

RESOLUTION NO. 112-97

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NAVAJO, ARIZONA APPROVING THE PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF NAVAJO FOR THE ISSUANCE OF A SERIES OF INDUSTRIAL DEVELOPMENT REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,380,000 ALL PURSUANT TO SECTION 35-721(B) OF TITLE 35, CHARTER 5, ARIZONA REVISED STATUTES, 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 the aggregate principal amount not to exceed \$12,380,000 to pay the cost of certain facilities for the furnishing of natural gas located in Navajo County, Arizona; and

WHEREAS, pursuant to a Notice of Public Hearing, duly published in the *White Mountain Independent* on February 18, 1997, the Authority conducted a public hearing on March 17, 1997, pursuant to and in compliance with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), at which all interested parties were given an opportunity to express their views orally or in writing for or against the Citizens Utilities Company gas furnishing facilities and the plan of financing therefor; and

WHEREAS, the Board of Supervisors on March 17, 1997 conducted proceedings in satisfaction of the public approval requirements of Section 147(f) of the Code, with respect to tax-exempt industrial development bond issues the proceeds of which will be used to finance Citizens Utilities Company gas furnishing facilities located in Navajo County; and

WHEREAS, a resolution of the Authority authorizing the issuance and sale of its Industrial Development Revenue Bonds, 1997 Series B (Citizens Utilities Company Project) (the "Series 1997B Bonds") in the aggregate principal amount of \$12,380,000 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 1997B 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 1997B 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

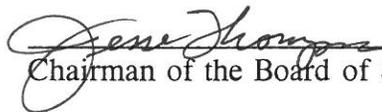
WHEREAS, the Board of Supervisors has been informed that said documents have been reviewed by competent Bond Counsel, and said Bond Counsel has determined that said documents adequately meet the requirements of Title 35, Chapter 5, Arizona Revised Statutes, as amended; and

WHEREAS, it is intended that this Resolution shall constitute approval by the Board of Supervisors of the issuance of the Series 1997B 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 this Board hereby approves the proceedings under which the Series 1997B Bonds are to be issued by the Authority, including specifically the resolution described above, the Series 1997B Bonds, the Bond Purchase Agreement, the Loan Agreement, the Tax Regulatory Agreement, the Indenture of Trust and all other required or appropriate documents.
2. That all resolutions or parts thereof in conflict herewith be and the same are hereby repealed, to the extent of such conflict.
3. 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 2nd day of September, 1997.


Chairman of the Board of Supervisors

Attest:

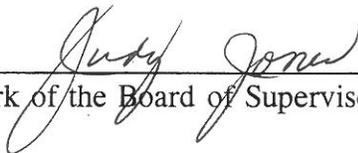

Clerk of the Board of Supervisors

BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA

CERTIFICATE

I, JUDY JONES, 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 2nd day of September, 1997, 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 2nd day of September, 1997.



Clerk of the Board of Supervisors