

RESOLUTION NO. 9975

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF MESA, ARIZONA, STREET AND HIGHWAY USER REVENUE REFUNDING BONDS, SERIES 2012, TO REFUND BONDS PREVIOUSLY ISSUED AND OUTSTANDING; APPROVING AND AUTHORIZING THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING OF SECURITIES AND MONEYS TO BE USED TO PAY THE BONDS BEING REFUNDED; APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE UNDERWRITER OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A BOND REGISTRAR AND PAYING AGENT AND DEPOSITORY TRUSTEE; APPROVING THE DISSEMINATION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE AND SALE OF THE BONDS; PROVIDING CERTAIN TERMS, COVENANTS AND PROVISIONS REGARDING THE BONDS; AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE.

WHEREAS, the City of Mesa, Arizona (the "*City*") has issued certain street and highway user revenue bonds (the "*Prior Bonds*");

Issue Dated Date	Name of Issue and (Registrar)
09/01/02	Street and Highway User Revenue Refunding Bonds, Series 2002 (City)
02/01/03	Street and Highway User Revenue Bonds, Series 2003 (City)
06/01/05	Street and Highway User Revenue Bonds, Series 2005 (City)

; 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 \$55,000,00 principal amount of Street and Highway User Revenue Refunding Bonds, Series 2012 (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 a restructuring of debt service; and

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

WHEREAS, the Senior Executive Manager responsible for financial matters will receive a proposal for the purchase of the Bonds from an underwriter or group of underwriters to be selected by the Senior Executive Manager responsible for financial matters with the assistance of the Financial Advisor (as so selected, the "*Underwriter*") in substantially the form of a bond purchase agreement related to the Bonds now on file with the Mayor and Council 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, by this resolution the Mayor and Council will approve a bond purchase agreement related to the Bonds in substantially the form now on file and order the bond purchase agreement to be completed with the final terms of the Bonds and entered into between the City and the Underwriter when the final terms have been determined for the sale of the Bonds to the Underwriter (as completed, the "*Bond Purchase Agreement*"); 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; and

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

Section 1. Authorization. For the purpose of providing funds to refund the Bonds Being Refunded, the Bonds are hereby authorized to be issued and sold in the aggregate principal amount of not to exceed \$55,000,000. The Bonds shall be issued as parity bonds and be secured on a *pari passu* basis with the City's Street and Highway User Revenue Bonds, Series 2000; Street and Highway User Revenue Bonds, Series 2002; Street and Highway User Revenue Refunding Bonds, Series 2002; Street and Highway User Revenue Bonds, Series 2003; Street and Highway User Revenue Refunding Bonds, Series 2004; Street and Highway User Revenue Bonds, Series 2004; Street and Highway User Revenue Refunding Bonds, Series 2005; Street and Highway User Revenue Bonds, Series 2005; Street and Highway User Revenue Bonds, Series 2006; and Street and Highway User Revenue Bonds, Series 2007 (the "*Existing Parity Bonds*"). The present value of the debt service savings, net of all costs associated with the Bonds, must be at least 3% of the principal amount of the Bonds Being Refunded.

Section 2. Terms.

A. **Terms of Bonds.** The Bonds will be dated as set forth in the Bond Purchase Agreement and will mature on July 1 in some or all of the years 2013 through 2022 inclusive, and will bear interest from their date to the maturity or earlier redemption of each of the Bonds.

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, 2012 (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.

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 9 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 (as defined hereafter). 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* hereto and shall be sold under the terms and conditions set forth in the Bond Purchase Agreement.

Section 3. Security and Covenants.

