

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 2022-022

A RESOLUTION OF THE BOARD OF DIRECTORS OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING, AND APPROVING, A FEASIBILITY REPORT WHICH INCLUDES IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS BENEFITTED OR TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, INCLUDING THE NATURE AND TIMING OF THE ISSUANCE OF THE BONDS, ALL AS PROVIDED IN SUCH REPORT; AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2022 AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT), A SERIES 2022 STANDBY CONTRIBUTION AGREEMENT, A SERIES 2022 DEPOSITORY AGREEMENT, A SERIES 2022 INDENTURE OF TRUST AND SECURITY AGREEMENT AND CERTAIN OTHER DOCUMENTS RELATING TO THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; DELEGATING THE DETERMINATION OF CERTAIN TERMS OF THE BONDS AND MATTERS RELATED THERETO TO THE DISTRICT MANAGER; AUTHORIZING THE SUBSEQUENT LEVYING OF AN *AD VALOREM* PROPERTY TAX WITH RESPECT TO THE BONDS AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

a. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Act”), and Section 9-500.05, Arizona Revised Statutes, the Town of Sahuarita, Arizona (the “Municipality”), Rancho Sahuarita Community Facilities District (the “District”), Interchange Opportunity Fund L.L.L.P. (the “LLLP”) and Rancho Sahuarita Management Company, L.L.C.

(the “LLC”), entered into a District Development, Financing Participation and Intergovernmental Agreement (Rancho Sahuarita Community Facilities District), dated as of April 1, 2014, and a First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Rancho Sahuarita Community Facilities District), dated as of April 1, 2020 (as so amended, the “Amended Development Agreement” and, as amended by the hereinafter defined Development Agreement Amendment, the “Development Agreement”), to specify, among other things, conditions, terms, restrictions and requirements for public infrastructure (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

b. With regard to the property which makes up the real property included within the District, the Municipality, the LLLP and the LLC specified some of such matters in the Amended Development Agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District, the acceptance by the Municipality or other appropriate political subdivisions, the reimbursement or repayment of the LLLP and the LLC with respect thereto, the advance of moneys for public infrastructure purposes and the repayment of such advances and the obtaining of credit enhancement for, and processing of disbursement and investment of proceeds of, certain bonds, all pursuant to the Act.

c. The Board of Directors of the District (the “District Board”) has determined to enter into a Second Amendment to District Development, Financing Participation and Intergovernmental Agreement (Rancho Sahuarita Community Facilities District), to be dated as of the first day of the month of the dated date of the hereinafter described Third Series of Bonds (the “Development Agreement Amendment”), with the Municipality, the LLLP and the LLC to provide for certain additional amendments to the Amended Development Agreement.

d. The District is authorized (1) by Section 48-719, Arizona Revised Statutes to issue and sell general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with The General Plan of Rancho Sahuarita Community Facilities District (the “General Plan”); and (2) by Section 48-709(G), Arizona Revised Statutes to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the Municipality, pursuant to Section 48-709(A)(10), Arizona Revised Statutes.

e. Such bonds may not be issued unless approved at an election ordered and called to submit to the qualified electors of the District the question of authorizing the District Board to issue such bonds (the “Bonds”).

f. The District Board deemed it necessary and advisable to order and call such an election and to establish the procedures whereby such election should be held and did so pursuant to Resolution No. 2014-0001 adopted on April 28, 2014 (the “Election Resolution”), which provided that a special election be held on August 12, 2014 (the “Election”), at which time there was submitted to the qualified electors of the District the question set forth in the official ballot described in the Election Resolution.

g. The election board for the Election filed with the District Board its returns of election and the ballots cast at the polling place, and the District Board canvassed the returns of the Election and determined (1) that a total of one (1) ballot(s) had been cast in response to the question submitted with respect to issuance of the Bonds, that in answer to such question, such ballot was marked “Bonds, Yes” and no ballots were marked “Bonds, No” with respect to the issuance of the Bonds; (2) that the Election had been conducted and the returns thereof made as required by law; and (3) that only qualified electors were permitted to vote at the Election.

h. Pursuant to Resolution No. 2014-0002 adopted by the District Board on August 25, 2014, the District Board found and determined that a majority of the votes cast by the qualified electors voting at the Election voted “Bonds, Yes” and that the Bonds up to and including \$60,000,000 aggregate principal amount are therefore authorized to be sold and issued.

i. The District Board has caused \$5,780,000 aggregate principal amount of the Bonds, designated General Obligation Bonds, Series 2018 and dated March 30, 2018 (the “Bonds Being Refunded”), to be sold and issued, the portion of which remains outstanding and unpaid to be refunded as provided herein.

