

RESOLUTION NO. 82-49

BLUE RIDGE SEWER IMPROVEMENT DISTRICT  
ASSESSMENT AREA 1C

RESOLUTION AUTHORIZING AND DIRECTING ISSUANCE AND SALE OF \$1,125,000 PRINCIPAL AMOUNT OF BLUE RIDGE SEWER IMPROVEMENT DISTRICT, SEWER IMPROVEMENT BONDS OF 1982 (ASSESSMENT AREA 1C PROJECT), DETERMINING THE DETAILS THEREOF, AND DETERMINING AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF.

WHEREAS, the Blue Ridge Sewer Improvement District (the "District") is a duly organized and existing improvement district under the laws of the State of Arizona established pursuant to order of the Board of Supervisors of Navajo County, Arizona on October 24, 1978;

WHEREAS, the Board of Directors of the District have heretofore adopted Resolution of Intention No. 1382 to order certain improvements more particularly described therein, which Resolution of Intention provides, among other things, for the issuance of bonds pursuant to Articles 1 and 1.1 of Chapter 5 of Title 11, Arizona Revised Statutes, as amended;

WHEREAS, following the posting and publication of notice of adoption of the Resolution of Intention and publication of the Resolution of Intention, the Board of Directors adopted an order directing that the work be done;

WHEREAS, a diagram of Assessment Area 1C and assessment has been recorded, confirmed and a Treasurer's return filed evidencing payment of any assessment;

WHEREAS, the District has not previously issued bonds or other obligations payable from assessments with respect to property within Assessment Area 1C; and

WHEREAS, the District now desires to issue and sell \$1,125,000 of its bonds to finance the cost of the improvement described in the Resolution of Intention and the order directing that the work be done.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BLUE RIDGE SEWER IMPROVEMENT DISTRICT, NAVAJO COUNTY, ARIZONA, THAT:

Section 1. It is hereby determined that the amount of assessments with respect to Assessment Area 1C remaining unpaid is \$1,125,000.

Section 2. For the purpose of paying the cost of the construction and acquisition of the improvements more particularly described in Section 8 hereof, there is hereby authorized the issuance and sale of not to exceed \$1,125,000 in principal amount of bonds of the District to be designated "Blue Ridge Sewer Improvement District, Sewer Improvement Bonds of 1982 (Assessment Area 1C Project)" (the "Bonds"). The Bonds shall be dated as of July 1, 1982, shall be in the denomination of \$5,000 each, shall be issued as coupon bonds in the total principal amount of not to exceed \$1,125,000 and shall be numbered from 1 to 255, inclusive.

The Bonds shall bear interest at the rates per annum, said interest to be payable January 1, 1983 and semiannually thereafter on July 1 and January 1 of each year, and shall mature serially in numerical order payable on July 1 of each of the years 1983 to 1992, inclusive, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
1983	\$ 50,000	%
1984	60,000	
1985	70,000	
1986	80,000	
1987	100,000	
1988	110,000	
1989	130,000	
1990	150,000	
1991	175,000	
1992	200,000	

The Bonds shall be payable at the office of the County Treasurer, Navajo County, Arizona.

Section 3. The Bonds shall not be subject to redemption prior to maturity except from prepayments of assessments levied for the purpose of paying the principal of and interest on the Bonds, in which case the Bonds shall be called for redemption in accordance with the provisions of Sections 11-761.04 and 11-761.05, Arizona Revised Statutes, as amended, and other applicable laws in effect on the date of issuance of the Bonds.

Section 4. The Bonds shall be executed on behalf of the District by the Chairman of the Board of Directors of the District and attested by the Clerk of the District and the seal of the District affixed thereto. The coupons attached to each Bond shall bear the facsimile signatures of the Chairman and the Clerk. In case any officer who shall have signed any Bond or coupon (whether manually or by facsimile) shall cease to be such officer prior to delivery of the Bonds, the Bonds may nonetheless be delivered as though the person or persons who signed such Bond or coupon had remained in office.

Section 5. The Bonds shall be in substantially the following form, with such necessary or appropriate variations, omissions and insertions as may be consistent with the terms of this Resolution and approved by the Chairman of the Board of Directors of the District, execution of the Bonds being conclusive evidence of such approval:

(Bond Form)

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF NAVAJO

BLUE RIDGE SEWER IMPROVEMENT DISTRICT, SEWER IMPROVEMENT  
BOND OF 1982 (ASSESSMENT AREA 1C PROJECT)

NO. \_\_\_\_\_

\$5,000.00

KNOW ALL MEN BY THESE PRESENTS, that the Blue Ridge Sewer Improvement District of Navajo County, Arizona, a duly organized Improvement District, promises to pay as hereinafter stated to the bearer hereof, on the 1st day of July, \_\_\_\_\_, the sum of Five Thousand Dollars (\$5,000.00), together with interest on said sum, at the rate of \_\_\_\_\_ percent (\_\_\_%) per annum, payable semiannually on the first days of January and July of each year, as evidenced by and upon the presentation and surrender of the interest coupons as they severally become due. Both principal and interest are payable at the Office of the County Treasurer of Navajo County, Arizona, in Holbrook, Arizona. This Bond is issued pursuant to the laws of the State of Arizona, and is one of a series of two hundred twenty-five (225) Bonds of like tenor and date in the total principal amount of One Million One Hundred Twenty-Five Thousand Dollars (\$1,125,000) issued

for that certain improvement in said District consisting of installation of collecting sewer lines and related appurtenant facilities, initiated by Resolution of Intention No. 1382 of Blue Ridge Sewer Improvement District, Navajo County, Arizona, and is payable only out of the special fund to be collected from special assessments imposed on the lots, or parcels of land benefited by said improvement. Said special fund is set apart by law for the payment of said Bonds, and can be used for no other purpose. It is hereby certified and declared that the improvement for which this series of Bonds is issued is authorized by law, that all the acts, conditions and things required to be done, precedent to and in the issuing of this series of Bonds, have been done and performed in regular and due form as required by the laws of the State of Arizona, and all ordinances and resolutions of said District, that the special assessments out of which said Bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments, and any bona fide purchaser for value of this Bond has the right to rely on the recitals herein contained. For the assessment or reassessment, collection and payment of said special assessments, the full faith and diligence of said District is hereby irrevocably pledged.

IN WITNESS WHEREOF, Blue Ridge Sewer Improvement District, Navajo County, Arizona, has caused this Bond to be executed in its name by the Chairman of its Board of Directors and attested by the Clerk of the District, and the corporate seal of the District to be impressed hereon, and this Bond to be dated as of July 1, 1982.

BLUE RIDGE SEWER IMPROVEMENT  
DISTRICT, NAVAJO COUNTY,  
ARIZONA

\_\_\_\_\_  
Chairman, Board of Directors

Attest:

\_\_\_\_\_  
Clerk

(SEAL)

No. \_\_\_\_\_

\$ \_\_\_\_\_

On the first day of \_\_\_\_\_, \_\_\_\_\_, BLUE RIDGE SEWER IMPROVEMENT DISTRICT OF NAVAJO COUNTY, ARIZONA (unless prior to the due date of this coupon, the Bond to which this coupon appertains shall have been duly called for prior redemption), will pay to bearer, subject to the provisions of the resolution authorizing the issuance of the Bonds described below and upon presentation and surrender of this coupon at the office of the County Treasurer of Navajo County, Arizona, in Holbrook, Arizona, the amount shown hereon, as provided in, and being semiannual interest then due on, its Sewer Improvement Bonds of 1982 (Assessment Area 1C Project) numbered \_\_\_\_\_.

BLUE RIDGE SEWER IMPROVEMENT  
DISTRICT, NAVAJO COUNTY,  
ARIZONA

Attest:

\_\_\_\_\_  
Clerk

By \_\_\_\_\_

\_\_\_\_\_  
Chairman

Section 6. Until the definitive Bonds are prepared, the Chairman of the Board of Directors of the District and Clerk of the District may execute, in the same manner as is provided in Section 4, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive coupon Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive coupon Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, in denominations of \$5,000 or any integral multiple thereof authorized by the District, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in bearer form shall be payable only upon the presentation and surrender of the coupons therefor attached thereto, if any, or upon presentation of such temporary Bonds for notation thereon, of the payment of such interest. The District shall prepare and execute and, upon the surrender of such temporary Bonds, with all unmatured coupons, and all matured coupons for which no payment or only partial payment has been provided, attached, for exchange and the cancellation of such surrendered temporary Bonds and coupons, without charge to the holder thereof, deliver in exchange therefor, definitive

coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution.

Section 7. For the purposes of providing for the payment of the principal of and interest on the Bonds, as and when the same shall become due and payable, the Board of Directors of the District shall levy and collect annual assessment installments to be paid by the owners of properties within Assessment Area 1C, all as shown on the confirmed assessment. All proceeds of such levies shall be placed in a fund to be created by the County Treasurer of Navajo County, Arizona to be known as the "Blue Ridge Sewer Improvement District, Assessment Area 1C, Special Bond Fund" established pursuant to Section 11-732, Arizona Revised Statutes, as amended, and applied to the payment of the principal of and interest on the Bonds, as and when the same shall become due and payable. The Bonds shall not constitute a general obligation or indebtedness of Navajo County, Arizona but shall be payable solely from the proceeds of said assessment installments as provided herein.

