

Thereupon, after the conduct of other business not pertinent to the following, the following resolution was introduced in written form by the Mayor and, pursuant to motion duly made by SWALBERG and seconded by WESTERN, was adopted and approved by the following vote:

Yea: CHASE  
CURTIS  
SWALBERG  
WESTERN  
\_\_\_\_\_

Nay: \_\_\_\_\_  
\_\_\_\_\_

The Resolution was thereupon signed by the Mayor, was attested and countersigned by the City Recorder and was ordered recorded in the official records of the Issuer.

The Resolution is as follows:

**DELTA CITY, MILLARD COUNTY, UTAH**  
**RESOLUTION NO. 06-313**

**A RESOLUTION AUTHORIZING THE ISSUANCE AND CONFIRMING THE SALE OF A WATER REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$3,500,000 (THE "BONDS") OF DELTA CITY, MILLARD COUNTY, UTAH (THE "ISSUER"), FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE ALL OR PART OF THE COST OF CONSTRUCTING CULINARY WATER SYSTEM IMPROVEMENTS FOR SAID ISSUER (THE "PROJECT"); 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; PROVIDING FOR THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED WITH RESPECT TO THE BONDS; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AND RELATED MATTERS.**

WHEREAS Delta City, Millard County, State of Utah, desires to construct, operate and maintain improvements to the City's culinary water system, including the construction of a new culinary water well, the installation of new sodium hypochlorite generator and the construction of a 2 million gallon water storage tank, together with all related work and improvements and to defray all or a portion of the cost thereof from the bonds to be issued hereby; and

WHEREAS the Utah Municipal Bond Act, Sections 11-14-1 et seq., Utah Code Annotated, 1953, as amended, authorizes the issuance of non-voted revenue bonds payable solely from the revenues derived from the operation of revenue-producing facilities so long as said facilities produce sufficient revenue to pay for operation and maintenance expenses as well as to provide debt service on all outstanding obligations secured by the revenues of the facility; and

WHEREAS the Issuer, Delta City, considers it desirable and necessary and for the benefit of the Issuer to construct the Project (as hereinafter defined) to be owned and operated by the Issuer, but does not have on hand money sufficient to pay for the Project; and

WHEREAS the revenues to be derived by the Issuer from the operation of the System (as hereinafter defined) have not been pledged or hypothecated in any manner or for any purpose and the Issuer desires to issue its Water Revenue Bonds, payable from such revenues in the manner for which provision is hereinafter made in order to pay all or part of the cost of the Project; and

WHEREAS the State of Utah acting through its Permanent Community Impact Fund Board ("Community Impact Board") has offered to purchase the Water Revenue Bond, at an interest rate of 0% per annum and on the general terms and conditions as set forth herein; and

NOW, THEREFORE, Be It and It Is Hereby Resolved by the City Council of Delta City, Millard County, State of Utah, as follows:

Section 1. The Mayor and City Council (the "Governing Body") of Delta, Millard County, Utah (the "Issuer"), hereby finds and determines that it is in the best interests of the residents within Delta City for the Issuer to issue its Water Revenue Bond, (the "Bond") in the principal amount of not to exceed \$3,500,000 at an interest rate of 0% per annum, to mature in not more than thirty-five (35) years from its date or dates, pursuant to a resolution to be adopted by the Governing Body authorizing and confirming the issuance and sale of the Bonds. Therefore, the Issuer hereby declares its intention to issue the Bonds according to the provisions of this Section. The Bonds are to be issued for the purpose of paying all or part of the cost of construction, operation and maintenance of the City's culinary water system, including the construction of a new culinary water well, the installation of new sodium hypochlorite generator and the construction of a 2 million gallon water storage tank, together with all related work and improvements, the acquisition of necessary land and easements and the payment of all related costs and services including engineering, the expenses and costs of the issuance of the Bonds and the cost to acquire and provide all appurtenant facilities therefore (the "Project").

The Issuer hereby declares its intention to issue the Bonds according to the provisions of this section; provided, however, that the Bonds shall only be issued by the Issuer after adoption of a final bond resolution by the Governing Body of the Issuer (the "Final Bond Resolution") setting forth the specific terms of the Bonds within the maximum terms herein provided.

