

RESOLUTION NO. 68-86

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$8,000,000 PRINCIPAL AMOUNT OF KAYENTA UNIFIED SCHOOL DISTRICT NO. 27 OF NAVAJO COUNTY, ARIZONA, SCHOOL IMPROVEMENT BONDS, PROJECT OF 1986; ACCEPTING A PROPOSAL AND ORDERING THE SALE OF \$1,800,000 OF SUCH BONDS; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING TERMS AND PROVISIONS AND APPOINTING A REGISTRAR AND PAYING AGENT WITH RESPECT TO THE SALE OF \$1,800,000 PRINCIPAL AMOUNT OF SERIES A OF SAID BONDS; APPROVING AND AUTHORIZING THE EXECUTION OF A REGISTRAR'S CONTRACT AND A REGISTRAR'S FEE PAYMENT AGREEMENT.

WHEREAS, by the vote of a majority of the qualified electors of Kayenta Unified School District No. 27 of Navajo County, Arizona (the "District"), voting at a special bond election held in and for the District on May 20, 1986, the issuance of \$8,000,000 School Improvement Bonds, Project of 1986, of the District has been authorized; and

WHEREAS, pursuant to the request of the Governing Board of the District, \$1,800,000 principal amount of such school improvement bonds are to be issued and sold at this time;

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Authorization. There is hereby authorized to be issued and sold an issue of bonds of the District in an aggregate principal amount \$8,000,000. The bonds so authorized shall be designated Kayenta Unified School District No. 27 of Navajo County, Arizona, School Improvement Bonds, Project of 1986 (the "Bonds"), and shall be issued and sold as directed by this Board in accordance with the provisions of applicable laws.

Section 2. Terms. The Bonds will have such terms as set forth in this resolution and the notice inviting proposals for the purchase of any series of the Bonds. \$1,800,000 principal amount of Series A of the Bonds are ordered to be sold at this time (the "Series A Bonds").

The Series A Bonds will be dated July 1, 1986, and will bear interest from their date to the maturity of each of the Series A Bonds at rates of not to exceed 12% per annum, the first interest payment date to be January 1, 1987, interest payable semiannually thereafter on July 1 and January 1 during the term of the Series A Bonds, to be in

the denomination of \$5,000 each or integral multiples thereof, to be in fully registered form. The Series A Bonds will mature on July 1 in the years 1989 to 1996, inclusive, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1989	\$ 200,000	1993	\$ 250,000
1990	200,000	1994	250,000
1991	200,000	1995	250,000
1992	200,000	1996	250,000

The Series A Bonds shall be sold under the terms and conditions set forth in the Notice Inviting Proposals for the Purchase of Bonds heretofore adopted by this Board and shall have such terms and provisions as are set forth in such Notice and in this resolution, including the form of Bond attached as Exhibit A, which is a part of this resolution.

Section 3. Prior Redemption.

A. Redemption. Series A Bonds maturing on or before July 1, 1991, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 1992, are subject to call for redemption prior to maturity, in whole or in part, on July 1, 1991, or on any interest payment date thereafter by the payment of the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 1, 1991 and January 1, 1992	2%
July 1, 1992 and January 1, 1993	1-1/2%
July 1, 1993 and January 1, 1994	1%
July 1, 1994 and January 1, 1995	1/2 of 1%
and thereafter without premium.	

B. Notice. Notice of redemption of any Bond will be mailed to the registered holder of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the registrar not more than 60 nor less than 30 days prior to the date set for redemption.

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 and accrued interest 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 holders of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest and such Bonds shall be deemed paid and no longer outstanding.

D. Redemption of Less Than All of a Bond. The District may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. 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, premium (if any) on early redemption 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, premium and administration costs on the Bonds 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 a special fund entitled the Debt Service Fund of the District and shall be used only for the payment of principal, interest, premium (if any) and administration costs as above-stated.

Section 5. Use of Proceeds. The net proceeds from the sale of the Bonds, after payment of the expenses of issuance, shall be set aside and deposited by the County Treasurer in a separate fund entitled the Building Fund of the District. This resolution shall be construed as consent of the Board of Supervisors to invest such funds, pending use, in any of the securities allowed by A.R.S. § 15-1025. The proceeds of the Bonds shall be expended only for the 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 as an alternative to the form of bond provided in A.R.S. § 15-1023. A registrar and paying agent will be appointed for the administration of the Bonds. 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 and 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 Bonds without the consent of the Board of Supervisors and approval of bond counsel.

Section 7. Execution of Bonds. The Bonds shall be executed for and on behalf of the District by the President and attested by the Clerk of the Governing Board and countersigned by the Chairman of the Board of Supervisors of this County by their facsimile signatures.

If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, the Bond shall nevertheless be valid.

A Bond shall not be valid or binding until authenticated by the manual signature of an authorized officer of the registrar. The signature of the authorized officer of the registrar shall be conclusive evidence that the Bond has been authenticated and issued under this resolution.

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 such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered 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 County Treasurer by the registered owner evidence satisfactory to the Treasurer that such Bond was destroyed or lost, and furnishing the County Treasurer with a sufficient indemnity bond pursuant to § 47-8405, Arizona Revised Statutes.

Section 9. Acceptance of Proposal. The proposal of _____ for the purchase of the Series A Bonds is hereby accepted and the Series A Bonds are hereby ordered sold to such purchaser in accordance with the terms of such proposal and the

Registrar and paying agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the holders of the Series A Bonds.

When Series A 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 Series A Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Series A Bonds. The "Record Date" for the Series A Bonds shall be the close of business of the Registrar on the 15th day of the month preceding an interest payment date. Series A Bonds presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent interest payment date will be registered in the name of the transferee but the interest payment (except interest paid at maturity or upon prior redemption) will be made payable to and mailed to the registered owners shown on the books of the Registrar as of the close of business on the respective Record Date.

Section 11. Resolution a Contract. This resolution shall constitute a contract between the District and the registered 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. Arbitrage Covenant. At no time or times shall any of the proceeds of the Bonds or other moneys of the District be used directly or indirectly to acquire securities or obligations or be used in any manner which would cause any Bond to be an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Section 13. 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 of Supervisors 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.

Section 14. Ratification of Actions. All actions of the officers and agents of the District, the County or the Board of Supervisors 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. Any changes made in the Notice Inviting Proposals for the Purchase of Bonds which do not conform to the prior order of this Board are hereby ratified. 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.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Navajo County, Arizona, on August 5, 1986.


Chairman

ATTEST:


Clerk

EXHIBIT A

(Face of Bond)

KAYENTA UNIFIED SCHOOL DISTRICT NO. 27
OF NAVAJO COUNTY, ARIZONA
SCHOOL IMPROVEMENT BOND
PROJECT OF 1986, SERIES __ (19__)

Number: _____ Denomination: \$ _____

Interest Rate Maturity Date Original Issue Date CUSIP
_____ % _____ _____ 1, 19__

Registered Owner:

Principal Amount: _____ DOLLARS

KAYENTA UNIFIED SCHOOL DISTRICT NO. 27 OF NAVAJO COUNTY, ARIZONA, for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

Certain bonds of the series of which this bond is one are subject to call for redemption prior to maturity in accordance with the terms set forth on the back of this bond.

Interest is payable on January 1 and July 1 of each year commencing January 1, 19__, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original issue date set forth above. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Principal, interest and any premium are payable in lawful money of the United States of America. Interest will be paid by check payable in such money drawn on the paying agent and payable to the order of and mailed to the registered owner at the address shown on the registration books maintained by the registrar at the close of business on the record date as explained on the reverse hereof. Principal and any premium will be paid when due to the

registered owner upon surrender of this bond for payment at the designated office of the paying agent, which on the original issue date is the principal corporate trust office of _____ in Phoenix, Arizona.

See the reverse side of this bond for additional provisions.

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 series 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, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the District for the payment of this bond and of the interest hereon as each becomes due.

The District has caused this bond to be executed by the President and attested by the Clerk of its Governing Board and countersigned by the Chairman of the Board of Supervisors of Navajo County, which signatures may be facsimile signatures.

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

This bond is prohibited from being issued in coupon or bearer form without the consent of the Board of Supervisors of Navajo County and the occurrence of certain other conditions.

KAYENTA UNIFIED SCHOOL DISTRICT
NO. 27 OF NAVAJO COUNTY,
ARIZONA

President, Governing Board

ATTEST:

Clerk, Governing Board

COUNTERSIGNED:

Chairman, Board of Supervisors

DATE OF AUTHENTICATION AND
REGISTRATION: _____

AUTHENTICATION CERTIFICATE

This bond is one of the Kayenta Unified School District No. 27 of Navajo County, Arizona, School Improvement Bonds, Project of 1986, Series __ (19__), described in the resolution mentioned on the reverse hereof.

as Registrar

Authorized Signatory

(Form of Reverse Side of Bond)

Bonds maturing on or before July 1, 19__, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 19__, are subject to call for redemption prior to maturity, in whole or in part, on July 1, 19__, or on any interest payment date thereafter by the payment of the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

Redemption Dates	Premium
July 1, 19__ and January 1, 19__	%
July 1, 19__ and January 1, 19__	%
July 1, 19__ and January 1, 19__	%
July 1, 19__ and January 1, 19__	%
and thereafter without premium.	

Notice of redemption of any bond will be mailed not more than 60 nor less than 30 days prior to the date set for redemption to the registered owner of the bond or bonds

being redeemed at the address shown on the bond register maintained by the registrar.

This bond is one of a series of bonds in the total principal amount of \$ _____ of like tenor except as to maturity date, rate of interest and number, issued by the District to provide funds to make those school improvements approved by a majority vote of qualified electors voting at an election duly called and held in and for the District, pursuant to a resolution of the Board of Supervisors of Navajo County duly adopted prior to the issuance hereof, and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of school district improvement bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

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 are hereby irrevocably pledged.

The registrar or paying agent may be changed without notice.

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 authorizing resolution. Upon such transfer a new bond or bonds of the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange. The registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes required by law. The District has chosen the 15th day of the month preceding an interest payment date as the record date for this series of bonds, unless such date is a Saturday, Sunday or holiday, in which case the record date will be deemed to be the previous business day. 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 and mailed 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 which has been selected for redemption and need not register the transfer of any bond for a period of 15 days before a selection of bonds to be redeemed; if

the transfer of any bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the bond or bonds.

Bonds of this series are issuable only in fully registered form in the denomination of \$5,000 each or integral multiples thereof.

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.

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common	UNIF GIFT MIN ACT-
TEN ENT-as tenants by the	Custodian
entireties	(Cust) (Minor)
JT TEN-as joint tenants with	under Uniform Gifts to
right of survivorship	Minors Act
and not as tenants in	State
common	

Additional abbreviations may also be used though not in list above

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____

(Name and Address of Transferee)

the within bond and all rights thereunder, and hereby 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:

Commercial bank, trust company
or member of a national
securities exchange