

RESOLUTION NO. 60-2006

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT OT SERIES 2005 CITY LEASE WITH RESPECT TO EXCISE TAX REVENUE OBLIGATIONS, SERIES 2005; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS the City of Benson, Arizona (the "City"), financed the acquisition of various improvements to its water system (the "Original Series 2005 Project") through the execution and delivery of not to exceed \$1,220,000 principal amount of Excise Tax Revenue Obligations, Series 2005, dated December 15, 2005 (the "Obligations"), by Zions First National Bank, Corporate Trust Department, as trustee (the "Trustee"), pursuant to a Trust Agreement, dated as of December 1, 2005 (the "Trust Agreement"), between the Trustee and the City, evidencing a proportionate interest of the owners thereof in a Series 2005 City Lease, dated as of December 1, 2005, between the Trustee and the City pursuant to which the City leased to the Trustee the Original Series 2005 Project and the City ground leased back the Original Series 2005 Project; and

WHEREAS, a proposal in the form of an Obligation Purchase and Funding Agreement (the "Funding Agreement") was received from Zions First National Bank, Investment Division (the "Purchaser") for the purchase of the Obligations on a drawdown basis; and

WHEREAS, representatives of the City and the Trustee have determined that the Original Series 2005 Project should include an additional improvement and for that purpose have determined that a First Amendment to Series 2005 City Lease, to be dated as of December 1, 2006 (the "First Amendment"), between the Trustee and the City approved for purposes of the Trust Agreement by the Trustee and of the Funding Agreement by the Purchaser, the proposed form of which has been filed with the City Clerk for the meeting as this Resolution is being considered, should be executed and delivered;

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

Section 1. The form, terms and provisions of the First Amendment, in substantially the form of such document (including the exhibit thereto) presented at the meeting at which this Resolution was adopted, is hereby approved, with such final provisions, insertions, deletions and changes as shall be approved by the Mayor or, in the absence thereof, Vice Mayor, the execution of the First Amendment being conclusive evidence of such approval, and the Mayor or Vice Mayor and the Clerk are hereby authorized and directed to execute, attest and deliver, where applicable, the First Amendment and to take all action to carry out and comply with the terms of the First Amendment.

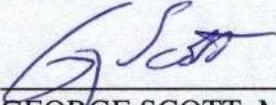
Section 2. This Resolution shall be and remain irrevocable until the Obligations and the interest, if any, thereon shall have been fully paid, cancelled and discharged.

Section 3. The Mayor, the Vice Mayor, the Clerk, the Manager, and the other officers of the City, on behalf of the City, are each hereby authorized and directed, without further order of the Council, to execute and deliver such certificates, proceedings, and agreements as may be necessary or convenient to be executed and delivered on behalf of the City, to evidence compliance with, or further the purposes of, all the terms and conditions of this Resolution and the consummation of the transactions contemplated hereby.

Section 4. If any section, paragraph, clause, or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution.

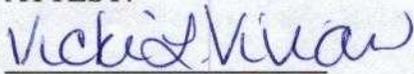
Section 5. All orders, resolutions, and ordinances or parts thereof inconsistent herewith are hereby waived only to the extent of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

PASSED AND ADOPTED by the Mayor and Council of the City of Benson, Arizona, this 11th day of December, 2006.

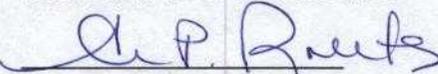


GEORGE SCOTT, Mayor

ATTEST:


VICKI L. VIVIAN – City Clerk

APPROVED AS TO FORM:


ANN P. ROBERTS -City Attorney