as the "Torrance County Solid Waste Authority Joint Powers Agreement" (the "Joint Powers Agreement"), all entered into pursuant to Sections 11-1-1 through 11-1-7, NMSA 1978 and 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 Estancia Valley Solid Waste Authority; and

WHEREAS, pursuant to the Joint Powers Agreement, the Governmental Unit owns, operates and maintains a solid waste disposal system for the benefit of the Participants and their residents; and

WHEREAS, the Governmental Unit determined 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 the residents of the Participants that the Loan Agreement and Intercept Agreements be executed and delivered and that the financing of the acquisition of the Project take place by executing and delivering the Loan Agreement and Intercept Agreements; and

WHEREAS, Torrance County, a Participant, wishes to pledge its county environmental gross receipts tax revenues to the repayment of the Loan Agreement Payments due under the Loan Agreement; and

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

WHEREAS, other than as described in the Term Sheet, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation, which is currently outstanding; and

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

WHEREAS, the Participants desire to provide that distributions of the Pledged Revenues be redirected to the Finance Authority or its assigns pursuant to nine separate Intercept Agreements among the Governmental Unit, the Finance Authority, and each of Torrance County, Encino, Estancia, Moriarty, Mountainair, Willard, Vaughn, Santa Rosa and Guadalupe County for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than the Pledged Revenues, no tax revenues collected by the Governmental Unit or any participant shall be pledged to the Loan Agreement; and

WHEREAS, there have been presented to the Governing Body of Torrance County and there presently are on file with the County Clerk, this Resolution and the forms of the Loan Agreement and the Torrance County 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 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, the Governing Body of Torrance County intends by this Resolution to authorize the execution and delivery of the Loan Agreement in the amount and for the purposes set forth herein; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of the 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 Torrance County 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 TORRANCE COUNTY, NEW MEXICO:

Section 1. Definitions. As used in this Resolution, the following capitalized 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, Sections 4-62-1 through 4-62-10, Sections 7-1-6.1, 7-1-6.4, 7-1-6.15, Section 7-20E-17 and Sections 11-1-1 through 11-1-7 NMSA 1978, as amended, and enactments of the Governing Body relating to the Loan Agreement and Intercept Agreements, including this Resolution, the Governmental Unit Resolution, the Encino Resolution, the Estancia Resolution, the Moriarty Resolution, the Mountainair Resolution, the Willard Resolution, the Vaughn Resolution, the Santa Rosa Resolution and the Guadalupe County Resolution.

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

"Authorized Officers" means the Chairman of the Governing Body, the County Manager and the County Clerk of Torrance County, New Mexico.

“Bonds” means public project revolving fund revenue bonds, if any, issued hereafter by the Finance Authority and specifically 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 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.

“Distributing State Agency” means the department or agency of the State as described on the Term Sheet.

“Encino” means the Village of Encino, New Mexico.

“Encino Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Encino and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Encino Intercept Agreement.

“Encino Resolution” means the Encino resolution adopted by the Governing Body of Encino on December 9, 2014, approving the Loan Agreement and the Encino Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

“Environmental Services Gross Receipts Tax Revenues” means the revenues of the Torrance County or Guadalupe County Environmental Services Gross Receipts Tax imposed pursuant to Section 7-20E-17, NMSA 1978, or the Encino, Estancia, Moriarty, Mountainair, Willard, Vaughn or Santa Rosa Municipal Environmental Services Gross Receipts Taxes imposed pursuant to Section 7-19D-10, NMSA 1978.

“Estancia” means the Town of Estancia, New Mexico.

“Estancia Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Estancia and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Estancia Intercept Agreement.

“Estancia Resolution” means the Estancia resolution expected to be adopted by the Governing Body of Estancia on December 15, 2014, approving the Loan Agreement and the Estancia Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

“Expenses” means the cost of execution of the Loan Agreement and the costs of issuance of Bonds, if any, and the periodic and regular fees and expenses incurred by the Finance Authority in administering the Loan Agreement, including legal fees.

“Finance Authority” means the New Mexico Finance Authority.

“Finance Authority Debt Service Account” means the debt service account in the name of the Governmental Unit and held by the Finance Authority to pay principal and interest on the Loan Agreement as the same become due.

“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 Torrance County, New Mexico, or any future successor governing body of Torrance County.

“Governmental Unit” means the Estancia Valley Solid Waste Authority.

“Governmental Unit Resolution” means the Governmental Unit resolution expected to be adopted by the Governing Body of the Governmental Unit on December 18, 2014, approving the Loan Agreement and the Intercept Agreements as amended from time to time.

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of solid waste management services, or any other service, commodity or facility or any combination thereof furnished to the inhabitants of the geographic area serviced by the Governmental Unit.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption, and except as provided in Section 2.1(ee) of the Loan Agreement.

“Guadalupe County” means Guadalupe County, New Mexico.

“Guadalupe County Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Guadalupe County and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Guadalupe County Intercept Agreement.

“Guadalupe County Resolution” means the Guadalupe County resolution expected to be adopted by the Governing Body of Guadalupe County on December 18, 2014, approving the Loan Agreement and the Guadalupe County Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this 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 as of June 1, 1995, as amended and supplemented, by and between the Finance Authority and the Trustee, or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as supplemented, by and between the Finance Authority and the Trustee, as determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture).

“Intercept Agreements” means, collectively, the Torrance County Intercept Agreement, the Encino Intercept Agreement, the Estancia Intercept Agreement, the Moriarty Intercept Agreement, the Mountainair Intercept Agreement, the Willard Intercept Agreement, the Vaughn Intercept Agreement, the Santa Rosa Intercept Agreement and the Guadalupe County Intercept Agreement.

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated the Closing Date between the Finance Authority, the Governmental Unit and each of the Participants, which provides for the financing of the Project and requires payments by or on behalf of the Governmental Unit to the Finance Authority and/or the Trustee.

“Loan Agreement Principal Amount” means the original principal amount of the Loan Agreement as shown on Exhibit “A” to the Loan Agreement.

“Loan Agreement Reserve Account” means the loan agreement reserve account established in the name of the Governmental Unit, funded from the proceeds of the Loan Agreement and administered by the Trustee pursuant to the Indenture.

“Loan Agreement Reserve Requirement” means, with respect to the Loan, the amount shown as the Loan Agreement Reserve Account Deposit on Exhibit “A” to the Loan Agreement, which amount does not exceed the least of: (i) ten percent (10%) of the Loan Agreement Principal Amount; (ii) one hundred twenty-five percent (125%) of the average annual principal and interest requirements under the Loan Agreement; or (iii) the maximum annual principal and interest requirements under the Loan Agreement.

“Moriarty” means the City of Moriarty, New Mexico.

“Moriarty Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Moriarty and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Moriarty Intercept Agreement.

“Moriarty Resolution” means the Moriarty resolution expected to be adopted by the Governing Body of Moriarty on December 10, 2014, approving the Loan Agreement and the Moriarty Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

“Mountainair” means the Town of Mountainair, New Mexico.

“Mountainair Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Mountainair and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Mountainair Intercept Agreement.

“Mountainair Resolution” means the Mountainair resolution expected to be adopted by the Governing Body of Mountainair on December 16, 2014, approving the Loan Agreement and the Mountainair Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

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

“Net System Revenues” means the Gross Revenues after deducting Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the various Governmental Unit departments directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen’s compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit's general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Parity Obligations" means 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 parity with the Loan Agreement, including those obligations described on the Term Sheet.

"Pledged Revenues" means the Net System Revenues and each of the Participants' Environmental Services Gross Receipts Tax Revenues.

"Processing Fee" means the processing fee to be paid on the Closing Date by the Governmental Unit to the Finance Authority for the costs of originating and servicing the Loan, as shown on the Term Sheet.

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

"Project" means the project described in the Term Sheet.

"Santa Rosa" means the City of Santa Rosa, New Mexico.

"Santa Rosa Intercept Agreement" means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Moriarty and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Santa Rosa Intercept Agreement.

"Santa Rosa Resolution" means the Santa Rosa resolution expected to be adopted by the Governing Body of Moriarty on December 23, 2014, approving the Loan Agreement and the Santa Rosa Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

"State" means the State of New Mexico.

"System" means the Governmental Unit's solid waste management system consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Governmental Unit through purchase, condemnation, construction or otherwise, including all expansions, extensions enlargements and improvements of or to the solid waste management system, and used in connection therewith or relating thereto, and any other related activity or

enterprise of the Governmental Unit designated by the Governing Body as part of the solid waste management system, whether situated within or without the limits of the Governmental Unit.

“Term Sheet” means Exhibit “A” to the Loan Agreement.

“Torrance County” means Torrance County, New Mexico.

“Torrance County Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Torrance County and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Torrance County Intercept Agreement.

“Torrance County Resolution” or “this Resolution” means this resolution approving the Loan Agreement and the Torrance County Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

“Trustee” means BOKF, NA dba Bank of Albuquerque, Albuquerque, New Mexico, or any successor trustee company, national or state banking association or financial institution at the time appointed Trustee by the Finance Authority.

“Vaughn” means the Town of Vaughn, New Mexico.

“Vaughn Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Moriarty and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Vaughn Intercept Agreement.

“Vaughn Resolution” means the Vaughn resolution adopted by the Governing Body of Vaughn on December 9, 2014, approving the Loan Agreement and the Vaughn Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

“Willard” means the Village of Willard, New Mexico.

“Willard Intercept Agreement” means the Intercept Agreement dated January 30, 2015, among the Governmental Unit, Willard and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Willard Intercept Agreement.

“Willard Resolution” means the Willard resolution adopted by the Governing Body of Willard on December 8, 2014, approving the Loan Agreement and the Willard Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

Section 2. Ratification. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Governing Body and officers of the Governmental Unit and

the Participants, directed toward the acquisition of the Project and the execution and delivery of the Loan Agreement and the Intercept Agreements, be, and the same hereby are, ratified, approved and confirmed.

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

Section 4. Findings. Torrance 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 Governmental Unit and the residents of each of the Participants, and the issuance and delivery of the Loan Agreement is necessary or advisable.

B. Moneys available and on hand for the Project from all sources other than the Loan are not sufficient to defray the costs 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 Agreements pursuant to the Act to provide funds for the financing of the Project are necessary and in the interest of the public health, safety and welfare of the residents of and the public served by the Governmental Unit and each of the Participants.

F. The Governmental Unit will acquire the Project, in whole or in part, with the net proceeds of the Loan.

G. Other than as described in the Term Sheet, Torrance County does not have any outstanding obligations payable from the Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement and the Torrance County Intercept Agreement.

H. The net effective interest rate on the Loan does not exceed twelve percent (12.0%) per annum, which is the maximum rate permitted by State law.

I. Torrance County is current in the accumulation of all amounts which are required to have been accumulated in both the Debt Service Fund and Reserve Fund for all Parity Obligations listed on the Term Sheet.

Section 5. Loan Agreement and Torrance County 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 residents of Torrance County and acquiring the Project, it is hereby declared necessary that Torrance County, pursuant to the Act, execute and deliver the Loan Agreement, evidencing a special, limited obligation of Torrance County, along with the other Participants and the Governmental Unit, to pay a principal amount of \$418,630, and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan to (i) finance the acquisition of the Project; (ii) fund the Loan Agreement Reserve Account; (iii) pay the Processing Fee; and (iv) to make a deposit to the Finance Authority Debt Service Account. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement and Torrance County Intercept Agreement shall be in substantially the forms of the Loan Agreement and Torrance County Intercept Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Loan shall be in an original aggregate principal amount of \$418,630, 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 November 1 and May 1 of each year, beginning on May 1, 2015 at the rates designated in Exhibit "B" to the Loan Agreement.

Section 6. Approval of Loan Agreement and Intercept Agreements. The forms of the Loan Agreement and the Torrance County 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 Torrance County Intercept Agreement, with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the County Clerk is hereby authorized to affix the seal of Torrance County on the Loan Agreement and the Torrance County Intercept Agreement and attest the same. The execution of the Loan Agreement and the Torrance County 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 other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit and each of the Participants, payable solely from the Pledged Revenues as provided in this Resolution, the Governmental Unit's Resolution, the Encino Resolution, the Estancia Resolution, the Moriarty Resolution, the Mountainair Resolution, the Vaughn Resolution, the Willard Resolution, the Santa Rosa Resolution, the Guadalupe County Resolution and the Loan Agreement and shall not constitute a general obligation of the Governmental Unit, the Participants or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit or the Participants for payment of the obligations thereunder. Nothing contained in this Resolution or in the Loan Agreement, or any other instruments, shall be construed as obligating the Governmental Unit or the Participants (except with respect to the application of the Pledged Revenues), as incurring a pecuniary liability or a charge upon the general credit of the Governmental Unit or the Participants or against their taxing power, nor shall a breach of any

agreement contained in this Resolution, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or the Participants or any charge upon their general credit or against their taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit 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 Governmental Unit or the participants or a charge against their general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefore to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Deposit of Pledged Revenues, Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pursuant to the Torrance County Intercept Agreement, Torrance County Environment Gross Receipts Tax Revenues shall be paid directly by the Distributing State Agency to the Finance Authority for deposit in the Finance Authority Debt Service Account and remittance to the Trustee in an amount sufficient to pay principal, interest, premium, if any, and other amounts due under the Loan Agreement, including sufficient Pledged Revenues in the Loan Agreement Reserve Account to maintain the Loan Agreement Reserve Requirement.

B. Termination on Deposits to Maturity. No payment shall be made into the Finance Authority Debt Service Account if the amounts in the Finance Authority Debt Service Account and Loan Agreement Reserve Account total a sum at least equal to the entire aggregate amount to become due as to principal, 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 and interest requirements 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 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 and any payments required by outstanding Parity Obligations, any moneys remaining in the Finance Authority Debt Service Account shall be transferred to the Governmental Unit on a timely basis and shall be applied to any other lawful purpose, consistent with the Joint Powers Agreement.

Section 9. Lien on Pledged Revenues. Pursuant to the Loan Agreement and the Torrance County Intercept Agreement, the Torrance County Environmental Services Gross Receipts Tax Revenues are hereby authorized to be pledged to, and are hereby pledged, and Torrance County grants a security interest therein for, the payment of the principal, interest, and any other amounts due under the Loan Agreement, subject to the uses hereof 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 Torrance County Environmental Services Gross Receipts Tax Revenues as set forth herein and therein and Torrance County shall not create a lien on the Torrance County Environmental Services Gross Receipts Tax Revenues superior to that of the Loan Agreement.

Section 10. Withdrawal from Joint Powers Agreement. Torrance County hereby acknowledges that the term of the Joint Powers Agreement is perpetual. Torrance County further acknowledges that any withdrawal or termination of the Joint Powers Agreement by Torrance County shall not affect the obligations, financial or otherwise, previously incurred by Torrance County pursuant to the Joint Powers 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, the Loan Agreement, the Torrance County 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 Torrance County 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 Torrance County 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 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 Finance Authority, 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. This Resolution may be amended without receipt by Torrance County of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Resolution Irrepealable. After the Loan Agreement and the Torrance County 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 Torrance County kept for that purpose, authenticated by the signatures of the Chairman of the Governing Body and the County 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 Torrance 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)

Torrance County, 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. ~~2014-05b~~ duly adopted and approved by the County Commission of Torrance County, on December 10, 2014. A complete copy of the Resolution is available for public inspection during the normal and regular business hours of the County Clerk, 205 9th Street, in Estancia, New Mexico.

The title of the Resolution is:

TORRANCE COUNTY, NEW MEXICO
RESOLUTION NO. 2014-051a

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AMONG THE ESTANCIA VALLEY SOLID WASTE AUTHORITY (THE "GOVERNMENTAL UNIT"), TORRANCE COUNTY, NEW MEXICO ("TORRANCE COUNTY"), THE VILLAGE OF ENCINO, NEW MEXICO ("ENCINO"), THE TOWN OF ESTANCIA, NEW MEXICO ("ESTANCIA"), THE CITY OF MORIARTY, NEW MEXICO ("MORIARTY"), THE TOWN OF MOUNTAINAIR, NEW MEXICO ("MOUNTAINAIR"), THE VILLAGE OF WILLARD, NEW MEXICO ("WILLARD"), THE TOWN OF VAUGHN, NEW MEXICO ("VAUGHN"), THE CITY OF SANTA ROSA, NEW MEXICO ("SANTA ROSA"), GUADALUPE COUNTY, NEW MEXICO ("GUADALUPE COUNTY") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), AN INTERCEPT AGREEMENT AMONG THE GOVERNMENTAL UNIT, THE FINANCE AUTHORITY AND TORRANCE COUNTY, EVIDENCING THE SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT, TORRANCE COUNTY, ENCINO, ESTANCIA, MORIARTY, MOUNTAINAIR, WILLARD, VAUGHN, SANTA ROSA AND GUADALUPE COUNTY TO PAY THE PRINCIPAL AMOUNT OF \$418,630, TOGETHER WITH INTEREST THEREON FOR THE PURPOSE OF DEFRAYING THE COST OF PURCHASING SOLID WASTE EQUIPMENT FOR USE BY THE GOVERNMENTAL UNIT, FUNDING A LOAN AGREEMENT RESERVE ACCOUNT AND PAYING A LOAN PROCESSING FEE; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET SYSTEM REVENUES OF THE GOVERNMENTAL UNIT AND THE DISTRIBUTIONS OF ENVIRONMENTAL SERVICES GROSS RECEIPTS TAX REVENUES RECEIVED BY TORRANCE COUNTY AND GUADALUPE COUNTY PURSUANT TO SECTION 7-20E-17, NMSA 1978 AND BY ENCINO,


ESTANCIA, MORIARTY, MOUNTAINAIR, WILLARD AND SANTA ROSA PURSUANT TO SECTION 7-19D-10, NMSA 1978 AND DISTRIBUTED BY THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUE PURSUANT TO SECTIONS 7-1-6.1, 7-1-6.4, AND 7-1-6.15, NMSA 1978; PROVIDING FOR THE DISTRIBUTIONS OF ENVIRONMENTAL GROSS RECEIPTS TAX REVENUES FROM THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE FINANCE AUTHORITY OR ITS ASSIGNS FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT PURSUANT TO INTERCEPT AGREEMENTS WITH EACH PARTICIPANT; 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 INTERCEPT AGREEMENTS.

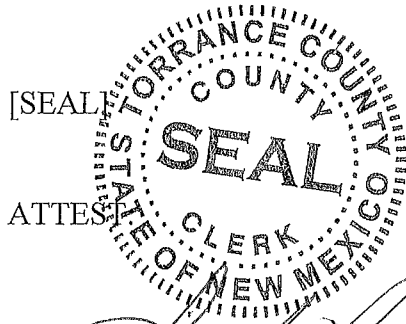
A general summary of the subject matter of the Resolution is contained in its title. This notice constitutes compliance with Section 6-14-6, NMSA 1978.

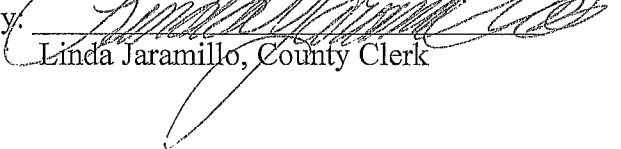
(End of Form of Summary for Publication)

PASSED, APPROVED AND ADOPTED THIS 10TH DAY OF DECEMBER, 2014.

TORRANCE COUNTY, NEW MEXICO

By:  LEROY M. CANDELARIA
~~Lornie Freyburger~~, Chairman of the
Board of County Commissioners



By: 
Linda Jaramillo, County Clerk

Commissioner Candelaria then moved adoption of the foregoing Resolution, duly seconded by Commissioner Tapia.

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

Those Voting Aye: LeROY M. CANDELARIA

LEANNE TAPIA

Those Voting Nay: LONNIE FREYBURGER

Those Absent: _____

Two (2) members of the Governing Body having voted in favor of said motion, the Chairman declared said motion carried and said Resolution adopted, whereupon the Chairman and the County Clerk 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.

TORRANCE COUNTY, NEW MEXICO

By:  LEROY M. CANDELARIA
Lonnie Freyburger, Chairman of the
Board of County Commissioners

[SEAL]

ATTEST:



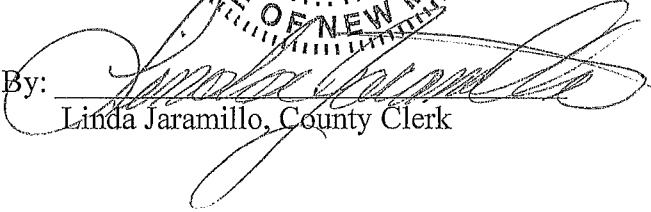
By: 
Linda Jaramillo, County Clerk

EXHIBIT "A"

Meeting Agenda
of the December 10, 2014
Board of County Commissioners Regular Meeting

(See attached)

STATE OF NEW MEXICO
TORRANCE COUNTY

I, Linda Jaramillo, the duly qualified and acting Clerk of Torrance County (the "County"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of County Commissioners of Torrance County (the "Governing Body"), constituting the governing body of the County had and taken at a duly called regular meeting held at 205 9th Street, in Estancia, New Mexico, on December 10, 2014, at the hour of 9:00 a.m., insofar as the same relate to the execution and delivery of the proposed Loan Agreement and Torrance County Intercept Agreement, copies of which are set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

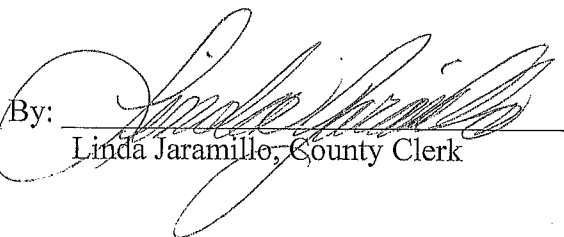
3. Notice of said meeting was given in compliance with the permitted methods of giving notice of regular meetings of the Governing Body as required by the County's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of December, 2014.

TORRANCE COUNTY, NEW MEXICO



[SEAL]

By: 
Linda Jaramillo, County Clerk