

RESOLUTION NO. 2019-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HEBER LIGHT & POWER COMPANY, UTAH (THE "ISSUER"), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC REVENUE AND REFUNDING BONDS, SERIES 2019; 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; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING OF A PUBLIC HEARING DATE; AUTHORIZING AND APPROVING THE EXECUTION OF A SUPPLEMENTAL INDENTURE OF TRUST, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Board of Directors (the "Board") of the Issuer desires to (a) finance construction of a substation, transmission lines, office building, other capital improvements and all related improvements (collectively, the "Series 2019 Project"), (b) refund a portion of the outstanding electric revenue bonds of the Issuer (the "Refunded Bonds"), (c) fund any necessary debt service reserve funds, and (d) pay costs of issuance with respect to the Series 2019 Bonds herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Electric Revenue and Refunding Bonds, Series 2019 (the "Series 2019 Bonds") (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Bond Act") and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Refunding Bond Act" and collectively with the Bond Act, the "Act"), (b) this Resolution, and (c) a Trust Indenture dated as of October 1, 2002 (the "Trust Indenture"), and a Supplemental Indenture (the "Supplemental Indenture" and together with the Trust Indenture, the "Indenture"), with such Indenture in substantially the forms presented to the meeting at which this Resolution was adopted and which are attached hereto as Exhibit B; and

WHEREAS, the Bond Act provides that prior to issuing bonds (other than refunding bonds), an issuing entity must (a) give notice of its intent to issue such bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential economic impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2019 Bonds, including a notice of bonds to be issued, in compliance with the Bond Act; and

WHEREAS, the Refunding Bond Act provides that an issuing entity may give notice of its intent to issue refunding bonds under the Refunding Bond Act; and

WHEREAS, there has been presented to the Board at this meeting a form of a bond purchase agreement (the "Bond Purchase Agreement"), in substantially the form attached hereto as Exhibit C to be entered into between the Issuer and the underwriter or the purchaser (the "Underwriter/Purchaser") selected by the Issuer for any portion of the Series 2019 Bonds; and

WHEREAS, in the event that the Designated Officers (defined below) determine that it is in the best interests of the Issuer to publicly offer all or a portion of the Series 2019 Bonds, the Issuer desires to authorize the use and distribution of one or more of a Preliminary Official Statement (the "Preliminary Official Statement") in substantially the form attached hereto as Exhibit D, and to approve one or more of a final Official Statement (the "Official Statement") in substantially the form as the Preliminary Official Statement, and other documents relating thereto; and

WHEREAS, in order to allow the Issuer flexibility in setting the pricing date of the Series 2019 Bonds to optimize debt service costs to the Issuer, the Board desires to grant to the Chair or her designee (the "Chair") and any two of the General Manager, or his appointee or the Chief Financial Officer or his appointee (collectively, the "Designated Officers"), the authority to (a) determine whether all or a portion of the Series 2019 Bonds should be sold pursuant to a private placement or a public offering; (b) approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2019 Bonds shall be sold; and (c) make any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the "Parameters");

NOW, THEREFORE, it is hereby resolved by the Board of the Heber Light & Power Company, Utah, as follows:

Section 1. For the purpose of (a) financing the Series 2019 Project, (b) refunding the Refunded Bonds, (c) funding a deposit to a debt service reserve fund, if necessary, and (d) paying costs of issuance of the Series 2019 Bonds, the Issuer hereby authorizes the issuance of the Series 2019 Bonds which shall be designated "Heber Light & Power Company, Utah Electric Revenue and Refunding Bonds, Series 2019" (to be issued from time to time as one or more series and with such other series or title

designation(s) as may be determined by the Issuer) in the aggregate principal amount of not to exceed \$23,000,000. The Series 2019 Bonds shall mature in not more than thirty (30) years from their date or dates, shall be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, shall bear interest at a rate or rates of not to exceed five and one-half percent (5.50%) per annum, as shall be approved by the Designated Officers, all within the Parameters set forth herein.

Section 2. The Designated Officers are hereby authorized to specify and agree as to the method of sale, the final principal amounts, bonds to be refunded, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2019 Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution. The selection of the method of sale, the selection of the Underwriter/Purchaser and the determination of the final terms and redemption provisions for the Series 2019 Bonds by the Designated Officers shall be evidenced by the execution of the Bond Purchase Agreement if the Series 2019 Bonds are sold at a private or negotiated underwriting sale in substantially the form attached hereto as Exhibit C. The form of the Bond Purchase Agreement is hereby authorized, approved and confirmed

Section 3. The Indenture and the Bond Purchase Agreement in substantially the forms presented to this meeting and attached hereto as Exhibits B and C, respectively, are hereby authorized, approved, and confirmed. The Chair and Board Secretary are hereby authorized to execute and deliver the Indenture and the Designated Officers are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 5 hereof. The Designated Officers are hereby authorized to select the Underwriter/Purchaser.

