

RESOLUTION NO. 10181

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF MESA, ARIZONA, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 TO REFUND PREVIOUSLY ISSUED AND OUTSTANDING BONDS; PROVIDING CERTAIN TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; DELEGATING CERTAIN AUTHORITY; PROVIDING FOR THE ANNUAL LEVY OF TAX FOR THE PAYMENT OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A BOND REGISTRAR AND PAYING AGENT AND DEPOSITORY TRUSTEE; APPROVING AND AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AUTHORIZING THE REDEMPTION OF THE BONDS BEING REFUNDED; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RATIFYING ACTIONS.

WHEREAS, the City of Mesa, Arizona (the "*City*") has issued certain general obligation bonds (the "*Prior Bonds*");

| Issue Dated Date | Name of Issue | Registrar |
|------------------|---------------------------------------|--------------------------------|
| 02/01/03 | General Obligation Bonds, Series 2003 | U.S. Bank National Association |
| 06/01/05 | General Obligation Bonds, Series 2005 | U.S. Bank National Association |
| 06/01/06 | General Obligation Bonds, Series 2006 | U.S. Bank National Association |
| 05/01/07 | General Obligation Bonds, Series 2007 | U.S. Bank National Association |

; and

WHEREAS, the Mayor and Council of the City has decided to provide for the refunding and, as applicable, redemption of all or a portion of the Prior Bonds on or prior to their respective maturity dates (the "*Bonds Being Refunded*"); and

WHEREAS, the Mayor and Council of the City find that the issuance of not to exceed \$25,000,000 principal amount of City General Obligation Refunding Bonds, Series 2013 (the "*Bonds*") for the purpose of refunding the Bonds Being Refunded is necessary and advisable and is in the best interests of the City and will result in a debt service savings; and

WHEREAS, in accordance with applicable law, the taxes levied to pay principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded, calculated from the date of issuance of the Bonds to the final maturity date of the Bonds Being Refunded; and

WHEREAS, the firm of Wedbush Securities Inc. will serve as the City's financial advisor (the "*Financial Advisor*") with respect to the Bonds sold to the Underwriter (as defined below); and

WHEREAS, the Senior Executive Manager responsible for financial matters will receive a proposal for the purchase of the Bonds from RBC Capital Markets, LLC (the "*Underwriter*") in the form of bond purchase agreement now on file with the Mayor and Council (the "*Bond Purchase Agreement*"), and the Mayor and Council desire that the Bonds be sold through negotiation to the Underwriter on such terms as may hereafter be approved by the Senior Executive Manager responsible for financial matters; and

WHEREAS, within and by the parameters set forth in this resolution, the Mayor and Council will authorize the execution, issuance and sale of the Bonds and their delivery to the Underwriter in accordance with the Bond Purchase Agreement and at such prices, interest rates, maturities and redemption features as may be hereafter determined by the Senior Executive Manager responsible for financial matters, with the advice of the Financial Advisor, and agreed to by the Underwriter; and

WHEREAS, all acts, conditions and things required by the constitution and laws of the State of Arizona to happen, exist and be performed precedent to and in the enactment of this resolution have happened, exist and have been performed as so required in order to make this resolution a valid and binding instrument for the security of the Bonds authorized herein; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF CITY OF MESA, MARICOPA COUNTY, ARIZONA, as follows:

Section 1. Authorization. The Bonds are hereby authorized to be issued and sold at not less than par and accrued interest, if any, in an aggregate principal amount of not to exceed \$25,000,000 in accordance with the provisions of this resolution and delivered to the Underwriter against payment therefor. The Bonds are designated City of Mesa, Arizona, General Obligation Refunding Bonds, Series 2013. The Bonds will be issued to provide funds to refund the Bonds Being Refunded and to pay the costs of issuance of the Bonds. The Mayor and Council find and determine that it is expedient, necessary and advisable for the City to issue the Bonds which will result in a debt service savings. The present value of the debt service savings, net of all costs associated with the Bonds, shall be at least 3% of the principal amount of the Bonds Being Refunded.

