

**VISTANCIA COMMUNITY FACILITIES DISTRICT
PEORIA, ARIZONA
DISTRICT COMMUNICATION**

DC: 2C
Amend No. _____

Date Prepared: October 4, 2010

District Meeting Date: October 19, 2010

TO: Carl Swenson, District Manager
THROUGH: Susan Thorpe, Deputy District Manager *ST*
FROM: Brent D. Mattingly, District Chief Financial Officer *BDM*
SUBJECT: Amend Depository Agreements for Vistancia Community Facilities District General Obligation Bonds, Series 2002, 2005 and 2006

RECOMMENDATION:

That the District Board review and adopt Res. No. VCFD 2010-03 providing for an amendment to the Vistancia Community Facilities District General Obligation Bonds, Series 2002, 2005 and 2006 Depository Agreements to modify the next letter of credit termination date.

SUMMARY:

For each series of bonds issued, the developer is required to provide a letter of credit to be held by the trustee as per separate depository agreements. Under the terms of the existing depository agreements, alternate letters of credit cannot be substituted until the current letters of credit expire.

At the developer's request, the current depository agreements for the outstanding bonds are being modified to allow the substitution of alternate letters of credit prior to the existing expiration date of March 22, 2011. The attached resolution provides for an amendment to the Vistancia Community Facilities District General Obligation Bonds, Series 2002, 2005 and 2006 Depository Agreements to allow for such substitutions at the earliest possible date. The alternate letters of credit will be required to meet the same financial standards as the original letters of credit.

The resolution and accompanying depository agreement amendments have been reviewed and approved as to form by District Counsel.

DISTRICT CLERK USE ONLY:

Consent Agenda
 Carry Over to Date: _____
 Approved
 Unfinished Business (Date heard previous: _____)
 New Business

ORD. # _____ RES. # VCFD 2010-03
LCON# _____ LIC. #
Action Date:

ATTACHMENTS:

1. Resolution No. VCFD 2010-03

CONTACT:

Deborah Card, Treasury Manager, X7148

RESOLUTION NO. VCFD 2010 - 03

(VISTANCIA COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE DISTRICT BOARD OF VISTANCIA COMMUNITY FACILITIES DISTRICT AMENDING THE DEPOSITORY AGREEMENT FOR EACH SERIES OF BONDS OF THE DISTRICT SOLD AND ISSUED TO DATE TO MODIFY THE NEXT LETTER OF CREDIT TERMINATION DATE

BE IT RESOLVED BY THE DISTRICT BOARD OF VISTANCIA COMMUNITY FACILITIES DISTRICT as follows:

1. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act"), the district board (hereinafter called the "District Board") of Vistancia Community Facilities District (hereinafter called the "District") has caused to be sold and issued to construct or acquire certain projects relating to certain public infrastructure provided for in The General Plan of the Vistancia Community Facilities District (1) \$21,250,000 aggregate principal amount of bonds, designated General Obligation Bonds, Series 2002 and dated as of December 1, 2002 (hereinafter referred to as the "First Series of Bonds"), (2) \$23,550,000 aggregate principal amount of the bonds, designated General Obligation Bonds, Series 2005 and dated April 27, 2005 (hereinafter referred to as the "Second Series of Bonds"), and (3) \$22,760,000 aggregate principal amount of the bonds, designated General Obligation Bonds, Series 2006 and dated December 28, 2006 (hereinafter referred to as, with the First Series of Bonds and the Second Series of Bonds, the "Bonds").

2. Each series of the Bonds was secured by a separate indenture of trust, dated as of the first day of the month of the dated date of the corresponding series

of the Bonds (hereinafter referred to as, collectively, the "Indentures"), each from the District to Wells Fargo Bank, as trustee (hereinafter called the "Trustee"), and was credit enhanced by a separate depository agreement, dated as of the first day of the month of the dated date of the corresponding series of Bonds (hereinafter referred to as, collectively, the "Depository Agreements"), each by and between the District and Wells Fargo Bank, N.A., as depository.

3. Section 9.01 of each of the Indentures provides that without the consent of the owners of any of the corresponding series of the Bonds, the District, when authorized by a Resolution of the District Board, and the Trustee may amend the corresponding of the Depository Agreements to make any provisions, with respect to matters arising under the Depository Agreements, which shall not be inconsistent with the provisions of the Depository Agreements, provided such action shall not adversely affect the interests of the owners of the corresponding series of the Bonds.

4. The District Board hereby determines that such a matter has arisen with respect to each of the Depository Agreements, and by this Resolution, the District Board hereby authorizes and agrees to amendments to each of the Depository Agreements for such purpose by adding (1) the following at the end and as part of the first sentence of Section 2.01C. of each of the Depository Agreements: "provided, however, that an Alternate Letter of Credit may be delivered to the Depository for the Letter of Credit expiring on March 22, 2011, on an earlier date determined by the District Chief Financial Officer"; (2) the following before the second comma in the second sentence of such subsection of each of the Depository Agreements: "or, in the case of one delivered pursuant to the proviso in the preceding sentence, the number of days determined by the District Chief Financial Officer before the date established by such proviso," and (3) the following at the end of and as part of clause 4. of such subsection

of each of the Depository Agreements: "or the date determined pursuant to the proviso to the first sentence of this subsection C."

5. This Resolution, as executed hereinbelow by officers of the District and the Trustee, shall be considered an amendment of each of the Depository Agreements for purposes of Section 9.01 of each of the Indentures.

6. The Depository Agreements are hereby, in all other respects, ratified and confirmed.

7. 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.

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

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

10. This Resolution shall be effective immediately.

PASSED by the District Board of Vistancia Community Facilities District
this 19th day of October, 2010.

Bob Barrett
Chairman, District Board,
Vistancia Community Facilities District

ATTEST:

Rhonda Simmons
District Clerk, Vistancia
Community Facilities District

APPROVED AS TO FORM:

Stephen M. Kemp
District Counsel, Vistancia
Community Facilities District

AGREED TO FOR PURPOSES OF SECTION
9.01 OF EACH OF THE INDENTURES BY
WELLS FARGO BANK, N.A., AS TRUSTEE

By _____

Printed Name _____

Title _____