Section 2. In accordance with the provisions of §11-14-21, Utah Code Annotated 1953, as amended, the City Recorder of the Issuer shall cause a "Notice of Bonds to be Issued" to be

published one (1) time in the Millard County Chronicle Progress, a newspaper having general circulation in the City, and cause a copy of this Resolution to be kept on file in his office for public examination during the regular business hours 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 Section 11-14-21, Utah Code Annotated 1953, as amended, that on November 16, 2006, the Mayor and City Council of Delta City (the "Issuer"), authorized the issuance of Water Revenue Bonds, in the aggregate principal amount of not to exceed \$3,500,000 (the "Bonds"), to be dated the dates of delivery to the purchaser, to mature in not to exceed thirty-five (35) annual installments. If less than the maximum principal amount is advanced, Delta City shall be obligated to repay only the actual amount paid or advanced by the purchaser. The aggregate principal amount of the Bonds shall bear interest at a rate of 0% per cent. Any installment of principal on the Bonds which shall not be paid when due shall bear interest at the rate of eighteen (18%) per cent per annum from the date of maturity of such installment until paid.

Said Bonds, pursuant to a Resolution of the Governing Body of the Issuer adopted on November 16, 2006, is to be issued for the purpose of paying all or part of the cost of constructing, operating and maintaining improvements to the City's culinary water system, including the construction of a new culinary water well, the installation of new sodium hypochlorite generator and the construction of a 2 million gallon water storage tank, together with all related work and improvements, the acquisition of necessary land and easements and the payment of all related costs and services including engineering, the expenses and costs of the issuance of the Bonds and the cost to acquire and provide all appurtenant facilities therefore (the "Project").

A copy of the Resolution adopted on November 16, 2006, by the Issuer authorizing the issuance and confirming the sale of the above-described Bonds is on file in the office of the City Recorder of the Issuer in Delta, Utah, where it may be examined during regular office hours of the City Recorder from 7:00 a.m. to 6:00 p.m. Monday through Friday.

Said Resolution shall be so available for inspection for a period of at least thirty (30) days from and after date of the 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 in which any person in interest shall have the right to contest the legality of the above-described Resolution of the Governing Body of the Issuer adopted on November 16, 2006, or the Bonds of the Issuer authorized thereby, or any provision made for the security and payment of such 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 16 day of Nov., 2006.

/s/ Gregory Jay Schafer  
City Recorder

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Section 3. For a period of thirty (30) days from and after publication of the Notice of Bonds to be Issued, any person in interest shall have the right to contest the legality of this Resolution or the Bond hereby authorized. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Resolution or the Bonds for any cause whatsoever.

Section 4. 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.

PASSED AND APPROVED this 16 day of Nov., 2006.

DELTA CITY

By Mark Burke  
Mayor

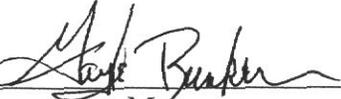
ATTEST AND COUNTERSIGN:

By Gregory Jay Schafer cmc  
City Recorder

[SEAL]

After the conduct of other business not pertinent to the foregoing, it was moved and carried that the Mayor and City Council adjourn.

DELTA CITY

By  \_\_\_\_\_  
Mayor

ATTEST:

By  \_\_\_\_\_  
City Recorder

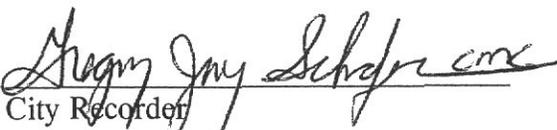
[SEAL]

STATE OF UTAH                    )  
  : ss.  
COUNTY OF MILLARD        )

I, GREGORY JAY SCHAFER, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of Delta City, Millard County, Utah (the "Issuer"). I further certify that the above and foregoing constitutes a true and correct copy of the minutes of a regular public meeting of the Mayor and City Council of the Issuer, held on November 16, 2006, including a Resolution adopted at such meeting, together with exhibits and appendices attached thereto, as said minutes, resolution and appendices are recorded in the regular official book of minutes of the proceedings of the Governing Body kept in the office of the City Recorder that said proceedings were duly had and taken as therein shown, that the meeting thereon shown was in all respects called, held and conducted in accordance with law, and that the persons therein named were present at said meeting, as therein shown.

I further certify and I caused a true and correct copy of the above-referenced resolution (including all exhibits and appendices attached thereto) to be filed in the office of the City Recorder for examination by any interested person during the regular business hours of the office of the City Recorder.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the Issuer, this 16 day of November, 2006.

  
City Recorder

[SEAL]