

\$11,085,000  
EAGLE MOUNTAIN CITY, UTAH  
GAS AND ELECTRIC REVENUE BONDS,  
SERIES 2011

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BOND PURCHASE AGREEMENT

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August 12, 2011

Eagle Mountain City, Utah  
1650 East Stagecoach Run  
Eagle Mountain City, Utah 84005

The undersigned, George K. Baum & Company, as underwriter (the "Underwriter"), and not as fiduciary or agent for you, offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with Eagle Mountain City, Utah (the "Issuer") which, upon the acceptance by the Issuer of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

This offer is made subject to your acceptance and approval on or before 11:59 P.M., Utah Time, on August 12, 2011. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter referred to Preliminary Official Statement.

ARTICLE I

SALE, PURCHASE AND DELIVERY

Section 1.1 (a) On the basis of the representations, warranties and agreements contained herein and upon the terms and conditions herein set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to sell to the Underwriter, all, but not less than all, of the Issuer's \$11,085,000 aggregate principal amount of Gas and Electric Revenue Bonds, Series 2011 (the "Series 2011 Bonds"), at a purchase price of \$11,264,804.90 (representing the principal amount of the Series 2011 Bonds, plus a net reoffering premium of \$251,857.40 and less an Underwriter's discount of \$72,052.50) plus accrued interest, if any, from their dated date to the date of delivery of the Series 2011 Bonds to the Underwriter. The Series 2011 Bonds will be initially dated the Closing Date (as hereinafter defined), and will mature on the dates and in the amounts and bear interest at the rates per annum as set forth in Schedule A hereto. The Series 2011 Bonds shall be as described in the Official Statement dated August 12, 2011, of the Issuer relating to the Series 2011 Bonds (together with all appendices thereto, the "Official Statement") and shall be issued and secured under and pursuant to a General Indenture of Trust, dated as of September 1, 2005 (the "General Indenture"), as supplemented by a Second Supplemental Indenture of Trust dated as of August 1, 2011

(the "Second Supplemental Indenture" and together with the General Indenture, the "Indenture"), all as authorized pursuant to resolutions adopted by the Issuer on May 3, 2011 and August 2 (together, the "Resolution"). The Series 2011 Bonds are payable from and secured solely by (i) all revenues, fees, income, rents and receipts derived by the Issuer (as further defined in the Indenture, the "Revenues") from or attributable to the gas and electric system of the Issuer (the "System") after payment of operation and maintenance costs of the System as provided in the Indenture ("Net Revenues"), and (ii) all funds (other than the Rebate Fund) established by the Indenture. The Series 2011 Bonds are being issued pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"). The proceeds from the sale of the Series 2011 Bonds will be used for the purpose of (a) financing the acquisition and construction of improvements to the System and related improvements (the "Project"), (b) acquiring a reserve fund surety for deposit to the debt service reserve fund (the "Reserve Surety"), and (c) paying costs of issuance of the Series 2011 Bonds.

(b) The Series 2011 Bonds are payable from and secured by the Indenture and the pledge effected thereunder on a parity with each other and the City's currently outstanding Gas and Electric Refunding Bonds, Series 2005 (the "Outstanding Parity Bonds").

(c) The scheduled payment of principal of and interest on the Series 2011 Bonds when due will be guaranteed under an insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2011 Bonds by Assured Guaranty Municipal Corp. ("AGM" or the Insurer).

Section 1.2 The Underwriter agrees to make a public offering of the Series 2011 Bonds at the initial offering prices or yields set forth on the inside front cover of the Official Statement. The Underwriter may, however, change such initial offering prices or yields as it deems necessary in connection with the marketing of the Series 2011 Bonds and offer and sell the Series 2011 Bonds to certain dealers (including dealers depositing the Series 2011 Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth in the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions which stabilize or maintain the market prices of the Series 2011 Bonds at levels above those which might otherwise prevail in the open market and (b) to discontinue such transactions, if commenced, at any time without prior notice.

Section 1.3 (a) By acceptance and approval of this Purchase Agreement, the Issuer hereby authorizes the use of copies of the following in connection with the public offering and sale of the Series 2011 Bonds: the Official Statement and the Indenture. The Issuer hereby agrees to provide to the Underwriter within seven business days of the date hereof the Official Statement in electronic format to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board. The Issuer has heretofore "deemed final" the Preliminary Official Statement dated August 5, 2011 relating to the Series 2011 Bonds (the "Preliminary Official Statement") for purposes of

paragraph (b)(1) of Rule 15c2-12 and acknowledges and ratifies the use by the Underwriter prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the Series 2011 Bonds.

