

RESOLUTION NO. 1570

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$11,840,000 AGGREGATE PRINCIPAL AMOUNT OF CENTRAL YAVAPAI FIRE DISTRICT OF YAVAPAI COUNTY, ARIZONA, GENERAL OBLIGATION BONDS, SERIES 2005; PROVIDING CERTAIN TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; PROVIDING THE FORM OF BONDS; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SUCH BONDS; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; APPOINTING A REGISTRAR, TRANSFER AGENT AND PAYING AGENT WITH RESPECT TO THE BONDS; MAKING CERTAIN TAX COVENANTS; ACCEPTING A PROPOSAL FOR THE BONDS; RATIFYING ALL ACTIONS TAKEN WITH RESPECT TO THE BONDS; AND DELEGATING TO SUCH FIRE DISTRICT THE AUTHORITY TO CLOSE THE SALE OF THE BONDS; PROVIDING FOR RESCHEDULING OF THE PRINCIPAL INTEREST AND MATURITY DATES FOR THE BONDS.

WHEREAS, Central Yavapai Fire District of Yavapai County, Arizona (the "*District*"), held a special bond election in and for the District on November 2, 2004, at which election a majority of the qualified electors voting at said election authorized the issuance of \$17,220,000 principal amount of General Obligation Bonds; and

WHEREAS, on December 6, 2004, this Board ordered the sale of \$11,840,000 of the District's Bonds; and

WHEREAS, bids were received on January 3, 2005; and

WHEREAS, the winning bidder, as shown by the attached Exhibit B, is hereby awarded the Contract to purchase the Bonds; and

WHEREAS, pursuant to the request of the District, the Board of Supervisors (the "*Board*") of Yavapai County, Arizona (the "*County*") will issue bonds on behalf of the District in the aggregate principal amount of \$11,840,000 at this time and order delivery of the Bonds to the winning bidder; and

WHEREAS, by this resolution this Board will authorize the execution, issuance and sale of the Bonds to the winning bidder in accordance with the winning bid and this resolution;

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF SUPERVISORS OF YAVAPAI COUNTY, ARIZONA, as follows:

Section 1. Authorization. This Board hereby authorizes to be issued and sold a series of bonds of the District in an aggregate principal amount of \$11,840,000. The bonds so authorized shall be designated Central Yavapai Fire District of Yavapai County, Arizona, General Obligation Bonds, Series 2005 (the "*Bonds*"), and shall be issued and sold in accordance with the provisions of this resolution and applicable laws.

Section 2. Terms. The Bonds will be dated January 1, 2005 or any date thereafter, and will bear interest from their date to the maturity of each of the Bonds at the interest rates and in the principal amounts set forth in the Winning Bid attached hereto as Exhibit B.

Interest on the Bonds shall be payable semiannually during the term of the Bonds, commencing January 1, 2006. The Bonds shall mature on July 1 during the years 2006 through 2024 and shall mature in the amounts and in the years as set forth on Exhibit B attached hereto and incorporated by reference herein. The maturity schedule may be rescheduled if requested by the registered owner of the Bonds and accepted by the District so long as the final maturity of the Bonds is not extended and the interest rate or rates are not increased.

Principal and interest on the Bonds will be paid on each interest payment date by check which shall either be mailed or transmitted by electronic transfer to the registered owner thereof at such owner's address as all

shown on the registration books maintained by the bond registrar, the Clerk of the Fire District Board of Directors (the "Registrar"), as of the close of business of the Registrar on the fifteenth (15th) day of the month preceding an Interest Payment Date (the "Record Date").

The Bonds are to be initially issued as one fully registered Bond payable in installments. The Bonds shall have such other terms and provisions as are set forth in Exhibit A hereto.

Section 3. Prior Redemption.

A. Optional Redemption. Some or all Bonds may be subject to prior redemption as may be agreed upon by the initial registered owner, as herein defined, and the District and may be evidenced by insertion of the prepayment provision in the Bond prior to initial issuance thereof.

B. Notice of Redemption. Notice of redemption of any Bond will be filed with the Paying Agent and mailed to the registered owner thereof at the address shown on the books of the Registrar not more than sixty (60) nor less than thirty (30) days prior to the redemption date. Failure to properly give notice of redemption shall not affect the redemption of any bond for which notice was properly given.

C. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Paying Agent, interest on such Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds shall be deemed paid and no longer outstanding.

D. Redemption of Less Than All of a Bond The District may redeem any amount which is included in a Bond. In that event, the registered owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

Section 4. Security. For the purpose of paying the principal of, interest on and costs of administration of the registration and payment of the Bonds, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs as the same becomes due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes shall be kept in separate accounts of the District fund to be known as the interest fund (the "*Interest Fund*") and the principal fund (the "*Principal Fund*") and shall be used only for the payment of principal, interest or costs as above-stated.

Section 5. Use of Proceeds. Upon the delivery of the Bonds in accordance with the terms of their sale, the net proceeds from the sale of the Bonds upon receipt by the County Treasurer of the payment for the Bonds, after payment of the expenses of issuance, shall be set aside and deposited by the County Treasurer of Yavapai County, Arizona (the "*Treasurer*"), in a separate capital fund of the District (the "*Capital Fund*"). The proceeds of the Bonds shall be used to construct and acquire the project described on Exhibit C, attached hereto (the "*Project*"). The District may agree with the registered owner of the Bonds to accept payment of the Bonds on a basis agreeable to the District and the initial registered owner of the Bonds. This resolution shall be construed as a request and consent of the Board to the Treasurer to invest moneys in the capital fund, pending use, and credit investment income to the Capital Fund. This resolution shall constitute the continuing consent of this Board to such investment and no further annual consent need be given.

The proceeds of the Bonds shall be expended only for the Project described in Exhibit C; provided, however, that if funds remain after completion of such Project such excess funds may be expended for any other purpose set forth in the ballot used at the special bond election wherein issuance of the Bonds was approved.

Section 6. Form of Bonds. Pursuant to A.R.S. § 35 491, a fully registered bond form is adopted.

The Bonds shall be in substantially the form of Exhibit A attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Notice Inviting Proposals for the Purchase of Bonds and are approved by those officers executing the Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval.

The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show both the date of the issue and the date of such Bond's authentication and registration.

The Bonds are prohibited from being converted to coupon or bearer form without the consent of the Board and approval of bond counsel.

Section 7. Execution of Bonds and Other Documents.

A. The Bonds shall be executed for and on behalf of the District by the Chairman of its Board of Directors and on behalf of the Board of Supervisors by the Chair of this Board by manual or facsimile signature; provided, however that one such signature must be manually affixed. If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, such Bond shall nevertheless be valid.

A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Registrar. The signature of the authorized representative of the Registrar shall be conclusive evidence that such Bond has been authenticated and issued pursuant to this resolution.

B. The Clerk of the Board of Directors of the District is appointed the Registrar for the bonds. The Registrar is authorized and directed to authenticate the bonds and cause the same to be delivered to the purchaser of the bonds upon their initial issuance and thereafter upon their transfer.

Section 8. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of the mutilated Bond or in lieu of and in substitution for the Bond destroyed or lost, upon the owner's paying the reasonable expenses and charges of the District in connection therewith and, in the case of the Bond destroyed or lost, filing with the Treasurer by evidence satisfactory to the Treasurer that such Bond was destroyed or lost, and furnishing the Treasurer with a sufficient indemnity bond pursuant to § 47-8405, Arizona Revised Statutes.

Section 9. Acceptance of Offer; Sale of Bonds; Purchase Agreement Approval. The proposal for the purchase of the Bonds in the form attached hereto is hereby accepted and the Bonds are hereby ordered sold to the purchaser shown therein (the "Purchaser") in accordance with the terms of such proposal and the terms and conditions of the Notice Inviting Proposals for the Purchase of Bonds. The interest rate to be borne by the Bonds shall be as set forth in the winning bid, a copy of which is attached hereto and incorporated herein.

The Treasurer and the District are hereby authorized and directed to cause the Bonds to be delivered to the Purchaser upon either (i) receipt of payment therefore and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale. The Bonds may be in a form that permits draw downs of the loan evidenced by, or secured by, the Bonds.

The District is authorized to accept different rates of interest on the Bonds, or reschedule the maturities and interest rates on the Bonds, but the rate or rates shall not exceed the prevailing market rate for similar bonds. In such event the Chair, Clerk and County Treasurer are authorized and directed to cause the Bonds to be initially issued or reissued as so rescheduled bearing such changed rate or rates.