Section 4. Should the Designated Officers determine to have the Series 2019 Bonds underwritten, the Issuer hereby authorizes the utilization of the Preliminary Official Statement in the form attached hereto as Exhibit D in the marketing of the Series 2019 Bonds and hereby approves the Official Statement in substantially the same form as the Preliminary Official Statement. The Chair is hereby authorized to execute the Official Statement evidencing its approval by the Issuer.

Section 5. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Preliminary Official Statement, the Official Statement, the Series 2019 Bonds, the Bond Purchase Agreement, or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2019 Bonds (within the Parameters set by this Resolution), to conform to any applicable bond insurance or reserve instrument or to remove the same, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States.

Section 6. The form, terms, and provisions of the Series 2019 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Chair and the Board Secretary are hereby authorized and directed to execute and seal the Series 2019 Bonds and to deliver said Series 2019 Bonds to the Trustee for authentication. The signatures of the Chair and the Board Secretary may be by facsimile or manual execution.

Section 7. The Designated Officers or other appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Series 2019 Bonds in accordance with the provisions of the Indenture.

Section 8. Upon their issuance, the Series 2019 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2019 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2019 Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 9. The Designated Officers and other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers (including, without limitation, any escrow agreement permitted under the Indenture and post-issuance compliance procedures) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 10. After the Series 2019 Bonds are delivered by the Trustee to the Underwriter/Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2019 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 11. The Issuer shall hold a public hearing on October 30, 2019 to receive input from the public with respect to (a) the issuance of the Series 2019 Bonds issued under the Bond Act, and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2019 Bonds issued under the Bond Act will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first published and such publication shall be made (i) once a week for two consecutive weeks in the Wasatch Wave, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended. The Board Secretary shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Heber Light & Power offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the last date of the newspaper publication thereof. The Issuer directs its

officers and staff to publish a "Notice of Public Hearing and Bonds to be Issued" in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Bond Act”) and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the “Refunding Bond Act” and collectively with the Bond Act, the “Act”), that on September 30, 2019, the Board of Directors (the “Board”) of the Heber Light & Power Company, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Electric Revenue and Refunding Bonds, Series 2019 (the “Series 2019 Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer), and called a public hearing to receive input from the public with respect to the issuance of the Series 2019 Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on October 30, 2019, at the hour of 6:00 p.m. at the Heber City Council chambers located at 75 North Main, Heber, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of that portion of the Series 2019 Bonds issued under the Bond Act and (b) any potential economic impact that the Project to be financed with the proceeds of that portion of the Series 2019 Bonds issued under the Bond Act may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE SERIES 2019 BONDS

The Series 2019 Bonds will be issued for the purpose of (a) financing all or a portion of the construction of a substation, transmission lines, office building and all related improvements (collectively, the “Series 2019 Project”), (b) refunding all or a portion of the Issuer’s outstanding electric revenue bonds (the “Refunded Bonds”) in order to achieve a debt service savings, (c) funding any debt service reserve funds, as necessary, and (d) paying costs of issuance of the Series 2019 Bonds.

PARAMETERS OF THE SERIES 2019 BONDS

The Issuer intends to issue the Series 2019 Bonds in the aggregate principal amount of not more than Twenty-Three Million Dollars (\$23,000,000), to mature in not more than thirty (30) years from their date or dates, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed five and one-half percent (5.50%) per annum. The Series 2019 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a Trust Indenture and a Supplemental Indenture (together, the “Indenture”) which were before the Board in substantially final form at the time of the adoption of the Resolution and said Indenture is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2019 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2019 Bonds for any reason and at any time up to the issuance of the Series 2019 Bonds.

REVENUES PROPOSED TO BE PLEDGED

The Series 2019 Bonds will be secured by a pledge of the net revenues of the Issuer's Electric system.

OUTSTANDING BONDS SECURED BY REVENUES

The Issuer currently has \$7,765,000 of parity bonds outstanding secured by the Revenues, \$5,610,000 of which are anticipated to be refunded with the proposed Series 2019 Bonds, along with \$15,000,000 for new projects, for an estimated total outstanding par of \$19,225,000 once the Series 2019 Bonds are issued.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <https://reporting.auditor.utah.gov/searchreport>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Bart Miller, Chief Financial Officer at (435) 654-1581.

TOTAL ESTIMATED COST OF BONDS

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Series 2019 Bonds to be issued under the Bond Act to finance the Project and refund the Refunded Bonds, if held until maturity, is \$27,579,467.

A copy of the Resolution and the Indenture are on file in the office of the Heber Light & Power Board Secretary, 31 South 100 West, Heber, Utah, where they may be examined during regular business hours of the Board Secretary from 8:00 a.m. to 5:00 p.m., Monday through Friday, 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 2019 Bonds, or any provision made for the security and payment of the 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 September 30, 2019.

/s/Karly Schindler
Board Secretary

Section 12. The Issuer hereby reserves the right to opt not to issue the Series 2019 Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing.

Section 13. 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.

Section 14. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Series 2019 Project. The Series 2019 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2019 Bonds which will be issued to finance the reimbursed costs of the Project is not expected to exceed \$18,000,000.

APPROVED AND ADOPTED this September 30, 2019.

By: Kelleen Potter
Chair

ATTEST:

By: Kathy Schindler
Board Secretary