



RESOLUTION NO. 2127

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE POQUITO VALLEY ROAD IMPROVEMENT DISTRICT OF YAVAPAI COUNTY, ARIZONA, AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM ITS OUTSTANDING POQUITO VALLEY ROAD IMPROVEMENT DISTRICT OF YAVAPAI COUNTY, ARIZONA, IMPROVEMENT BONDS, SERIES 2009, BY THE DIRECT PAYMENT OR THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION.

WHEREAS, the Poquito Valley Road Improvement District of Yavapai County, Arizona (the "*District*"), pursuant to Resolution 2009-05, adopted October 19, 2009 (the "*Bond Resolution*"), previously issued its District Improvement Bonds, Series 2009, in the original aggregate principal amount of \$1,857,000 (the "*Bonds*"); and

WHEREAS, such Bonds are secured by assessments levied and collected on all benefited property within the boundaries of the District; and

WHEREAS, the Bond Resolution provided that a portion of the proceeds of the Bonds were deposited into a reserve fund account for the purpose of ensuring timely payments of principal and interest on the Bonds (the "*Reserve Fund Account*"); and

WHEREAS, the governing body of the District (the "*District Board*") finds that it is in the best interests of the District to prepay and defease all of the outstanding Bonds (the "*Bonds Being Defeased*"); and

WHEREAS, in order to accomplish such prepayment and defeasance the District will, by this Resolution, authorize the transfer of District funds, in an amount sufficient to prepay in advance of maturity the Bonds Being Defeased, either to a depository trust pursuant to (i) a Depository Trust Agreement (as defined herein) or (ii) the registrar and paying agent of the Bonds Being Defeased.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE POQUITO VALLEY ROAD IMPROVEMENT DISTRICT OF YAVAPAI COUNTY, ARIZONA AS FOLLOWS:

Section 1. Authorization. The District Board hereby authorizes and directs the District Treasurer or designee to transfer available District funds in an aggregate amount sufficient to defease

the Bonds Being Defeased and to pay all costs associated therewith, alternatively, (i) to an irrevocable trust fund held by a bank selected by the District as set forth in Section 5 hereof to act as depository trustee (the “*Depository Trustee*”), or (ii) to the registrar and paying agent of the Bonds Being Defeased (the “*Defeasance Registrar*”). The District Treasurer is hereby authorized to determine whether such defeasance will be accomplished by payment to the Depository Trustee or to the Defeasance Registrar at the time of defeasance. Any amounts in the depository trust remaining after payment of all amounts due shall be refunded to the District.

Section 2. Redemption of Bonds Being Defeased. The District Treasurer is hereby authorized and directed to cause the redemption of the outstanding Bonds Being Defeased and shall give written notice thereof to the Defeasance Registrar and direct such agent to take all actions necessary to cause such redemption.

Section 3. Application of Moneys.

(a) Any amounts remaining in the Reserve Fund Account shall be transferred to the Principal and Interest Account (as defined in the Bond Resolution) for payment of the Bonds Being Defeased.

(b) If the District Treasurer determines that defeasance shall occur by the creation of a trust through the Depository Trustee, the proceeds of the transfer of available District funds in the Principal and Interest Account, after payment of the costs and expenses of the transaction, shall be applied by the Depository Trustee to create one or more irrevocable trusts for the benefit of the owners of the Bonds Being Defeased. If applicable, amounts credited to the depository trust shall be held, uninvested as a cash deposit for the defeasance of the Bonds Being Defeased.

(c) If the District Treasurer determines that the defeasance shall occur by payment directly to the Defeasance Registrar, the proceeds of the transfer of funds in the Principal and Interest Account, after payment of the costs and expenses of the transaction, shall be applied by the Defeasance Registrar to pay the principal of and interest on the Bonds Being Defeased as the same are called for redemption. The District Treasurer shall call the Bonds Being Defeased for redemption on such date as is determined by the District Treasurer and as set forth in an instruction letter as described below.

(d) Funds remaining in the Principal and Interest Account on August 1, 2024, shall be transferred to the District for disposition in accordance with A.R.S. § 48-958.

Section 4. Depository Trust Agreement; Instruction Letter; Notice.

(a) If the District Treasurer determines that defeasance shall occur by the creation of a trust through the Depository Trustee, any member of the District Board or the District Treasurer or designee is hereby authorized and directed to execute a depository trust agreement (the “*Depository Trust Agreement*”) with the Depository Trustee or any successors or assigns, with respect to the safekeeping and handling of the moneys to be held in trust for the payment of the Bonds Being Defeased. The Depository Trust Agreement shall be in a form acceptable to the

District, with such additions, deletions and modifications as shall be approved by the officer executing and delivering the same on behalf of the District and such execution and delivery shall constitute conclusive evidence of the approval of such official of the Depository Trust Agreement.

(b) If, for any reason, the Depository Trust Agreement is cancelled or declared void or illegal or is incapable of being performed due to any impediment of any nature whatsoever, or the Depository Trustee is unable to perform its duties, the District shall appoint or engage a successor depository trustee or escrow agent to act in the place of the Depository Trustee, if such successor is ready, willing and able to assume the role of trustee under such Depository Trust Agreement or an agreement similar in form and substance. During any period when no depository trustee is in place, the District Treasurer or designee shall act as the depository trustee.

