

RESOLUTION NO. 23
EASTRIDGE COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE EASTRIDGE COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2012-2013 PURSUANT TO ARS §48-716 FOR THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS 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 PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on March 13, 2003, the Council of the Town of Prescott Valley (“Town”) approved Resolution No. 1170 forming the Eastridge Community Facilities District (ERCFD) within Section 24, R1W, 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 all of the owners of land area within ERCFD; and

WHEREAS, on the same date, the ERCFD Board adopted Resolution No. 1 approving a District Development, Financing Participation and Intergovernmental Agreement (“Development Agreement”) with the Town and the owners of property within ERCFD whereby assessment liens would be established against property within ERCFD to finance assessment bonds, the revenues of which would be used to finance construction of certain public improvements which would thereafter be conveyed to the Town for operation and maintenance (with ERCFD retaining an obligation to administer said assessment liens under ARS §48-571 et seq.); and

WHEREAS, on the same date, the ERCFD Board approved Resolution No. 2 establishing interim procedures for ERCFD; and

WHEREAS, on the same date, the ERCFD Board approved an intergovernmental agreement with the Town for the Town to serve as agent to administer assessment liens under ARS §48-571 et seq. and ARS §48-721 to otherwise provide for operation and administration of ERCFD (including, but not be limited to, office administration, engineering services, legal services, accounting services, and management services); and

WHEREAS, on August 14, 2003, the ERCFD Board approved Resolution No. 5 which, among other things, approved an amendment to the Development Agreement and, in accordance with the terms of said Development Agreement, ordered construction of certain roadways and utilities needed for commercial development of the property listed in a Feasibility Report (“Improvements”), having adopted said Report after a public hearing thereon; and

WHEREAS, said Resolution further adopted a construction contract for the Improvements, based on an amended bid of \$1,804,956.30; and

WHEREAS, said Resolution further approved an Assessment Diagram and Method of Assessment provided by the ERCFD Engineer, and authorized assessment bonds up to two million six hundred fifty-five thousand dollars (\$2,655,000) aggregate principal amount; and

WHEREAS, a Limited Offering Memorandum was ultimately approved in accordance with Resolution No. 5 for issuing two million five hundred thousand dollars (\$2,500,000) in ERFD assessment bonds. The proceeds were then used to construct the improvements and to create a reserve fund; and

WHEREAS, on January 1, 2009, ERCFD defeased one hundred seventy thousand dollars (\$170,000) in par value of said assessment bonds; and

WHEREAS, notwithstanding the reduction in value to developed and undeveloped commercial property as a result of the worldwide economic recession, all assessments have been paid to-date by owners of parcels within ERCFD; and

WHEREAS, going forward, it is understood that draws on the reserve fund to make bond payments may become necessary in the event current owners do not make their assessment payments, any delinquent assessments are not sold at auction, subsequent purchasers do not bring delinquent assessments up-to-date, or other funds do not become available for bond payment; and

WHEREAS, in accordance with ARS §48-716, the ERCFD Treasurer has submitted to the ERCFD Board a proposed budget for Fiscal Year 2012-2013, which includes statements and estimates of the operation and maintenance expenses of ERCFD, the costs of capital improvements 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. 22, dated May 24, 2012, the ERCFD Board adopted a Tentative Budget for Fiscal Year 2012-2013, and set a public hearing date of July 12, 2012 to consider the same; and

WHEREAS, at the conclusion of the public hearing, the ERCFD Board voted to adopt the Final Budget for Fiscal Year 2012-2013 by this Resolution No. 23;

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

1. That that certain proposed ERCFD budget prepared by the ERCFD Treasurer for Fiscal Year 2012-2013, attached hereto and expressly made a part hereof as Exhibit "B", is hereby approved.

2. That if any provision in the 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 Eastridge Community Facilities District this 12th day of July 2012.

Harvey Skoog, Chairman, District Board
Eastridge Community Facilities District

ATTEST:

Diane Russell, District Clerk
Eastridge Community Facilities District

APPROVED AS TO FORM:

Ivan Legler, Legal Counsel
Eastridge Community Facilities District

EXHIBIT "A"

ERCFD Map and Legal Description

EXHIBIT "B"

FY 2012-2013 ERCFD Budget