j. The District Board has caused \$3,475,000 aggregate principal amount of the Bonds, designated General Obligation Bonds, Series 2020 and dated April 8, 2020 (the “Second Series of Bonds”), to be sold and issued, a portion of which remains outstanding and unpaid.

k. Pursuant to Section 48-715, Arizona Revised Statutes and the Election Resolution, the District Board has caused a report of the feasibility and benefits of certain projects relating to certain public infrastructure provided for in the General Plan and to be financed with a portion of the proceeds of the sale of a third series of the Bonds (the “Project Bonds”) to be prepared, such report having included a description of certain public infrastructure to be acquired and all other information useful to understand the projects, a map showing, in general, the location of the projects, an estimate of the cost to construct, acquire, operate and maintain the projects, an estimated schedule for completion of the projects, a map or description of the area to be benefitted by the projects and a plan for financing the projects (the “Report”). A public hearing on the Report was held on the date of adoption of this Resolution, but prior thereto (the “Hearing”), after provision for publication of notice thereof as provided by law (the “Notice”).

l. It has been requested that the District Board undertake any and all of the public infrastructure purposes described in the General Plan as such purposes relate to the public infrastructure (the “Projects”) described in the Development Agreement, and the District Board desires to undertake such public infrastructure purposes as described in the Development Agreement, including consideration of the acquisition or construction of the Projects which are designated in the General Plan.

m. The District Board has determined to authorize the issuance of the Project Bonds to provide funds for any and all of the public infrastructure purposes provided for by the Act to the extent authorized in the Election.

n. The District is authorized by Sections 35-473.01 and 48-719, Arizona Revised Statutes to sell and issue refunding bonds to refund any general obligation bonds of the District.

o. The District Board has also determined that it is expedient to refund the Bonds Being Refunded and that the issuance of certain general obligation refunding bonds by the District (the “Refunding Bonds” and, together with the Project Bonds, the “Third Series of Bonds”) and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and in the best interests of the District and shall result in a present value debt service savings, net of costs associated with the Bonds, of not less than five percent (5%) of the principal amount of the Bonds Being Refunded.

p. The District Board has determined to enter into a First Supplemental Indenture (the “Indenture Supplement”) to the Series 2018 Indenture of Trust and Security Agreement, dated as of March 1, 2018 (the “2018 Indenture”), between the District and Zions Bancorporation, National Association (successor in interest to ZB, National Association, dba Zions Bank, the “2018 Trustee”), with the 2018 Trustee to provide for certain amendments to the 2018 Indenture necessary in connection with the refunding of the Bonds Being Refunded.

q. The District Board shall enter in its minutes a record of the Third Series of Bonds sold and their numbers and dates and levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described herein, to pay Debt Service (as defined in the hereinafter defined Indenture) when due; provided, however, that the total aggregate of taxes levied to pay principal of and interest on the Refunding Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Refunding Bonds to the final date of maturity of the Bonds Being Refunded. The holders of the Bonds Being Refunded shall rely on the sufficiency of the funds or securities held in trust for the payment of the Bonds Being Refunded. To the extent that payment of amounts on the Bonds Being Refunded is provided for by the deposit of funds and securities in trust for the payment of the Bonds Being Refunded, all obligations of the District to levy a tax for the payment of such amounts shall cease and terminate. The Bonds Being Refunded shall in no way infringe on the rights of the holders of the Refunding Bonds to rely on a tax levy for the payment of principal and interest on the Refunding Bonds if such funds and securities prove insufficient.

r. Pursuant to the Act, the District Board has determined to enter into a Series 2022 Standby Contribution Agreement, to be dated as of the first day of the month of the dated date of the Third Series of Bonds determined as provided herein (the “Standby Contribution Agreement”), by and among the District, the LLLP, the LLC and Zions Bancorporation, National Association, as trustee (the “Trustee”), to provide for certain public infrastructure purposes for the District, including for credit enhancement for the Third Series of Bonds.

s. Pursuant to the Act, the District Board has also determined to enter into a Series 2022 Depository Agreement, to be dated as of the first day of the month of the dated date of the Third Series of Bonds determined as provided herein (the “Depository Agreement”), by and between the District and Zions Bancorporation, National Association, as depository (the

“Depository”), to provide for certain public infrastructure purposes for the District, including for credit enhancement for the Third Series of Bonds.

t. Pursuant to the Act, the District Board has further determined to enter into a Series 2022 Indenture of Trust and Security Agreement, to be dated as of the first day of the month of the dated date of the Third Series of Bonds as provided herein (the “Indenture”), from the District to the Trustee to secure (including with amounts to be available pursuant to the Standby Contribution Agreement and the Depository Agreement), and process the issuance, registration, transfer and payment and the disbursement and investment of proceeds of, the Third Series of Bonds. (Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.) The District Board has determined by this Resolution to authorize the sale and issuance of the Third Series of Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Third Series of Bonds by the Trustee, to authorize the execution and delivery of the Indenture.

