RESOLUTION

RESOLUTION ORDERING AND CALLING A SPECIAL BOND ELECTION TO BE HELD IN AND FOR PAYSON UNIFIED SCHOOL DISTRICT NO. 10 OF GILA COUNTY, ARIZONA, ON NOVEMBER 3, 2026; PROVIDING FOR THE CONDUCT OF THE ELECTION, SETTING A DEADLINE TO SUBMIT ARGUMENTS "FOR" OR "AGAINST" THE BONDS, THE PRINTING OF BALLOTS, THE CANVASSING OF THE ELECTION AND AUTHORIZING THE DISTRICT'S DIRECTOR OF BUSINESS SERVICES AS THE OFFICER TO COMPLY WITH SECTIONS 103 AND 141 THROUGH 150 OF THE INTERNAL REVENUE CODE.

WHEREAS, it appears that the needs and best interests of Payson Unified School District No. 10 of Gila County, Arizona (the "*District*"), will be served by the issuance and sale of School Improvement Bonds (the "*Bonds*") of the District; and

WHEREAS, the laws of the State of Arizona require that an election be held prior to engaging in certain actions, including the issuance and sale of the Bonds; and

WHEREAS, by this resolution the Governing Board of the District (the "*Board*") will (a) order that a special bond election be held in and for this District on November 3, 2026; and (b) order preparation and mailing of the notice, Informational Pamphlet (as hereinafter defined) and sample ballot for the Election (as hereinafter defined); and

WHEREAS, by this resolution the District will publicly declare the last day for receipt of arguments "for" and "against" the Bonds for inclusion in the Informational Pamphlet; and

WHEREAS, the District may make expenditures in connection with the proposed projects to be acquired and/or constructed with the proceeds of the proposed Bonds; and

WHEREAS, in order to comply with Sections 103 and 141 through 150 of the Internal Revenue Service Code of 1986, as amended, the District may be required, pursuant to Treasury Regulation Section 1.150-2, to declare its intention to reimburse an expenditure with proceeds of the proposed Bonds; and

WHEREAS, in order to reimburse the District from proceeds of the Bonds such declaration of intention to reimburse from Bond proceeds for an expenditure made prior to issuance of the Bonds must be made not later than sixty (60) days after the payment of such expenditure; and

WHEREAS, the District shall designate the Director of Business Services as the officer to declare such official intent on its behalf;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF PAYSON UNIFIED SCHOOL DISTRICT NO. 10 OF GILA COUNTY, ARIZONA, THAT:

Section 1. Order and Call of Election; Term of the Bonds. A special bond election (the "*Election*") is hereby ordered to be held in and for this District on November 3, 2026 in the manner prescribed in Section 15-491 and Title 35, Chapter 3, Article 3, Arizona Revised Statutes, as amended ("*A.R.S.*"), and in conjunction with the Statewide general election to be held on such date. The form of ballot for such Election shall be in substantially the form attached to this resolution as *Exhibit A*, which is a part of this resolution and the terms are incorporated into this call of Election by reference thereto and shall be submitted to the electors at the Election. The District Superintendent or Director of Business Services is authorized to revise the form of ballot hereto as necessary to comply with all

applicable laws. The fiscal year 2025/2026 constitutional debt limit of the District is $182,441,841, the estimated fiscal year 2026/2027 constitutional debt limit of the District is $188,520,945, the current outstanding general obligation debt of the District is $9,425,000 and the outstanding general obligation debt of the District after the July 1, 2026 principal payment will be $6,330,000. The minimum and maximum number of years that any issue or series of bonds may run from their date shall be as follows: bonds of this authorization may mature not earlier than one year (or a portion thereof) from their date or more than twenty (20) years from their date. The Board hereby authorizes the District to cause an Election to authorize the issuance and sale of general obligation bonds in the principal amount not to exceed $75,000,000. The Bonds shall bear interest of not to exceed 12% per year.

Section 2. Request to County School Superintendent; Informational Pamphlet. The County School Superintendent of Gila County (the "*County School Superintendent*") is hereby requested to cause the preparation and distribution of an informational pamphlet including a sample ballot (collectively, the "*Informational Pamphlet*") for the District pursuant to A.R.S. §§ 15-491 and 35-454. The District Superintendent or Director of Business Services is hereby directed to mail, or to aid the County School Superintendent's mailing, to each household in the District in which a qualified elector resides, an Informational Pamphlet.

