

RESOLUTION 2021-07

RESOLUTION OF THE BOARD OF DIRECTORS OF TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT, DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES RELATING TO ACQUISITION OF ASSETS FROM THE TOWN OF CAVE CREEK, ARIZONA

WHEREAS, the Town of Carefree, Arizona Utilities Community Facilities District, (hereinafter referred to as the "District"), is authorized and empowered pursuant to law to issue or cause to be issued obligations to finance the costs of various capital facilities owned or to be owned by an entity, all of the capital stock of which is owned by the District (hereinafter referred to as the "Water Utility"); and

WHEREAS, it is contemplated that certain expenditures made by the District or the Water Utility to acquire from the Town of Cave Creek, Arizona, real and personal water utility property serving approximately 525 water customers in three areas within the Town of Carefree, Arizona, which will be owned by the Water utility (hereinafter referred to as the "Project"), will be reimbursed from the proceeds of the sale of obligations to be issued in the future by or on behalf of the District;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT AS FOLLOWS:

Section 1. Definitions. The following terms shall have the meanings assigned thereto as follows:

"official intent" means a declaration of intent of the District to reimburse an original expenditure with proceeds of an obligation.

"original expenditure" means an expenditure for a governmental purpose that is originally paid from a source other than a reimbursement bond.

"reimbursement bond" means the portion of an issue of obligations allocated to reimburse an original expenditure that was paid before the issue date of such issue.

Section 2. Official Intent. This Resolution is official intent relating to reimbursement for the original expenditures for the Project in an amount not to exceed \$1,000,000 occurring on or after the date hereof, which are capital expenditures (being any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles). (The

maximum principal amount of obligations (including the reimbursement bonds for such purposes) to be issued by the District will not exceed \$25,000,000.)

Section 3. Reasonableness of Official Intent. On the date of this Resolution, the Board of Directors of the District has a reasonable expectation (being that a prudent person in the same circumstances would have based on all the objective facts and circumstances) that it will reimburse such original expenditures with proceeds of such obligations. (Official intents have not been declared by the District as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for such projects. Moreover, the District does not have a pattern (other than in extraordinary circumstances) of failure to reimburse actual original expenditures covered by official intents.)

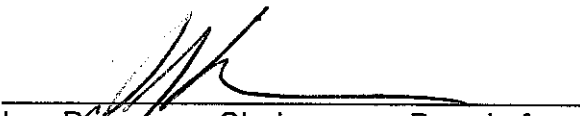
Section 4. Reimbursement Period. With certain exceptions, an allocation in writing that evidences use of proceeds of the reimbursement bonds to reimburse the original expenditures shall be made not later than 18 months after the later of the date that the original expenditure is paid.

Section 5. Public Record. This Resolution shall be included as of the date hereof in the publicly available official records of the District, such records being maintained and supervised by the District Clerk, being the main administrative office of the District, and shall remain available for public inspection on a reasonable basis.

PASSED AND ADOPTED this 1st day of June, 2021.

AYES 4 NAYS 0 ABSTENTIONS; 0 ABSENT 2

Town of Carefree, Arizona Utilities
Community Facilities District



Les Peterson - Chairperson, Board of
Directors

ATTEST:



Kandace French Contreras, District Clerk

APPROVED AS TO FORM:



Michael W. Wright, UCFD Attorney