u. The Third Series of Bonds will be sold to Western Alliance Business Trust (the “Purchaser”) in accordance with the terms of the March 9, 2022 proposal letter submitted by the Purchaser (the “Proposal”).

v. There have been placed on file with the District Clerk of the District and presented to the District Board, in connection with the amendment of the Amended Development Agreement, the proposed form of the Development Agreement Amendment, and in connection with the purposes described in paragraphs 1.p. through u., (1) the proposed form of the Standby Contribution Agreement, (2) the proposed form of the Depository Agreement, (3) the proposed form of the Indenture, (4) the proposed form of the Indenture Supplement, and (5) the Proposal. The documents described in Clauses (1) through (4) are referred to herein, collectively, as the “Bond Documents.”

w. The District Board hereby finds and determines that (1) the proposed amount of indebtedness evidenced by the Third Series of Bonds will not exceed the estimated cost of the public infrastructure improvements to be financed with the proceeds of the sale thereof plus all costs connected with the public infrastructure purposes related thereto and sale and issuance of the Third Series of Bonds and (2) the total aggregate outstanding amount of the Second Series of Bonds and the Third Series of Bonds will not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure to be acquired by the District with proceeds of the Project Bonds (based on information to be submitted to the District by the LLLP and the LLC, hereby found and determined to be not less than \$50,000,000) all as provided in the Act.

x. All formal actions concerning and relating to the passage of this Resolution were taken in an open meeting, in compliance with all legal requirements, and all things required to be done preliminary to the authorization, sale and issuance of the Third Series of Bonds have been duly done and performed in the manner required by law, and the District Board is now empowered to proceed with the sale and issuance of the Third Series of Bonds.

y. All actions to refund the Bonds Being Refunded, whether taken before or after adoption of this Resolution, are ratified and confirmed and approved, respectively.

2. a. Approval of Notice of Hearing on Report. The form of the Notice attached hereto and marked as the Exhibit is hereby ratified in all respects as well as the publication of the Notice and mailing of the Report to the governing body of the Municipality.

b. Preparation of Report. The preparation of the Report is hereby ratified and confirmed. (Upon completion of a draft of the Report, the Report, marked in a conspicuous fashion "DRAFT," was submitted to the District Board, the LLLP and the LLC for their review and comment.)

c. Approval of Report. After review of the Report and based on the Hearing and the mailing of the Report to the governing body of the Municipality, the Report is hereby approved in the form submitted to the District Board, and, subject to the provisions set forth in the Report and the Development Agreement, the District Board shall take such reasonable actions as may be necessary to cause the results contemplated by and set forth in the Report, including particularly the construction or acquisition of the Projects for the benefit of the areas described in the Report and the consummation of the expected method of financing, and an appropriate system of providing revenues or other means to maintain, the Projects, all as provided in the Report. The Projects will result in a beneficial use to land within the geographical limits of the District. Such use is principally to such land and, in any case, at a minimum, is proportional. (Based on review of the Report and the Report Hearing, the District hereby conclusively establishes that the Projects will result in such use.)

3. a. Approval of Sale and Issuance of Third Series of Bonds. The Third Series of Bonds is hereby authorized to be issued in one or more series with the series name and designation as provided in the Indenture. The Third Series of Bonds shall be issued in the aggregate principal amount (but not to exceed \$19,300,000 aggregate principal amount in the case of the Project Bonds), be in fully registered form only and denominations, bear interest at the rates (but not to exceed four and one-half percent (4.5%) per annum) from their date, be numbered and mature and be subject to redemption prior to maturity, in each case as provided in the Indenture as determined by the District Manager as provided herein. The District Manager is hereby authorized and directed to cause the sale of the Third Series of Bonds in accordance with the terms of the Proposal.

b. Forms, Terms and Provisions, and Execution and Delivery, of Third Series of Bonds. The forms, terms and provisions of the Third Series of Bonds provided for in the Indenture are hereby approved, with only such changes therein as are not inconsistent herewith and as are approved by the officers authorized in the Indenture to execute the Third Series of Bonds, and each is hereby authorized to execute and deliver them. (The persons who shall so execute and deliver the Third Series of Bonds shall be the persons holding such offices at the time of the initial issuance and delivery of the Third Series of Bonds.)

c. Forms, Terms and Provisions, and Execution and Delivery, of Development Agreement Amendment and Bond Documents. The forms, terms and provisions of the Development Agreement Amendment and the Bond Documents in substantially the forms of

such documents (including the exhibits thereto) presented at the meeting at which this Resolution is adopted, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the officers authorized to execute the documents, which approval will be conclusively demonstrated by the execution thereof, and the District Manager and the District Clerk or any of such officers are hereby authorized to execute the Development Agreement Amendment and the Bond Documents.