(b) In order to assist the Underwriter in complying with paragraph (b)(5) of Rule 15c2-12, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement to be dated as of the Closing Date (the "Continuing Disclosure Agreement") to provide annual reports and notices of certain events to the Municipal Securities Rulemaking Board (pursuant to the requirements of Section (b)(5) of Rule 15c2-12.

Section 1.4 At 9:00 a.m., Utah time, on August 18, 2011, or on such later date as shall be agreed upon in writing by the Issuer and the Underwriter (the "Closing Date"), the Issuer will cause the Series 2011 Bonds to be delivered to the Underwriter in definitive form, duly executed and authenticated, and will deliver to the Underwriter the other documents herein mentioned at the offices of Ballard Spahr LLP, Salt Lake City, Utah, or such other location as may be mutually agreed upon by the Issuer and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Series 2011 Bonds as set forth in Section 1.1(a) hereof by wire transfer, payable in Federal Funds or other immediately available funds to the order of the Trustee (such delivery and payment are herein called the "Closing"). The Series 2011 Bonds shall be issued in the form of one fully registered Bond for each maturity of the Series 2011 Bonds, shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), and shall be made available to DTC for the account of the Underwriter at least one full business day before the Closing.

## ARTICLE II

### REPRESENTATIONS, WARRANTIES AND

#### AGREEMENTS OF ISSUER

By its acceptance hereof, the Issuer represents and warrants to and covenants with the Underwriter that:

Section 2.1 The Issuer shall provide such information, access to its properties and appropriate records and other cooperation, as may be reasonably requested until 25 days after the "end of the underwriting period" (as defined in Rule 15c2-12) (which underwriting period the Issuer may assume to have ended on the Closing Date unless notified to the contrary by the Underwriter) as, in the opinion of the Underwriter, may be required in connection with the offering of the Series 2011 Bonds.

Section 2.2 The Issuer is a political subdivision and body politic duly organized and existing under the laws of the State of Utah with full power and authority to consummate the transactions contemplated by this Purchase Agreement, the Indenture, and the Official Statement, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

Section 2.3 The Issuer has duly adopted and approved the Resolution in accordance with all requirements of Utah law and procedural rules of those respective bodies, and the Resolution is in full force and effect on the date hereof.

Section 2.4 The adoption of the Resolution and the execution and delivery of the Continuing Disclosure Agreement, the Indenture, and this Purchase Agreement, compliance by the Issuer with the provisions of any or all of the foregoing documents and the application of the proceeds of the Series 2011 Bonds for the purposes described in the Preliminary Official Statement do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the Issuer is a party or by which the Issuer or any of its property is or may be bound.

Section 2.5 The Issuer has duly authorized all necessary action to be taken by it for the adoption of the Resolution; the issuance and sale of the Series 2011 Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement and in the Indenture; and the execution, delivery and receipt of this Purchase Agreement, the Indenture and the Continuing Disclosure Agreement, and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2011 Bonds.

Section 2.6 Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the best of the Issuer's knowledge, threatened against the Issuer, or to the knowledge of the Issuer, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the operation of the System, the Revenues of the System, the financial condition of the Issuer or the transactions contemplated by this Purchase Agreement and the Preliminary Official Statement, or would have an adverse effect on the validity or enforceability of the Series 2011 Bonds, the Resolution, the Indenture, or the Continuing Disclosure Agreement, or which would in any way adversely affect the existence or any power of the Issuer or the titles of its officers to their respective positions or which would in any way adversely affect the excludability from gross income for federal income tax purposes of interest on the Series 2011 Bonds.

Section 2.7 When delivered to and paid by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2011 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special limited obligations of the Issuer in conformity with, and entitled to the benefit and security of the Indenture.

Section 2.8 The Issuer is not in breach of or in default under any existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement,

indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is bound; and the execution and delivery of the Series 2011 Bonds, the Continuing Disclosure Agreement, the Indenture, and this Purchase Agreement, and compliance with the provisions thereof, will not conflict with or constitute a breach or a default under any law, administrative regulation, judgment, decree, loan agreement, mortgage, indenture, deed of trust, note, resolution, agreement or other instrument to which the Issuer or its property is or may be bound.