Section 8. The sale of the Bonds to Young Smith & Puccio's at a purchase price of \$ \_\_\_\_\_ in accordance with their proposal dated July 20, 1982 is hereby approved and the Chairman of the Board of Directors of the District and the Clerk of the District are hereby authorized to indicate such approval by execution of the proposal dated July 20, 1982 submitted to the Board of Supervisors of Navajo County, Arizona, acting as the Board of Directors of the District, and the Treasurer of Navajo County, Arizona is hereby authorized to deliver the Bonds to Young Smith & Puccio's upon receipt of payment of the purchase price thereof. The Chairman of the Board of Directors of the District and Clerk of the District shall provide that the proceeds from the sale of the Bonds be deposited with the Treasurer of Navajo County, Arizona and held for the credit of the District. The proceeds from the sale of the Bonds shall be applied to the payment of the cost of constructing collecting sewer lines and related appurtenant facilities within Assessment Area 1C in accordance with the approved plans, specifications and bid documents prepared by Lowry & Associates, Civil Engineers, and to pay costs incurred in connection with the issuance of the Bonds.

Section 9. In case any Bond shall become mutilated or be destroyed, stolen or lost, the District may, in its discretion, issue and deliver a new Bond with all unmatured coupons attached of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder furnishing the District proof of his ownership thereof and satisfactory indemnity (but in no event shall such indemnity be in an amount less than the principal amount of such destroyed, lost or stolen Bond and the interest due and to become due on such Bond to maturity) and complying with such other reasonable regulations and conditions as the District may require. All Bonds and coupons so surrendered shall be cancelled by the Treasurer of Navajo County, Arizona and held for the account of the District. If any such Bond or coupon shall have matured or be about to mature, instead of issuing a substituted Bond or coupon, the District may pay the same upon being indemnified as aforesaid, and if such Bond or coupon be lost, stolen or destroyed, without surrender thereof.

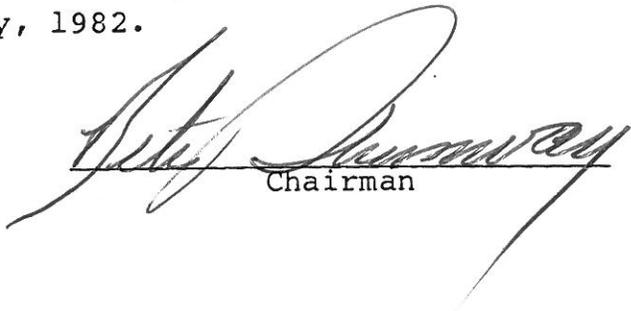
Any such duplicate Bonds and coupons issued pursuant to this Section shall constitute additional contractual obligations on the part of the District whether or not the lost, stolen or destroyed Bonds or coupons be at any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits and rights as to lien on and security for payment from said special assessments with all other Bonds and coupons issued hereunder.

Section 10. This Resolution constitutes a contract with the holders of the Bonds. Subsequent to delivery of any of the Bonds authorized herein, no material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto, may be made without consent in writing of the holders of at least two-thirds in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a modification in the rate or rates of interest thereon, or in the amount of the principal obligation thereof, or affecting the unconditional promise of the District to pay the principal of and interest on said Bonds as they shall become due from the moneys in the Special Bond Fund, or reduce the percentage of Bondholders required to consent to any material modification or amendment of this Resolution, without the consent of all of the holders of such Bonds.

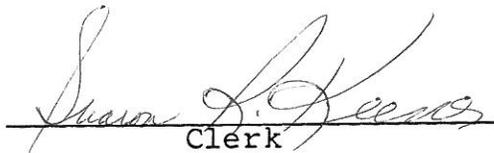
Section 11. If then permitted by law, the District may issue obligations for the purpose of refunding the Bonds or for any other lawful purpose payable from the assessments deposited in the Special Bond Fund to be created pursuant to Section 7 hereof, provided that prior to or simultaneously with the issuance of such obligations there shall have been irrevocably deposited with the Treasurer of Navajo County, Arizona or a bank or trust company and pledged to the payment of the Bonds, cash in an amount sufficient or direct obligations of, or obligations fully guaranteed by, the United States of America, the principal of and interest on which will be sufficient to pay the principal of and interest on the Bonds as and when the same shall become due and payable.

Section 12. This Resolution shall take effect immediately.

Adopted this 20th day of July, 1982.

  
Chairman

Attest:

  
Clerk