d. Authorization to Execute and Deliver Order to Trustee. The District Manager is hereby authorized to execute and deliver to the Trustee the written order of the District for the authentication and delivery of the Third Series of Bonds by the Trustee.

e. Other Actions Necessary. The District Manager, the District Treasurer, the District Clerk and the other officers of the District shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Development Agreement Amendment and the Bond Documents, including without limitation, the closing and other documents required to be delivered in connection with the sale and delivery of the Third Series of Bonds. (The persons who shall so take such actions shall be the persons holding such offices at the time of the initial issuance and delivery of the Third Series of Bonds.)

f. Tax Levy.

1. For each year while any of the Third Series of Bonds is outstanding, the District Board shall annually levy and cause to be collected an *ad valorem* tax, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together with any moneys from any sources in the Enabling Act and under the Indenture, to pay Debt Service when due.

2. Moneys derived from the levy of the tax provided for in this Section with respect to the Third Series of Bonds when collected constitute funds to pay Debt Service and shall be kept in the Series 2022 Tax Account and separately from other funds of the District.

3. The District Board shall make annual statements and estimates of the amount to be raised to pay Debt Service on the Third Series of Bonds. The District Board shall file the annual statements and estimates with the Clerk of the Municipality and shall publish a notice of the filing of the estimate. The District Board, on or before the date set by law for certifying the annual budget of the Municipality, shall fix, levy and assess the amounts to be raised by *ad valorem* taxes of the District, with the limitation for the Refunding Bonds described herein, and shall cause certified copies of the order to be delivered to the Board of Supervisors of Pima County, Arizona, and to the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

g. No Obligation of Municipality. Neither the full faith and credit nor the general taxing power of the Municipality is pledged to the payment of the Third Series of Bonds. Nothing contained in this Resolution, the Bond Documents or any other instrument related to the Third Series of Bonds shall be construed as obligating the Municipality, or as incurring a

charge upon the general credit or any other credit or revenues of the Municipality nor shall the breach of any agreement contained in this Resolution, the Bond Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit or any other credit or revenues of the Municipality.

h. Appointment of Trustee and Depository. Zions Bancorporation, National Association, is hereby confirmed as Trustee, Registrar and Paying Agent and as Depository for the purposes of the Indenture and the Depository Agreement, respectively.

4. Repeal of Resolution. After any of the Third Series of Bonds are delivered by the Trustee to the Purchaser upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Third Series of Bonds and the interest thereon shall have been fully paid, canceled and discharged.

5. Severability; Amendment; Effective Date.

a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

b. This Resolution may only be amended as provided by the terms of the Indenture.

c. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

d. This Resolution shall be effective immediately.

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PASSED by the District Board of the Rancho Sahuarita Community Facilities District this 28th day of March 2022.



Tom Murphy
Chairperson, District Board,
Rancho Sahuarita Community Facilities District

ATTEST:



Lisa Cole, MMC
District Clerk,
Rancho Sahuarita Community Facilities District

APPROVED AS TO FORM:



Daniel J. Hochuli
District Counsel,
Rancho Sahuarita Community Facilities District

EXHIBIT

FORM OF NOTICE OF HEARING ON REPORT

**NOTICE FOR HEARING REQUIRED BY A.R.S. § 48-715 ON
REPORT OF THE FEASIBILITY AND BENEFITS OF CERTAIN
PROJECTS TO BE FINANCED WITH THE PROCEEDS OF THE
SALE OF GENERAL OBLIGATION BONDS OF RANCHO
SAHUARITA COMMUNITY FACILITIES DISTRICT**

Pursuant to Section 48-715, Arizona Revised Statutes, notice is hereby given that a public hearing on the report of the feasibility and benefits of projects to be financed with the proceeds of the sale of general obligation bonds of Rancho Sahuarita Community Facilities District shall be held by the District Board on March 28, 2022, at approximately 6:00 p.m. (Arizona time), or immediately preceding the meeting of the Mayor and Council of the Town of Sahuarita, Arizona, on the same date in the Council Chambers located at 375 West Sahuarita Center Way, Sahuarita, Arizona. Such feasibility report and further information relating thereto are on file with the Town Clerk of the Town of Sahuarita, Arizona/District Clerk of Rancho Sahuarita Community Facilities District, 375 West Sahuarita Center Way, Sahuarita, Arizona 85629, telephone number: (520) 822-8800.

Dated this day of March 2022.

/s/ Shane Dille

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District Manager, Rancho Sahuarita Community
Facilities District