

RESOLUTION NO. 17-2004

A RESOLUTION APPROVING THE ORGANIZATION OF A NONPROFIT CORPORATION KNOWN AS GREATER BENSON ECONOMIC DEVELOPMENT CORPORATION; APPROVING THE ISSUANCE BY SUCH CORPORATION OF ITS PROJECT REVENUE BONDS; AGREEING TO ACCEPT TITLE TO THE ASSETS FINANCED BY THE CORPORATION'S BONDS UPON THE REPAYMENT OF SUCH BONDS; APPOINTING CERTAIN DIRECTORS OF SUCH CORPORATION; AND RATIFYING ACTION PREVIOUSLY TAKEN AND APPERTAINING THERETO.

WHEREAS, the City of Benson (the "City"), in the County of Cochise and State of Arizona, is a legally created, established, organized and existing municipal corporation under the provisions of the Constitution of the State of Arizona (the "Constitution"); and

WHEREAS, under Article 13, Section 5 of the Constitution, the City has the right to engage in any business or enterprise which may be engaged in by any person, firm or corporation; and

WHEREAS, in order to facilitate the financing of various economic development Projects (the "Projects"), the City desires to create a nonprofit public benefit corporation (the "Corporation"); and

WHEREAS, The Corporation shall be a nonprofit corporation under Arizona law, Section 10-3101 et seq. of the Arizona Revised Statutes, or the corresponding sections of any future Arizona nonprofit code (the "Arizona Nonprofit Code"); and

WHEREAS, the Corporation is authorized to borrow money and issue bonds and other obligations, and to secure such obligations by mortgage or pledge of all or any part of its property interests and income; and

WHEREAS, to provide the funds needed to finance the costs of the Projects, the Corporation may issue its Revenue Bonds in one or more series (the "Bonds"); and

WHEREAS, the Bonds will be issued pursuant to the terms and provisions of an Indenture of Trust (the "Indenture"), between the Corporation and the corporate trustee named therein, as trustee (the "Trustee"); and

WHEREAS, the interest on the Bonds is intended to be exempt from the gross income of the registered owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, in order for the interest on the Bonds to be exempt from the gross income of the registered owners thereof for federal income tax purposes, the Corporation and the Bonds must meet certain conditions set forth in the Code and the regulations and rulings promulgated thereunder; and

WHEREAS, the Articles of Incorporation for the Corporation provide that four of the five directors of the Corporation are to be appointed by the City Council of the City; and

WHEREAS, the Code and the regulations and the rulings promulgated thereunder require that the City approve the formation of the Corporation and the issuance of the Bonds thereby and agree to accept title to the Projects, including any additions to the Projects, upon the retirement of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BENSON, ARIZONA:

Section 1. Definitions. The terms not defined in this Resolution shall have the meanings set forth in the Indenture.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and officers of the City relating to the organization of the Corporation and the development and operation of the Projects is hereby ratified, approved and confirmed.

Section 3. Approval of the Organization of the Corporation. The organization of the Corporation is hereby approved.

Section 4. Approval of the Issuance of the Bonds. The issuance of the Bonds by the Corporation for the financing of the Projects is hereby approved.

Section 5. Agreement to Accept Title to the Projects. The City hereby agrees to accept title to the Projects upon the repayment of the Bonds.

Section 6. Appointment of Directors of the Corporation. The City Council of the City hereby appoints the following members as interim Directors of the Corporation: Dr. Mark Kartchner, Ted Amox, David DiPeso, Beverly Stepp, and Mike Montroy.

Section 7. 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 8. Repealer Clause. All bylaws, orders or resolutions, 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 or resolution, or part thereof, heretofore repealed.

Section 9. Recordation. A true copy of this Resolution, as adopted by the governing body of the City, shall be numbered and recorded.

Section 10. Further Action. The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

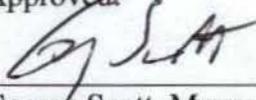
Section 11. Captions. The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 12. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Arizona.

FINALLY ADOPTED AND APPROVED at its regular meeting on July 7, 2004 by the Council.

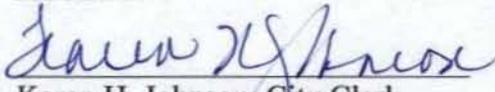
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Approved:



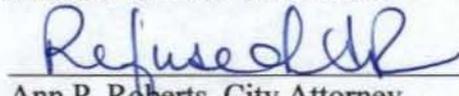
George Scott, Mayor

ATTEST:



Karen H. Johnson, City Clerk

APPROVED AS TO FORM:



Ann P. Roberts, City Attorney