Section 10. Registrar. The District will maintain an office or agency where Bonds may be presented for registration or transfer and an office or agency where Bonds may be presented for payment (the "Paying Agent"). The District may appoint one or more co-registrars or one or more additional Paying Agents. The Registrar and Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the owners of the Bonds.

Initially, the Clerk of the District's Board of Directors is appointed to act as Registrar with respect to the Bonds. The District may change the Registrar without notice to or consent of owners of the Bonds and the District may act in any such capacity.

Each Paying Agent shall be required to agree in writing that the Paying Agent will hold in trust for the benefit of the owners of the Bonds all moneys held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds.

The Registrar may appoint an authenticating agent acceptable to the District to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Registrar may do so. Each reference in this resolution to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

The Registrar shall keep separate registers for the Bonds. One register shall show the registered owners of the Bonds and of transfer of the Bonds. When Bonds are presented to the Registrar or a co-registrar with a request to register transfer, the Registrar shall register the transfer on the registration books if its requirements for transfer are met and shall authenticate and deliver one or more Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds. All transfer fees and costs shall be paid by the transferor. The "Record Date" for the Bonds shall be the close of business of the Registrar on the fifteenth day of the month preceding an interest payment date. The Registrar may, but shall not be required to, transfer or exchange any Bonds during the period commencing on the Record Date to and including the respective Interest Payment Date. If the Registrar transfers or exchanges Bonds within the period referred to above, interest on such Bonds shall be paid to the registered owner as if such transfer or exchange had not occurred.

The Registrar shall authenticate Bonds for original issue up to \$11,840,000 in aggregate principal amount upon the written request of the Treasurer. The Registrar shall keep a register of the Bonds and of their transfer. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the District are met.

Section 11. Resolution a Contract. This resolution shall constitute a contract between the District and the owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

Section 12. Ratification of Actions. All actions of the officers and agents of the District or the County which conform to the purposes and intent of this resolution and which further the issuance and sale of the Bonds as contemplated by this resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the District and the County are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this resolution.

Section 13. Delegation of Authority. This Board hereby delegates to the Treasurer and the District the authority to cause the Bonds to be issued to the Purchaser against either payment in cash of the par amount of the Bonds plus accrued interest to the date of initial closing, or the execution and delivery of a Loan Repayment Agreement secured by the Bonds. The Bonds shall be issued only upon the execution and presentation of a request to issue the Bonds signed by an authorized agent of the District.

Section 14. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Board hereby declares that it would have adopted this resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Yavapai County, Arizona,

Principal Amount: Eleven Million, Eight Hundred Forty Thousand and no/100 Dollars (\$11,840,000.00)

THE CENTRAL YAVAPAI FIRE DISTRICT OF YAVAPAI COUNTY, ARIZONA (the "*District*"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, an amount not to exceed the principal amount of \$11,840,000 payable in installments on July 1, and bearing interest payable semiannually as follows: [INSERT MATURITIES AND INTEREST RATES THAT EITHER CONFORM TO THE WINNING BID OR AS RESCHEDULED]

Maturity Date (July 1)	Principal Amount	Interest Rate	Maturity Date (July 1)	Principal Amount	Interest Rate
2005			2015		
2006			2016		
2007			2017		
2008			2018		
2009			2019		
2010			2020		
2011			2021		
2012			2022		
2013			2023		
2014			2024		

unless prepaid pursuant to the resolution authorizing the issuance of this bond, interest is payable semiannually on January 1 and July 1 commencing January 1, 2006. Interest is payable from the date of each advance of principal as recorded in the books of the registrar, who at the date of issuance hereof is Clerk, Central Yavapai Fire District of Yavapai County, Arizona.

INSERT PREPAYMENT PROVISIONS HERE

The registrar or paying agent may be changed by the District without notice.

Interest will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the respective advance date. Interest will be computed on the basis of a year comprised of 365/6 days for the actual number of days elapsed.

This bond and any installments hereof may be prepaid in whole or in part at any time, without notice and without premium or penalty, but shall not be defeased, and should prepayments of principal be made, such prepayments will be applied to the installment or installments last to become due under this bond and will not affect the obligation of the District to pay the remaining installments as scheduled in the Resolution authorizing this bond.

Principal and interest are payable in lawful money of the United States of America and will be paid by check payable in such money to the order of the registered owner and mailed or transmitted electronically to the registered owner as shown above.