(c) If the District Treasurer determines that defeasance shall occur by payment directly to the Defeasance Registrar, any member of the District Board or the District Treasurer or designee is hereby authorized and directed to execute an instruction letter to the Defeasance Registrar in the customary form, and including such information as reasonably required by the Defeasance Registrar to carry out the intent of this resolution with respect to the Bonds Being Defeased (the "*Instruction Letter*"). The Instruction Letter shall be in a form acceptable to the District, with such additions, deletions and modifications as shall be approved by the officer executing and delivering the same on behalf of the District and such execution and delivery shall constitute conclusive evidence of the approval of such official of the Instruction Letter. The Instruction Letter may take the form of a closing memorandum approved as set forth in this Section.

(d) If the District Treasurer determines that defeasance shall occur by payment directly to the Defeasance Registrar:

(i) The District hereby instructs the Defeasance Registrar to pay the Bonds Being Defeased prior to maturity as described in the Instruction Letter.

(ii) The District hereby irrevocably instructs the Defeasance Registrar to mail to the owners of the Bonds Being Defeased and to transmit electronically to the Depository Trust Company, New York, New York ("*DTC*") and the Municipal Securities Rulemaking Board (the "*MSRB*") by the method required by MSRB, currently through the MSRB's Electronic Municipal Market Access system ("*EMMA*"), the notice of defeasance in substantially the form of *Exhibit A* hereto.

(iii) The District hereby irrevocably instructs the Defeasance Registrar that the Bonds Being Defeased shall be redeemed by the Defeasance Registrar on July 1, 2024. Not more than 60 nor less than 30 days prior to the date set for redemption, the Defeasance Registrar shall send via telecopy or other electronic means a notice of redemption of the Bonds Being Defeased in substantially the form attached hereto as *Exhibit B* to DTC and to the MSRB by the method required by MSRB, currently through EMMA.

(iv) The District agrees to pay the expenses of the Defeasance Registrar in giving all notices required hereunder relative to the Bonds Being Defeased.

Section 5. Selection of Depository Trustee; Depository Trustee Action. As applicable, the District Treasurer or designee is authorized to select a bank to act as Depository Trustee from banks authorized to engage in trust business in the State of Arizona. The District hereby requests the Depository Trustee so selected to take any and all actions necessary in connection with the prepayment of the Bonds Being Defeased, including the execution and delivery of the Depository Trust Agreement and any other documents related to the transaction contemplated herein.

Section 6. Irrepealable. After any District funds are transferred to the depository trust held by the Depository Trustee, this Resolution shall be and remain irrepealable and shall not be repealed or amended in any manner that would impair, impede or lessen the rights of the owners of the Bonds Being Defeased then outstanding.

Section 7. Federal Tax Law Covenants.

(a) As authorized by Arizona Revised Statutes and in consideration of retaining the exclusion of interest income on the Bonds Being Defeased from gross income for federal income tax purposes, the District covenants with the owners from time to time of the Bonds Being Defeased to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest income on the Bonds Being Defeased becoming subject to inclusion as gross income for federal income tax purposes under either laws existing on the date of issuance of the Bonds Being Defeased or such laws as they may be modified or amended.

(b) The District agrees that it will comply with such requirement(s) and will take any such action(s) as in the opinion of Gust Rosenfeld P.L.C., or other nationally recognized municipal bond counsel firm selected by the District, as bond counsel to the District (“*Bond Counsel*”) are necessary to prevent interest income on the Bonds Being Defeased becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include, but are not limited to, making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by Bond Counsel; paying to the United States of America any required amounts representing rebates of investment income relating to the Bonds Being Defeased; filing forms, statements and supporting documents as may be required under the federal tax laws; and limiting the use of the proceeds of the transfer of funds.

Section 8. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable by a decision of a court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Resolution. The District Board hereby declares that this Resolution would have been enacted and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the transfer of funds and defeasance and redemption of the Bonds Being Defeased 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.

Section 9. Ratification of Actions. All actions of the officials and agents of the District, and, as applicable, the Depository Trustee or Defeasance Registrar, that are in conformity with the purposes and intent of this Resolution and in furtherance of the transfer, prepayment, defeasance and

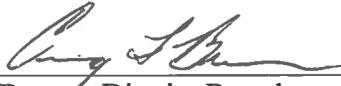
redemption of the Bonds Being Defeased as contemplated by this Resolution, shall be and are hereby ratified, confirmed and approved. The proper officials and agents of the District, and, as applicable, the Depository Trustee, are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents as may be necessary to carry out the terms and intent of this Resolution.

Section 10. Waiver of Inconsistency. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance of any part thereof.

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PASSED by the District Board of the Poquito Valley Road Improvement District of Yavapai County, Arizona on May 1, 2024.

