



OFFICE OF THE
MAYOR
CITY OF SAN LUIS

Resolution

RESOLUTION NO. 738

A RESOLUTION GRANTING APPROVAL TO THE ISSUANCE OF REVENUE BONDS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SOMERTON, ARIZONA, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$19,000,000 TO FINANCE DEVELOPMENT OF RESIDENTIAL REAL PROPERTY FOR DWELLING UNITS FOR COMITE DE BIEN ESTAR, INC.

WHEREAS, The Industrial Development Authority of the City of Somerton, Arizona (the "Authority"), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the "State") empowered under the Industrial Development Financing Act, Arizona Revised Statutes, Title 35, Sections 701 through 761 inclusive (the "Act"), to issue revenue bonds for the purposes set forth in the Act, including the making of secured and unsecured loans for the purpose of financing the acquisition, construction, improvement or equipping of a "project" (as defined in the Act), whenever the Board of Directors of the Authority finds such loans to be in the public interest;

WHEREAS, the term "project" includes within its meaning facilities owned or operated by a nonprofit organization described in Section 501(c) of the United States Internal Revenue Code of 1986, as amended (the "Code"), that is primarily engaged in delivering community services on that property consisting of fitness programs, camping programs, health and recreation services, youth programs, child care, senior citizen programs, individual and family counseling, employment and training programs, services for individuals with disabilities, meals, feeding programs or disaster relief; and

WHEREAS, Comite de Bien Estar, Inc., an Arizona nonprofit corporation (the "Applicant"), has submitted an application for mortgage revenue bond financing (the "Application") to the Authority

requesting that the Authority issue its Mortgage Revenue Bonds (Bienestar Estates 9B Phase I Project), Series 2007 (the "Bonds"), in one or more series and in an aggregate principal amount not to exceed \$19,000,000, and loan the proceeds thereof to the Applicant to finance or refinance (i) the acquisition of approximately 131 acres located at the Northwest intersection of County 24th Street and Avenue "F" in the City of San Luis and the development, construction and equipping thereon of infrastructure, including, but not limited to, installation, where required, of streets, sidewalks, electrical lines, water lines, sewer lines, conduit for cable and telephone lines, all in connection with the development of residential real property for dwelling units (the "Project"), (ii) the capitalization of various reserves, including, without limitation, a debt service reserve fund, and (iii) certain costs and expenses incidental thereto;

WHEREAS, a public hearing was held in the City of San Luis, Arizona, after reasonable public notice as required by Section 147(f) of the Code, on July 11, 2007, and no comments were received in connection therewith; and

WHEREAS, this Council has had presented to it information regarding the Project and the Bonds and is informed and advised regarding the Project and the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN LUIS as follows:

SECTION I. APPROVAL OF BONDS. The issuance and sale by the Authority of the Bonds, in aggregate principal amount not to exceed \$19,000,000, to finance the Project is hereby approved.

SECTION II. CERTIFICATION. It is hereby CERTIFIED under penalty of perjury that the approval of the Bonds is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

SECTION III. CANCELLATION OF CONTRACT. Notice of Arizona Revised Statutes, Title 38, Section 511 is hereby given. The provisions of that statute are by this reference incorporated herein to the extent of their applicability to matters contained herein under the laws of the State.

PASSED by the Council of the City of San Luis, Arizona, this 11th day of July, 2007.



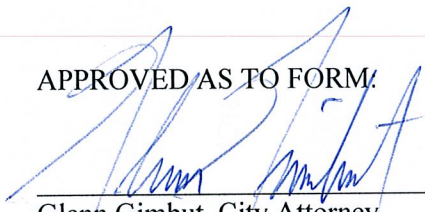
Juan Carlos Escamilla, Mayor

ATTEST:



Sonia Cuello, City Clerk

APPROVED AS TO FORM:



Glenn Gimbut, City Attorney

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF SOMERTON
MORTGAGE REVENUE BONDS
(BIENESTAR ESTATES 9B PHASE I PROJECT)
SERIES 2007A AND TAXABLE SERIES 2007B**

CERTIFICATE OF CLERK OF THE CITY OF SAN LUIS, ARIZONA

I, the undersigned, do hereby certify that I am the Clerk of the City of San Luis, Arizona (the "City") and that:

1. Attached hereto is a true and complete copy of Resolution No. 738 duly adopted by the City Council of the City of San Luis by three-quarters of the elected City Council Members at a lawful meeting duly called and held on July 11, 2007, at which meeting a quorum was present and acting throughout, which Resolution remains in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this 11 day of July, 2007.



Clerk of the City of San Luis, Arizona

(SEAL)

**MINUTES OF A PUBLIC HEARING
CONDUCTED BY HEARING OFFICER ON BEHALF
OF THE CITY OF SAN LUIS, ARIZONA
July 11, 2007**

On Monday, July 11, 2007, commencing at approximately 7:00 p.m., a public hearing was conducted by the undersigned, as Hearing Officer on behalf of the City of San Luis, Arizona, at the San Luis Administration Building, located at 767 N. First Ave., San Luis, Arizona, pursuant to a notice duly given.

