RESOLUTION NO. 79-93

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NAVAJO, ARIZONA APPROVING THE ISSUANCE IN ONE OR MORE SERIES BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF NAVAJO OF NOT TO EXCEED $9,000,000 OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (CITIZENS UTILITIES COMPANY PROJECT (THE "BONDS")) AND APPROVING THE PROCEEDINGS OF SAID AUTHORITY FOR THE ISSUANCE OF A SERIES OF SAID BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,500,000, ALL PURSUANT TO A PLAN OF FINANCING IN COMPLIANCE WITH SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

WHEREAS, The Industrial Development Authority of the County of Navajo (the "Authority") proposes to issue pursuant to a plan of financing industrial development revenue bonds (the "Bonds") on behalf of Citizens Utilities Company, a Delaware corporation authorized to do business in Arizona, in one or more series in the aggregate principal amount not to exceed $9,000,000 to pay the cost of certain facilities for the furnishing of natural gas located in Navajo County, Arizona; and

WHEREAS, it is necessary for the Board of Supervisors to conduct proceedings in satisfaction of the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to tax-exempt industrial development bond issues the proceeds of which will be used to finance facilities located in Navajo County; and

WHEREAS, pursuant to a Notice of Public Hearing, duly published in the *White Mountain Independent* on September 24, 1993, the Authority conducted a public hearing on October 12, 1993, pursuant to and in compliance with the requirements of Section 147(f) of the Code, at which all interested parties were given an opportunity to express their views orally or in writing for or against the proposed facilities and the plan of financing therefor; and

WHEREAS, it is intended that this Resolution shall constitute approval by the Board of Supervisors with respect to the issuances of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, a resolution of the Authority authorizing the issuance and sale of its Industrial Development Revenue Bonds, 1993 Series (Citizens Utilities Company Projects) (the "Series 1993 Bonds") in the aggregate principal amount of $4,500,000 under and pursuant to

Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"), has been made available to the Board of Supervisors of the County of Navajo, Arizona, and said resolution has been duly considered this date; and

WHEREAS, said resolution authorizes, among other things, the issuance and sale of the Series 1993 Bonds, the execution and delivery of a Loan Agreement, the execution and delivery of an Indenture of Trust, the execution and delivery of a Tax Regulatory Agreement, the execution of a Bond Purchase Agreement and other related documents; and

WHEREAS, the terms, maturity, provisions for redemption and for the determination of interest rates and interest payment dates, security and source of payment for the Series 1993 Bonds are set forth in the Indenture of Trust and the Bond Purchase Agreement; and

WHEREAS, copies of said documents have been made available to the Board of Supervisors of the County of Navajo, Arizona, together with the aforementioned resolution of the Authority; and

WHEREAS, the Board of Supervisors has been informed that said documents have been reviewed by competent Bond Counsel, and said Bond Counsel has determined that said documents adequately meet the requirements of Title 35, Chapter 5, Arizona Revised Statutes, as amended; and

WHEREAS, it is intended that this Resolution shall constitute approval by the Board of Supervisors of the issuance of the Series 1993 Bonds pursuant to Section 35-721(B) of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF NAVAJO, ARIZONA, AS FOLLOWS:

1. That at the public hearing conducted on October 12, 1993 by the Authority regarding the proposal to issue the Bonds for the proposed Citizens Utilities Company natural gas projects, all interested parties who desired to do so were given the opportunity to express their views orally or in writing for or against the proposed projects and the plan of financing therefor.

2. That this Board has considered all oral or written statements which were made or filed for or against the proposed projects and the plan of financing therefor, and hereby determines that the proposed issuances by the Authority of the Bonds, for the purposes set forth in the Notice of Public Hearing and described in the preamble hereof, be and the same are hereby approved in accordance with the public approval requirements of Section 147(f) of the Code.

3. That this Board hereby approves the proceedings under which the Series 1993 Bonds are to be issued by the Authority, including specifically the resolution described above,

the Series 1993 Bonds, the Bond Purchase Agreement, the Loan Agreement, the Tax Regulatory Agreement, the Indenture of Trust and all other required or appropriate documents.

4. That all resolutions or parts thereof in conflict herewith be and the same are hereby repealed, to the extent of such conflict.

5. That immediately after its adoption this Resolution shall be signed by the Chairman and Clerk, shall be recorded in the book kept for that purpose and shall take immediate effect.

PASSED, APPROVED AND ADOPTED by the Board of Supervisors of the County of Navajo, Arizona this 12th day of October, 1993.

Larry P. Layton

Chairman of the Board of Supervisors

Attest:

Sharon K. Keens-Wright

Clerk of the Board of Supervisors

BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA

CERTIFICATE

I, Sharon R. Keene-Wright, Clerk of the Board of Supervisors of Navajo County, Arizona (the "County"), a political subdivision of the State of Arizona, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Resolution of the Board of Supervisors of the County passed at a meeting held upon all due and proper public notice required by law, on the 12th day of October, 1993, at which a quorum of Supervisors was present and acting throughout, and that the Resolution set forth in the foregoing extract was duly adopted at such meeting, has not been amended, modified or rescinded and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of October, 1993.

Sharon R. Keene-Wright
Clerk of the Board of Supervisors

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