RESOLUTION NO. 10786

THIRTY-SECOND SUPPLEMENTAL RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA SUPPLEMENTING THE CITY'S RESOLUTION NO. 6362, DATED JULY 29, 1991, AS AMENDED AND SUPPLEMENTED, PERTAINING TO THE ISSUANCE OF UTILITY SYSTEMS REVENUE BONDS AND AUTHORIZING THE ISSUANCE AND SALE OF CITY OF MESA, ARIZONA, UTILITY SYSTEMS REVENUE BONDS, SERIES 2016; PRESCRIBING THE FORM AND OTHER DETAILS OF THE SERIES 2016 BONDS; PROVIDING THAT THE SERIES 2016 BONDS SHALL BE PARITY BONDS AS DEFINED IN RESOLUTION NO. 6362, AS AMENDED; AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY OF A BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT AND A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE CITY WITH RESPECT TO THE SERIES 2016 BONDS AND THE PRELIMINARY OFFICIAL STATEMENT PERTAINING THERETO.

WHEREAS, on July 29, 1991, the Mayor and Council of the City of Mesa, Arizona (the "*City*") adopted Resolution No. 6362 (as amended, the "*1991 Master Resolution*") pertaining to the issuance by the City of its utility systems revenue bonds; and

WHEREAS, pursuant to special bond elections held in and for the City on November 2, 2010 (the "*2010 Election*"), and November 4, 2014 (the "*2014 Election*"), the issuance of utility system revenue bonds has been approved; and

WHEREAS, the Mayor and Council have previously adopted thirty-one supplemental resolutions amending and supplementing the 1991 Master Resolution (excluding Resolution No. 10183 adopted by the Mayor and Council of the City on January 28, 2013 and Resolution No. 10200 adopted by the Mayor and Council of the City on March 18, 2013, amending Resolution No. 10183 (together, the "*Twenty-Sixth Supplemental Resolution*"), both of which were repealed by the Twenty-Ninth Supplemental Resolution adopted by the Mayor and Council of the City on September 22, 2014) (collectively, the "*Supplemental Resolutions*" and together with the 1991 Master Resolution, the "*Master Resolution*"); and

WHEREAS, pursuant to Title 9, Chapter 5, Article 3, Arizona Revised Statutes, as amended ("*A.R.S.*"), the Master Resolution and this Thirty-Second Supplemental Resolution, the City will issue $90,500,000 aggregate principal amount of its Utility Systems Revenue Bonds, Series 2016 (the "*Series 2016 Bonds*") to provide funds to (i) acquire and construct certain improvements to the City's water, wastewater, natural gas, electric, sewer and solid waste systems and (ii) pay costs of issuance of the Bonds; and

WHEREAS, pursuant to A.R.S. § 9-529, the City has received bids for the Series 2016 Bonds through an on-line bidding process; and

WHEREAS, after having received and reviewed such bids, the Mayor and Council of the City hereby deems the bid for the Series 2016 Bonds attached hereto as *Exhibit B* and incorporated by reference herein, of Wells Fargo Bank, N.A. (the "*Underwriter*"), to be the lowest

and best bid received for the purchase of the Series 2016 Bonds, and the City desires that the Series 2016 Bonds be sold to the Underwriter on the terms set forth in the winning bid; and

WHEREAS, all acts, conditions and things required by the Constitution and the laws of the State of Arizona (the "*State*") and the requirements of the City to happen, exist and be performed precedent to and in the adoption of the 1991 Master Resolution and this Thirty-Second Supplemental Resolution have happened, exist and have been performed as so required in order to make this Thirty-Second Supplemental Resolution and the Master Resolution valid and binding instruments for the security of the Series 2016 Bonds authorized herein; and

WHEREAS, the following documents are on file with the City Clerk and have been made available to the Mayor and Council of the City:

1. the bid form from the Underwriter;

2. the continuing disclosure certificate pertaining to the Series 2016 Bonds (the "*Continuing Disclosure Certificate*");

3. the bond registrar, transfer agent and paying agent contract (the "*Registrar Contract*"); and

4. the preliminary official statement pertaining to the Series 2016 Bonds (the "*Preliminary Official Statement*"); and