The President, any member of this Board, the District Superintendent or Director of Business Services and the District staff are hereby authorized to prepare and deliver or cause to be prepared and delivered to the County School Superintendent, on behalf of the Board, the information necessary or appropriate to complete the Informational Pamphlet.

Section 3. Conduct of Election; Contracts; Expenditures. The Election may be conducted as a mailed ballot election as provided in A.R.S. § 16-409 or a polling place election, as determined by the District Superintendent, Director of Business Services or the County Elections Department. The Board is hereby authorized to request the County School Superintendent and County Elections Department to have ballots printed in substantially the form of *Exhibit A* and to deliver them to the election officials to be given to the qualified electors of the District appearing to vote in the Election as provided by law. The Board authorizes all expenditures as may be necessary to order, notice, hold and administer the Election, and if applicable, including but not limited to the cost of the return postage to return the voted mail ballots if the Election is conducted as a mailed ballot election to the officer in charge of the Election, which expenditures shall be paid from current operating funds. The District Superintendent or Director of Business Services is authorized and directed to take all acts, including entering into intergovernmental agreements with the County Recorder (the "*County Recorder*"), the County Elections Department or the County School Superintendent, to carry out the Election. The District Superintendent or Director of Business Services shall cooperate with the County School Superintendent to ensure proper administration of the Election.

Section 4. Notice and Call of Election.

(A) Posting of Notice. The District or the County School Superintendent will cause the Notice and Call of Special Election (the "*Notice*") in substantially the form attached hereto as set forth in *Exhibit B-1* or *Exhibit B-2*, as applicable, to be posted not less than twenty five (25) days before the Election as required by law.

(B) Publication of Notice in Newspaper of General Circulation. The District or the County School Superintendent will cause the Notice and Call of Special Election, in substantially the form attached hereto as set forth in *Exhibit B-1* or *Exhibit B-2*, as applicable, to be published once a week for two (2) successive weeks in a newspaper of general circulation within the District, if available, during any two (2) of the six (6) weeks preceding one hundred fifty (150) days before the Election. If a

newspaper of general circulation is not available within the District, such Notice shall be posted on the District's website and at other locations at which the District posts notices of Board meetings.

Section 5. Ballot Replacement Location. The District Superintendent or Director of Business Services shall coordinate with the County School Superintendent and County Elections Department to designate a location for purposes of replacing ballots that have been lost, spoiled, destroyed or not received by the elector.

Section 6. Precincts and Polling Places. For purposes of a polling place election which may be held in conjunction with any county, city or special district election of any overlapping jurisdiction, the Board determines that the County election precincts will serve as the District election precincts, including any consolidation of such precincts as determined by the County Elections Department and the District's Superintendent or designee. The location of each polling place will be determined by the County Elections Department, which will conduct the Election on behalf of the District. The polls will open at 6:00 a.m. and will close at 7:00 p.m. on November 3, 2026.

Section 7. Early Voting. Early voting will be permitted at the Election in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes.

Section 8. Public Declaration; Submission of Arguments. This Board hereby declares that the County School Superintendent has set the date of August 5, 2026 at the hour of 5:00 p.m. as the deadline to submit arguments "for" or "against" authorization to issue the bonds. The District Superintendent or Director of Business Services is authorized to publish in a newspaper of general circulation within the District a notice stating the deadline for filing with the County School Superintendent of arguments "for" or "against" the bonds, for inclusion in the Informational Pamphlet pertaining to the bonds. A form of the notice requesting arguments "for" or "against", including the deadline for submitting arguments is attached hereto as *Exhibit C*. The notice requesting arguments shall be published in a newspaper of general circulation in the District four consecutive times if a daily newspaper or once a week for two (2) consecutive weeks if a weekly newspaper. The District Superintendent or Director of Business Services is authorized to revise the form of notice hereto as necessary to comply with all applicable laws or any change of date by the County School Superintendent.

Section 9. Voting Rights Act. In order to comply with the Voting Rights Act of 1965, as amended, the following proceedings pertaining to the Election will be translated into Spanish and posted and published in each instance where posting and publication of such proceedings are required, to-wit: ballot, notice, request for "for" and "against" arguments, Informational Pamphlet, all voting materials and all voting instructions. The officers of the District and the County are further authorized and directed to take all action necessary to comply with the Voting Rights Act of 1965, as amended.