Section 2.9 No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Indenture, the Continuing Disclosure Agreement or this Purchase Agreement, or which could have a material adverse effect on the financial condition of the Issuer, the operation of the System, the Revenues of the System or the transactions contemplated by this Purchase Agreement and the Preliminary Official Statement, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Series 2011 Bonds, the Resolution, the Indenture or the Continuing Disclosure Agreement or in any way adversely affect the existence or any powers of the Issuer or the titles of its officers to their respective positions or the excludability from gross income for federal income tax purposes of interest on the Series 2011 Bonds.

Section 2.10 The information contained in the Preliminary Official Statement was, as of its date, and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not be deemed to cover or apply to (a) information provided to the Issuer in writing by the Issuer's financial advisor and included on the cover page or inside front cover page of the Preliminary Official Statement or the Official Statement regarding the principal amount, interest rates, maturities and initial public offering prices of the Series 2011 Bonds or (b) statements in the Preliminary Official Statement or the Official Statement relating to DTC, its book-entry system, the Insurer, the Policy or the Reserve Surety.

Section 2.11 The Issuer has full power and authority to own and operate the System and to establish and collect the rates for the services provided by the System.

Section 2.12 The Issuer will not take or omit to take any action which will in any way cause the proceeds from the sale of the Series 2011 Bonds to be applied or result in such proceeds being applied in a manner other than as provided in the Indenture.

Section 2.13 The Issuer hereby authorizes the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offering and sale of the Series 2011 Bonds and consents to the use by the

Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Series 2011 Bonds.

Section 2.14 The Issuer agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Series 2011 Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Issuer shall not be required with respect to the offer or sale of the Series 2011 Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Issuer hereby consents to the use of the Official Statement by the Underwriter in obtaining such qualification.

Section 2.15 If between the date of this Purchase Agreement and 25 days following the “end of the underwriting period,” any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Agreement, and if the Official Statement is amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Agreement by notification to the Issuer at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse affect on the marketability of the Series 2011 Bonds.

Section 2.16 When executed by the respective parties thereto, this Purchase Agreement, the Indenture and the Continuing Disclosure Agreement will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

Section 2.17 The Issuer has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Continuing Disclosure Agreement, this Purchase Agreement, the Indenture, and any and all other agreements relating thereto.

Section 2.18 Each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty, or agreement by the Issuer upon which the Underwriter shall be entitled to rely.

Section 2.19 The Issuer has obtained or will obtain all necessary licenses, permits, consents and approvals of any kind of any governmental body in order to operate the System.

Section 2.20 The Issuer has obtained or will obtain all necessary title, rights of way and easements in order to operate the System.

Section 2.21 Other than the Outstanding Parity Bonds, which enjoy a lien on the Net Revenues on a parity with the Series 2011 Bonds, the Issuer has not otherwise pledged or assigned the Net Revenues and the Series 2011 Bonds enjoy a first lien and pledge on the Net Revenues.

Section 2.22 The use of the System complies with, all applicable federal, State of Utah and local laws or ordinances (including rules and regulations) relating to zoning, building, safety, wetlands preservation and environmental quality.

Section 2.23 The Issuer has duly authorized and approved the issuance of the Series 2011 Bonds, the execution and delivery of the Indenture and this Purchase Agreement.

Section 2.24 The Issuer is in compliance with each undertaking it has entered into pursuant to Rule 15c2-12 of the Securities Exchange Commission.

### ARTICLE III

#### UNDERWRITER'S CONDITIONS

Section 3.1 The Underwriter has entered into this Purchase Agreement in reliance upon the performance by the Issuer of its obligations hereunder. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) At the time of Closing, (1) the Official Statement, the Indenture, the Resolution, the Continuing Disclosure Agreement and this Purchase Agreement shall be in full force and effect and shall not have been revoked, rescinded, repealed, amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (2) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Ballard Spahr LLP, bond counsel to the Issuer ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby.

