

RESOLUTION NO. R-14-2005

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$22,000,000 AGGREGATE PRINCIPAL AMOUNT OF GAS AND ELECTRIC REVENUE REFUNDING BONDS, SERIES 2005, OF EAGLE MOUNTAIN CITY, UTAH; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AND RELATED MATTERS.

WHEREAS, pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act"), the City Council (the "Council") of Eagle Mountain City, Utah (the "Issuer"), has authority to issue bonds payable from the net revenues of its gas and electric system for the purposes set forth in the Act; and

WHEREAS, the Act provides for the publication of a Notice of Bonds to be Issued, and the Issuer desires to publish such a notice at this time in compliance with the Act with respect to the Bonds herein authorized:

NOW, THEREFORE, it is hereby resolved by the City Council of Eagle Mountain City, Utah, as follows:

Section 1. The Council of the Issuer hereby finds and determines that it is in the best interests of the Issuer and the residents thereof for the Issuer to issue not more than \$22,000,000 aggregate principal amount of its Gas and Electric Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds") payable from the net revenues of its gas and electric system, to bear interest at a rate or rates of not to exceed five and three-quarters percent (5.75%) per annum to mature in not more than thirty (30) years from their date or dates, and to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof for the purpose of refunding the Issuer's Gas & Electric Revenue Variable Rate Bonds, Series 2001, all pursuant to this Resolution, a resolution to be adopted by the Council authorizing and confirming the issuance and sale of the Bonds (herein referred to as the "Final Bond Resolution") and an Indenture of Trust and First Supplemental Indenture of Trust to be entered into at the time of issuance of the Bonds in substantially the form attached hereto as Exhibit B (collectively, the "Indenture"), and the Issuer hereby declares its intention to issue the Bonds according to the provisions of this Resolution, the Indenture and the Final Bond Resolution, when adopted.

Section 2. The Issuer hereby directs officers and staff of the Issuer to proceed with the preparation of a Preliminary Official Statement or other offering material, if

needed, for the sale of the Series 2005 Bonds and to make other necessary preparations for sale of the Bonds.

Section 3. The Issuer hereby authorizes and approves the issuance and sale of the Bonds to the purchaser or purchasers to be identified in the Final Bond Resolution pursuant to the provisions of this Resolution, the Indenture and the Final Bond Resolution to be adopted by the Council authorizing and confirming the issuance and sale of the Series 2005 Bonds with such changes thereto as shall be approved by the Council upon the adoption of the Final Bond Resolution, provided that the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in Section 1 hereof.

Section 4. In accordance with the provisions of the Act, the City Recorder shall cause the following "Notice of Bonds to be Issued" to be published one (1) time in The Daily Herald, a newspaper of general circulation in the Issuer. The City Recorder shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Issuer's principal offices for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof. The "Notice of Bonds to be Issued" shall be in substantially the following form:

## NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act") that on August 2, 2005, the City Council (the "Council") of Eagle Mountain City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Gas And Electric Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds") in the aggregate principal amount of not to exceed Twenty Two Million Dollars (\$22,000,000) to bear interest at a rate or rates of not to exceed five and three-quarters percent (5.75%) per annum to mature in not more than thirty (30) years from their date or dates, and to be sold to A.G. Edwards & Sons, Inc. at a price not less than ninety-seven percent (97%) of the total principal amount thereof, plus accrued interest to the date of delivery. No deposit is required in connection with the sale of the Series 2005 Bonds.

The Series 2005 Bonds, pursuant to the Resolution, a General Indenture of Trust and First Supplemental Indenture (collectively, the "Indenture") and a Final Bond Resolution to be adopted authorizing and confirming the sale of the Series 2005 Bonds, are to be issued for the purpose of (i) refunding the Issuer's outstanding Gas & Electric Revenue Variable Rate Bonds, Series 2001; (ii) funding a debt service reserve fund; and (iii) paying issuance expenses to be incurred in connection with the issuance and sale of the Series 2005 Bonds.

The Series 2005 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution a form of the Indenture which was before the Council and attached to the Resolution at the time of the adoption of the Resolution and said Indenture shall contain such terms and provisions as shall be approved by the Issuer at the time of adoption of the Final Bond Resolution, and said Final Bond Resolution is to be adopted by the Council in such form and with such changes thereto as shall be approved by the Council upon the adoption thereof; provided that the principal amount, interest rate or rates, maturity and discount of the Series 2005 Bonds will not exceed the maximums set forth above.

Pursuant to the Indenture the Series 2005 Bonds will be secured by and payable from the net revenues of the Issuer's gas and electric system.

A copy of the Resolution and the Indenture are on file in the office of the City Recorder of Eagle Mountain City, Utah, in the Issuer's offices in Eagle Mountain, Utah, where they may be examined during regular business hours of the Issuer from August 2, 2005, for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture or the Series 2005 Bonds, or any provision made for the security and payment of the Series 2005 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

DATED this August 2, 2005.

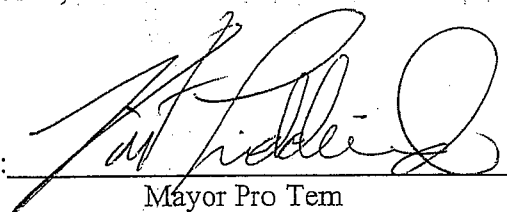
/s/ Gina Peterson  
City Recorder

Section 5. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this August 2, 2005.

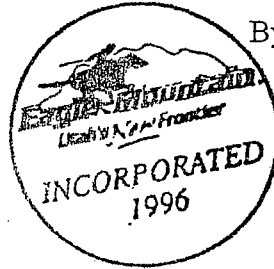
(SEAL)

By: \_\_\_\_\_

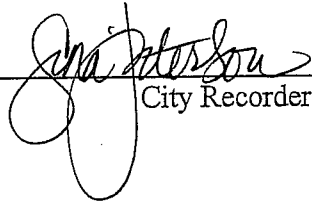


Mayor Pro Tem

ATTEST:



By: \_\_\_\_\_



City Recorder