Section 10. Submission of Ballot. The District Superintendent or Director of Business Services is hereby directed to cause, at least eighty five (85) days before the Election, the draft ballot to be submitted to the County School Superintendent and the Arizona legislative council for review and approval and shall be guided by such rulings.

Section 11. Canvass. The Gila County Elections Director or the Gila County Board of Supervisors is requested and authorized to canvass the returns of the Election within thirty (30) days of the Election, as required by A.R.S. § 15-493.

Section 12. Other Actions. The District Superintendent or the Director of Business Services is authorized to take all necessary action to facilitate the Election.

Section 13. Reimbursement. The District's Director of Business Services is hereby designated as the officer to declare, from time to time, the official intent of the District to reimburse an expenditure with the proceeds of the proposed bonds pursuant to Treasury Regulation Section 1.150-2. Such declaration of official intent shall be signed by the Director of Business Services and shall be in substantially the form attached hereto as *Exhibit D* or such other form as may be necessary to comply with the provisions of Treasury Regulation Section 1.150-2. The declaration of intent shall be effective when executed.

Section 14. Ratification. All actions of the members of the Board, officers, employees and agents of the District which are in conformity with the purposes and intent of this resolution, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed, authorized and approved.

Section 15. Transmission of Resolution. A certified copy of this Resolution shall be delivered to the County School Superintendent and the County Elections Director.

[Signature on following page]

PASSED AND ADOPTED on May 18, 2026.

_____

President, Governing Board

EXHIBITS A – Sample Ballot
B – Notice and Call of Special Bond Election
C – Request for Arguments
D – Declaration of Official Intent

[Signature page to Bond Election Resolution]

EXHIBIT A

SAMPLE BALLOT

FOR SPECIAL BOND ELECTION TO BE HELD IN PAYSON UNIFIED SCHOOL DISTRICT NO. 10 OF GILA COUNTY, ARIZONA, ON NOVEMBER 3, 2026.

QUESTION ___

Shall Payson Unified School District No. 10 of Gila County, Arizona (the "*District*"), be allowed to issue and sell general obligation bonds in the principal amount of not to exceed $75,000,000 to provide money for the following purposes:

- Constructing and/or purchasing school buildings;
- Renovating school buildings;
- Purchasing pupil transportation vehicles;
- Acquiring by purchase or lease school lots;
- Improving school grounds, including adjacent ways thereto;
- Supplying school buildings with furniture, equipment and technology;
- Liquidating indebtedness incurred for the purposes set forth herein;
- Providing all utilities and other capital items necessary for the construction and renovation of school buildings and for improving school grounds;
- Paying all architectural, design, engineering, project and construction management and other costs incurred in connection with the purposes set forth above; and
- Paying all legal, financial and other costs in connection with issuance of the bonds?

The bonds will bear interest at rates not exceeding 12% per year. Interest may be evidenced by separate certificates and will be paid on January 1 and July 1 each year until the bonds mature. The bonds, and any bonds issued to refund the District's bonds, may be sold at prices that include premiums not greater than permitted by law. The bonds may be refunded by the issuance of refunding bonds of a weighted average maturity of less than 75% of the weighted average maturity of the bonds being refunded. Bonds will be in the denominations of $5,000 each or in multiples of $5,000 and will mature on the first day of January and/or July in years determined by the District's governing board. The bonds shall mature over a period of not (i) less than one (1) year (or a portion thereof) or (ii) more than twenty (20) years from the date of their issuance. The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds.

The capital improvements that are proposed to be funded through this bond issuance are to exceed the State standards and are in addition to monies provided by the State. Payson Unified School District No. 10 is proposing to issue Class B general obligation bonds totaling $75,000,000 to fund capital improvements over and above those funded by the State. Under the Students FIRST capital funding system, Payson Unified School District No. 10 is entitled to State monies for new construction and renovation of school buildings in accordance with State law.

A "YES" VOTE SHALL AUTHORIZE THE PAYSON UNIFIED SCHOOL DISTRICT NO. 10 OF GILA COUNTY, ARIZONA GOVERNING BODY TO ISSUE AND SELL $75,000,000 OF SCHOOL IMPROVEMENT BONDS OF THE DISTRICT TO BE REPAID WITH SECONDARY PROPERTY TAXES.

A "NO" VOTE SHALL NOT AUTHORIZE THE PAYSON UNIFIED SCHOOL DISTRICT NO. 10 OF GILA COUNTY, ARIZONA GOVERNING BODY TO ISSUE AND SELL SUCH BONDS OF THE DISTRICT.

