RESOLUTION NO. 33
RAVEN RIDGE COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE RAVEN RIDGE COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2015-2016 PURSUANT TO ARS §48-716 AND THE AMOUNT OF DEBT SERVICE EXPENDITURES PROPOSED TO BE PAID FROM THE ASSESSMENT BOND REVENUES AND OTHER SOURCES; PROVIDING THAT IF ANY PROVISION IN THIS RESOLUTION IS HELD INVALID BY A COURT OF COMPETENT JURISDICTION, THE REMAINING PROVISIONS SHALL NOT BE AFFECTED, BUT SHALL CONTINUE IN FULL FORCE AND EFFECT; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on November 21, 2002, the Council of the Town of Prescott Valley ("Town") approved Resolution No. 1135 declaring its intention to form the Raven Ridge Community Facilities District (RRCFD) within Section 29, R1E, T14N, G&SRM, in accordance with ARS §48-701 et seq. (see Exhibit "A" attached hereto and expressly made a part hereof), based on a General Plan filed with the Town Clerk and a petition signed by the owners of substantially more than twenty-five percent (25%) of land area within RRCFD; and

WHEREAS, after a public hearing, the Town Council adopted Resolution No. 1148 (December 19, 2002) calling an election for January 21, 2003 by the registered voters and landowners within RRCFD, asking whether to form RRCFD; and

WHEREAS, at the election, a majority of the votes equal to the number of acres cast by qualified electors and a majority of the votes cast by qualified electors were in favor of forming RRCFD, and the Town Council subsequently approved Resolution No. 1154 (January 23, 2003) ordering formation of RRCFD and indicating (among other things) that RRCFD would be governed by a Board comprised of the Mayor and Common Council acting "ex officio"; and

WHEREAS, by adoption of its Resolutions No. 1 and No. 2 (January 23, 2003), the RRCFD Board organized the RRCFD and established interim procedures; and

WHEREAS, on March 13, 2003, the RRCFD Board approved an intergovernmental agreement with the Town whereby the Town would serve as agent to administer assessment liens under ARS §48-571 et seq. and otherwise provide for operation and administration of RRCFD (including, but not be limited to, office administration, engineering services, legal services, accounting services, and management services); and

WHEREAS, on September 4, 2003, the RRCFD Board approved Resolution No. 5 which, among other things, declared the Board's intention to improve property within RRCFD by decommissioning the package wastewater plant then serving the Raven Ridge community and connecting the community to the Town's wastewater collection and treatment system, and finance the same through assessment liens against property within RRCFD which would pay to finance either assessment bonds or a loan repayment agreement with the Water Infrastructure

Authority of Arizona ("WIFA"), said improvements thereafter to be conveyed to the Town for operation and maintenance, with RRCFD retaining an obligation to administer said assessment liens under ARS §48-571 et seq.; and

WHEREAS, on October 9, 2003, the RRCFD Board held a public hearing on a Feasibility Report related to the improvements, then approved Resolution No. 6 adopting said Report and ordering construction of the improvements (including certain work pursuant to an intergovernmental agreement with the Town to assist in extension of Town utilities to the Quailwood Meadows development); and

WHEREAS, on November 13, 2003, the RRCFD Board approved Resolution No. 7 which, among other things, approved a construction contract for the improvements (based on a low bid of $741,888.11), approved an Assessment Diagram and Method of Assessment provided by the RRCFD Engineer, and approved a loan repayment agreement with WIFA to cover assessments not paid in cash by RRCFD property owners during the 30-day cash collection period; and

WHEREAS, on December 7, 2003, the Superintendent of Streets of RRCFD levied an assessment for the costs and expenses of the improvements and related fees on property within RRCFD; and

WHEREAS, RRCFD subsequently entered into a loan repayment agreement with WIFA, dated January 9, 2004, in an amount not to exceed $1,217,670 (constituting $925,446 in principal and $309,002.26 in interest), with payments due on January 1 and July 1 each year starting in 2005. The last payment would be on January 1, 2024. The principal owed is a level payment of $46,272.30 each January 1. The interest amount is paid in equal amounts on January 1 and July 1 and declines each year; and

WHEREAS, after construction of the improvements the RRCFD Board set October 28, 2004 as a hearing date to recapitulate the assessment; and

WHEREAS, after statutory notice, said hearing was held and Resolution No. 11 was subsequently adopted recapitulating the assessment and providing for cash reimbursements/assessment payment reductions based on surplus funds; and

WHEREAS, ARS §48-721(B) provides that such assessments are first liens on property assessed (subject only to general property taxes and prior special assessments). In the event of delinquent assessments, collection procedures set forth in ARS §§48-601 through 48-607 (including sale of delinquent property) apply as nearly as practicable. However, in no event is RRCFD or the Town required to purchase the delinquent land at the sale if there is no other purchaser; and

WHEREAS, on March 23, 2015, lots from the Raven Ridge CFD with unpaid assessments were sold at auction for the first time. The 33 lots offered at auction were all undeveloped and were in Phase III of the project (owned by a single owner). The total unpaid

assessment and fees for which each lot was offered for sale was $3,649.81. A buyer purchased 20 of the 33 lots and paid a total of $72,996.20; and

WHEREAS, Subsection 3.3 of the WIFA Loan Agreement will allow RRCFD to use these proceeds to prepay principal amounts (and have interest payments adjusted accordingly). Therefore, with the approximately $30,000 surplus, there are available funds to make the interest payment due July 1, 2015 ($6,637.18), and to make the combined interest and principal amount due January 1, 2016 ($52,909.48) despite there being no reserve amount as part of the loan; and

WHEREAS, going forward there should NOT be an actual default related to bond payments (even if the 13 remaining lots are not purchased in subsequent auctions). If at some point the surplus IS inadequate, then a resolution at that time by the RRCFD Board volunteering to make the unpaid annual assessment payments (similar to a resolution previously adopted by the Southside Community Facilities District No. 1 Board) should be sufficient to ensure no default of bond payments; and

WHEREAS, in accordance with ARS §48-716, the RRCFD Treasurer has submitted to the RRCFD Board a proposed budget for Fiscal Year 2015-2016, which includes statements and estimates of the costs of debt service expenditures of RRCFD to be financed by assessment bonds secured by assessment liens established against property within the District, and the amount of all other expenditures for municipal services proposed to be paid from the assessment bond revenues and other sources; and

WHEREAS, by Resolution No. 32 (dated June 4, 2015), the RRCFD Board adopted a Tentative Budget for Fiscal Year 2015-2016, and set a public hearing date of July 9, 2015 to consider the same; and

WHEREAS, at the conclusion of the public hearing, the RRCFD Board voted to adopt the Final Budget for Fiscal Year 2015-2016 by this Resolution No. 33;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE RAVEN RIDGE COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That that certain proposed RRCFD budget prepared by the RRCFD Treasurer for Fiscal Year 2015-2016, attached hereto and expressly made a part hereof as Exhibit “B”, is hereby approved.

2. That if any provision in this Resolution is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected, but shall continue in full force and effect.

3. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Raven Ridge Community Facilities District this 9th day of July 2015.

_____
Harvey Skoog, Chairman, District Board
Raven Ridge Community Facilities District

ATTEST:

_____
Diane Russell, District Clerk
Raven Ridge Community Facilities District

APPROVED AS TO FORM:

_____
Ivan Legler, Legal Counsel
Raven Ridge Community Facilities District

EXHIBIT "A"

RRCFD Map and Legal Description

EXHIBIT "B"

FY 2015-2016 RRCFD Budget