

27-94

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$12,770,000 AGGREGATE PRINCIPAL AMOUNT OF BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32 OF NAVAJO COUNTY, ARIZONA SCHOOL IMPROVEMENT AND REFUNDING BONDS, SERIES 1994; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE SERIES 1994 BONDS; AUTHORIZING THE EXECUTION OF AN ESCROW TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING OF SECURITIES AND MONEYS TO BE USED TO PAY CERTAIN BONDS BEING REFUNDED; APPOINTING A BOND REGISTRAR AND PAYING AGENT WITH RESPECT TO THE SERIES 1994 BONDS; AND ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE SERIES 1994 BONDS

WHEREAS, there have heretofore been issued school refunding bonds of Blue Ridge Unified School District No. 32 of Navajo County, Arizona (the "District"); and

WHEREAS, the Governing Board of the District (the "Governing Board") has decided to provide for the payment or prior redemption of the following of such bonds, maturing on the dates and in the principal amounts as follows (the "Bonds Being Refunded"):

Series Designation	Maturity Dates of Bonds Being Refunded (July 1)	Principal Amounts Outstanding	Principal Amounts to Be Refunded	Dates of Payment or Redemption (July 1)
General Obligation Refunding Bonds, Series 1985	1994 1995	\$1,395,000 1,000,000	\$____,000 ____,000	1994 1994

; and

WHEREAS, by the vote of a majority of the qualified electors of the District, voting at a special bond election held in and for the District on March 8, 1994 (the "Election"), the issuance of \$19,400,000 aggregate principal amount of school improvement bonds of the District has been authorized; and

WHEREAS, the Governing Board has requested this Board of Supervisors to issue (1) bonds in the aggregate principal amount of \$_____ for the purpose of refunding the Bonds Being Refunded (the "Refunding Bonds") and (2) bonds in the aggregate principal amount of \$_____ for the purpose of making school improvements

in accordance with the authority granted at the Election (the "School Improvement Bonds"); and

WHEREAS, the Governing Board has determined that it is in the best interest of the residents of the District to combine the sale of the Refunding Bonds and the School Improvement Bonds as a combined issue; and

WHEREAS, the Governing Board has determined that it is expedient to refund the Bonds Being Refunded and that the issuance of the Refunding Bonds and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and are in the best interests of the District; and

WHEREAS, in accordance with applicable law, the aggregate amounts of principal of and interest on the Refunding Bonds shall not exceed the aggregate amounts of principal of and interest on the Bonds Being Refunded which will become due from the date of issuance of the Refunding Bonds to the final date of maturity of the Bonds Being Refunded;

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

Section 1. Authorization.

(A) There is hereby authorized to be issued and sold a series of bonds of the District in the aggregate principal amount of \$_____ to be designated "Blue Ridge Unified School District No. 32 of Navajo County, Arizona School Improvement and Refunding Bonds, Series 1994" (the "Bonds"), in accordance with this Resolution, and the Bonds issued and outstanding by the terms of this Resolution shall not exceed such aggregate principal amount.

(B) The Bonds maturing in the year ____ are the Refunding Bonds.

(C) The Bonds maturing in the years ____ and ____ through and including ____ are the School Improvement Bonds.

Section 2. Terms.

(A) The Bonds shall be dated as of May 15, 1994.

(B) The Bonds shall (i) bear interest at the respective rates from their date to the maturity or prior redemption of each Bond, payable semiannually, commencing January 1, 1995, and on July 1 and January 1 of each year thereafter (the "interest payment dates") and (ii) mature on July 1 in the years and the principal amounts, in each case as follows:

**ARIZONA SUPREME COURT
ADMINISTRATIVE OFFICE OF THE COURTS
JUVENILE JUSTICE SERVICES DIVISION**

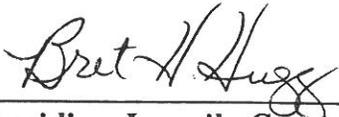
FAMILY COUNSELING

**Fiscal Year 1994-95
Court Certification**

- I. The Juvenile Division of the Superior Court in Navajo County certifies that the amount expended by the county for purposes of determining matching funds has been utilized to supplement, not supplant, county or state funds that would otherwise be made available for family counseling services.