(ii) The Underwriter may terminate its obligations hereunder by written notice to the Issuer if, at any time subsequent to the date hereof and on or prior to the Closing Date:

(A) Legislation shall have been enacted by the Congress, introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably

reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (B) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (C) an order, ruling, regulation, or communication (including a press release) shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or (D) any action shall be taken or statement made by or on behalf of the President of the United States or the Department of Treasury or the Internal Revenue Service or any member of the United States Congress which indicates or implies that legislation will be introduced in the current or next scheduled session of the United States Congress, with the purpose or effect, directly or indirectly, of requiring the inclusion in gross income for federal income tax purposes of interest to be received by any owners of the Series 2011 Bonds; or

(B) Legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of the Underwriter, has the effect of requiring the offer or sale of the Series 2011 Bonds to be registered under the Securities Act of 1933, as amended, or any other "security," as defined in the Securities Act of 1933, as amended, issued in connection with or as part of the issuance of the Series 2011 Bonds to be so registered or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended; or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes or has made untrue or incorrect in any respect any statement or information contained in the Official Statement or is not or was not reflected in the Official Statement but should be or should have been reflected therein in order to make the statements or information contained therein not misleading in any material respect; or

(C) In the reasonable judgment of the Underwriter, it is impractical or inadvisable for the Underwriter to market or sell or enforce agreements to sell Series 2011 Bonds because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or a general banking moratorium shall have been established by federal or the State of Utah authorities, or (B) the State of Utah shall have taken any action, whether administrative, legislative, judicial or otherwise, which would have a material adverse effect on the marketing or sale of the Series 2011 Bonds, including any action relating to (i) the tax-exempt status under Utah law of the interest to be received by any owner of the Series 2011 Bonds, or (ii) a limitation on the ability of the Issuer to fix and collect rates for the System, or (C) the United



States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crises, financial or otherwise, (D) a war involving the United States of America shall have been declared or any other conflict involving the armed forces of the United States of America has escalated, in either case to such a magnitude as to materially adversely affect the Underwriter's ability to market the Series 2011 Bonds, (E) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or Utah or if any material disruption in commercial banking or securities settlement or clearance services shall have occurred; or

(D) Any financial rating assigned to the Series 2011 Bonds, the Issuer, or the Insurer by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), Fitch Ratings ("Fitch"), or Moody's Investors Service, Inc. ("Moody's"), as the case may be, shall have been downgraded, withdrawn, or any other action taken, and such action, in the opinion of the Underwriter, has a material adverse affect on the marketability of the Series 2011 Bonds; or

(E) Any litigation shall be instituted, pending or threatened (A) to restrain or enjoin the issuance, sale or delivery of the Series 2011 Bonds, (B) to restrain or enjoin the operation of the System, (C) in any way contesting or affecting any authority for or the validity of the Series 2011 Bonds, any of the proceedings of the Issuer or the Trustee taken with respect to the issuance or sale thereof, the pledge, appropriation or application of any moneys or securities provided for the payment of the Series 2011 Bonds or (D) in any way contesting or affecting the existence or powers of the Issuer or the Trustee or the titles of their officers to their respective offices; or

(F) Any other event or circumstances shall have occurred which shall be beyond the reasonable control of the Underwriter and, in the opinion of the Underwriter, might in any way have a material adverse effect on the marketability of the Series 2011 Bonds.

(iii) At or prior to the Closing, the Underwriter shall receive the following:

(A) (1) The approving opinion of Ballard Spahr LLP, Bond Counsel, dated the Closing Date, in substantially the form

attached as Appendix D to the Official Statement and (2) the approving opinion of Issuer's Counsel, dated the Closing Date, in form and substance satisfactory to the Underwriter and Bond Counsel;

(B) The supplemental opinion of Ballard Spahr LLP, dated the Closing Date and addressed to the Underwriter, in form and substance agreed to by the Underwriter;

(C) The Issuer's certificate, dated the Closing Date, signed by the Mayor of the Issuer and the City Recorder of the Issuer and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the Issuer herein are true and correct in all material respects as of the Closing Date as if made on the Closing Date; (B) no litigation is pending or, to the best of their knowledge, threatened against the Issuer (i) to restrain or enjoin the issuance or delivery of any of the Series 2011 Bonds, the operation of the System, or the collection of Revenues pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Series 2011 Bonds or the adoption of the Resolution or the execution and delivery of the Indenture, the Continuing Disclosure Agreement or this Purchase Agreement, the validity or enforceability of the Series 2011 Bonds, the Indenture, the Continuing Disclosure Agreement or this Purchase Agreement, or the excludability from gross income for federal income tax purposes of interest on the Series 2011 Bonds, (iii) questioning or challenging the power of the Issuer to own and operate the System or to fix, charge and collect rates and charges in connection therewith, or (iv) in any way contesting the organization, existence or powers of the Issuer or the titles of its officers to their respective offices, or (v) contesting or attempting to restrain or enjoining the application of the proceeds thereof or the payment, collection or application of Revenues or the pledge of Net Revenues, or of other moneys, rights and interests pledged pursuant to the Indenture or the adoption of the Resolution; (C) the descriptions and information contained in the Official Statement relating to the Issuer, its organization and financial and other affairs, the System and the application of the proceeds of sale of the Series 2011 Bonds are correct in all material respects, as of the date of the Official Statement and as of the Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of the Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) no event affecting the Issuer has occurred since the