WHEREAS, the Mayor and Council of the City now desire to proceed with authorizing the issuance and sale of the Series 2016 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. **Authority**. The Series 2016 Bonds are authorized to be issued in a total aggregate principal amount of $90,500,000 pursuant to Title 9, Chapter 5, Article 3, Arizona Revised Statutes, as amended, the Master Resolution, this Thirty-Second Supplemental Resolution, the 2010 Election and the 2014 Election and other applicable provisions of law. The Master Resolution and this Thirty-Second Supplemental Resolution shall stay in effect until all Series 2016 Bonds are fully paid or provided for and all Policy Costs (as defined in the Master Resolution) shall have been paid in full. It is hereby determined that all limitations imposed on the City by A.R.S. §§ 9-521 through 9-535 and A.R.S. §§ 9-536 through 9-540 have been met with respect to the Series 2016 Bonds.

Section 2. **Allocation to Elections**. The Series 2016 Bonds will be charged against the authorization approved by the qualified electors of the City voting at the following special bond elections:

Purpose of Bonds	2010 Election	2014 Election	Total Amount
Natural Gas	$3,110,000	-0-	$3,110,000
Water	-0-	$72,940,000	72,940,000
Wastewater	12,640,000	-0-	12,640,000
Electric	1,010,000	800,000	1,810,000
Total	$16,760,000	$73,740,000	$90,500,000

Section 3. Definitions. For purposes of this Thirty-Second Supplemental Resolution, and except as hereafter amended or added to, all definitions contained in the Master Resolution are hereby incorporated by reference into this Thirty-Second Supplemental Resolution as if herein fully set forth. The following terms shall have the following meanings in the Master Resolution and in this Thirty-Second Supplemental Resolution unless the text expressly or by necessary implication requires otherwise:

"Bond Registrar" shall mean U.S. Bank National Association, as bond registrar with respect to the Series 2016 Bonds.

"Bonds" shall mean all of the bonds issued and outstanding under the Master Resolution and the Thirty-Second Supplemental Resolution and all Parity Bonds hereafter issued.

"Bond Year", with respect to the Series 2016 Bonds, shall mean initially the period from the date of the Series 2016 Bonds to July 1, 2016, and thereafter the one-year period commencing each July 2 and ending on the next forthcoming July 1. A Bond Year shall correspond to the City's Fiscal Year beginning on July 1 of the same calendar year and ending on June 30 of the next calendar year.

"Paying Agent" shall mean U.S. Bank National Association, as paying agent with respect to the Series 2016 Bonds.

"Reserve Fund Guarantor" shall mean with respect to the Series 2016 Bonds, if applicable, any provider of a reserve fund guaranty policy for the Series 2016 Bonds.

"Series 2016 Bonds" shall mean the $90,500,000 Utility Systems Revenue Bonds, Series 2016, of the City, dated as of the date of initial delivery of the Series 2016 Bonds to the Underwriter, authorized to be issued by the Master Resolution and this Thirty-Second Supplemental Resolution.

"Thirty-Second Supplemental Resolution" shall mean this resolution.

"Underwriter" or *"Purchaser"*, with respect to the Series 2016 Bonds, shall mean Wells Fargo Bank, N.A.

Section 4. Authorization of Series 2016 Bonds; Special Obligations.

A. There is hereby authorized the issuance and sale of $90,500,000 City of Mesa, Arizona, Utility Systems Revenue Bonds, Series 2016. The series designation of the bonds may change if the Series 2016 Bonds are not sold in calendar year 2016. The Series 2016 Bonds issued

pursuant to this Thirty-Second Supplemental Resolution shall never be construed to be tax secured bonds of the City, as defined in A.R.S. § 9-521, or general obligation bonds of the City within the meaning of A.R.S. Title 35, Chapter 3, Article 3, or constitute a debt of the City under the Constitution and laws of the State. The Series 2016 Bonds shall be post-2002 Bonds for all purposes of the Master Resolution. The Series 2016 Bonds shall have no claim on or right to share in the pre-2003 Reserve Fund.

