



RESOLUTION NO. 2020-1047

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE TOWN OF A FOURTH PURCHASE AGREEMENT, A FOURTH TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED REVENUE AND REVENUE REFUNDING OBLIGATIONS, SERIES 2020, EVIDENCING ALL THE INTERESTS OF THE OWNER THEREOF IN THE PAYMENTS TO BE MADE PURSUANT TO THE PURCHASE AGREEMENT; ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE TOWN; DELEGATING AUTHORITY TO THE MAYOR, MANAGER AND FINANCE DIRECTOR OF THE TOWN TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY

WHEREAS, the Mayor and Common Council of the Town of Camp Verde, Arizona (the "Town"), have determined to (i) finance the costs of parks and recreation projects in and for the Town (the "New Project"), and (ii) refinance the costs of acquiring the "Property" described in the Agreement of Purchase and Sale of Real Estate with Escrow Instructions, from Beta Ventures, L.L.C. (Yavapai County Assessor's Parcel No. 403-22-025E) (the "Refinanced Project"), by entering into a Fourth Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations established as provided herein (the "Purchase Agreement"), with a bank authorized to exercise trust powers in the State of Arizona, appointed as provided herein, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

WHEREAS, in connection with the Purchase Agreement, the Mayor and Common Council of the Town have deemed it necessary and desirable to provide for the sale and execution and delivery of Pledged Revenue and Revenue Refunding Obligations, Series 2020, as provided for by this Resolution (the "Obligations"), pursuant to the Fourth Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Trust Agreement"), between

the Trustee and the Town, evidencing all the interests of the owner of the Obligations in payments to be made pursuant to the Purchase Agreement; and

WHEREAS, the payments represented by the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the Town will pledge the Excise Tax Revenues and the State Shared Revenues (as such terms are defined in the Trust Agreement); and

WHEREAS, the Mayor and Common Council of the Town will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the placement agent (the "Placement Agent"), and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission, and has determined that the Obligations should be placed by the Placement Agent and pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-005-1718; and

WHEREAS, the Placement Agent will submit such proposal to place the Obligations pursuant to a Placement Agent Agreement, in substantially the form presented at the meeting at which this Resolution was adopted, to be dated the date of placement of the Obligations (the "Placement Contract"), by and between the Town and the Placement Agent; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (the "Regulations"), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes (the "Tax-Exempt Obligations"), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, the Mayor and Common Council of the Town hereby determine that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the Town comply with the provisions of the Code and the Regulations (the "Procedures"); and

WHEREAS, there have been presented to the Mayor and Common Council of the Town at the meeting at which this Resolution is being adopted the proposed forms of: (1) the Purchase Agreement; (2) the Trust Agreement; (3) the Placement Contract; and (4) the Procedures; and

WHEREAS, financing the costs of the New Project and refinancing the costs of the Refinanced Projects pursuant to the Purchase Agreement is in furtherance of the purposes of the Town and in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, THAT:

Section I. (a) The execution and delivery of the Obligations by the Trustee is approved.

(b) The Mayor, the Manager and the Finance Director of the Town, or the designees of any of them (collectively, the "Authorized Representatives"), are each authorized

to determine on behalf of the Town: (1) the identity of the Trustee; (2) the date the Obligations are to be sold to the 2020 Purchaser (as defined herein); (3) the aggregate principal amount of the Obligations (but not to exceed \$3,000,000 aggregate principal amount); (4) the date the Obligations are to be dated; (5) the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear; (6) the dates the Obligations are to be payable, but not later than July 1, 2036, the principal amounts to be payable on such dates and the provisions for prepayment thereof in advance of such dates; (7) the provisions for prepayment of the obligations that financed the Refinanced Project (the "Prepaid Obligations"), including the method of prepayment and the amounts and dates of prepayment thereof; and (8) the terms upon which the Obligations are to be sold (including determinations of price and original issue discount and premium); provided, however, that the foregoing determinations shall result in a yield on the Obligations, as calculated in accordance with section 148 of the Code, of not to exceed three and one-half percent (3.5%).