- II. The Juvenile Division of the Superior Court in Navajo County certifies that the amount of aid provided by the state and county to a family counseling program pursuant to this article does not exceed 70% of the program's annual operating budget.

- III. N/A



Presiding Juvenile Court Judge

5/6/94

Date

Please file with:

*Arizona Supreme Court
Administrative Office of the Courts
Juvenile Justice Services Division
Attention: Paul Kosierowski, Program Manager
1501 West Washington, Suite 337
Phoenix, Arizona 85007*

**FAMILY COUNSELING
FUND ALLOCATION SCHEDULE
FY 1994-95**

COUNTY	JUVENILE POPULATION 17 & UNDER	PERCENTAGE OF TOTAL	ENTITLEMENT	BASE	POPULATION ALLOCATION	*TOTAL BUDGET ALLOCATION	COUNTY MATCH	FIRST DISTRIB. AUG. 15	*SECOND DISTRIB. JAN. 15
Apache	27,353	2.39%	5,000	5,000	9,267	14,267	3,567	7,133	7,134
Cochise	29,769	2.60%	5,000	5,000	10,085	15,085	3,771	7,543	7,542
Coconino	33,820	2.96%	5,000	5,000	11,458	16,458	4,114	8,229	8,229
Gila	11,581	1.01%	5,000	5,000	3,923	8,923	2,231	4,462	4,461
Graham	8,699	0.76%	5,000	5,000	2,947	7,947	1,987	3,974	3,973
Greenlee	2,636	0.23%	5,000	5,000	893	5,893	1,473	2,947	2,946
La Paz	4,015	0.35%	5,000	5,000	1,360	6,360	1,590	3,180	3,180
Maricopa	659,209	57.69%	5,000	5,000	223,326	228,326	57,082	114,163	114,163
Mohave	27,169	2.38%	5,000	5,000	9,204	14,204	3,551	7,102	7,102
Navajo	32,698	2.86%	5,000	5,000	11,077	16,077	4,019	8,039	8,038
Pima	195,157	17.08%	5,000	5,000	66,115	71,115	17,779	35,558	35,557
Pinal	36,506	3.19%	5,000	5,000	12,367	17,367	4,342	8,684	8,683
Santa Cruz	11,893	1.04%	5,000	5,000	4,029	9,029	2,257	4,515	4,514
Yavapai	25,283	2.21%	5,000	5,000	8,565	13,565	3,391	6,783	6,782
Yuma	36,976	3.24%	5,000	5,000	12,527	17,527	4,382	8,763	8,764
TOTAL	1,142,764	100.00%	\$75,000	\$75,000	\$387,145	\$462,145	\$115,536	\$231,073	\$231,066

Source: Arizona Department of Economic Security, Research Administration,
Population Statistics Unit. Population Projected by State of Arizona
Demographic Cohort - Survival Projection Model.

ADMINISTRATIVE

RETAINED:

JOLTS - .038%

EXPROPRIATE -- .02%

TOTAL

18,643
9,812
28,455

*Total reflects rounding adjustments

FAMCOUNS.WK1\TMS
(REV. FROM C.J.:4/13/94)

GRAND TOTAL.

\$490,600

27-94

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$12,770,000 AGGREGATE PRINCIPAL AMOUNT OF BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32 OF NAVAJO COUNTY, ARIZONA SCHOOL IMPROVEMENT AND REFUNDING BONDS, SERIES 1994; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE SERIES 1994 BONDS; AUTHORIZING THE EXECUTION OF AN ESCROW TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING OF SECURITIES AND MONEYS TO BE USED TO PAY CERTAIN BONDS BEING REFUNDED; APPOINTING A BOND REGISTRAR AND PAYING AGENT WITH RESPECT TO THE SERIES 1994 BONDS; AND ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE SERIES 1994 BONDS

WHEREAS, there have heretofore been issued school refunding bonds of Blue Ridge Unified School District No. 32 of Navajo County, Arizona (the "District"); and

WHEREAS, the Governing Board of the District (the "Governing Board") has decided to provide for the payment or prior redemption of the following of such bonds, maturing on the dates and in the principal amounts as follows (the "Bonds Being Refunded"):