B. The Series 2016 Bonds are special obligations of the City payable solely from the Net Revenues and secured as to the payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms, the Master Resolution, and this Thirty-Second Supplemental Resolution. Subject to the provisions of Section 10(B) of the 1991 Master Resolution, the Net Revenues are hereby pledged and assigned as security for the payment of the principal of and interest on the Series 2016 Bonds. All Net Revenues shall be immediately subject to the pledge of the Master Resolution, this Thirty-Second Supplemental Resolution and all other resolutions amending the Master Resolution, without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such persons have notice thereof. Nothing contained in this section shall be construed as limiting any authority granted in the Master Resolution to issue Parity Bonds nor shall be deemed a limitation upon the issuance of bonds, notes or other obligations under any law pertaining to the City which are secured by moneys, income and funds other than the Net Revenues and other moneys and investments pledged hereunder.

Section 5. Terms of Series 2016 Bonds.

A. Terms. The Series 2016 Bonds shall be dated the date of initial delivery, and shall mature on the date and in the amount and shall bear interest at the rate shown on the bid of the Underwriter as shown on *Exhibit B* attached hereto and incorporated by reference herein. The Series 2016 Bonds shall be initially issued in fully registered book-entry-only form in denominations equal to the maturity amount under the book-entry-only system (the "*Book-Entry-Only System*") of The Depository Trust Company ("*DTC*"). If the Book-Entry-Only System is discontinued, the Series 2016 Bonds shall be re-issued and delivered to the respective Owners (as defined herein) in the denomination of $5,000 of principal or any integral multiple thereof, shall bear interest from the most recent January 1 or July 1 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date, which interest shall be payable semiannually on January 1 and July 1 of each year during the term of each of the Series 2016 Bonds (each, an "*Interest Payment Date*"), commencing on January 1, 2017.

B. Book-Entry-Only System. So long as the Series 2016 Bonds are administered under the Book-Entry-Only System, interest payments and principal payments that are part of periodic principal and interest payments shall be paid to Cede & Co. or its registered assigns in same-day funds no later than the time established by DTC on each interest or principal payment date (or in accordance with then existing arrangements between the City and DTC). The Letter of Representations heretofore entered into between the City and DTC shall apply to the Series 2016 Bonds so long as the Series 2016 Bonds are administered under the Book-Entry-Only System.

C. Registration. While the Series 2016 Bonds are subject to the Book-Entry-Only System, the Series 2016 Bonds shall be registered in the name of Cede & Co., or its registered assigns. If the Book-Entry-Only System is discontinued, the Bond Registrar's registration books will show the registered owners of the Series 2016 Bonds (collectively, the owner or owners of the Series

2016 Bonds as shown on the Bonds Registrar's registration books shall be referred to as "*Owner*" or "*Owners*"). The Series 2016 Bonds will be administered by the Bond Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Bond Registrar in the manner set forth in the Series 2016 Bonds.

D. Payment. If the Book-Entry-Only System is discontinued, interest on the Series 2016 Bonds will be payable on each Interest Payment Date by check mailed to the Owner thereof at the Owner's address all as shown on the registration books maintained by the Bond Registrar as of the close of business of the Bond Registrar on the fifteenth (15th) day of the month preceding an Interest Payment Date (the "*Record Date*").

If the Book-Entry-Only System is discontinued, principal of the Series 2016 Bonds will be payable, when due, only upon presentation and surrender of the Series 2016 Bonds at the designated office of a bank or trust company to be designated as the successor Bond Registrar. If the Book-Entry-Only System is discontinued, then, upon written request of a registered owner of at least $1,000,000 in principal amount of Series 2016 Bonds not less than twenty (20) days prior to an Interest Payment Date, all payments of interest and, if adequate provision for surrender is made, principal shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

Notwithstanding any other provision of this Thirty-Second Supplemental Resolution, payment of principal of and interest on any Series 2016 Bond that is held by a securities depository or Series 2016 Bonds subject to the Book-Entry-Only System may be paid by wire transfer in "same day funds".

Section 6. Redemption.

A. Optional Redemption Prior to Maturity. The Series 2016 Bonds maturing on or before July 1, 2026 are not subject to call for redemption prior to maturity. The Series 2016 Bonds maturing on or after July 1, 2027 are subject to call for redemption prior to maturity, at the option of the City, in whole or in part, on July 1, 2026, or on any date thereafter by the payment of a redemption price equal to the principal amount of each Series 2016 Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

No Series 2016 Bond may be called for optional redemption prior to maturity if after such redemption any matured Series 2016 Bonds or interest payments shall be and remain unpaid or any Policy Costs shall remain due and unreimbursed.