(c) The Authorized Representatives are further each hereby authorized to determine on behalf of the Town whether the purchase of an insurance policy securing payment of the Obligations or a surety bond or other reserve fund guaranty would be advantageous to the Town or the terms of the financing represented by the Obligations. The Authorized Representatives are further each hereby authorized to negotiate with and secure, with proceeds of the Obligations or otherwise, such an insurance policy or a reserve fund guaranty, or both, from one or more institutions, the claims-paying ability of which are then assigned one of the two highest rating categories by a nationally recognized credit rating agency. The Authorized Representatives are further each hereby authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy and/or reserve fund guaranty, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy and/or reserve fund guaranty.

(d) The form and other terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, prepayment and number shall be as set forth in the Trust Agreement and are approved.

(e) The Procedures are hereby adopted to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

Section 2. The Obligations are to be placed with a purchaser (the "2020 Purchaser"), pursuant to the terms of the Placement Contract as such terms are to be determined as provided hereinabove.

Section 3. The forms, terms and provisions of the Purchase Agreement, the Trust Agreement and the Placement Contract, in substantially the forms of such documents (including the Obligations and other exhibits thereto) presented at the meeting of the Mayor and Common Council of the Town at which this Resolution is being adopted, are approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove and shall be approved by the Mayor of the Town, any other member of the Common Council, and, in the case of the Placement Contract, the Authorized Representatives, the execution of each such document

being conclusive evidence of such approval. The Authorized Representatives are hereby authorized to enter into, if necessary, an Escrow Trust Agreement, in standard form, to be dated as of the first day of the month of the dated date of the Obligations (the "Escrow Trust Agreement"), with the Trustee, as escrow trustee (the "Escrow Trustee"), for the establishment of an escrow to pay principal of and interest on the Prepaid Obligations and to prepay the Prepaid Obligations. The Mayor of the Town or any other member of the Common Council and, in the case of the Placement Contract, the Authorized Representatives, and the Clerk of the Town, where applicable, are authorized and directed, for and on behalf of the Town, to execute and deliver and attest or approve the Purchase Agreement, the Trust Agreement, the Escrow Trust Agreement and the Placement Contract and to take all action to carry out and comply with the terms of such documents.

Section 4. The Trustee (including in its capacity as Seller) and the Escrow Trustee are requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement and the Escrow Trust Agreement and the sale and execution and delivery of the Obligations and the prepayment of the Prepaid Obligations and are further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by them.

Section 5. The covenants and agreements contained the Purchase Agreement as to the pledge of and the lien on the Excise Tax Revenues and the State Shared Revenues and the restriction on the issuance of further parity obligations secured by revenues from the Excise Taxes and the State Shared Revenues are approved and confirmed.

Section 6. The Authorized Representatives and other officers of the Town, on behalf of the Town, are authorized and directed, without further order of the Mayor and Common Council of the Town, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the Town (including entering into any agreements for administrative or procedural requirements requested by the 2020 Purchaser), to evidence compliance with, or further the purposes of, all the terms and conditions of this Resolution and as may be necessary to carry out the terms and intent of this Resolution.

Section 7. All actions of the officers and agents of the Town which conform to the purposes and intent of this Resolution and which further the sale and execution and delivery of the Obligations as contemplated by this Resolution, whether heretofore or hereafter taken, are ratified, confirmed and approved.

Section 8. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 9. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety of the Town for the reason that the Obligations authorized herein must be sold immediately to secure the best, available

economic terms therefor; an emergency is, therefor, declared to exist, and this Resolution is enacted as an emergency and shall be in full force and effect immediately upon its passage by the Mayor and Common Council of the Town, as required by law, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona. After any of the Obligations are delivered by the Trustee to the 2020 Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

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PASSED, APPROVED and ADOPTED by the Mayor and Common Council of the
Town of Camp Verde, Arizona, this 17th day of June 2020.


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Mayor

ATTEST:


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Town Clerk

APPROVED AS TO FORM:


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Town Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution No. was duly passed and adopted by the Mayor and Common Council of the Town of Camp Verde, Arizona, at a regular meeting held on the 17th day of June 2020, and the vote was ayes and nays.


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Town Clerk