Section 2. Terms.

A. **Bonds.** The Bonds will be dated such date as set forth in the Bond Purchase Agreement, will mature on July 1 in some or all of the years 2014 through 2027 inclusive, and will bear interest from their date to the maturity or earlier redemption date of each of the Bonds provided that the bond yield shall not exceed 5%.

The principal amount maturing in each year, the interest rates applicable to each maturity, the optional and mandatory redemption provisions and any other final terms of the Bonds shall be as set forth in the Bond Purchase Agreement and approved by the Senior Executive Manager responsible for financial matters and such approval shall be evidenced by the execution and delivery of the Bond Purchase Agreement. The Bonds are expected to be initially issued in fully registered book-entry-only form in denominations equal to the respective year's maturity amount. If the book-entry-only system (the "*Book-Entry-Only System*") is discontinued, the Bonds will be in the denominations of \$5,000 each or integral multiples thereof. Interest on the Bonds shall be payable semiannually on each January 1 and July 1 (each, an "*Interest Payment Date*") during the term of the Bonds, commencing July 1, 2013 (or on a later date as set forth in the Bond Purchase Agreement).

B. **Book-Entry-Only System.** So long as the Bonds are administered under the Book-Entry-Only System described herein, 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 2:30 p.m. Eastern Time on each interest or principal payment date (or in accordance with then-existing arrangements between the City and DTC). The City has entered into an agreement (the "*Letter of Representations*") with DTC in connection with the issuance of the Bonds and, while the

Letter of Representations is in effect, the procedures established therein shall apply to the Bonds.

C. Registration. If the Book-Entry-Only System is discontinued, the Registrar's (as defined hereafter) registration books shall show the registered owners of the Bonds (the owner or owners of the Bonds as shown on the Registrar's registration books shall be referred to as "Owner" or "Owners"). While the Bonds are subject to the Book-Entry-Only System, the Bonds shall be registered in the name of Cede & Co., or its registered assigns. The Bonds will be administered by the Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Registrar in the manner set forth in the Bonds. The City recognizes that Section 149(a) of the Internal Revenue Code of 1986, as amended (the "Code"), requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into bearer or coupon form.

D. Payment. If the Book-Entry-Only System is discontinued, interest on the Bonds will be payable on each Interest Payment Date by the Paying Agent (as hereafter defined) by check mailed to the Owner thereof at such Owner's address as shown on the registration books maintained by the Registrar as of the close of business of the Registrar on the Record Date (as such term is defined in Section 10 hereof).

If the Book-Entry-Only System is discontinued, principal of the Bonds will be payable, when due, only upon presentation and surrender of the Bond at the designated corporate trust office of the Paying Agent. Upon written request made twenty days prior to an interest payment date by an Owner of at least \$1,000,000 in principal amount of Bonds outstanding all payments of interest and, if adequate provision for surrender is made, principal and premium, if any, 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 resolution, payment of principal of and interest on any Bond that is held by a securities depository or Bonds subject to a Book-Entry-Only System may be paid by the Paying Agent by wire transfer in "same day funds".

E. Other Terms. The Bonds shall have such other terms and provisions as are set forth in Exhibit A, attached hereto and incorporated herein by reference, and shall be sold under the terms and conditions set forth in the Bond Purchase Agreement.

Section 3. Prior Redemption.

A. Optional Redemption. The Bonds may be subject to redemption as determined by the Senior Executive Manager responsible for financial matters and set forth in the Bond Purchase Agreement.

B. Mandatory Redemption. The Bonds may be subject to mandatory redemption as determined by the Senior Executive Manager responsible for financial matters and set forth in the Bond Purchase Agreement.

Whenever Bonds subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the City to the Registrar for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against the mandatory redemption

requirements for such Bonds for such years as the City may direct.