The Series 2016 Bonds shall be redeemed by lot, as selected by the Paying Agent, and only in integral multiples of $5,000.

B. Notice of Redemption.

(1) So long as the Series 2016 Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC, in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Series 2016 Bond will be mailed to the registered owner of the Series 2016 Bond or Series 2016 Bonds being redeemed at the address shown on the bond register maintained by the registrar not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities

depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Failure to properly give notice of redemption shall not affect the redemption of any Series 2016 Bond for which notice was properly given.

(2) Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "*MSRB*"), currently through the MSRB's Electronic Municipal Market Access system ("*EMMA*"), in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the City or by a Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption. If a conditional redemption notice has been given and money sufficient to redeem all the Series 2016 Bonds or portions thereof called for redemption is not held in separate accounts by the City or by a Paying Agent on the day set for redemption, then such redemption shall be cancelled and be of no force and effect.

The prior redemption terms for any Parity Bonds shall be set forth in the Supplemental Resolution authorizing such series of Parity Bonds.

C. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Series 2016 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2016 Bonds on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Paying Agent, interest on such Series 2016 Bonds or portions of Series 2016 Bonds so called for redemption shall cease to accrue, such Series 2016 Bonds shall cease to be entitled to any benefit or security hereunder and the owners of such Series 2016 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Series 2016 Bonds shall be deemed paid and no longer outstanding.

D. Redemption of Less Than All of a Bond. The City may redeem an amount which is included in a Series 2016 Bond in an amount equal to or in excess of, but divisible by, $5,000. In that event, except as otherwise provided for Series 2016 Bonds held in the Book-Entry-Only System, the registered owner shall submit the Series 2016 Bond for partial redemption and the Paying Agent shall make such partial payment and the Bond Registrar shall cause to be issued a new Series 2016 Bond in a principal amount equal to the unpaid amount remaining on such Series 2016 Bond after the redemption to be authenticated and delivered to the registered owner thereof.

Section 7. Form of Series 2016 Bonds. Pursuant to A.R.S. § 35-491, a fully registered bond form is adopted as an alternative to the form of bond provided in A.R.S. § 9-529. So long as the Book-Entry-Only System is in effect, the Series 2016 Bonds shall be in substantially the form of *Exhibit A* attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Series 2016 Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval. If the Book-Entry-Only System is discontinued, the Series

2016 Bonds shall be reissued to the respective Owners and transferred in substantially the form of *Exhibit A* with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Series 2016 Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval.

The Series 2016 Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Series 2016 Bond shall show both the date of the issue and the date of such Series 2016 Bond's authentication and registration. The Series 2016 Bonds are prohibited from being converted to coupon or bearer form without the consent of the City Council and approval of bond counsel.

Section 8. Application of Revenues.

A. The Chief Financial Officer previously created the following special funds and accounts to be held in trust for the Owners or the City, as the case may be, and expended as provided in the Master Resolution:

(1) the Revenue Fund;
(2) the Bond Fund;
(3) the Reimbursement Fund;
(4) the Post-2002 Reserve Fund, which fund, if it is required to be maintained, also contains separate accounts known as the Capitalized Reserve Account and the Contributed Reserve Account;
(5) the Rebate Fund;
(6) the Replacement Fund; and
(7) the Construction Fund.

B. In addition to the payments required to be made into the Bond Fund required by the Master Resolution, the following additional payments shall be made to the Bond Fund with respect to the Series 2016 Bonds on or before the tenth (10th) day of each month.

(1) Commencing on the 10th day of the month following the closing date of the Series 2016 Bonds, the amount due on the next succeeding interest payment date divided by the number of monthly payments that can be made prior to such next succeeding interest payment date, and commencing on the 10th day of the month following the first interest payment date, one-sixth (1/6) of the interest coming due on the next semiannual interest payment date on all of the Series 2016 Bonds then Outstanding; and

(2) Commencing on the 10th day of the month following the closing date of the Series 2016 Bonds, the amount due on the next succeeding principal payment date divided by the number of monthly payments that can be made prior to such next succeeding principal payment date and commencing on the 10th day of the month following the first principal payment date, one-twelfth (1/12) of the principal becoming due on the next succeeding principal payment date on all Series 2016 Bonds then Outstanding.

