

RESOLUTION NO. 11-92

RESOLUTION AUTHORIZING THE ISSUANCE AND ORDERING THE SALE OF SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5 OF NAVAJO COUNTY, ARIZONA SCHOOL IMPROVEMENT BONDS (PROJECT OF 1991), SERIES A (1992), IN THE PRINCIPAL AMOUNT OF \$2,525,000 AND PROVIDING FOR THE ANNUAL LEVY OF A TAX ON ALL TAXABLE PROPERTY WITHIN SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5 OF NAVAJO COUNTY, ARIZONA, TO PROVIDE FOR THE PAYMENT OF THE INTEREST ON AND PRINCIPAL OF SAID BONDS.

WHEREAS, at a special bond election held in and for Snowflake Unified School District No. 5 of Navajo County, Arizona (the "District"), on November 5, 1991 (the "Election"), there was submitted to the qualified electors thereof, among others, the following question:

Shall Snowflake Unified School District No. 5 of Navajo County, Arizona, (the "District") be authorized to issue and sell general obligation bonds of the District in the principal amount of \$2,525,000 to provide funds to construct a new intermediate school to be located in the Town of Taylor, Arizona; to furnish and equip such school with furniture and apparatus; to provide all necessary utilities and to improve the grounds thereof; and to pay all legal, financial, architectural and other necessary costs in connection therewith, said bonds to bear interest at a rate of not to exceed 12% per annum, said interest being payable semiannually on the first day of January and the first day of July of each year until the maturity of each bond and the bonds to mature over a period of not to exceed 10 years from the date of their issuance, said bonds to be in the amount of \$5,000 each or multiples thereof and to mature on the first day of the same month of each year which may be either January or July?

and WHEREAS, the returns of the Election were duly canvassed by this Board of Supervisors as required by law; and

WHEREAS, a majority of the qualified electors of the District, voting at the Election, voted "Bonds, Yes" in answer to such question; and

WHEREAS, the amount of the bonds authorized to be issued and sold pursuant to this Resolution shall increase the bonded indebtedness of the District not in excess of thirty percent (30%) of the taxable property in the District used for secondary property purposes, as ascertained by the last assessment of State and County taxes; and

WHEREAS, the Governing Board of the District has requested that this Board of Supervisors proceed with the sale of the bonds in accordance with a Notice Inviting Proposals For Purchase Of Bonds; and

WHEREAS, all things required to be done preliminary to the authorization and issuance of bonds have been duly done and performed in the manner required by law, and this Board of Supervisors is now empowered to proceed with the issuance and sale of the bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA, THAT:

Section 1. There shall be issued general obligation school improvement bonds of Snowflake Unified School District No. 5 of Navajo County, Arizona, in the principal amount of \$2,525,000, to be designated Snowflake Unified School District No. 5 of Navajo County, Arizona School Improvement Bonds (Project of 1991), Series A (1992) (the "Bonds"), to provide funds for the purposes set forth in the above mentioned form of the ballot question.

Section 2. (a) The Bonds shall be dated as of February 1, 1992, shall be numbered, by maturity, from 1 consecutively upwards, shall be fully registered Bonds without coupons, shall be in the denomination of \$5,000 or any integral multiple thereof, shall bear interest from the most recent January 1 or July 1 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date, which interest shall be payable commencing on January 1, 1993, and semiannually thereafter on each July 1 and January 1 during the term of each of the Bonds (each an "interest payment date"). The principal of the Bonds shall be payable upon presentation and surrender thereof at the principal corporate trust office of The Valley National Bank of Arizona, in Phoenix, Arizona, as Bond Registrar and Paying Agent. Interest on the Bonds shall be payable by check or draft mailed to the registered owner thereof, as shown on the registration books for this series maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the fifteenth (15th) day of the calendar month next preceding that interest payment date (each a "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor bonds) as of the regular record date, and shall be payable to the registered owner thereof (or of one or more

predecessor bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners of Bonds not less than ten (10) days prior thereto. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America, the Bonds to mature on the dates and in the amounts as follows:

<u>Maturity Date</u> (July 1)	<u>Amount</u>
1993	\$130,000
1994	215,000
1995	250,000
1996	270,000
1997	290,000
1998	310,000
1999	330,000
2000	350,000
2001	380,000

(b) The Valley National Bank of Arizona, in Phoenix, Arizona, is hereby appointed as Bond Registrar and Paying Agent. The Bond Registrar and Paying Agent shall maintain the books of the District for the registration of ownership of each Bond. A Bond may be transferred on the registration books upon delivery of the Bond to the Bond Registrar and Paying Agent, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of the Bond to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bond. No transfer of any Bond shall be effective until entered on the registration books.