**POQUITO VALLEY ROAD IMPROVEMENT
DISTRICT OF YAVAPAI COUNTY, ARIZONA**



Craig L. Brown, District Board

ATTEST:



Jayme Rush, District Clerk

APPROVED AS TO FORM:

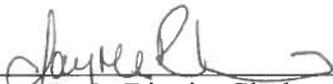


Andrew J. McGuire, Bond Counsel

CERTIFICATION

I hereby certify that the above and foregoing Resolution was duly passed by the Board of Directors of the Poquito Valley Road Improvement District of Yavapai County, Arizona, at a regular meeting held on May 1, 2024, and the vote was 5 aye's and 0 nay's and that 5 District Board Members were present thereat.

Dated: May 3, 2024.



Jayme Rush, District Clerk

EXHIBIT A
TO
RESOLUTION NO. 2027

[Notice of Defeasance]

See following page.

NOTICE OF DEFEASANCE
of the following bonds:

A portion of the Poquito Valley Road Improvement District of Yavapai County, Arizona (the “*District*”), District Improvement Bonds, Series 2009, dated November 1, 2009, maturing January 1 of the years 2025 through 2030 (the “*Bonds Being Defeased*”).

Notice is hereby given that the below-described principal amount of the Bonds Being Defeased have been defeased prior to maturity and that an irrevocable trust for the Bonds Being Defeased was established and funded with cash in order to provide for the prepayment of the Bonds Being Defeased. The Bonds Being Defeased will be paid on the dates and in the amounts (plus interest accrued to the date of redemption) as follows:

CUSIP (Base No. 733198)	Maturity Date (January 1)	Coupon	Original Principal Amount	Principal Amount Being Defeased	Prior Redemption Date (July 1)	Redemption Premium (as a Percentage of Principal)
AQ8	2025	6.625%	\$90,000	\$90,000	2024	100%
AR6	2026	6.625	90,000	90,000	2024	100
AS4	2027	6.625	90,000	90,000	2024	100
AT2	2028	6.625	90,000	90,000	2024	100
AU9	2029	6.625	90,000	90,000	2024	100
AV7	2030	6.625	90,000	90,000	2024	100

U.S. Bank National Association, the defeasance registrar (the “*Defeasance Registrar*”), shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness indicated in this defeasance notice or on any bond.

Dated: _____, 2024

U.S. BANK NATIONAL ASSOCIATION,
as Defeasance Registrar

By _____

THIS IS NOT A REDEMPTION NOTICE

The Defeasance Registrar shall cause a notice of such defeasance to be mailed by first class mail to the registered owner of each bond to be redeemed at the address shown on the registration book maintained by the Defeasance Registrar, and transmitted electronically to (i) The Depository Trust Company, and (ii) the Municipal Securities Rulemaking Board by the method required by the Municipal Securities Rulemaking Board, currently through the Electronic Municipal Market Access system.

EXHIBIT B
TO
RESOLUTION NO. 2027

[Notice of Redemption]

See following page.

NOTICE OF REDEMPTION
of the following obligations:

POQUITO VALLEY ROAD IMPROVEMENT DISTRICT OF YAVAPAI COUNTY, ARIZONA, District Improvement Bonds, Series 2009, dated November 1, 2009, maturing January 1 of the years 2025 through 2030.

Notice is hereby given that the below-described aggregate principal amounts of the above-referenced bonds outstanding have been called for redemption and will be redeemed on July 1, 2024. The maturity dates and amounts of the bonds to be redeemed are as follows:

CUSIP (Base No. 733198)	Issue (Dated Date)	Name of Issue	Original Principal Amount	Maturities Being Defeased (January 1)	Principal Amount Defeased	Prior Redemption Date (July 1)	Redemption Price on Bonds Being Defeased (Percentage of Principal)
AQ8	11/01/2009	District Improvement Bonds, Series 2009	\$90,000	2025	\$90,000	2024	100%
AR6			90,000	2026	90,000	2024	100
AS4			90,000	2027	90,000	2024	100
AT2			90,000	2028	90,000	2024	100
AU9			90,000	2029	90,000	2024	100
AV7			90,000	2030	90,000	2024	100

Owners of the above-described bonds called for redemption are notified to present the same at the corporate trust office of U.S. Bank National Association, (the “*Defeasance Registrar*”), on or after the date set for redemption, where redemption will be made by payment of the face amount of each such bond plus accrued interest to the date set for redemption. All bonds so called for redemption must be surrendered and no interest will be paid on the above-described bonds from and after the redemption date.

The Defeasance Registrar shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness indicated in this redemption notice or on any bond.

Dated: _____, 2024

U.S. BANK NATIONAL ASSOCIATION,
as Defeasance Registrar

By _____

The following is not part of this notice:

Not less than 30 nor more than 60 days prior to the date set for redemption, the Defeasance Registrar shall cause a notice of such redemption to be mailed by first class mail to the registered owner of each bond to be redeemed at the address shown on the registration book maintained by the Defeasance Registrar, and transmitted electronically to (i) The Depository Trust Company, and (ii) the Municipal Securities Rulemaking Board by the method required by the Municipal Securities Rulemaking Board, currently through the Electronic Municipal Market Access system.