date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (F) the Indenture, the Continuing Disclosure Agreement, and this Purchase Agreement have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture, the Continuing Disclosure Agreement, and this Purchase Agreement constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies; (G) the Resolution authorizing the execution and delivery of the Indenture, the Continuing Disclosure Agreement, and this Purchase Agreement have been duly adopted and have not been modified, amended or repealed; and (H) the execution and delivery of the Indenture, the Continuing Disclosure Agreement, and this Purchase Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or any law, public administrative rule or regulation, court order or consent decree to which the Issuer is subject;

(D) Copies of each of the Resolution, the Indenture, and the Continuing Disclosure Agreement, duly executed by each of the parties thereto;

(E) Copies of the Tax Certificate of the Issuer, relating to matters affecting the excludability from gross income for federal income tax purposes of interest on the Series 2011 Bonds, including the use of proceeds of sale of the Series 2011 Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(F) Evidence that the federal tax information form 8038-G has been prepared for filing;

(G) Copies of the Official Statement executed on behalf of the Issuer by the Mayor of the Issuer;

(H) Evidence satisfactory to the Underwriter that the Series 2011 Bonds have received an insured rating of "AA+" and

an underlying rating of "A" from Standard and Poor's Ratings Services and an underlying rating of "A" from Fitch Ratings;

(I) Evidence satisfactory to the Underwriter of the issuance by the Insurer of the Policy and the Reserve Surety;

(J) Such customary certificates and opinions of counsel to the Insurer as the Underwriter or Bond Counsel may reasonably request;

(K) All documents, certificates and opinions required by the Indenture; and

(L) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter, and the Underwriter shall have the right to waive any condition set forth in this Section.

#### ARTICLE IV

##### EXPENSES

All expenses and costs in connection with the authorization, issuance and sale of the Series 2011 Bonds to the Underwriter, including rating agency fees, the costs of printing of the Series 2011 Bonds, advertising costs, the costs of printing, duplicating and mailing the Preliminary Official Statement, the Official Statement, the initial fees of the Trustee in connection with the issuance of the Series 2011 Bonds, the fees and expenses of Financial Advisor, Bond Counsel and counsel to the Issuer, the premiums with respect to the Policy and the Reserve Surety, and travel and other expenses shall be costs and expenses of the Issuer and shall be paid by the Issuer.

#### ARTICLE V

##### GENERAL

Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to George K. Baum & Company, 15 West South Temple, Suite 1090, Attention: Matt Dugdale. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to Eagle Mountain City, 1650 East Stagecoach Run, Eagle Mountain City, Utah 84005, Attention: Mayor, with a copy thereof to Issuer's counsel, Gerald H. Kinghorn, Esq., at Parsons Kinghorn Harris, 111 East Broadway, 11th

Floor, Salt Lake City, Utah 84111. The approval or other action or exercise of judgment by the Underwriter shall be evidenced by a writing signed on behalf of the Underwriter and delivered to the Issuer.

This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties, covenants and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of and payment of the Series 2011 Bonds hereunder and regardless of any investigation made by the Underwriter or on its behalf.

This Purchase Agreement shall be governed by the laws of the State of Utah.

This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

This Purchase Agreement shall become effective upon the execution by the Underwriter and the Issuer.

Very truly yours,

GEORGE K. BAUM & COMPANY

By: Matt Augdal  
Vice President

EAGLE MOUNTAIN CITY, UTAH

By: [Signature]  
Mayor

ATTEST:

By: [Signature]  
City Recorder

(SEAL)



SCHEDULE A

\$11,085,000  
EAGLE MOUNTAIN CITY, UTAH  
GAS AND ELECTRIC REVENUE BONDS,  
SERIES 2011

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2012	\$720,000	3.000%
2013	605,000	2.250
2014	565,000	2.000
2015	530,000	2.250
2016	485,000	2.250
2017	445,000	4.000
2018	405,000	4.000
2019	420,000	5.000
2020	445,000	5.000
2021	470,000	5.000
2022	490,000	3.500
2023	505,000	3.625
2024	525,000	5.000
2025	540,000	4.000
2026	575,000	5.000
2031	3,360,000	4.375