Series Designation	Maturity Dates of Bonds Being Refunded (July 1)	Principal Amounts Outstanding	Principal Amounts to Be Refunded	Dates of Payment or Redemption (July 1)
General Obligation Refunding Bonds, Series 1985	1994 1995	\$1,395,000 1,000,000	\$____,000 ____,000	1994 1994

; and

WHEREAS, by the vote of a majority of the qualified electors of the District, voting at a special bond election held in and for the District on March 8, 1994 (the "Election"), the issuance of \$19,400,000 aggregate principal amount of school improvement bonds of the District has been authorized; and

WHEREAS, the Governing Board has requested this Board of Supervisors to issue (1) bonds in the aggregate principal amount of \$_____ for the purpose of refunding the Bonds Being Refunded (the "Refunding Bonds") and (2) bonds in the aggregate principal amount of \$_____ for the purpose of making school improvements

in accordance with the authority granted at the Election (the "School Improvement Bonds"); and

WHEREAS, the Governing Board has determined that it is in the best interest of the residents of the District to combine the sale of the Refunding Bonds and the School Improvement Bonds as a combined issue; and

WHEREAS, the Governing Board has determined that it is expedient to refund the Bonds Being Refunded and that the issuance of the Refunding Bonds and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and are in the best interests of the District; and

WHEREAS, in accordance with applicable law, the aggregate amounts of principal of and interest on the Refunding Bonds shall not exceed the aggregate amounts of principal of and interest on the Bonds Being Refunded which will become due from the date of issuance of the Refunding Bonds to the final date of maturity of the Bonds Being Refunded;

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

Section 1. Authorization.

(A) There is hereby authorized to be issued and sold a series of bonds of the District in the aggregate principal amount of \$_____ to be designated "Blue Ridge Unified School District No. 32 of Navajo County, Arizona School Improvement and Refunding Bonds, Series 1994" (the "Bonds"), in accordance with this Resolution, and the Bonds issued and outstanding by the terms of this Resolution shall not exceed such aggregate principal amount.

(B) The Bonds maturing in the year ____ are the Refunding Bonds.

(C) The Bonds maturing in the years ____ and ____ through and including ____ are the School Improvement Bonds.

Section 2. Terms.

(A) The Bonds shall be dated as of May 15, 1994.

(B) The Bonds shall (i) bear interest at the respective rates from their date to the maturity or prior redemption of each Bond, payable semiannually, commencing January 1, 1995, and on July 1 and January 1 of each year thereafter (the "interest payment dates") and (ii) mature on July 1 in the years and the principal amounts, in each case as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1995	\$ _____	_____ %
1996	_____	_____
1997	_____	_____
1998	_____	_____
1999	_____	_____
2000	_____	_____
2001	_____	_____
2002	_____	_____
2003	_____	_____
2004	_____	_____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____

(C) The Bonds shall be issued in the denomination of \$1,000 each or integral multiples thereof and only in fully registered form.

(D) The principal of and premium, if any, on the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the principal corporate trust office of First Interstate Bank of Arizona, N.A., in Phoenix, Arizona, as the initial "Bond Registrar and Paying Agent."

(E) Interest on the Bonds shall be payable by check, dated as of the interest payment date, mailed to the registered owners thereof, and at the addresses appearing on the registration books maintained by the Bond Registrar and Paying Agent at the close of business on the fifteenth (15th) day of the month next preceding that interest payment date (the "regular record date"). Any interest on a Bond 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 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 optional redemption prior to maturity. The Bonds maturing on and after July 1, 2005, are subject to optional redemption prior to maturity, in whole or in part, on July 1, 2004, or on any interest payment date thereafter by the payment of 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	2.00%
July 1, 2005 and January 1, 2006	1.00
and thereafter	0.00

(B) Notice. Notice of redemption of any Bond shall be mailed by first class mail, postage prepaid, not more than forty-five (45) 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.

(C) Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds or portions thereof so called for redemption 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 so called for redemption shall cease to accrue, 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.

(D) 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, \$1,000. 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.

