

15-94

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$8,780,000 AGGREGATE PRINCIPAL AMOUNT OF WINSLOW UNIFIED SCHOOL DISTRICT NO. 1 OF NAVAJO COUNTY, ARIZONA SCHOOL IMPROVEMENT BONDS, SERIES 1994; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE SERIES 1994 BONDS; APPOINTING A BOND REGISTRAR AND PAYING AGENT WITH RESPECT TO THE SERIES 1994 BONDS AND APPROVING THE FORM OF AN AGREEMENT FOR SUCH BOND REGISTRAR AND PAYING AGENT; MAKING CERTAIN FINDINGS, CERTIFICATIONS AND COVENANTS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE SERIES 1994 BONDS AND APPROVING A BOND PURCHASE CONTRACT AND AUTHORIZING ITS EXECUTION; RATIFYING ALL ACTIONS TAKEN WITH RESPECT TO THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; APPROVING A FORM OF OFFICIAL STATEMENT; AUTHORIZING THE CHAIRMAN TO EXECUTE THE OFFICIAL STATEMENT; AND AUTHORIZING DISTRIBUTION OF THE OFFICIAL STATEMENT

WHEREAS, by the vote of a majority of the qualified electors of Winslow Unified School District No. 1 of Navajo County, Arizona (the "District"), voting at a special bond election held in and for the District on November 2, 1993 (the "Election"), the issuance of \$8,780,000 aggregate principal amount of school improvement bonds of the District has been authorized; and

WHEREAS, the Governing Board has requested this Board of Supervisors of Navajo County, Arizona (this "Board"), to issue bonds in the aggregate principal amount of \$8,780,000 for the purpose of making school improvements in accordance with the authority granted at the Election; and

WHEREAS, the Governing Board of the District has received a bid from Rauscher Pierce Refsnes, Inc. (the "Underwriter"), and the District has requested that such bonds be sold through negotiation to the Underwriter;

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 a series of bonds of the District in the aggregate principal amount of \$8,780,000 to be designated "Winslow

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 the registered owners of Bonds not less than ten (10) days prior thereto.

(F) Payment of interest on the Bonds and, if adequate terms for surrender are made, principal of and premium, if any, on the Bonds may be made by wire transfer upon two days' prior written request to the Bond Registrar and Paying Agent specifying the wire address in the continental United States by any registered owner owning an aggregate principal amount of at least \$1,000,000 of Bonds.

(G) The principal of and premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

Section 3. Prior Redemption.

(A) Optional Redemption. The Bonds maturing before and on July 1, 2004, are not subject to redemption prior to maturity. The Bonds maturing on and after July 1, 2005, are subject to redemption prior to maturity, in whole or in part, on July 1, 2004, or on any interest payment date thereafter by the payment of a redemption price equal to the principal amount of each Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 1, 2004 and January 1, 2005	2.0%
July 1, 2005 and January 1, 2006	1.0
and thereafter	0.0

(B) (i) Mandatory Redemption. The Bonds maturing on July 1, 2008, are subject to mandatory redemption prior to maturity on July 1, 2007, in the principal amount of \$810,000, at a redemption price equal to the principal amount thereof plus interest accrued to the date fixed for redemption. A remaining principal amount of \$850,000 of the Bonds shall mature on July 1, 2008.

(ii) Not more than sixty (60) nor less than forty-five (45) days prior to the mandatory redemption date for the Bonds maturing on July 1, 2008, the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from all the Bonds maturing on July 1, 2008, on outstanding a principal amount of the Bonds maturing on July 1, 2008, equal to the aggregate principal amount of the Bonds maturing on July 1, 2008, and shall call such Bonds maturing on July 1, 2008, for redemption on the next July 1 and give notice of such redemption.

(C) Notice. Notice of redemption of any Bond shall be mailed by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (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 registration books maintained by the Bond Registrar and Paying Agent. Failure to properly give such notice of redemption shall not affect the redemption of any Bond for which notice was properly given.

(D) Effect of Notice of Redemption. On the date designated for redemption by notice given as herein provided, the Bonds to be redeemed shall become and be due and payable at the redemption price for such Bonds on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such Bonds or portions of Bonds to be redeemed shall cease to accrue and such Bonds shall cease to be entitled to any benefit or security hereunder and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such Bonds shall be deemed paid and no longer outstanding.

(E) Redemption of Less Than All of a Bond. The District may redeem any 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 Bond Registrar and Paying Agent shall make such partial payment and 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 on 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 of and on the Bonds as the same become 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. Taxes in an amount sufficient to pay the interest on all Bonds then out-

standing, the installments of the principal thereof becoming due and payable in the ensuing year, and the annual portion of such sinking fund as may be set up for retirement thereof, shall be levied, assessed and collected as other taxes of the District. The proceeds of such taxes shall be kept in the interest and redemption fund for the Bonds and shall be used only for the payment of principal, interest, premium, if any, or 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 of Navajo County, Arizona (the "County Treasurer"), in a separate fund entitled the "Building Fund" of the District. This Resolution shall be construed as consent of this Board to invest such funds, pending use, in any of the securities allowed by Section 15-1025, Arizona Revised Statutes, as amended. The proceeds of the Bonds shall be expended only for the purpose set forth in the ballot used at the Election.

