

**RESOLUTION NO. 25**  
**PRONGHORN RANCH COMMUNITY FACILITIES DISTRICT**

A RESOLUTION OF THE DISTRICT BOARD OF THE PRONGHORN RANCH COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2011-2012 PURSUANT TO ARS §48-716; ORDERING THAT AN AD VALOREM TAX BE FIXED, LEVIED AND ASSESSED ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT IN AMOUNTS SPECIFIED IN THE FILED STATEMENTS AND ESTIMATES; PROVIDING FOR CERTIFIED COPIES OF THIS RESOLUTION AND ORDER TO BE DELIVERED TO THE YAVAPAI COUNTY BOARD OF SUPERVISORS AND THE ARIZONA DEPARTMENT OF REVENUE; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on January 24, 2002, the Common Council of the Town of Prescott Valley (“Town”) adopted Resolution No. 1067 creating within Sections 23 and 26, R1W, T15N, G&SRB&M of the Town the Pronghorn Ranch Community Facilities District (“PRCFD”), a community facilities district in accordance with ARS §48-701 et seq. (see Exhibit “A” attached hereto and expressly made a part hereof); and

WHEREAS, PRCFD is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1, 3.2, 4 and 5, Arizona Revised Statutes, as amended, and [except as otherwise provided in ARS §48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Town; and

WHEREAS, a primary purpose for creating PRCFD was to finance construction and maintenance of certain public improvements needed for the Pronghorn Ranch development through assessment of ad valorem taxes on all real and personal property within the development; and

WHEREAS, in accordance with ARS §§48-719 and 48-723, a special election was held on February 26, 2002, wherein the qualified electors of PRCFD voted to issue general obligation bonds in the maximum amount of seven million dollars (\$7,000,000) to cover costs of constructing required public improvements, and to levy and collect an annual ad valorem tax at a rate not to exceed thirty cents (30¢) per one hundred dollars (\$100) of assessed valuation for PRCFD operation and maintenance expenses; and

WHEREAS, by Resolution No. 3 (dated February 28, 2002), the PRCFD Board authorized the sale of up to three million five hundred thousand dollars (\$3,500,000) aggregate principal amount of general obligation bonds, Series 2002 (“2002 Bonds”) to fund initial public improvements for the development; and

WHEREAS, PRCFD also entered into a standby contribution agreement with Brown Family Communities, an Arizona limited partnership (“Brown Family”), Western Communities Corporation, an Arizona corporation (“Western Communities”), Antelope Village, L.L.C., an Arizona limited liability company (“Owner”) and Prescott Valley VII, L.L.C., an Arizona limited liability company (“PV VII”) with respect to the 2002 Bonds, whereby Brown Family, Western Communities, Owner, and PV VII shall make annual payments to PRCFD in order to maintain the tax rate at no more than three dollars (\$3) per one hundred dollars (\$100) of secondary assessed valuation for debt service, given the tax base of PRCFD in each tax year; and

WHEREAS, Brown Family and Western Communities have since had their properties foreclosed upon by their creditors, and it is currently uncertain what impact this will have in the long-term on payment of the standby contribution under the agreement; and

WHEREAS, by Resolution No. 23 (dated May 19, 2011) the PRCFD Board (a) approved a Tentative Budget for Fiscal Year 2011-2012, (b) filed required statements and estimates of PRCFD’s operation and maintenance expenses, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay PRCFD general obligation bonds, (c) set a date of June 22, 2011, for a public hearing on the Tentative Budget and, particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds, and (d) provided for notice of the filing and of the public hearing date; and

WHEREAS, at the conclusion of the public hearing, the PRCFD Board voted to adopt the Final Budget for Fiscal Year 2011-2012 by this Resolution No. 24, and ordered the fixing, levying and assessment of the amounts to be raised by ad valorem taxes;

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

1. That that certain proposed PRCFD budget prepared by the PRCFD Treasurer for Fiscal Year 2011-2012, attached hereto and expressly made a part hereof as Exhibit “B”, is hereby finally adopted.

2. That it is hereby ORDERED that, in Fiscal Year 2011-2012, an ad valorem tax be fixed, levied and assessed on the assessed value of all the real and personal property within the boundaries of PRCFD in the amounts set forth in the statements and estimates attached hereto and expressly made a part hereof as Exhibit “C”.

3. That certified copies of this Resolution and Order be delivered by U.S. Mail to the Yavapai County Board of Supervisors and to the Arizona Department of Revenue on or about July 1, 2011 (inasmuch as the tax levy must be filed by the Yavapai County Board of Supervisors on or before the third Monday in August).

4. 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.

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

RESOLVED by the District Board of the Pronghorn Ranch Community Facilities District this 22<sup>nd</sup> day of June 2011.

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Harvey Skoog, Chairman, District Board  
Pronghorn Ranch Community Facilities District

ATTEST:

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Diane Russell, District Clerk  
Pronghorn Ranch Community Facilities District

APPROVED AS TO FORM:

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Ivan Legler, Legal Counsel  
Pronghorn Ranch Community Facilities District

*EXHIBIT "A"*

*PRCFD Map and Legal Description*

*EXHIBIT "B"*

*FY 2011-2012 PRCFD Budget*

*EXHIBIT "C"*

*PRCFD Statements and Estimates on Auditor General Forms*