(c) In all cases upon the transfer of a Bond, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the denominations of \$5,000 or any integral multiple thereof (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Section 2. All costs and expenses of initial registration and payment of the Bonds shall be borne by the District, but the District and the Bond Registrar and Paying Agent shall charge the registered owner of such Bond, for every subsequent transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to

be paid with respect to such transfer, and may require that such transfer fee, tax or other governmental charge be paid before any such new Bond shall be delivered.

(d) The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on the fifteenth (15th) business day next preceding any interest payment date and ending with the close of business on the interest payment date.

(e) (i) Bonds maturing on or before July 1, 1997, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 1998, are subject to call for redemption prior to maturity, in whole or in part on July 1, 1997, or on any interest payment date thereafter, at the option of the District, by the payment of the principal amount of each Bond called for redemption plus interest accrued 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, 1997 and January 1, 1998	1.0%
July 1, 1998 and January 1, 1999 and thereafter without premium	0.5

(ii) Not more than forty-five (45) nor less than thirty (30) days before any redemption date, the Bond Registrar and Paying Agent shall cause a notice of any such redemption to be mailed by first class mail, postage prepaid, to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar and Paying Agent. Failure to mail notice to any registered owner of Bonds shall not affect the validity of the proceeding for the redemption of Bonds with respect to the registered owner of the Bonds.

Section 3. The Bonds shall be executed on behalf of the District by the facsimile signature of the President of the Governing Board of the District and attested by the facsimile signature of the Clerk of the Governing Board of the District and shall be countersigned by the facsimile signature of the Chairman of the Board of Supervisors of Navajo County, Arizona, and such officials are hereby authorized and directed to execute the Bonds as aforesaid.

Section 4. The Bonds shall be in substantially the following form, allowing those executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Notice Inviting Proposals For Purchase Of Bonds:

(Form of Bond)

REGISTERED  
NO. ....

REGISTERED  
\$.....

(Form of Face of Bond)

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF NAVAJO

SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
OF NAVAJO COUNTY, ARIZONA

SCHOOL IMPROVEMENT BOND (PROJECT OF 1991), SERIES A (1992)

Interest Rate:	Maturity Date:	Original Issue Date:	CUSIP:
.....	.....	February 1, 1992	.....

Registered Owner: .....

Principal Amount: .....

Snowflake Unified School District No. 5 of Navajo County, Arizona, a school district duly created under Title 15, Chapter 4, Article 3, Arizona Revised Statutes, as amended (the "District"), for value received, hereby promises to pay to Registered Owner named above, or registered assigns, the Principal Amount indicated above on the aforesaid Maturity Date, and to pay interest on the principal amount at the aforesaid Interest Rate on January 1, 1993, and on each July 1 and January 1 thereafter (each an "interest payment date") to its maturity. The principal of this Bond is payable upon presentation and surrender hereof at the principal corporate trust office of ....., in Phoenix, Arizona, as Bond Registrar and Paying Agent. Interest on this Bond is payable by check or draft mailed to the registered owner hereof, as shown on the registration books for this series maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the 15th day of the calendar month next preceding that interest payment date (each a "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners of the Bonds not less than 10 days prior thereto. The principal and interest on this Bond are payable in lawful money of the United States of America, on the respective dates when principal and interest become due.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH ON THE FACE HEREOF.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation; and (iii) that due provision has been made for the levy and collection of a direct annual ad valorem tax upon taxable property within the District, over and above all other taxes authorized or limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

IN WITNESS WHEREOF, SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5 OF NAVAJO COUNTY, ARIZONA, has caused this Bond to be executed in the name of the District by the facsimile signature of the President of the Governing Board of the District and attested by the facsimile signature of the Clerk of the Governing Board of the District and to be countersigned by the facsimile signature of the Chairman of the Board of Supervisors of Navajo County, Arizona.

