

CITY OF ROSWELL, NEW MEXICO

RESOLUTION NO. 01-25

DECLARING THE INTENT OF THE CITY OF ROSWELL, NEW MEXICO, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, TO ISSUE INDUSTRIAL REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SIXTY MILLION DOLLARS (\$60,000,000.00) IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A PROPOSED PROJECT FOR THE BUS MANUFACTURING INDUSTRY, FOR THE PURPOSE OF INDUCING C.A.M.I. USA, Inc. TO EXPAND CERTAIN OF ITS OPERATIONS IN THE CITY; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City of Roswell (the "City") is a properly organized and existing municipality of the State of New Mexico (the "State"), duly organized and existing pursuant to the Constitution and laws of the State; and

WHEREAS, the City Council (the "Council") is the governing body of the City; and

WHEREAS, pursuant to the Industrial Revenue Bond Act, Chapter 3, Article 32, New Mexico Statutes Annotated, 1978 Compilation, as amended (the "Act"), the City is authorized to acquire industrial revenue projects to be located within the City or within a zone within 15 miles of the City boundaries for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the State of New Mexico and promoting a sound and proper balance in the State of New Mexico between agriculture, commerce and industry; and

WHEREAS, C.A.M.I. USA Inc. (together with its successors and assigns, the "Company"), will present to the City a proposal (the "Proposal") whereby in accordance with the Act the City will acquire, construct, equip and expand manufacturing facilities, which property will constitute a project (the "Project") as defined in the Act; and

WHEREAS, the Proposal proposes the issuance by the City of its Industrial Revenue Bonds C.A.M.I. USA, Inc. Series 2001 (the "Bonds") under the Act in an aggregate principal amount not to exceed Sixty Million Dollars (\$ 60,000,000.00) to finance all or part of the costs of acquisition, construction and equipping of the Project and certain costs in connection with the authorization, issuance and sale of the Bonds; and

WHEREAS, the issuance of the Bonds by the City to finance all or a part of the Project will constitute one of the inducements whereby the Company will determine to expand its commercial facilities in the City; and

WHEREAS, the City desires to indicate its intent, subject to the conditions provided in Section 5 below, to proceed with the issuance of the Bonds for the financing of the Project pursuant to the terms of an ordinance (the "Bond Ordinance"); and

WHEREAS, the City and the Company understand that the adoption of this Resolution shall not obligate the City to issue the Bonds except in full compliance with the terms of the Bond Ordinance adopted by the City prior to the issuance of the Bonds and related bond documents in form satisfactory to the City.

BE IT RESOLVED BY THE CITY COUNCIL OF ROSWELL, NEW MEXICO, THE GOVERNING BODY OF THE CITY:

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

Section 2. Intent to Issue Bonds. In order to promote the local health and general welfare, safety, convenience and prosperity of the inhabitants of the City, it is the Council's intent to take all necessary and advisable steps to effect the issuance of the Bonds, in an aggregate principal amount not to exceed Sixty Million Dollars (\$60,000,000.00) in order to defray part or all of the costs of the acquisition, construction and equipping of the Project, provided that this expression of intent is conditioned upon the issuance of the Bonds on or before one year from the date of the adoption of this Resolution, and further provided that issuance of the Bonds is subject to the conditions described in Section 5 hereof.

Section 3. No Pecuniary Liability of the City. The Bonds shall not constitute a debt or indebtedness of the City within the meaning of any provision or limitation of the Constitution or statutes of the State. Nothing in this Resolution or in any other instrument shall be considered as obligating the City to any pecuniary liability or as constituting a charge upon the general credit of the City or against its general revenues or its taxing power.

Section 4. State Tax Matters. The City agrees to reasonably cooperate with the Company in seeking tax advantages under State law as a result of any Bonds and the Project, including but not necessarily limited to relief from gross receipts tax and compensating tax. The provision is subject to the City's discretion to proceed or not to proceed with the Bonds and the Project as further provided herein.

Section 5. Issuance of Bond Conditioned upon Full Review and Approval. The issuance of the Bonds and the execution and delivery of any documents to which the City is a party in connection therewith shall be subject to the approval and authorization by the Council pursuant to the Bond Ordinance, which Bond Ordinance shall be considered following reasonable public notice of the time, date and place of the public hearing be held on the proposed adoption of the Bond Ordinance. In connection with this Resolution, the Council has been informed that the Company has expressed its understanding that a failure or refusal of the Council, however arising, to adopt the Bond Ordinance will have the effect of voiding any benefits to the Company under the Act, including voiding the nontaxable transaction certificates issued to the Company for Project purchases and making such purchases subject to whatever tax would be due if such certificates had not been issued.

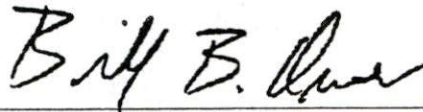
Section 6. Authorized Actions. The Mayor, the City Manager and other appropriate City officials are hereby authorized and empowered to take such steps and to do such things as may be necessary to achieve the purposes of this Resolution; provided, however, the issuance of the Bonds and the execution and delivery of any documents to which the City is a party in connection therewith shall be subject to the approval and authorization by the Council pursuant to the Bond Ordinance. No provision of this Resolution shall in any way obligate the City or any other person to issue the Bonds, any other bonds or in any way finance the Project: and the City retains full and complete discretion with respect thereto.

Section 7. 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 8. Headings. Titles of sections in this Resolution are included for convenience only, and shall not be construed as modifying the text.

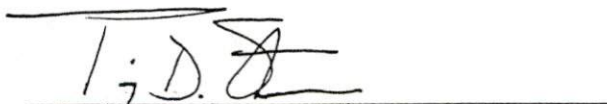
Section 9. Repealer. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; however, this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.

Passed, Approved, Signed and Adopted this 23RD day of AUGUST, 2001.



Mayor

ATTEST:



City Clerk

(SEAL)