The outstanding principal sum of this bond shall equal the aggregate of the advances as recorded on the books of the registrar less any payments of principal hereof. Any amount by which the aggregate authorized principal amount of this bond exceeds the aggregate of such advances shall be deemed unissued, and the amount of such excess shall be deemed applied *pro tanto* to cancel the installments of principal payable in inverse order of scheduled payment dates. Interest hereon shall be determined on the aggregate of such advances from the respective dates of payment as recorded on the books of the registrar until paid, whether at maturity or by prepayment.

Authority to issue this bond was vested in the District by virtue of the special bond election held on November 2, 2004 (the "*Election*"). This bond is given as security for a loan to be made to the District made by the Greater Arizona Development Authority.

This bond is issued for the District to provide funds to acquire fire stations and fire protection equipment for the District.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes sufficient for that purpose, the full faith and credit of the District and the County are hereby irrevocably pledged.

This bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar upon surrender and cancellation of this bond, but only in the manner and subject to the limitation and upon payment of the charges provided in the Bond Resolution. Upon such transfer a new bond or bonds of the same aggregate principal amount, installments and interest rate will be issued to the transferee in exchange. The registrar may require an owner, among other things, to furnish appropriate endorsements and

transfer documents and to pay any taxes and fees required by law or permitted by the authorizing resolution. The District has chosen the 15th day of the month preceding an interest payment date as the record date for this issue of bonds. Should this bond be submitted to the registrar for transfer during the period commencing after the close of business on the record date and continuing to and including the next interest payment date, ownership will be transferred in the normal manner but the next interest payment will be made payable to the owner shown on the registrar's books at the close of business on the record date.

The registrar may but need not register the transfer of a bond one or more installments of which have been selected for prepayment and need not register the transfer of any bond for a period of fifteen (15) days before a selection of bonds or installments to be prepaid; if the transfer of any bond one or more installments of which have been called or selected for call for prepayment in whole or in part is registered, any selection for prepayment will be binding upon the transferee.

Bonds of this issue are issuable only in fully registered form. The Bonds may be issued in the form of a single bond payable in installments due in one or more years.

The District, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal, interest and any premium and for all other purposes and none of them shall be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona.

This bond is prohibited from being issued in coupon or bearer form without the approval of the District and the occurrence of certain other conditions.

The District has caused this bond to be executed by the Chair of the Board of Supervisors of Yavapai County, Arizona and the Chairman of the District's Board of Directors and attested by its Clerk, which signatures may be facsimile signatures.

This bond is not valid or binding upon the District without the manually affixed signature of an authorized representative of the registrar.

**CENTRAL YAVAPAI FIRE DISTRICT OF YAVAPAI
COUNTY, ARIZONA**

Chairman, Board of Directors

ATTEST:

Clerk, Board of Directors

YAVAPAI COUNTY BOARD OF SUPERVISORS

Chair

DATE OF AUTHENTICATION AND REGISTRATION: _____, 2005.

AUTHENTICATION CERTIFICATE

This bond represents the entire issue of the Central Yavapai Fire District of Yavapai County, Arizona, General Obligation Bonds, Series 2005 in the Bond Resolution mentioned herein.

District Clerk, Central Yavapai Fire District of Yavapai County, Arizona, as
Registrar

District Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
_____ the within bond and all rights thereunder, and hereby
(Name and Address of Transferee)
irrevocably constitutes and appoints _____, attorney to transfer the within bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated _____

Note: The signature(s) on this assignment must correspond with the name(s) as written
on the face of the within registered bond in every particular without alteration or
enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution pursuant
to Securities and Exchange Commission Rule 17Ad-15.

EXHIBIT B
-
WINNING BID

EXHIBIT C
-
DESCRIPTION OF PROJECT

	-	
	-	
	-	
New Fire Station – Stoneridge Area		\$ 1,180,000
New Maintenance Facility		1,310,000
Fire Training Center and Classrooms		5,417,000
Remodel Station 54 – Dewey		410,000
Communications Equipment		1,485,000
Purchase of Apparatus & Equipment		718,000
Payoff Station 59 (Prescott Valley) and Station 57 (Williamson Valley)		<u>1,320,000</u>
		<u>\$11,840,000</u>
	-	