SNOWFLAKE UNIFIED SCHOOL DISTRICT  
NO. 5 OF NAVAJO COUNTY, ARIZONA

By.....(Facsimile).....  
President, Governing Board

ATTEST:

.....(Facsimile).....  
Clerk, Governing Board

COUNTERSIGNED:

By.....(Facsimile).....  
Chairman, Board of Supervisors  
of Navajo County, Arizona

(Form of Certificate of Authentication)

Date of Authentication: .....

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution and is one of the Snowflake Unified School District No. 5 of Navajo County, Arizona School Improvement Bonds (Project of 1991), Series A (1992).

.....'  
as Bond Registrar and Paying Agent

By.....  
Authorized Representative

(Form of Reverse Side of Bond)

This Bond is one of a series of the Bonds, in the aggregate principal amount of \$2,525,000, of like tenor except as to maturity date, rate of interest, and number, issued by the Board of Supervisors of Navajo County, Arizona, for and on behalf of Snowflake Unified School District No. 5 of Navajo County, Arizona (the "District"), for the purpose of providing funds to make those certain school improvements in the District, specifically approved by a majority of those qualified electors of the District voting at an election duly called and held in the District on November 5, 1991. The Bonds are so issued by virtue of a Resolution of the Board of Supervisors of Navajo County, Arizona, duly adopted prior to the issuance hereof (the "Resolution"), and pursuant to and in conformity with the Constitution and laws of the State of Arizona, as amended, relating to the issuance and sale of school district improvement bonds, and all other laws of the State of Arizona relating thereto.

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

Bonds maturing on or before July 1, 1997, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 1998, are subject to call for redemption prior to maturity, in whole or in part on July 1, 1997, or on any interest payment date thereafter, at the option of the District, by the payment of the principal amount of each Bond called for redemption plus interest accrued 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, 1997 and January 1, 1998	1.0%
July 1, 1998 and January 1, 1999 and thereafter without premium	0.5

Not more than 45 nor less than 30 days before any redemption date, the Bond Registrar and Paying Agent shall cause a notice of any such redemption to be mailed by first class mail, postage prepaid, to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Bond Registrar and Paying Agent. Failure to mail notice to any registered owner of Bonds shall not affect the validity of the proceeding for the redemption of Bonds with respect to the registered owner of the Bonds.

The Bond Registrar and Paying Agent shall maintain the books of the District for the registration of ownership of each Bond as provided in the Resolution.

This Bond may be transferred on the registration books upon delivery hereof to the Bond Registrar and Paying Agent, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of a Bond, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the denominations of \$5,000 or any integral multiple thereof (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. All costs and expenses of initial registration and payment of the Bonds shall be borne by the District, but the District and the Bond Registrar and Paying Agent shall charge the owner of such Bond, for every subsequent transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such transfer fee, tax or other governmental charge be paid before any such new Bond shall be delivered.

The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding any interest payment date and ending with the close of business on the interest payment date.

This Bond shall not be entitled to any security or benefit under the Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

(FORM OF ASSIGNMENT)  
Assignment

For value received, the undersigned sells, assigns and transfers unto ..... the within Bond and irrevocably constitutes and appoints ..... attorney to transfer this Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: .....  
Signature

Signature Guaranteed:

.....  
(Commercial Bank, Trust Company or member of a National Stock Exchange) Signature

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

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

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT - ..... Custodian .....  
(Cust) (Minor)

under Uniform Transfers to Minors Act .....  
(State)