C. Notice.

(1) So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent only to DTC by the method required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed by first class mail, postage prepaid, to the registered owner thereof at the address shown on the books of 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 given to any securities depository by mail, facsimile, wire or other generally accepted electronic means of transmission of such notices. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

(2) Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the Electronic Municipal Market Access System, by the method required by the MSRB, but no defect in said further notice or record nor any failure to give all or any 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.

D. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such 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 Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds shall be deemed paid and no longer outstanding.

E. Redemption of Less Than All of a Bond. The City may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, the registered owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new Bond in a principal amount equal to the unpaid amount remaining on such Bond after the redemption to be authenticated and delivered to the registered owner thereof.

Section 4. Security. For the purpose of paying the principal and premium (if any) of, interest on and costs of administration of the registration and payment of the Bonds, there shall be levied on all the taxable property in the City a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs as the same becomes due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. Taxes levied with respect to the payment of principal of and interest on the Bonds shall be limited as follows: the total aggregate of taxes levied to pay principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded, calculated from the date of issuance of the Bonds to the final maturity date of the Bonds Being Refunded; and further, if the trust created to pay principal of and premium and interest on the Bonds Being Refunded is insufficient to make such payments when due, any taxes levied to pay principal and interest on the Bonds shall first be applied to the payments of amounts due on the Bonds Being Refunded. The proceeds of the taxes shall be kept in a special fund of the City entitled the "*Debt Service Fund*" and shall be

used only for the payment of principal, interest, premium, if any, or costs as above-stated.

Upon creation of the trust for payment of the Bonds Being Refunded, all moneys collected during the current fiscal year which would otherwise have been credited to the Interest and Redemption Funds for the Bonds Being Refunded shall be credited to the Interest and Redemption Funds created to service the Bonds.

Section 5. Use of Proceeds. Upon the delivery of and payment for the Bonds in accordance with the terms of their sale, the net proceeds from the sale of the Bonds, after payment of the costs and expenses of issuance, shall be set aside, together with certain funds of the City, if any, required to pay the Bonds Being Refunded, in a special trust fund maintained by U.S. Bank National Association as depository trustee (the "*Depository Trustee*") and shall be used to pay, when due, principal of and interest and premium on the Bonds Being Refunded, all as more fully described in that certain Depository Trust Agreement (the "*Depository Trust Agreement*"), by and between the City and the Depository Trustee. Amounts credited to the trust, other than any beginning cash balance, shall be invested immediately in obligations issued by or guaranteed by the United States of America the maturing principal of and interest on which, together with any beginning cash balance, shall be sufficient to pay the principal of and premium and interest on the Bonds Being Refunded as the same becomes due at maturity or prior redemption as provided herein.

Any balance of the net proceeds of the Bonds remaining after creation of the trust for the Bonds Being Refunded shall be transferred to the Debt Service Fund for the Bonds.

Section 6. Form of Bonds. The Bonds shall be issued in book-entry-only form and, so long as the Book-Entry-Only System is in effect, the 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 or by the Bond Purchase Agreement and are approved by those officers executing the Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval. If the Book-Entry-Only System is discontinued, the forms of the Bonds shall be adjusted to accommodate the requirements of non-book-entry bonds.

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

Section 7. Execution of Bonds and Other Documents.

A. **Bonds.** The Bonds shall be executed for and on behalf of the City by the Mayor, attested by the Clerk and countersigned by the Senior Executive Manager responsible for financial matters by their manual or facsimile signatures and the City seal will be either photographically, mechanically or manually imprinted, affixed or reproduced on the Bonds. If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, such Bond shall nevertheless be valid. A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Registrar. The signature of the Registrar shall be conclusive evidence that such Bond has been authenticated and issued pursuant to this resolution. The City Manager or the Senior Executive Manager responsible for financial matters is hereby authorized and directed to cause the Bonds to be delivered to or upon the order of the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the

terms of the Bond Purchase Agreement.

B. Depository Trust Agreement. The form of Depository Trust Agreement, as presented to Mayor and Council and on file with the City, concerning the refunding of the Bonds Being Refunded is hereby approved and the Mayor, the Clerk or the Senior Executive Manager responsible for financial matters is hereby directed to execute such contract on behalf of the City with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the documents. Execution by such officers shall constitute conclusive evidence of such approval and cause such respective contract to be delivered.