Section 6. Form of Bonds.

(A) Pursuant to Section 35-491, Arizona Revised Statutes, as amended, a fully registered bond form is adopted as an alternative to the form of bond provided in Section 15-1023, Arizona Revised Statutes, as amended. The Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit A attached hereto. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

(B) 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 authentication and registration of each Bond.

(C) The Bonds are prohibited from being converted to coupon or bearer Bonds without the consent of this Board and approval of Bond Counsel to the District.

Section 7. Execution of Bonds and Certificates.

(A) 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 this Board. Any or all of such signatures may be by mechanical reproduction.

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

(C) A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the Bond Registrar and Paying Agent shall be conclusive evidence that the Bond has been authenticated and issued pursuant to 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 type, 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 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 Bond Registrar and Paying Agent by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent that such Bond was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes, as amended.

Section 9. Acceptance of Proposal.

(A) The proposal of the Underwriter for the purchase of the Bonds is hereby accepted, and the Bonds are hereby ordered sold to the Underwriter in accordance with the terms of the Bond Purchase Agreement presented to this Board at this meeting (the "Bond Purchase Agreement"). The execution of the Bond Purchase Agreement on behalf of this Board by the Chairman of this Board is hereby approved, ratified and confirmed.

(B) The County Treasurer is hereby authorized and directed to cause the Bonds to be delivered to the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale.

Section 10. Official Statement. The distribution and use of the Preliminary Official Statement relating to the Bonds is in all respects hereby ratified, approved and confirmed. The Underwriter is authorized to prepare or cause to be prepared, and the Chairman of this Board is authorized and directed to approve, on behalf of this Board, a final Official Statement for use in connection with the offering and sale of the Bonds. The execution of a final Official Statement by the Chairman of this Board shall be conclusively deemed to evidence the approval of the status, form and contents thereof by this Board.

Section 11. Bond Registrar and Paying Agent.

(A) The Bond Registrar and Paying Agent is appointed as initial bond registrar and paying agent with respect to the Bonds, and the County Treasurer is hereby authorized and directed to enter into a contract therewith covering such services. The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond.

(B) A Bond may be transferred on the registration books upon delivery and surrender 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 the 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 same type and of the authorized denominations (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 Resolution.

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

(E) The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bond 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.

Section 12. 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 13. Federal Tax Law Covenants.

(A) In consideration of the purchase and acceptance of the Bonds and the Certificates by the registered owners 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 County covenants, and the appropriate officials of 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, and the applicable Treasury Regulations promulgated with respect to applicable sections thereof (collectively, 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) or to not be valid "reimbursement bonds" for purposes of the Code if any proceeds of the sale of the Bonds are being used to reimburse prior expenditures (Section 1.150-2 of the Treasury Regulations), (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, on behalf of the District, hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of and pursuant to the provisions of Section 265(b) of the Code, and the County, on behalf of the District, represents and warrants that the reasonably anticipated amount of qualified tax-exempt obligations (other than "private activity bonds") which will be issued by this Board on behalf of the District during the calendar year 1994 will not exceed \$10,000,000.

(C) This Board further authorizes the employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code.

Section 14. 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. This Board 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 15. Ratification of Actions. All actions of the officers and agents of the District and the County including this Board 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. The proper officers and agents of the County and the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the County and 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 March 14, 1994.

Marlin D. Gillespie.....
Chairman of the Board of Supervisors
of Navajo County, Arizona

ATTEST:

Sharon S. Keens-Wright.....
Clerk of the Board of
Supervisors of Navajo
County, Arizona

RECEIVED

CERTIFICATE OF THE CLERK
OF THE BOARD OF SUPERVISORS OF THE COUNTY

APR 28 PM 12:05

NAVAJO COUNTY BOARD
OF SUPERVISORS

\$8,780,000
WINSLOW UNIFIED SCHOOL DISTRICT NO. 1
OF NAVAJO COUNTY, ARIZONA
SCHOOL IMPROVEMENT BONDS,
SERIES 1994

I, Sharon Keene-Wright, the duly qualified and acting Clerk of the Board of Supervisors of Navajo County, Arizona, DO HEREBY CERTIFY that attached hereto is a true, accurate and complete copy of a Resolution adopted at a meeting of said Board of Supervisors held on March 14, 1994, and that said Resolution attached hereto has not been amended, superseded or repealed.

Witness my hand this 5th day of April, 1994.

Sharon A. Keene-Wright
SHARON KEENE-WRIGHT, Clerk, Board of Supervisors, Navajo County, Arizona