A. Security. The Bonds shall be payable from and are secured by a prior and paramount lien on and by a first pledge of revenues received by the City from taxes, fees, charges and other moneys collected by the State and returned to the City for street and highway purposes pursuant to Title 28, Chapter 18, Article 2, Arizona Revised Statutes, as amended (the "*Highway User Revenues*"), as authorized by the provisions of Arizona Revised Statutes 48-681, *et seq.* Such lien and pledge shall be on a parity with the lien and pledge of the Highway User Revenues securing payment of the Existing Parity Bonds and any Additional Parity Bonds (as defined in Section 6 hereof) (collectively, the "*Parity Bonds*"). Payment of the Bonds and the interest thereon are enforceable exclusively from the Highway User Revenues and no owner of a Bond shall have the right to compel any exercise of the taxing power of the City to pay the Bonds or the interest thereon. The Bonds are not a debt of the City within the meaning of any Constitutional or statutory limitation.

B. Covenants. During each year in which the Bonds are outstanding and unprovided for, the City shall set aside in a separate fund moneys returned to the City pursuant to Title 28, Chapter 18, Article 2, Arizona Revised Statutes, as amended, as the same is received from the State, an amount sufficient to pay the principal of and interest on the Bonds and any Parity Bonds.

The City hereby covenants with the owners of any one or more of the Bonds that the City will comply with every law or regulation or procedural guideline heretofore enacted or promulgated with respect to Title 28, Chapter 18, Article 2, Arizona Revised Statutes, as amended, including without limitation compliance with all procedural guidelines established by the Arizona State Department of Transportation. So long as the City is required to do so pursuant to Title 28, Chapter 18, Article 2, Arizona Revised Statutes, the City will budget and expend local revenues as defined in Article IX, Section 20, Arizona Constitution, for street and highway purposes other than distributions from the Arizona Highway User Revenue Fund or the Local Transportation Assistance Fund in an amount at least equal to the average amount of local tax revenues other than distributions from the Arizona Highway User Revenue Fund or the Local Transportation Assistance Fund, budgeted and expended for street and highway purposes for any four of the five fiscal years during the period commencing with fiscal year 1981-82 and ending with fiscal year 1985-86.

The City, in consideration of the purchase of the 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 highway user revenues supporting the Bonds and any additional bonds payable from highway user revenues 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 Highway User Revenues.

Section 4. 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. 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. The Registrar shall also send notice of redemption 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 5. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, attached hereto which is a part of this resolution, with such necessary and appropriate

omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds. Execution thereof by such officers shall constitute conclusive evidence of such approval. The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show the date of its authentication and registration. If the Book-Entry-Only System is discontinued, the Bonds shall be reissued as fully registered bonds in a form which will be adopted at that time by the Mayor and Council of the City.

Section 6. Parity Bonds. For itself, its successors and assigns, the City covenants and agrees with the owners of the Bonds that so long as any of the Bonds remain outstanding and the principal thereof or interest thereon is unpaid or unprovided for, (i) no bonds or other obligations shall be issued payable from the Highway User Revenues secured by a pledge or lien senior to the pledge and lien securing the Bonds, and (ii) any additional bonds payable from the Highway User Revenue and secured by and pledge and lien on parity with the pledge and lien securing the Bonds (the "*Additional Parity Bonds*") shall be issued only when:

A. All of the payments of principal and interest on the Bonds and any Parity Bonds then outstanding are current and deposits are current;

B. The revenues subject to pledge for payment of the Bonds and Parity Bonds for the preceding twelve-month period exceeds by one and one-half (1½) times the highest annual principal and interest to be paid on the Bonds, any Parity Bonds then outstanding and the bonds then proposed to be issued as Additional Parity Bonds during any one year period;

C. The Additional Parity Bonds proposed to be issued shall mature and the principal and interest shall be payable at the same time as the Bonds and any Parity Bonds then outstanding;

D. The proceeds from the sale of the Additional Parity Bonds proposed to be issued shall be used for the improvement, construction, reconstruction and maintenance of the municipal streets and highways, including the acquisition of rights-of-way or to refund bonds issued for that purpose;

E. In the event that any Parity Bonds are variable rate bonds, any repayment to be made to a credit facility under a reimbursement agreement shall be subordinate to the rights of the registered owners of the Bonds and any Parity Bonds to the Highway User Revenues and in determining the maximum annual debt service on such Parity Bonds, the principal requirements on debts supported by a credit facility shall be determined in accordance with the principal retirement schedule specified in the proceedings authorizing the issuance of such Parity Bonds or in the amortization schedule set forth in the credit facility, whichever schedule produces the highest maximum annual debt service amount. The interest rate requirement is to be calculated using the maximum interest rate allowed in the proceedings authorizing the issuance of such Parity Bonds or the maximum interest rate set forth in the credit facility; and

F. At issuance the Additional Parity Bonds will bear a rating of "A" or better by at least one nationally recognized credit rating agency.