Mayor Juan Carlos Escamilla announced the item, which was item 7 on the agenda of the meeting of the City Council of the City of San Luis, Arizona, which was a public hearing pursuant to Section 147 of the Revenue Code of 1986 regarding the proposed issuance by the Industrial Development Authority of the City of Somerton, Arizona of its Mortgage Revenue Bonds (Comite de Bien Estar Estates 9B Phase 1 Project), Series 2007.

Mayor Escamilla mentioned that with respect to this item and the next item on the agenda, several members of council have a conflict of interest. \

City Attorney Glenn Gimbut stated, for the record, that a majority of the members of Council who were present, namely Mayor Escamilla, Marco Antonio Reyes, Jr., Archibaldo Gurrola, and Rafael Torres, have a conflict of interest, the specifics of which are already part of the permanent records of the City and have been previously mentioned in the minutes of the City Council. Council member Guillermina Fuentes mentioned that she and Council member Delores Concha have a conflict as well. City Attorney Gimbut stated that he was uncertain that they had a conflict due to the fact that Riedel Construction and Comite de Bien Estar, Inc, have a business partnership. City Attorney Glenn Gimbut stated that if said partnership created a conflict, it too was already a part of the permanent records of the City of San Luis and previously disclosed in council minutes. He stated that the conflict of interest law was never intended to prevent a public body from taking action and therefore, pursuant to the provisions of A.R.S. §38-508.B all members of Council could participate in any discussion or vote.

Vice Mayor A. Gurrola moved, and Council member R. Torres seconded, that the Council go into a public hearing. Motion passed unanimously.

The City Attorney, Glenn Gimbut, stated that an introduction to the public hearing needed to be read aloud and into the record. Mayor Escamilla appointed Mr. Gimbut to be the Hearing Officer and to read the statement. Mr. Gimbut then stated:

“Now is the time and place set for the public hearing to be conducted pursuant to Section 147 of the Internal Revenue Code of 1986, as amended (the “Code”), with respect to the proposed issuance by The Industrial Development Authority of the City of Somerton, Arizona of its Mortgage Revenue Bonds (Bienestar Estates 9B Phase I Project), Series 2007 (the “Bonds”) in one or more series and in an aggregate principal amount not to exceed \$19,000,000.

Comite de Bien Estar, Inc., an Arizona nonprofit corporation and an organization described in Section 501(c)(3) of the Code (the “Borrower”), proposes to use the proceeds of the Bonds to finance or refinance (i) the acquisition of approximately 131 acres located at the Northwest intersection of County 24th Street and Avenue “F” in the City of San Luis and the development, construction and equipping thereon of infrastructure, including, but not limited to, installation, where

required, of streets, sidewalks, electrical lines, water lines, sewer lines, conduit for cable and telephone lines, all in connection with the development of residential real property for dwelling units (the "Project"), (ii) the capitalization of various reserves, including, without limitation, a debt service reserve fund, and (iii) certain costs and expenses incidental thereto. The Borrower or its affiliate will be the owner and operator of the Project, until all or some portion of the same is dedicated to the City of San Luis.

The Bonds will be special limited obligations of the Issuer and will not constitute a debt or pledge of the faith and credit of the Authority, the City of Somerton, the City of San Luis, or the State of Arizona, or any political subdivision of the State of Arizona.

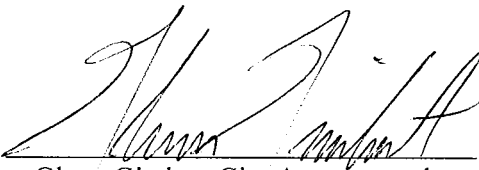
Members of the public are invited to comment with respect to the proposed issue of Bonds and the nature of the Project to be financed. Is there anyone present who wishes to comment? If so, please come forward, state your name and address for the record, and please make your comment."

Mr. Gary Black, 960 B Street, San Luis, Arizona stated that this bond issue was approved by the City Council of the City of Somerton and hoped that it would be supported by the San Luis City Council as well.

Council member D. Concha asked why the need for a resolution. Glenn Gimbut, City Attorney stated that the public hearing was a requirement of the Internal Revenue Code since this was a project that was being funded by bonds proposed to be issued by the Somerton Industrial Development Authority for a project that was to be built in the City of San Luis. That since this was a project being built in San Luis, the law wanted to be sure that it was with the support of this community. He stated the only reason for a form of resolution, as opposed to a motion, was that this was a requirement of the bond attorneys. Council member D. Concha asked the identity of the bond attorneys, and City Attorney Glenn Gimbut stated "Lewis and Roca."

There were no further comments from the public.

Council member G. Fuentes then moved to close the public hearing and Council member M.A. "Tony" Reyes Jr. seconded the motion. Motion passed unanimously.

By: 
Name: Glenn Gimbut, City Attorney and
Hearing Officer