RESOLUTION NO. 102-87

MOGOLLON AIRPARK COUNTY IMPROVEMENT DISTRICT - PHASES I, II AND III

Resolution of the Board of Directors of Mogollon Airpark County Improvement District - Phases I, II and III of Navajo County, Arizona, approving the plans, specifications, and estimates, declaring its Intention to order paving of the roads; all as shown on the plans; designating such improvement as Mogollon Airpark County Improvement District - Phases I, II and III; determining that improvement bonds will be issued to finance the costs and expenses thereof and declaring the work or improvement to be of more than local or ordinary public benefit and that the costs of said work or improvement will be assessed upon Mogollon Airpark County Improvement District - Phases I, II and III; and providing that the proposed work or improvement will be performed under the provisions of 48-901 through 48-965 inclusive, Arizona Revised Statutes, and all amendments thereto.

WHEREAS, a Petition requesting that the roads be paved within Mogollon Airpark County Improvement District - Phases I, II and III has been filed pursuant to Arizona Revised Statutes Section 48-901 et seq; and

WHEREAS, Mogollon Airpark County Improvement District - Phases I, II, and III may be part of a larger project in conjunction with Forest Trails County Improvement District, Forest Trails Unit Two County Improvement District, and High Country Pines County Improvement District; and

WHEREAS, pursuant to Arizona Revised Statutes Section 48-913, Burgess and Niple, Inc. has been appointed as the District Engineer to perform all engineering and surveying tasks in order to accomplish the proposed improvement; and

WHEREAS, pursuant to Arizona Revised Statutes Section 48-914, the Engineer has filed with the Clerk plans, specifications, and estimates of the costs and expenses of the proposed improvement project; and

WHEREAS, it is the intention of the Board to order paving of the roads upon the completion of these proceedings; and

WHEREAS, the Board has examined the plans, specifications, and estimates;

NOW, THEREFORE IT IS RESOLVED, DETERMINED AND ORDERED AS FOLLOWS:

Section 1 Definitions. In this Resolution, the following terms shall have the following meanings:

"Clerk" shall mean the Clerk of the Board of Supervisors of Navajo County, Arizona, ex officio Clerk of the Board of Directors of the Mogollon Airpark County Improvement District.

"County" shall mean Navajo County, Arizona.

"Developer" shall mean Mogollon Airpark Properties Ltd.

"District" shall mean all lots, parcels and tracts of land lying within the exterior boundaries of the entire composite and consolidated territory as described in the petition for formation and all annexations thereto of the Mogollon Airpark County Improvement District - Phases I, II and III, a copy of said description being attached hereto as Exhibit A. For a more particular description, reference is hereby made to the District Map and Description, which map is on file with the Superintendent of Streets, the Clerk, the District Engineer, and attached hereto as Exhibit B.

"Plans and Specifications" shall mean the plans and the specifications and contract documents for the Mogollon Airpark County Improvement District - Phases I, II and III filed with the Clerk prior to the adoption of this Resolution.

"District Engineer" shall mean Burgess and Niple, Inc.

"District Map" shall mean the map showing the District in the form attached to this Resolution as Exhibit B.

"Estimate" shall mean the estimate of costs and expenses of Mogollon Airpark County Improvement District - Phases I, II and III filed with the Clerk prior to adoption of this Resolution, showing the estimated cost of the proposed work for Phase I to be $110,650.00, Phase II to be $80,585.00 and Phase III to be $131,080.00.

"Governing Body" or "Board" shall mean the Board of Directors of the Mogollon Airpark County Improvement District - Phases I, II and III.

"Incidental Expenses" shall mean compensation paid to the District Engineer, costs of printing, advertising, posting, the amount paid the District Engineer to take charge and superintend the work of constructing the improvements, the expenses of making the assessment, appraiser's fees, all legal and financial fees, expenses and costs incurred in drafting the proceedings and the sale and registration of bonds and all interest to be paid on the bonds for the period of construction and six months beyond.