(A) 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, if any, 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; provided that the total aggregate of taxes levied to pay principal and interest on the Refunding Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Refunding Bonds to the final date of maturity on the Bonds Being Refunded. Subject to such limitation, taxes in an amount sufficient to pay the interest on all Bonds then outstanding, 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.

(B) As provided in Section 6(A) hereof, the net proceeds of the Refunding Bonds shall be invested in obligations issued by or guaranteed by the United States government ("Government Obligations"), so long as such Government Obligations shall mature with interest so as to provide funds to pay when due, or called for redemption, the Bonds Being Refunded together with interest thereon and redemption premiums, if any, and such proceeds or Government Obligations shall, and other funds legally available for such purposes may, be deposited in the respective principal and interest redemption funds and shall be held in trust (the "Trust") for the payment of the Bonds Being Refunded with interest and redemption premiums, if any, on maturity or upon an available redemption dates. The holders of the Refunding Bonds shall rely upon the sufficiency of the funds or Government Obligations held in the Trust for the payment of the Bonds Being Refunded. The issuance of the Refunding Bonds shall in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if the investments in the redemption funds provide insufficient.

Section 5. Escrow Trust Agreement; Redemption of Refunded Bonds.

(A) The Treasurer of Navajo County, Arizona (the "County Treasurer"), is hereby authorized and directed to execute an irrevocable Escrow Trust Agreement with First Interstate Bank of Arizona, N.A., a national banking association authorized to do trust business in the State of Arizona (the "Escrow Trust Agreement"), with respect to the safekeeping and handling of moneys and Government Obligations to be held in the Trust for the payment of the Bonds Being Refunded in substantially the form submitted to this Board at the time of adoption of this Resolution with such additions, deletions and modifications as shall be approved by the County Treasurer, and such execution and delivery shall constitute conclusive evidence of the approval of such officer of any departures from the form submitted to this Board at the time of adoption of this Resolution.

(B) This Board hereby orders that the Bonds Being Refunded be redeemed on their respective redemption dates as set forth herein. All actions to refund the Bonds Being Refunded whether taken before or after adoption of this Resolution are ratified and confirmed.

Section 6. Use of Proceeds.

(A) Upon the delivery of and payment for the Bonds in accordance with the terms of their sale, the net proceeds of the sale of the Refunding Bonds, together with any premium paid by the purchaser for the Bonds after payment of the costs and expenses of their issuance, shall be applied, along with any necessary amounts transferred from the interest and redemption funds for the Bonds Being Refunded or from other funds of the District over and above amounts needed to make payments on such bonds on or before the first day of the fiscal year next preceding, to create the Trust pursuant to the Escrow Trust Agreement which shall be an irrevocable trust for the benefit of the owners of the Bonds Being Refunded. As provided in Section 4(B) hereof, amounts credited to the Trust, other than any beginning cash balance, shall be invested immediately in Government Obligations, the maturing principal of and interest on which, together with any beginning cash balance, are to be sufficient to pay the principal of and premium, if any, and interest on the Bonds Being Refunded as the same become due.

(B) Any balance of the net proceeds of the Refunding Bonds remaining after creation of the Trust shall be transferred to the interest and redemption funds created for the Bonds.

(C) The net proceeds from the sale of the School Improvement 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 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 School Improvement Bonds shall be expended only for the purposes set forth in the ballot approved at the Election.

Section 7. 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 the 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 8. Execution of Bonds.

(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 and the County Treasurer. 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 the 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 under this Resolution.

Section 9. 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 cancella-

tion 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 10. Acceptance of Proposal.

(A) The proposal of Rauscher Pierce Refsnes, Inc. (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 11. 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 of Supervisors.

Section 12. 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 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 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 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 Section. 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 Current Interest 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.

Section 13. 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 14. Federal Tax Law Covenants. In consideration of the purchase and acceptance of the Bonds 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).

Section 15. 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 16. 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 May 23, 1994.

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

ATTEST:

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

EXHIBIT A
FORM OF BOND
(Face of Bond)

REGISTERED
NO.

REGISTERED
\$.