Additional abbreviations may also be used though not included in the above list

ALL FEES AND COSTS OF TRANSFER  
SHALL BE PAID BY THE TRANSFEROR

Section 5. In each year while any of the Bonds shall be outstanding, there shall be and hereby is levied upon all taxable property within the District a continuing, direct, annual, ad valorem tax over and above all other taxes authorized or limited by law, which tax, together with other funds then on hand and available for such purposes, shall be sufficient to pay the principal of and interest on the Bonds as the same become due. The tax shall be extended and collected for the District and the officials of the District and Navajo County, Arizona (the "County"), charged with the annual extension and collection of taxes, without further instructions from this Board of Supervisors, shall extend and collect the tax upon issuance of the Bonds. All moneys collected through such tax shall be paid into the treasury of the County to the credit of the Building Fund of the District, from which fund the Bonds shall be payable, which tax moneys shall be held in subfunds to be known as the "Interest Fund" and the "Redemption Fund," which funds shall be kept separate and apart from and not commingled with any other funds or moneys and which shall be used solely for, respectively, payment of interest on and principal of the Bonds.

Section 6. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the registered owners of the Bonds.

Section 7. The Bonds shall be sold to the bidder whose offer results in the lowest net interest cost to the District in accordance with the Notice Inviting Proposals For Purchase Of Bonds.

Section 8. Upon the sale of the Bonds and payment therefor in accordance with the accepted bid and the provisions of this Resolution, the County Treasurer of the County is hereby authorized and directed to deliver the Bonds to the purchaser thereof upon receipt of payment therefor.

Section 9. The proceeds derived from the sale of the Bonds shall be deposited in the treasury of the County to the credit of the Building Fund of the District in a subfund to be used solely for the purposes specified in the aforementioned question, provided, however, that (a) such proceeds may be invested in the manner and under the circumstances allowed by Title 15, Chapter 9, Article 7, Sections 15-1024 and 15-1025, Arizona Revised Statutes, and all amendments thereto and (b) any moneys remaining in such subfund after such purposes shall have been accomplished shall be transferred to the Redemption Fund and the Interest Fund of the District in the same fashion as taxes.

Section 10. (a) In consideration of the purchase and acceptance of the Bonds by the registered owner thereof from time

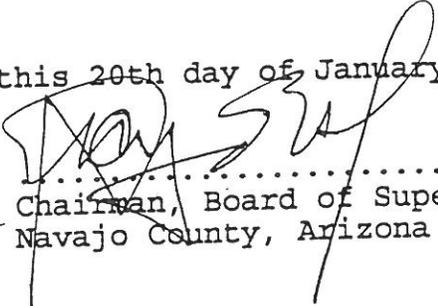
to time and of retaining the exclusion from gross income for federal income taxes of the interest income on the Bonds, and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the District and the County covenant, and the appropriate officials of the District and the County are hereby directed, to take all action required, or to refrain from taking any action prohibited, by the Internal Revenue Code of 1986, as amended (the "Code"), which would adversely affect in any respect such exclusion, including, particularly, but not by way of limitation, (i) to cause the Bonds to not be "private activity" bonds within the meaning of the Code (Section 141(a) of the Code), (ii) to cause the Bonds to not be "arbitrage bonds" within the meaning of the Code (Section 148(a) of the Code) (iii) to comply with the provisions of the Code relating to rebate (Section 148(f) of the Code), (iv) to cause the Bonds not to be "federally guaranteed" within the meaning of the Code (Section 149(b) of the Code), (v) to make the required information filing pursuant to the Code (Section 149(e) of the Code), and (vi) to make the required expenditures so that the Bonds shall not be deemed to be "hedge bonds" within the meaning of the Code (Section 149(g) of the Code).

(b) The County and the District hereby represent and warrant that the Bonds are not private activity bonds within the meaning of the Code and that ninety-five percent (95%) or more of the net proceeds of the Bonds shall be used for local governmental activities of the District, and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by the County and the District during the 1992 calendar year are not reasonably expected to exceed \$5,000,000.

(c) The County and the District hereby designate the Bonds as "qualified tax-exempt obligations" within the meaning of and pursuant to the provisions of 265(b) of the Code, and the County and the District represent and warrant that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the District during the calendar year 1992 will not exceed \$10,000,000.

Section 11. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 20th day of January, 1992.

  
.....  
Chairman, Board of Supervisors,  
Navajo County, Arizona

ATTEST:

  
.....  
Clerk, Board of Supervisors,  
Navajo County, Arizona