BOND APPROVAL, YES	☐
BOND APPROVAL, NO	☐

[At the discretion of the County elections department, the question set forth above may be presented on the actual ballot in summary form, reading substantially as follows:]

A "yes" vote shall authorize the Payson Unified School District No. 10 Governing Board to issue and sell $75,000,000 of school improvement bonds of the District to be repaid with secondary property taxes.

A "no" vote shall not authorize the Payson Unified School District No. 10 Governing Board to issue and sell such bonds of the District.

EXHIBIT B-1

[MAILED BALLOT ELECTION]

NOTICE AND CALL OF SPECIAL BOND ELECTION

TO THE QUALIFIED ELECTORS OF PAYSON UNIFIED SCHOOL DISTRICT NO. 10 OF GILA COUNTY, ARIZONA:

A special bond election has been called by, and will be held in, Payson Unified School District No. 10 of Gila County, Arizona (the "*District*"), on November 3, 2026 ("*Election Day*"). The purpose of the election is to permit the qualified electors of the District to vote on authorizing the District to issue and sell not to exceed $75,000,000 principal amount of school improvement bonds of the District. The estimated average annual tax rate for the proposed bond authorization is $0.94 per one hundred dollars of net assessed valuation used for secondary property tax purposes.

The election will be a mailed ballot only election. No polling places will be provided. Ballots will be mailed to qualified electors residing within the District no earlier than twenty seven (27) days prior to the election and no later than fifteen (15) days before the election. Ballots must be received or dropped off at one of the designated ballot drop box locations as designated by the County Elections Department and as set forth in the informational pamphlet and/or the ballot no later than 7:00 p.m. on Election Day. The informational pamphlet will be mailed to the homes of qualified electors. If a ballot is lost, spoiled, destroyed or not received by the elector, the elector may receive a replacement ballot at the ballot replacement locations designated by the County Elections Department. For more voting details contact the Gila County Elections Department, 5515 S. Apache Avenue, Suite 900, Globe, AZ 85501; telephone: (928) 402-8708.

The last day to register to vote in order to be eligible to vote in this election is Monday, October 5, 2026.

For more information about the foregoing, please review A.R.S. §§ 15-491 and 35-454, or contact Payson Unified School District No. 10, 902 W. Main Street, Payson, AZ 85547; telephone: (928) 472-2013.

[Publish once a week for two (2) consecutive weeks during any two (2) of the six (6) weeks preceding one hundred fifty (150) days before the Election.]

EXHIBIT B-2

[POLLING PLACE ELECTION]

NOTICE AND CALL OF SPECIAL BOND ELECTION

TO THE QUALIFIED ELECTORS OF PAYSON UNIFIED SCHOOL DISTRICT NO. 10 OF GILA COUNTY, ARIZONA:

A special bond election will be held in Payson Unified School District No. 10 of Gila County, Arizona (the "*District*"), on November 3, 2026. The purpose of the election is to permit the qualified electors of the District to vote on authorizing the District to issue and sell not to exceed $75,000,000 principal amount of school improvement bonds of the District. The estimated average annual tax rate for the proposed bond authorization is $0.94 per one hundred dollars of net assessed valuation used for secondary property tax purposes.

The election will be held at the following polling places:

[INSERT FROM COUNTY ELECTIONS DEPARTMENT]

The polls will open at 6:00 a.m. and close at 7:00 p.m.

The last day to register to vote in order to be eligible to vote in this election is Monday, October 5, 2026.

Any qualified elector is eligible for early voting. Early voting materials may be obtained by contacting the Gila County Elections Department, 5515 S. Apache Avenue, Suite 900, Globe, AZ 85501; telephone: (928) 402-8708. For more information about the foregoing, please review A.R.S. §§ 15-491 and 35-454, or contact the Payson Unified School District No. 10, 902 W. Main Street, Payson, AZ 85547; telephone: (928) 472-2013.

[Publish once a week for two (2) consecutive weeks during any two (2) of the six (6) weeks preceding one hundred fifty (150) days before the Election.]

EXHIBIT C

REQUEST FOR ARGUMENTS
"FOR" OR "AGAINST" THE SPECIAL BOND ELECTION
PAYSON UNIFIED SCHOOL DISTRICT NO. 10

Payson Unified School District No. 10 of Gila County, Arizona (the "*District*"), will hold a special bond election on Tuesday, November 3, 2026. The District seeks authorization to issue bonds in the principal amount not to exceed $75,000,000. The estimated average annual tax rate for the proposed bond authorization is $0.94 per one hundred dollars of net assessed valuation used for secondary property tax purposes. The Gila County School Superintendent will be preparing an informational pamphlet that will be mailed to households containing one or more registered electors within the District. Any persons wishing to submit an argument "for" or "against" the bond question (not to exceed 200 words) may do so by mail or hand delivery of the argument to the Gila County School Superintendent's office, 1400 E. Ash Street, Globe, AZ 85501; telephone: (928) 402-8784.

To be included in the informational pamphlet, such argument must be received in the office of the Gila County School Superintendent on or before 5:00 p.m., August 5, 2026. Such argument must be signed and should include the name of the school district, the author's name, address and telephone number. Each argument filed shall contain the sworn statement of the person submitting it. If the argument is submitted by an organization, it shall contain the sworn statement of two (2) executive officers of the organization. If the argument is submitted by a political committee, it shall contain the sworn statement of the committee's chairperson or treasurer. If the argument is submitted by an individual and not on behalf of an organization, a political committee or any other group, the person shall submit the argument with a sworn, notarized statement. The entity and author's name will be printed in the informational pamphlet. The last day to register to vote in order to be eligible to vote in this election is Monday, October 5, 2026. For more information concerning the election, please contact Payson Unified School District No. 10, 902 W. Main Street, Payson, AZ 85547; telephone: (928) 472-2013.

[Publish four (4) consecutive times in a daily newspaper OR two (2) consecutive weeks in a weekly newspaper in a newspaper having a general circulation within the District.]

EXHIBIT D

DECLARATION OF OFFICIAL INTENT UNDER TREASURY REGULATION SECTION 1.150-2 TO REIMBURSE AN EXPENDITURE WITH PROCEEDS OF TAX-EXEMPT BONDS

The undersigned is the Director of Business Services of the Payson Unified School District No. 10 of Gila County, Arizona (the "*District*"), and has been designated by the Governing Board of the District to declare official intent on behalf of the District with respect to the reimbursement of expenditures with proceeds of tax-exempt obligations proposed to be issued in connection with the District's special bond election [to be] held on November 3, 2026.

Section 1. **Declaration of Official Intent**. The undersigned hereby declares under Treasury Regulation Section 1.150-2 the official intent of the District to reimburse the capital expenditures made in connection with the Project described in Section 3 hereof with the proceeds of tax-exempt obligations.

Section 2. **Timeliness of Declaration**. This declaration is being made not later than sixty (60) days after payment of the expenditure(s) to be reimbursed.

Section 3. **Project Description**. The Project for which the above expenditures were made is described as the construction and acquisition of _____ and all appurtenances related thereto (the "*Project*").

Section 4. **Maximum Principal Amount**. The maximum principal amount of obligations expected to be issued for the Project is $_____.

Section 5. **Reasonable Expectation to Reimburse**. This Declaration as of its date is consistent with the budgetary and financial circumstances of the District and the District reasonably expects to reimburse the expenditures described in Section 3 with proceeds of tax-exempt bonds of the District.

Dated: _____, 20__.

_____
Director of Business Services, Payson Unified School District No. 10 of Gila County, Arizona

CERTIFICATE

The undersigned is the duly appointed and qualified President of the Governing Board of Payson Unified School District No. 10 of Gila County, Arizona, and hereby certifies that attached hereto is a true and correct copy of: (i) the agenda (in the form posted on the District's website) for the meeting of the Governing Board held on May 18, 2026 (the "*Meeting*"), and that said agenda was on file in the administration office and posted in the usual place of posting notices for the District, including the District's website for not less than twenty-four (24) hours prior to the call to order of the Meeting; and (ii) a resolution of said Board adopted at such Meeting; and further certifies that the resolution was passed and adopted by the Governing Board on May 18, 2026; that a quorum was present at such Meeting and at the time the resolution was adopted; that said resolution was adopted by a vote of ____ ayes, ____ nays, ____ abstained and ____ was/were absent; that said resolution has been executed by the proper officer(s) of the District; and said resolution, as executed, is on file in the District administration office and further certifies that the District's website also states where public notices and agendas are physically and electronically posted.

Dated: May 18, 2026

_____

President, Governing Board