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF NAVAJO

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
OF NAVAJO COUNTY, ARIZONA
SCHOOL IMPROVEMENT AND REFUNDING BOND, SERIES 1994

Interest Rate:	Maturity Date:	Original Issue Date:	CUSIP:
.....	July 1,	May 15, 1994

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

Blue Ridge Unified School District No. 32 of Navajo County, Arizona, a unified 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 the aforesaid registered owner, or registered assigns, the aforesaid principal amount on the aforesaid maturity date, and to pay interest on the principal amount from the aforesaid original issue date at the aforesaid interest rate on each July 1 and January 1 (each an "interest payment date"), commencing January 1, 1995, to its maturity or its redemption prior to maturity. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal corporate trust office of First Interstate Bank of Arizona, N.A., in Phoenix, Arizona, as the initial "Bond Registrar and Paying Agent." Interest on this Bond is payable by check, dated as of the interest payment date, mailed to the registered owner hereof, and at the address appearing on the registration books maintained by the Bond Registrar and Paying Agent at the close of business on the 15th day of the calendar month next preceding that interest payment date (the "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 the registered owner of this Bond not less than 10 days prior thereto. Payment of interest and, if adequate terms for surrender are made, principal of and premium, if any, on this Bond 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 of this series.

The principal of and interest and premium, if any, 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, BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32 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 and the County Treasurer of Navajo County, Arizona.

BLUE RIDGE UNIFIED SCHOOL DISTRICT
NO. 32 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

By.....(Facsimile).....
County Treasurer of Navajo
County, Arizona

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution and is one of the Blue Ridge Unified School District No. 32 of Navajo County, Arizona School Improvement and Refunding Bonds, Series 1994.

Date of Authentication:

FIRST INTERSTATE BANK OF ARIZONA,
N.A., as Bond Registrar and Paying
Agent

By.....
Authorized Representative

(Reverse of Bond)

This Bond is one of a series of bonds (the "Bonds") indicated above in the aggregate principal amount of \$_____ of

Like tenor except as to amount, 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 for such purpose and to refund certain previously issued and outstanding school refunding bonds of the District, pursuant to a resolution of the Board of Supervisors of Navajo County, Arizona, duly adopted prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the "Resolution"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of improvement and refunding bonds of school districts, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

The Bonds of this series maturing in the year 1996 are "Refunding Bonds," issued for the purpose of providing funds to be used to refund certain previously issued and outstanding school refunding bonds of the District. For the punctual payment of the Refunding Bonds and the interest thereon, there shall be levied on all taxable property in the District and collected a continuing, direct, annual, ad valorem tax sufficient for that purpose; subject, however, to the rights vested in the owners of the bonds being refunded by the Refunding Bonds to the payment of such refunded bonds from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United States of America purchased from the proceeds of the sale of the Refunding Bonds and placed in trust for the purpose of providing for payment of principal of and interest on such refunded bonds. The owners of the Refunding Bonds must rely on the sufficiency of the moneys and obligations placed irrevocably in trust for payment of such refunded bonds.

The Bonds of this series maturing in the years 1995 and 1997 through and including 2009 are "School Improvement Bonds," issued for the purpose of providing funds to be used as set forth in the ballot submitted at the special bond election called and held in and for the District for such purpose. For the punctual payment of the School Improvement Bonds and the interest thereon, there shall be levied on all taxable property within the District and collected a continuing, direct, annual, ad valorem tax sufficient for that purpose.

The Bonds of this series maturing before or on July 1, 2004, are not subject to redemption prior to maturity. The Bonds of this series maturing on or after July 1, 2005, are subject to optional redemption prior to maturity, in whole or in part, on July 1, 2004, or any interest payment date thereafter, by the payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium, the 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	1.00%
July 1, 2005 and January 1, 2006	0.50
and thereafter	0.00

Notice of redemption of any such Bond will be mailed not more than 45 nor less than 30 days prior to the date set for redemption to the registered owner of such Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond as provided in the Resolution. The Bond Registrar and Paying Agent may be changed without notice.

This Bond may be transferred on the registration books upon delivery and surrender 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 this Bond, the Bond Registrar and Paying Agent shall transfer the 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 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 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 and Paying Agent.

(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:

.....
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 GIFT/TRANS MIN ACT -..... Custodian
(Cust) (Minor)

under Uniform Gifts/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