Section 9. **Disposition of Series 2016 Bond Proceeds**. Immediately upon closing of the Series 2016 Bonds, the proceeds from the sale of the Series 2016 Bonds shall be disposed of as follows: (1) all accrued interest, together with such portions of any net original issue premium received as the Chief Financial Officer shall direct, shall be deposited in the Bond Fund, and (2) the remaining proceeds shall be deposited in the Construction Fund and used to pay the costs and expenses of issuing the Series 2016 Bonds, including but not limited to any premium due the Bond Insurer and to provide for the improvements and extensions to the System for the purposes authorized in the ballots authorizing the Series 2016 Bonds.

Section 10. **Award**. The proposal of the Underwriter for the purchase of the Series 2016 Bonds is hereby accepted and the Series 2016 Bonds are hereby ordered sold to the Underwriter in accordance with the terms and conditions of the Notice Inviting Bids for the Purchase of Bonds and the terms hereof.

The Bond Registrar is authorized and directed to authenticate the Series 2016 Bonds and to deliver the Series 2016 Bonds to or upon the Underwriter's order upon payment therefor and satisfaction of all conditions for delivery thereof in accordance with the terms of the sale.

Section 11. **Resolution a Contract**. The provisions of the Master Resolution and this Thirty-Second Supplemental Resolution, are deemed incorporated into the Series 2016 Bonds themselves and shall constitute a contract among the City, the Series 2016 Insurer, if any, the Reserve Fund Guarantor, if any, and the Owner or Owners and, after the issuance of any of the Series 2016 Bonds, no change, variation or alteration of any kind in the provisions of the Master Resolution or this Thirty-Second Supplemental Resolution shall be made in any manner, except as provided in Sections 17 and Section 18 of the 1991 Master Resolution or until such time as all of the Bonds and interest due thereon have been paid in full.

To the extent applicable by provision of law, and to the extent this Thirty-Second Supplemental Resolution constitutes a contract, this Thirty-Second Supplemental Resolution is subject to cancellation pursuant to A.R.S. § 38-511, as amended, the provisions of which are incorporated herein as if herein fully set forth.

Section 12. **Authorization of Certain Agreements**. The City Manager, the Chief Financial Officer, or the authorized representative of either is authorized and directed to complete, execute, attest and deliver the following agreements:

(1) The Continuing Disclosure Certificate; and

(2) The Registrar Contract;

each in substantially the form on file with the City Clerk with such changes as may be approved by such officials whose signatures thereon shall be conclusive evidence of such approval, together with such other documents, certificates and agreements required to deliver the Series 2016 Bonds.

Section 13. **Approval of Official Statement**. The use and distribution of a Preliminary Official Statement dated April 20, 2016, in the form approved and "deemed final" (except for permitted omissions) by the Chief Financial Officer for the purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended (the "*Disclosure Rule*"), is hereby approved. The Chief Financial Officer is authorized on behalf of the City and in

such person's official capacity, to complete and execute an Official Statement relating to the Series 2016 Bonds with such modifications, changes and supplements as may be necessary to conform the Official Statement to the terms set forth herein and in the winning bid. The Chief Financial Officer is authorized to deem the Official Statement final for all purposes of the Disclosure Rule.

The Mayor, the City Manager, the City Clerk, the Deputy City Manager and the Chief Financial Officer are also each hereby authorized to sign and deliver, on behalf of the City, and in their official capacities, such certificates in connection with sale of the Series 2016 Bonds and the accuracy of the Official Statement and any amendments thereto as may, in their judgment, be necessary or appropriate.

Section 14. **Additional Covenants.** The City, in consideration of the purchase of the Series 2016 Bonds by the Owners thereof, covenants to take all actions and do all things within its power to create, perfect and enforce the pledge of revenues supporting the Bonds and any additional Parity Bonds hereafter issued. The City further covenants and agrees to take all actions and do all things within its power to maintain the priority of the Owners of the Bonds as holding a first lien on the Net Revenues.