C. Continuing Disclosure Undertaking. The form of continuing disclosure certificate, in substantially the form submitted to and on file with the City Clerk, is hereby approved. The Mayor or Senior Executive Manager responsible for financial matters is hereby authorized and directed to prepare, execute and deliver such certificate on behalf of the City.

D. Official Statement. The preparation of a preliminary official statement in a form that is deemed "final", as hereafter described, is hereby authorized and approved and its distribution by the Underwriter is hereby authorized and approved. Such preliminary official statement shall be in a form that is approved and deemed "final" for all purposes of the Rule, by the Mayor or the Senior Executive Manager responsible for financial matters. The City will cause a final official statement (the "*Official Statement*") in substantially the form of the preliminary official statement referred to above to be prepared and distributed with the Bonds upon initial issuance. The Mayor or the Senior Executive Manager responsible for financial matters is authorized to approve, execute and deliver the Official Statement on behalf of the City and the execution by such officer shall be deemed conclusive evidence of such approval. The preliminary official statement and the Official Statement may be prepared in conjunction with, and may be part of the same document as, the preliminary official statement and the Official Statement for any other bonds which may be issued by the City.

Section 8. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated or destroyed or lost, the Registrar shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of the mutilated Bond or in lieu of and in substitution for the Bond destroyed or lost, upon the owner's paying the reasonable expenses and charges of the City in connection therewith and, in the case of the Bond destroyed or lost, filing with the Registrar of evidence satisfactory to the Registrar that such Bond was destroyed or lost, and furnishing the Registrar with a sufficient indemnity bond pursuant to A.R.S. § 47-8405.

Section 9. Acceptance of Offer; Sale of Bonds; Bond Purchase Agreement Approval. The Underwriter will purchase such Bonds at not less than par and accrued interest, if any, pursuant to the Bond Purchase Agreement submitted to and on file with the City, as supplemented by the final terms as contemplated by this Resolution. When the final terms of such Bonds are known, the Bond Purchase Agreement shall be finalized. The Mayor, any member of the Council, or the Senior Executive Manager responsible for financial matters is authorized and directed to cause the Bond Purchase Agreement to be completed and executed; provided, however, that the parameters of this resolution shall govern the Bond Purchase Agreement and neither the Mayor, any member of the Council, or the Senior Executive Manager responsible for financial matters is authorized to insert in the Bond Purchase Agreement any terms or conditions which would be contrary to this resolution. Upon the completion, execution and delivery of the Bond Purchase Agreement, any or all of the Bonds are ordered sold to the Underwriter pursuant to the Bond Purchase Agreement.

Section 10. Registrar and Paying Agent. The City will maintain an office or agency where Bonds may be presented for registration or transfer (the "*Registrar*") and an office or agency where Bonds may be presented for payment (the "*Paying Agent*"). The City may appoint one or more co-registrars or one or more additional Paying Agents. The Registrar and Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the owners of the Bonds.

Initially, U.S. Bank National Association, Phoenix, Arizona, will act as, and is hereby designated as, the Registrar and Paying Agent with respect to the Bonds. Any entity into which the Registrar and Paying Agent is merged or consolidated shall continue as the Registrar and Paying Agent hereunder without notice to the owners of Bonds or any further action by the City. The City may change the Registrar or Paying Agent without notice to or consent of owners of the Bonds and the City may act in any such capacity.

The contract for Registrar's services is hereby approved in substantially the form on file with the City Clerk, to provide for payment of Registrar's services. The Mayor, any member of the Council or Senior Executive Manager responsible for financial matters and the Clerk are hereby authorized and directed to execute the contract with the Registrar.

Each Paying Agent will be required to agree in writing that the Paying Agent will hold in trust for the benefit of the owners of the Bonds all moneys held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds.