"Superintendent of Streets" shall mean Jim Bruce, an employee of Navajo County, Arizona, and any successor to such person.

"Work" shall mean the paving of roads, all as shown on the Plans and Specifications.

Section 2 Approval of Plans, Specifications, and Estimates. The Board of Directors of the Mogollon Airpark County Improvement District - Phases I, II and III hereby preliminarily adopts and approves the plans, specifications, and estimates for the Mogollon Airpark County Improvement District - Phases I, II and II subject to such protests and modifications as may be made in accordance with the law and such modifications as may be subsequently made by this Board of Directors for the Mogollon Airpark County Improvement District, a copy of said estimate being attached hereto as Exhibit C and incorporated herein by reference.

Section 3 Declaration of Intention to Order Improvements. The public interest and convenience require and it is the intention of this Board to order the Work to be constructed. All of said work and improvements are to be constructed at the places and in the particular locations, of the forms, sizes, dimensions and materials and at the lines, grades and elevations as exist and as shown and delineated on the Plans and Specifications therefore, prepared by the District Engineer and filed with the Clerk, and preliminarily adopted and approved. No assessment for any lot shall exceed its proportion of the Estimate. For purposes of this Resolution and of all resolutions and

notices pertaining to this Resolution the improvement as herein described is hereby designated Mogollon Airpark County Improvement District - Phases I, II and III.

Section 4 Determination of Need. In the opinion of the Governing Body, the Work is of more than local or ordinary public benefit, and the Governing Body hereby orders that all amounts due or to become due with respect to the Work and not paid by the Developer shall be chargeable upon the respective lots, pieces and parcels of land within the Mogollon Airpark County Improvement District - Phases I, II and III subject to assessment, in accordance with the benefits to be received by each such lot or parcel.

Section 5 Inclusion of Certain Property. There maybe included in the assessment all publicly owned streets and lands, and the costs of the proposed improvements maybe assessed on the lots and parcels of land subject to assessment lying within the Mogollon Airpark County Improvement District - Phases I, II and III, including all publicly owned streets and lands.

Section 6 Determination and Notice of Necessity to Issue Bonds. The Board finds that the public convenience requires that Bonds shall be issued to represent the costs and expenses of the construction of the Work to be assessed upon the lands within the Mogollon Airpark County Improvement District - Phases I, II and III and determines that Bonds shall be issued in the name of the Mogollon Airpark County Improvement District - Phases I, II and III payable solely and only out of a special fund consisting of funds collectable pursuant to an agreement between the District, the Developer and Navajo County and from special assessments levied and assessed upon the lots, pieces and parcels of land within the Mogollon Airpark County Improvement District - Phases I, II and III subject to assessment therefore, in not to exceed twenty (20) annual principal installments from the assessments of $25.00 or over remaining unpaid as of the close of the period of time alloted for payment of assessments in cash prior to the delivery date of the bonds. Any expenses for the work in Phase I in excess of $85,000.00 plus the Developers Contribution will be paid by the Developer. Any expenses for the work in Phase II in excess of $60,000.00 plus the Developers Contribution will be paid by the Developer. Any expense for the work in Phase III in excess of $144,000.00 plus the Developers Contribution will be paid by the Developer.

Pursuant to Arizona Revised Statutes Section 48-946, the annual assessment installment for payments of the principal and interest on the bonds shall be collectable in the manner and by the officers provided by law for the collection and enforcement of general taxes levied by the Mogollon Airpark County Improvement District - Phases I, II and III.

The first interest payment on the bonds issued shall be due on the first day of January, 1989, which date occurs no earlier than 180 days after the expected date of completion of the Work, and the first principal payment shall be payable to bond holders on the first day of January, 1989. The Bonds shall mature on the first day of January in amounts to be set by the Governing Body prior to their issuance.

