

RESOLUTION NO. 348

A RESOLUTION FOR FINANCING OF POLLUTION CONTROL FACILITIES BY REVENUE BONDS BY A CORPORATION TO BE INCORPORATED BY THE COUNTY. ESTABLISHMENT OF INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF YAVAPAI, ARIZONA.

WHEREAS, pursuant to Chapter 11 of Title 9 of the Arizona Revised Statutes (the "Act"), the County of Yavapai, Arizona (the "County") is empowered to authorize the formation and incorporation of an authority to act on behalf of the County which when formed shall be a corporation and a political subdivision of the State of Arizona. Such corporation shall have the power pursuant to the Act to issue its revenue bonds to finance pollution control facilities, and other projects as defined in the Act. All principal and interest of such bonds shall be payable solely out of the revenues and receipts derived from such corporation's sale of property, loan repayments or lease rentals, or out of the proceeds of the bonds. The County shall not in any event be liable for the payment of the bonds and such bonds shall not constitute an indebtedness of the County. The validity of the Act has been upheld by the Arizona Supreme Court in Industrial Development Authority of Pinal County v. Nelson (1973) 109 Ariz. 368, 509 P.2d 705. The Flintkote Company (the "Company") has requested that the County take action pursuant to the Act in order to finance certain pollution control facilities to be used by the Company at its Nelson plat in Yavapai County, Arizona. The pollution control facilities are generally described in the letter from the Company dated February 1, 1977, a copy of which has been presented to this meeting, and

WHEREAS, the regulations of the U. S. Department of Treasury under Section 203 of the Internal Revenue Code of 1954, as amended,

exclude interest paid on such bonds provided that a "bond resolution or some other similar official action" toward the issuance of the bonds is taken by the municipal issuer prior to the commencement of construction of the pollution control facilities.

NOW, THEREFORE, BE IT RESOLVED as follows:

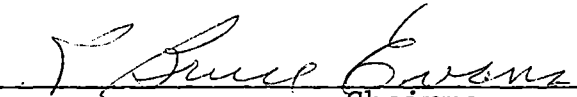
1. The proposal of the Company to have its pollution control facilities financed by means of the issue of revenue bonds of a corporation to be incorporated by the County under the Act is hereby approved in principal.

2. The Board hereby evidences its intent to authorize the incorporation of a corporation to be known as The Industrial Development Authority of the County of Yavapai, Arizona, upon proper application and determination as provided under the Act.

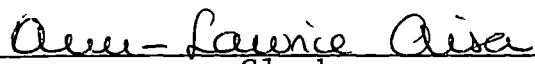
3. Upon incorporation of such corporation, the Board hereby sets forth its intent and approval, subject to compliance with all of the provisions of Chapter 11 of Title 9 of the Arizona Revised Statutes, of such proceedings as shall be necessary to issue and sell revenue bonds of the corporation in a principal amount not to exceed \$3,000,000. in order to finance the pollution control facilities of the Company.

4. This resolution is intended to constitute "some other official action" within the meaning of the regulations issued under Section 103 of the Internal Revenue Code of 1954.

DATED February 7, 1977.


Chairman

ATTEST:


Clerk

(Seal)