The Registrar may appoint an authenticating agent acceptable to the City to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Registrar may do so. Each reference in this resolution to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

The Registrar shall keep a register of the Bonds, the registered owners of the Bonds and of transfer of the Bonds. When Bonds are presented to the Registrar or a co-registrar with a request to register transfer, the Registrar will register the transfer on the registration books if its requirements for transfer are met and will authenticate and deliver one or more Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds. All transfer fees and costs shall be paid by the transferor.

The "*Record Date*" for the Bonds shall be the fifteenth day of the month preceding the month in which an interest payment is due. Bonds presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent interest payment date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

The Registrar shall authenticate Bonds for original issue up to \$25,000,000 in aggregate principal amount upon the written request of the Mayor or Senior Executive Manager responsible for financial matters. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the City are met.

Section 11. Resolution a Contract. This resolution shall constitute a contract between

the City and the Owners and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the Owners of the Bonds then outstanding. The performance by the Mayor and Council of the obligations in this resolution, the Bonds and the other agreements listed in Sections 7, 9 and 10 of this resolution is hereby authorized and approved.

Section 12. Ratification of Actions. All actions of the officers and agents of the City which conform to the purposes and intent of this resolution and which further the issuance and sale of the Bonds as contemplated by this resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this resolution.

Section 13. Bond Insurance or Credit Enhancement. The Senior Executive Manager responsible for financial matters is hereby authorized to expend or cause to be expended Bond proceeds to purchase bond insurance or other credit enhancements for the Bonds if deemed to be in the City's best interest.

Section 14. Qualified Tax-Exempt Obligations. The Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Section 15. Tax Covenant. In consideration of the purchase and acceptance of the Bonds by the Owners thereof and, as authorized by Arizona Revised Statutes, Title 35, Chapter 3, Article 7, and in consideration of retaining the exclusion of interest income on the Bonds from gross income for federal income tax purposes, the City covenants with the Owners from time to time of the Bonds to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest income on the Bonds becoming subject to inclusion as gross income for federal income tax purposes under either laws existing on the date of issuance of the Bonds or such laws as they may be modified or amended.

With respect to the Bonds herein authorized to be sold, the City or a partner of Gust Rosenfeld P.L.C., bond counsel to the City ("*Bond Counsel*"), is authorized to execute and file on behalf of the City information reporting returns and to file or deliver such other information as may be required by Section 149(e) of the Code.

The Mayor and Council hereby agree that the City will comply with such requirements and will take any such actions as in the opinion of Bond Counsel are necessary to prevent interest income on the Bonds from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include, but are not limited to, making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by bond counsel; to pay to the United States of America any required amounts representing yield reduction payments or rebates of arbitrage profits relating to the Bonds; filing forms, statements and supporting documents as may be required under the federal tax laws; and limiting the term of and yield on investments made with moneys relating to the Bonds.

The Mayor and Council hereby authorize the Senior Executive Manager responsible for financial matters, 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 Exchange Commission and other governmental entities requests, reporting

requirements and post issuance compliance policies and matters.

Section 16. Redemption of Certain Bonds. Some or all of the maturities of the Prior Bonds may be refunded. Those selected for refunding are referred to herein as the Bonds Being Refunded. The Mayor and Council hereby order that the series and the maturities of the Bonds Being Refunded and the times that the Bonds Being Refunded will be redeemed will be determined by the Senior Executive Manager responsible for financial matters and will be as set forth in the Official Statement and the Depository Trust Agreement. The weighted average maturity of the Bonds shall be at least 75% of the weighted average maturity of the Bonds Being Refunded.

Section 17. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal, invalid or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Mayor and Council hereby declare that this resolution would have been adopted and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

PASSED, ADOPTED AND APPROVED by the Council of City of Mesa, Maricopa County, Arizona, on January 28, 2013.