Said Bonds shall bear interest at the rate of not to exceed fifteen percent (15%) per annum, payable on the first day of January and July of each year. Said bonds and the interest thereon shall be payable as provided in Arizona Revised Statutes Section 48-935, and the assessment installments and interest will be collected as provided in Arizona Revised Statutes Section 48-946.

Section 7 Bond Anticipation Notes. The Board reserves the right to issue bond anticipation notes pursuant to Arizona Revised Statutes Section 48-962. The Board also reserves the right to retain any Bonds which may be issued and to sell the same for cash

Section 8 Statutory Authority. The Work and all proceedings pertaining thereto shall be performed under the provisons of Sections 48-901 through 48-965, inclusive, Arizona Revised Statutes, and all amendments thereto.

Section 9 Protests and Objections to the Extent of the District. Owners of property within the Mogollon Airpark County Improvement District - Phases I, II and III may file with the Clerk of the Board of Supervisors, Navajo County, Navajo County Governmental Complex, So. Highway 77, Holbrook, AZ 86025, and ex officio Clerk of this Board, written protests against the construction of the improvements or the extent of the Mogollon Airpark County Improvement District - Phases I, II and III to be assessed to pay the expenses of the improvements, within fifteen (15) days after the last publication of this resolution, or within fifteen (15) days after the completion of the posting of the notices of proposed improvement, whichever date is later. Notice is hereby given that all protests made will be heard by the Board at the time fixed herein, and protesting owners shall appear at said time and show cause why their protests should not be overruled. _____, the _____ day of _____, 1987, at the hour of _____ o'clock ___ m., Board of Supervisors Chambers, Navajo County Governmental Complex, Holbrook, Arizona is fixed as the time and place when and where the Board will consider all protests against the improvements, the grades at which the work will be done and the estimated costs of the improvements.

Owners and all other persons directly interested in the assessment, who have any objection to the extent of the Mogollon Airpark County Improvement District - Phases I, II and III or the improvement, or to any of the previous proceedings connected therewith, may, prior to the time fixed above in this resolution, file a written notice briefly specifying the grounds of their objections.

All protests made as herein provided shall be in writing, shall clearly state the grounds of protest, shall describe the property as to which the protest relates, shall state its frontage in feet and decimals thereof, shall be signed by the owner and shall have attached an affidavit of an owner that each signature was affixed in his presence and is the signer's genuine signature.

Section 10 Delegation of Authority. The District Engineer is hereby authorized to fill in any blanks and to make any minor corrections necessary to complete the Plans and Specifications and the Contract Documents. All of said work will be done under the direction of the District Engineer, such being a suitable person appointed therefore by the Superintendent of Streets and this Board, and shall see that the contract is fulfilled.

Section 11 Retained Right to Reduce or Alter Scope of Work. If, because of pending or threatened litigation concerning any one or more parcels subject to assessment, the District and the winning bidder receive a written opinion of Bond Counsel stating that bonds cannot be issued against such parcel or parcels, the Mogollon Airpark County Improvement District - Phases I, II and III may then cause the construction contract to be modified to exclude from the applicable contract some or all of the Work which will benefit the parcel or parcels in question. The filing of a certificate and request that no bonds be issued against any parcel pursuant to Section 48-935, Arizona Revised Statutes, may be deemed to be threatened litigation. To the extent that plans, detailed drawings and specifications show that any of the improvements described therein may be done according to any of several alternative Plans and Specifications, or methods, classes or kinds of construction or classes or kinds of material, the Board reserves the right to hereafter determine according to which the work shall be done.

Section 12 Miscellaneous. The Work shall be constructed and all proceedings therefore shall be taken, the Superintendent of Streets shall cause to be posted Notices of Proposed Improvement at not more than 300 feet apart along the lines of the proposed

improvements within the Mogollon Airpark County Improvement District - Phases I, II and III, which notice shall be headed "Notice of Proposed Improvement," such heading to be in letters at least 1 inch in height; the Clerk shall certify to the passage of this Resolution of Intention, and shall cause the same in its entirety to be published for two (2) consecutive weekly publications in the Holbrook Tribune News; a copy of said notice being attached herein as Exhibit D, and it shall also be published two (2) times in the Holbrook Tribune News.

Said Notice of Proposed Improvement shall state the fact of passage of this resolution and briefly describe the proposed improvements, that the proceedings are had pursuant to Chapter 6, Title 48, Arizona Revised Statutes, Article 1, and state the time and place of hearing all protests. On or before the first date of publication of the Resolution of Intention the Clerk shall cause copies of said notice to be mailed to the owners of real property within the district, as their names and addresses appear on the last equalized county tax roll or as known to the Clerk.

All of the locations where streets will be paved are either open to public use or have been dedicated thereto by a plat of record or otherwise, or separate easements, leases or permits have been obtained therefore, or shall be acquired and shall be deemed to be public and subject to improvement and maintenance by the Board.

The descriptions of the public improvements and the terms describing the proposed work used in this Resolution are general in nature. All items of work and improvements do not necessarily extend for the full length of the description thereof or may extend beyond said description. The plans and detailed drawings for the work and improvements shall be controlling as to the correct and detailed description thereof.

The grades and elevations shown in the Plans and Specifications are hereby adopted and established as the official grade for said work. All such grades and elevations are in feet and decimals thereof with reference to the datum plane established by the United States Geological Survey.

The District Engineer shall make diagrams of the property contained within the Mogollon Airpark County Improvement District - Phases I, II and III; the diagrams shall show each separate lot, numbered consecutively, the area in square feet of each lot, and the location of the lot in relation to the work proposed to be done. This Resolution shall be filed with the Clerk and made a part of the records of the Governing Body.

The Developer shall pay all monies specifically set forth in the Agreements between the District, the Developer and Navajo County, signed for Mogollon Airpark County Improvement District Phase I on October 23, 1984, Phase II on February 4, 1986, and Phase III on March 23, 1987.

No portion of the cost of the work shall be paid by the County. Following the completion of the work and acceptance of the Improvement by the County the improvements to the road will be maintained by the County.

ADOPTED THIS 23rd day of November, 1987.

BOARD OF DIRECTORS
MOGOLLON AIRPARK COUNTY
IMPROVEMENT DISTRICT -
PHASES I, II and III

Chairman

ATTEST:

_____
Clerk

APPROVED AS TO FORM:

_____

I hereby certify that I have read the description set out under the definition "District" and approve the same. I further certify that I have read the description set out under the definition "Work" and approve the same.

_____
District Engineer

I hereby certify that the above and foregoing Resolution No. _____ was fully passed by the Board of Supervisors of Navajo County, Holbrook, Arizona, at a regular meeting held on _____, 1987, and that a quorum was present thereat and that the vote thereon was _____ ayes and _____ nays. _____ were no vote and _____ were absent.

_____
Clerk

DZ10/ResInMOG

MOGOLLON AIR PARK

Exhibit A

Legal Description of Parcel #5

A portion of the East 1/2, of Section 33, Township 12 North, Range 17 East, G. & S. R. M., Navajo County, Arizona, being more particularly described as follows:

Commencing at the Northeast corner of said Section 33; thence N89° 56'26"E along the North line of said Section 33, for a distance of 1726.80 feet; thence S44°59'02"E for a distance of 1082.36 feet; thence S48°15'57"W for a distance of 733.14 feet; thence S06°08'39"E, for a distance of 2485.47 feet to a point on the Northerly right-of-way line of Arizona State Highway 260; thence N73°53'04"E, along said right-of-way line, a distance of 1285.98 feet to a point on the East line of said Section 33; thence N00°00'04"E, along said East line a distance of 724.60 feet to the East quarter corner of said Section 33; thence N00°03'01"W, following said East line of Section 33, a distance of 2638.66 feet to the true point of beginning.

Containing 110.5 acres, more or less.

EXHIBIT B

PARCEL #5

A PROPOSED AIRPARK SUBDIVISION OF A PORTION
OF THE EAST 1/2, OF THE EAST HALF
OF SECTION "33" T. 12 N., R. 17 E.,
G.&S.R.M. NAVAJO COUNTY, ARIZONA

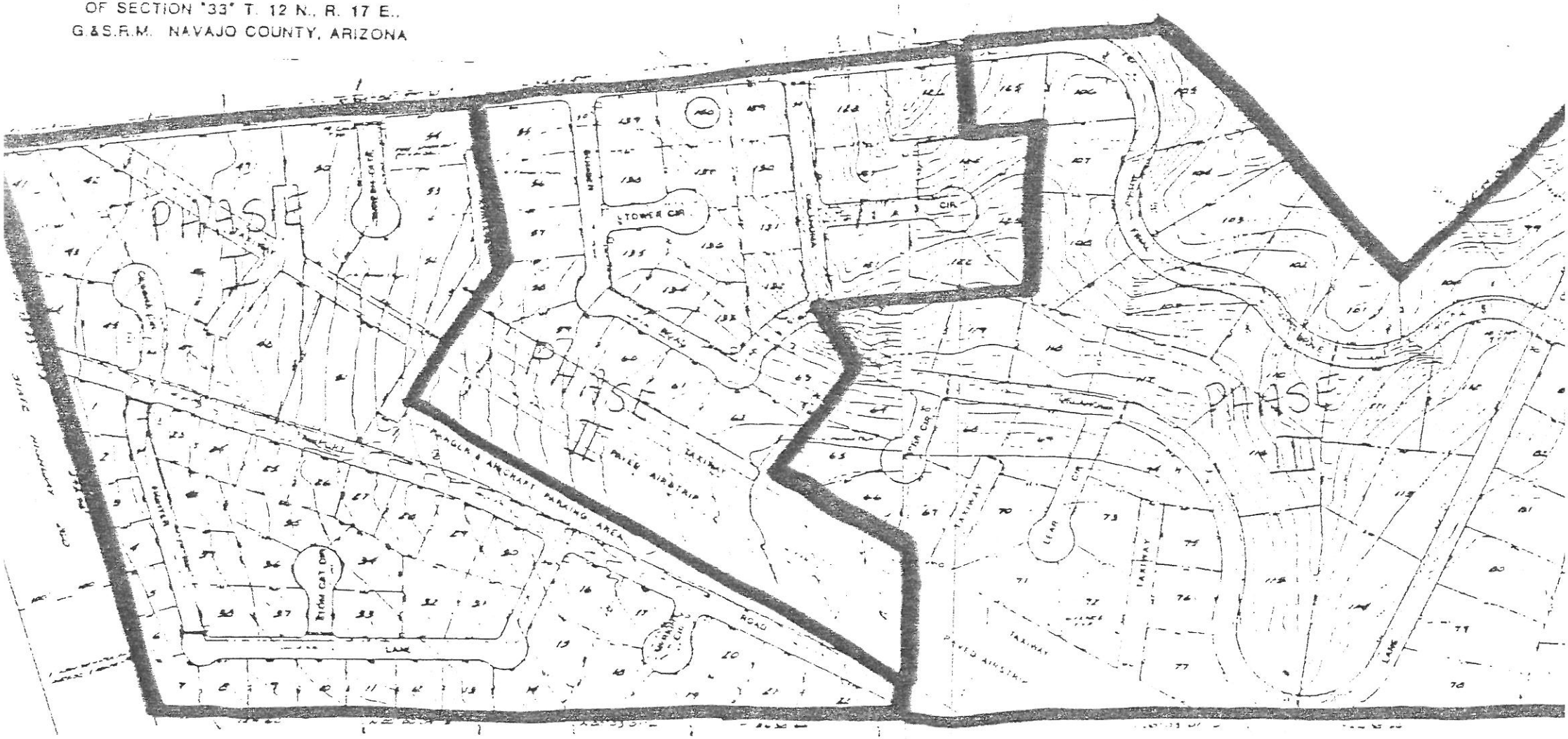

Exhibit C

MOGOLLON AIRPARK COUNTY IMPROVEMENT DISTRICT
PHASES I, II AND III

Cost Estimate of Proposed Improvement

PHASE I

TOTAL DISTRICT CAN SPEND	105,650.00
Total Construction Cost	85,701.00
Engineering Services	5,786.00
Bond Registration and Printing	350.00
Financial Advisor	1,108.00
Bond Opinion	2,214.00
Capitalized Interest	6,065.00
Administrative and Legal Costs	4,426.00

PHASE II

TOTAL DISTRICT CAN SPEND	75,585.00
Total Construction Cost	63,641.00
Engineering Services	2,893.00
Bond Registration and Printing	350.00
Financial Advisor	806.00
Bond Opinion	1,612.00
Capitalized Interest	3,059.00
Administrative and Legal Costs	3,224.00

PHASE III

TOTAL DISTRICT CAN SPEND	141,080.00
Total Construction Cost	102,123.00
Engineering Services	6,321.00
Bond Registration and Printing	350.00
Financial Advisor	1,311.00
Bond Opinion	2,623.00
Capitalized Interest	23,108.00
Administrative and Legal Costs	5,244.00

TOTAL THE DISTRICT CAN SPEND ON ALL PHASES	$322,315.00

NOTICE OF PROPOSED IMPROVEMENT

NOTICE IS HEREBY GIVEN that on the 2 day of November, 1987, the Board of Directors of the Mogollon Airpark County Improvement District adopted a Resolution of Intention to Pave Roads within the Mogollon Airpark County Improvement District for an amount not to exceed $105,650.00 for Phase I, $75,585.00, for Phase II and $141,080.00 for Phase III. Said proceedings are being had pursuant to Article 1, Chapter 6, Title 48, Arizona Revised Statutes. The Plans and Specifications, Diagram of the District, and the Total Estimated Cost have been preliminarily adopted and are on file with the Clerk of the Mogollon Airpark County Improvement District who is the Clerk of the Board of Supervisors, Navajo County, located in Holbrook, Arizona.