The Mayor and Council hereby authorize the Chief Financial Officer, or his or her designee, to represent and act for the City in all matters pertaining to the City's tax-exempt bonds, as may be necessary to comply, on a continuing basis, with the Internal Revenue Service, Securities and Exchange Commission and other governmental entities requests, reporting requirements and post issuance compliance policies and matters.

Section 15. **Ratification of Actions**. All actions of the officers and agents of the City that conform to the purposes and intent of this Thirty-Second Supplemental Resolution and the Master Resolution, and which further the issuance and sale of the Series 2016 Bonds, as contemplated by this Thirty-Second Supplemental Resolution and the Master Resolution, whether heretofore or hereafter taken, shall be and are ratified, confirmed and approved.

Section 16. **Severability**. If any section, paragraph or provision of this Thirty-Second Supplemental Resolution or the Master Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Thirty-Second Supplemental Resolution or the Master Resolution.

PASSED AND ADOPTED by the City Council of the City of Mesa, Maricopa County, Arizona, on May 5, 2016.

APPROVED

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C.

Bond Counsel

CERTIFICATION

I, Dee Ann Mickelsen, hereby certify that the foregoing Resolution No. 10786 was duly passed and adopted by the Mayor and Council of the City of Mesa, Arizona, at a special meeting held on May 5, 2016, and the vote was 7 aye's and 0 nay's and that the Mayor and 6 Council members were present thereat.

DATED: May 5, 2016.

City Clerk, City of Mesa, Arizona

EXHIBIT A

(Form of Bond to be Used While Book-Entry-Only System is in Effect)

Number: R-_____ Amount: _____

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Registrar (or any successor registrar) for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

CITY OF MESA, ARIZONA
UTILITY SYSTEMS REVENUE BOND,
SERIES 2016

Interest Rate	Maturity Date	Original Dated Date	CUSIP No.
_____%	July 1, 20___	_____, 2016	590545 __

Registered Owner: CEDE & CO.

Principal Amount: _____ AND NO/100 DOLLARS ($_____.00)

CITY OF MESA, ARIZONA (the "City"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

Interest is payable on January 1 and July 1 of each year commencing _____ 1, 20__, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original dated date set forth above. Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.

Principal of and interest on this bond are payable in lawful money of the United States of America. Interest payments and principal payments that are part of periodic principal and interest payments shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-day funds no later than the time established by DTC on each interest or principal payment date (or in accordance with existing arrangements between the City and DTC). The "Record Date" for the Bonds shall be the fifteenth day of the month preceding an interest payment date.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona.

This bond is one of a series of bonds in the aggregate principal amount of $30,220,000 of like tenor except as to amount, maturity date, redemption provisions, interest rate and number, issued pursuant to the Constitution and laws of the State of Arizona including Title 9, Chapter 5, Article 3, Arizona Revised Statutes, the special bond elections held in and for the City on November 2, 2010 and November 4, 2014, Resolution No. 6362 adopted by the Mayor and Council of the City on July 29, 1991, as amended and supplemented, and Resolution No. _____ adopted by the Mayor and Council of the City on May 5, 2016 (collectively, the "Bond Resolution"), for purpose of providing funds with which to make improvements to the utility systems (collectively, the "System") of the City and to pay all legal, financial consulting, financial, engineering and other necessary costs in connection therewith.

The bonds are payable as to both principal and interest from and secured by a prior and paramount lien and pledge of the revenues, proceeds and receipts to be derived by the City from the operation of the City's water, wastewater, electrical, natural gas, sewer and solid waste (garbage and rubbish) utility systems (the "System"), subject only to the payment of the reasonable and necessary cost of operating and maintaining the System. Reference is made to the Bond Resolution for a more complete statement of the provisions made to secure payment of the bonds, the revenues from which and conditions under which this bond is payable, statements of the terms under which the Bond Resolution may be modified, and the general covenants and provisions pursuant to which this bond is issued. Said income and revenues are required by the Bond Resolution to be fully sufficient to pay the cost of operating and maintaining the System and to pay the principal of and interest on this bond promptly as each becomes due and payable. The City has covenanted and does hereby covenant that it will fix and impose such rates and charges for the System's services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this bond and all bonds on a parity with this bond. This bond and the interest hereon are enforceable exclusively from the revenues pledged thereto in the Bond Resolution and no owner hereof shall have the right to compel any exercise of the taxing power of the City to pay this bond or the interest hereon. This bond does not constitute an indebtedness or pledge of the general credit of the City within the meaning of any constitutional, charter or statutory provisions relating to the incurring of indebtedness. This bond is a post-2002 Bond, as defined in the Bond Resolution. As such, this bond has no claim against or right to share in the "pre-2003 Reserve Fund" which pertains only to bonds issued under the terms of the bond resolutions prior to January 1, 2003.

The bonds maturing on or before July 1, 2026 are not subject to call for redemption prior to maturity. The bonds maturing on or after July 1, 2027 are subject to call for redemption prior to maturity, at the option of the City, in whole or in part on July 1, 2026, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

So long as the bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC, in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any bond will be mailed to the registered owner of the bond or bonds being redeemed at the address shown on the bond register maintained by the registrar not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Failure to properly give notice of redemption shall not affect the redemption of any bond for which notice was properly given. Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system, in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the City or by a paying agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

So long as the book-entry-only system is in effect, this bond is non-transferable. If the book-entry-only system is discontinued, this bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar, which on the original issue date is the office of U.S. Bank National Association, Phoenix, Arizona, upon surrender and cancellation of this bond. Bonds of this series are issuable only in fully registered form in the denomination of $5,000 of principal or integral multiples thereof.

The City, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

The City has caused this bond to be executed by its Mayor and attested by its City Clerk, which signatures may be facsimile signatures. This bond is not valid or binding upon the City without the manually affixed signature of the registrar. This bond is prohibited from being issued in coupon or bearer form without the consent of the City, and the satisfaction of certain other conditions.

CITY OF MESA, ARIZONA

ATTEST:

_____ _____

City Clerk Mayor

DATE OF AUTHENTICATION AND REGISTRATION: _____

AUTHENTICATION CERTIFICATE

This bond is one of the City of Mesa, Arizona, Utility Systems Revenue Bonds, Series 2016, described in the Bond Resolution mentioned herein.

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

The following abbreviations, when used in this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT _____Custodian_____
(Cust) (Minor)
under Uniform Gifts/Transfers to Minors Act _____
(State)

Additional abbreviations may also be used though not in list above

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____
(Name and Address of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ _____, attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____
Signature Guaranteed:

_____

Firm or Bank

Authorized Signature

Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program
or in such other program acceptable to the Registrar

Note: The signature(s) on this assignment must correspond with the name(s) as written on the within registered bond in every particular without alteration or enlargement or any change whatsoever.

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR

EXHIBIT B

UNDERWRITER'S BID

Wells Fargo Bank, National Association - Charlotte , NC's Bid

Mesa

$90,500,000 Utility Systems Revenue Bonds, Series 2016

For the aggregate principal amount of $90,500,000.00, we will pay you $90,529,109.60, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %
07/01/2020	1,000M	5.0000
07/01/2021	1,025M	5.0000
07/01/2022	1,075M	5.0000
07/01/2023	1,125M	5.0000
07/01/2024	1,150M	5.0000
07/01/2025	1,200M	4.0000
07/01/2026	1,250M	4.0000
07/01/2027	1,300M	5.0000
07/01/2028	1,350M	5.0000
07/01/2029	1,400M	5.0000
07/01/2030	1,475M	3.0000
07/01/2031	1,525M	3.0000
07/01/2032	1,600M	3.0000
07/01/2033	1,650M	3.0000
07/01/2034	1,725M	3.0000
07/01/2035	1,775M	3.0000
07/01/2036	1,850M	3.0000
07/01/2037	1,925M	3.0000
07/01/2038	20,850M	3.0000
07/01/2039	21,700M	3.0000
07/01/2040	22,550M	3.0000

Total Interest Cost:	$57,443,550.00
Premium:	$29,109.60
Net Interest Cost:	$57,414,440.40
NIC:	3.100006

Time Last Bid Received On:05/04/2016 10:29:45 PDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Wells Fargo Bank, National Association, Charlotte , NC
Contact: Walker McQuage
Title: Managing Director
Telephone:704-410-4082
Fax: 704-410-0205

Issuer Name: City of Mesa

Company Name: _____