Mayor

ATTEST:



Interim City Clerk



APPROVED AS TO FORM:



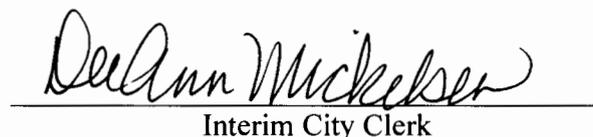
Bond Counsel

Exhibit A: Bond Form

CERTIFICATION

I, Dee Ann Mickelsen, the duly appointed Interim City Clerk of the City of Mesa, Arizona, do hereby certify that the above and foregoing Resolution No. 10181 was duly passed by the City Council of the City of Mesa, Arizona, at a regular meeting held on January 28, 2013, and the vote was 5 aye's and 0 nay's and that the Mayor and 4 Council Members were present thereat.

DATED: January 28, 2013.



Interim City Clerk

EXHIBIT A

Number: R- _____

Denomination: _____

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
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2013***

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Dated Date</u> | <u>CUSIP</u> |
|--------------------------|--------------------------|--------------------------------|--------------|
| _____% | July 1, 20__ | _____, 2013 | _____ |

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.

[Insert Redemption Provisions].

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 2:30 p.m. Eastern Time on each interest or principal payment date in accordance with existing arrangements between the City and DTC.

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, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the City for the payment of this bond and of the interest hereon as each becomes due, as limited as described herein.

This bond is one of an issue of general obligation refunding bonds in the aggregate principal amount of \$_____ of like tenor except as to amount, maturity date, redemption provisions, interest rate and number, issued by the City to provide funds to refund certain previously issued and outstanding bonds of the City, pursuant to a resolution of the Mayor and Council of the City duly adopted prior to the issuance hereof (the

"Resolution"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of general obligation refunding bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes on all taxable property within the City sufficient for that purpose, the full faith and credit of the City are hereby irrevocably pledged; provided, however, that the total aggregate of taxes levied to pay principal and interest on the issue of bonds of which this bond is one, in the aggregate shall not exceed the total aggregate principal and interest to become due on the bonds being refunded from the date of issuance of the issue of bonds of which this bond is a part to the final date of maturity of the bonds being refunded; and subject, further, to the rights vested in the owners of the bonds being refunded by the bonds of this issue to the payment of such bonds being refunded from the same tax source in the event of a deficiency in the moneys and obligations issued by or guaranteed by the United States of America purchased from the proceeds of the sale of the bonds of this issue and placed in trust for the purpose of providing for payment of principal of and interest on the bonds being refunded. The owner of this bond must rely on the sufficiency of the moneys and obligations placed irrevocably in trust for payment of the bonds being refunded.

The registrar or paying agent may be changed by the City without notice.

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 corporate trust office of U.S. Bank National Association, upon surrender and cancellation of this bond. Bonds of this issue will be issued only in fully registered form in the denomination of \$5,000 of principal or integral multiples thereof. The Record Date for the Bonds shall be the fifteenth day of the month preceding the month in which an interest payment is due.

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 the Mayor, attested by the Clerk and countersigned by the Senior Executive Manager responsible for financial matters, which signatures may be facsimile signatures and the City seal has been mechanically or photographically impressed on this bond. This bond is not valid or binding upon the City without the manually affixed signature of an authorized representative of the registrar. This bond is prohibited from being issued in coupon or bearer form without the consent of the City and the occurrence of certain other conditions.

CITY OF MESA, ARIZONA

Mayor

ATTEST:

Clerk

COUNTERSIGNED:

Senior Executive Manager

DATE OF AUTHENTICATION AND REGISTRATION: _____

AUTHENTICATION CERTIFICATE

This bond is one of the City of Mesa, Arizona, General Obligation Refunding Bonds, Series 2013, described in the Resolution mentioned herein.

U.S. BANK NATIONAL ASSOCIATION, as Registrar

Authorized Representative

(INSERT INSURANCE STATEMENT HERE, IF APPLICABLE)

FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription on the face of 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 | UNIF GIFT/TRANS MIN ACT-_____Custodian_____ |
| TEN ENT - as tenants by the entireties | (Cust) (Minor) |
| JT TEN - as joint tenants with right of survivorship and not as tenants in common | 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 _____

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.

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

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR