



RESOLUTION 2018-1006

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, ACTING AS TRUSTEES OF CAMP VERDE SANITARY DISTRICT OF YAVAPAI COUNTY, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FROM ITS CLEAN WATER REVOLVING FUND PROGRAM; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE MANAGER AND THE FINANCE DIRECTOR; PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS RESOLUTION.

WHEREAS, the Mayor and Common Council of the Town of Camp Verde, Arizona (the "Town"), acting as trustees of Camp Verde Sanitary District of Yavapai County, Arizona, a sanitary district duly organized and validly existing pursuant to the laws of the State of Arizona (the "District"), have heretofore applied to the Water Infrastructure Finance Authority of Arizona (the "Authority") for a loan (the "Loan") from the Authority's Clean Water Revolving Fund Program (the "Program") for the Authority to provide financial assistance to the District pursuant to Section 49-1203(B)(4), Arizona Revised Statutes, to refinance debt obligations of the District (the "Bonds Being Refunded") which were issued by the District pursuant to Section 49-1223(A)(2) for improvements to the wastewater system of the District (the "Improvements") pursuant to Resolution No. 2007-7 adopted by the board of directors of the District on June 11, 2007, as well as for payment of the District's proportionate share of expenses of administering the Program and any bonds issued by the Authority with respect thereto; and

WHEREAS, pursuant to Section 48-2011.01, Arizona Revised Statutes, to repay financial assistance from the Authority, the District may enter into a financial assistance loan repayment agreement with the Authority which is payable from any revenues otherwise authorized by law to be used to pay long-term obligations, including a special assessment on a designated area that is levied and collected pursuant to Title 48, Chapter 14, Article 2, Arizona Revised Statutes (the "Act"); and

WHEREAS, pursuant to Title 48, Chapter 14, Article 3, Arizona Revised Statutes, bonds issued under the Act may be refunded and debt service for the refunding paid from the special assessments levied for such bonds pursuant to the Act; and

WHEREAS, the Loan can be used instead of refunding bonds to refund the Bonds Being Refunded because of Section 48-2011.01, Arizona Revised Statutes, as both refunding bonds and a loan from the Authority can be payable from revenues otherwise authorized by law to be used to pay long-term obligations, including a special assessment on a designated area that is levied and collected pursuant to the Act, in this case the special assessment imposed on certain parcels of land benefited by the Improvements (the "Assessment"); and

WHEREAS, the terms and conditions under which the Loan will be made and the obligations of the District with respect to the Loan will be set forth in a financial assistance loan repayment agreement to be executed and delivered by the District and the Authority (the "Loan Agreement"); and

WHEREAS, the Mayor and Common Council of the Town have determined that it will be beneficial to the District to enter into and to perform the Loan Agreement, whereby the District will borrow not to exceed in total \$2,800,000 from the Authority; and

WHEREAS, the Loan shall be repaid on or before fifteen (15) years from the date of the execution and delivery of the Loan Agreement, and the Loan shall bear interest at rates not to exceed three percent (3.00%) per annum; and

WHEREAS, as the total amount of principal of and interest on the Loan does not exceed the total amount of remaining principal of and interest on the Bonds Being Refunded, a modified assessment reflecting the reduction in the Assessment and showing the remaining unpaid installments of the Assessment recalculated and modified so that the amounts to be collected equal the amounts needed to repay the Loan shall be filed in the records of the District (the "Modified Assessment"); and

WHEREAS, the Loan shall be payable only from a special fund that shall be established by the District pursuant to the Loan Agreement, to which all amounts collected from the Modified Assessment shall be deposited and which shall be set apart solely to pay the principal of and interest on the Loan and for no other purpose; and

WHEREAS, there has been placed on file with the Clerk of the District and presented at the meeting at which this Resolution was adopted the proposed form of the Loan Agreement and the Modified Assessment;

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, ACTING AS TRUSTEES OF THE CAMP VERDE SANITARY DISTRICT AS FOLLOWS:

Section 1. As the total amount of the principal of and interest on the Loan will not exceed the total amount of remaining principal of and interest on the Bonds Being Refunded, the Loan is authorized to be incurred by the District.

Section 2. The Modified Assessment, in the form of such document (including the exhibits thereto) presented at the meeting at which this Resolution was adopted, is hereby approved, and the officers indicated thereon are hereby authorized and directed, for and on behalf of the District, to execute and record the Modified Assessment. The Modified Assessment is the same first lien on the property, subject only to general property taxes and prior special assessments. The validity and priority of the lien of the Assessment remains in full force and effect. Except as modified by the Modified Assessment, the Assessment survives the payment of the Bonds Being Refunded and remains in full force and effect, securing the Loan until the payment in full of the Loan. (For purposes of the foregoing, the levy of the Assessment, and all actions taken with respect to it, are hereby ratified and confirmed.)

Section 3. The form, terms and provisions of the Loan Agreement, in the form of such document (including the exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, omissions and changes, not inconsistent with the District's application to the Authority or the requirements of the federal government or the Authority, as shall be approved by the Manager and/or the Finance Director of the Town, the execution of such document being conclusive evidence of such approval, and the Mayor or, in the absence thereof, the Vice Mayor of the Town or the Manager of the Town and the Clerk of the Town are hereby authorized and directed, for and on behalf of the Town, to execute and attest and deliver, respectively, the Loan Agreement.

Section 4. For the payment of the principal of and interest on the Loan, the District shall pay the amounts provided for in the Loan Agreement. The District shall also pay all other amounts required to be paid by the District pursuant to the provisions of the Loan Agreement.

Section 5. The obligation of the District to pay the amounts provided for in the Loan Agreement and to make the other payments provided for in the Loan Agreement is limited to payment from the Source of Repayment, and the obligations of the District under the Loan Agreement shall not constitute nor give rise to a general obligation of the District or the Town or any claim against its *ad valorem* taxing powers, or constitute an indebtedness within the meaning of any statutory or constitutional debt limitation applicable to the District or the Town.

Section 6. The appropriate officials and officers of the Town are hereby authorized and directed, acting as, or on behalf of, trustees of the District, to take all action necessary or reasonably required to carry out, give effect to and to consummate the transactions contemplated by the Loan Agreement, and by this Resolution, including, without limitation, the execution and delivery of any closing and other documents reasonably required to be delivered in connection therewith.

CERTIFICATION

I hereby certify that the foregoing Resolution No. 2018-1006 was duly passed and adopted by the Mayor and Common Council of the Town of Camp Verde, Arizona, acting as trustees of Camp Verde Sanitary District of Yavapai County, Arizona, at a meeting held on the 18th day of April, 2018, and the vote was ..7. ayes and 0. nays and that the Mayor and 6. Councilmembers were present thereat.



Judy Morgan, Town Clerk, Town of Camp Verde, Arizona