NOTICE IS FURTHER GIVEN that serial improvement bonds will be issued, to bear interest from their date at a rate not to exceed fifteen percent (15%) per annum, to be paid from a special fund collected in not to exceed twenty annual installments from assessments of twenty-five dollars ($25.00) or over remaining unpaid forty (40) days after the date of recording the assessment or five (5) days after the decision of the Board upon an objection.

NOTICE IS FURTHER GIVEN that pursuant to A.R.S. Section 48-918, on Monday, the 21 day of December, 1987, at 10:30 A.m. at the Board of Supervisors Chambers, Navajo County Governmental Complex, So. Highway 77, Holbrook, Arizona 86025, the Board of Directors will hold a hearing upon the sufficiency of any protest filed pertaining to the Resolution of Intention to order certain improvements adopted by said Board of Directors on the 2nd day of November, 1987, upon the proposed Plans and Specifications or Total Estimated Cost, or any other matters which may lawfully come before the Board. All persons filing protests pursuant to A.R.S. Section 48-918, their agents or attorneys are required to appear and show cause why the protest should not be overruled. Upon completion of the determination of the sufficiency of said protest, the Board of Directors will consider adopting a Resolution Ordering the Improvements within the Mogollon Airpark County Improvement District.

EXECUTED this 2 day of November, 1987.

MOGOLLON AIRPARK COUNTY IMPROVEMENT DISTRICT

/S/

Clerk

DZ10/NoticeMOG