Section 7. Execution and Authentication of Bonds. The Bonds shall be executed for and on behalf of the City by the Mayor, attested by the City 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, the Bond shall nevertheless be valid.

A Bond shall not be valid or binding until authenticated by the manual signature of an authorized signatory of the Registrar. The signature shall be conclusive evidence that the Bond has been authenticated and issued under this resolution.

Section 8. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated, destroyed, lost or wrongfully taken, the City 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 such mutilated Bond or in lieu of and in substitution for such Bond destroyed, lost or wrongfully taken, upon the Owner's paying the reasonable expenses and charges of the City in connection therewith and, in the case of the Bond destroyed, lost or wrongfully taken, filing with the City Clerk or Senior Executive Manager responsible for financial matters by the Owner evidence satisfactory to the City that such Bond was destroyed, lost or wrongfully taken, and furnishing the City with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

Section 9. 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 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. 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 \$55,000,000 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 10. Execution of Other Documents.

A. Bond Purchase Agreement. The form of the Bond Purchase Agreement, as presented to the Council, is hereby approved and the Mayor, any member of the Council or the Senior Executive Manager responsible for financial matters is hereby authorized to execute the Bond Purchase Agreement on behalf of the City. The Senior Executive Manager responsible for financial matters shall cause the Bond Purchase Agreement to be completed to reflect the terms of the Bonds, including the price at which the Bonds are sold and provisions for original issue premium or original issue discount with respect thereto. The execution and delivery of the Bond Purchase Agreement, as completed, by the Mayor, any member of the Council or the Senior Executive Manager responsible for financial matters shall be conclusive evidence of approval of such final terms and provisions.

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 are 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, the preliminary official statement and the Official Statement for any other bonds which may be issued by the City.

Section 11. Resolution a Contract. This resolution shall constitute a contract between the City and the owners of the Bonds 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 Bond Insurer shall be given notice of any amendments to this resolution not affecting the rights of the Owners of the Bonds.

Section 12. Application of Proceeds and Other Moneys. Upon the delivery of and payment for the Bonds in accordance with the terms of their sale, the net proceeds of the Bonds, after payment of the costs and expenses of their issuance, shall be applied, along with any necessary amounts acceptable to the City, to create an irrevocable trust for the benefit of the owners of the Bonds Being Refunded. 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, will be sufficient to pay the principal of, applicable premium and interest on the Bonds Being Refunded as the same becomes due.

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 Interest and Redemption Funds created for the Bonds.

Section 13. Tax Covenant. At no time or times shall the City take or fail to take any actions which action or failure to act will cause the interest income on the Bonds to become included as gross income for federal income tax purposes. To the extent allowed by law the City will take any act, modify this resolution or the Depository Trust Agreement mentioned in Section 10 hereof, or do such other things as necessary to preserve the exemption of interest including any made necessary by future changes in the Internal Revenue Code of 1986, as amended (the "*Code*"). 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 rebates of arbitrage profits relating to the Bonds; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Bonds; and limiting the use of the proceeds of the Bonds and property financed thereby.

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 14. Rebate Fund. In the event the City is required to rebate any earnings and profits from the investments of the Bonds, the Senior Executive Manager responsible for financial matters shall create a separate fund to be known as the Rebate Fund. Into such fund shall be deposited any and all moneys deemed necessary by the City Manager or Senior Executive Manager responsible for financial matters, to remain in compliance with the provisions of Section 148 of the Code or any regulations promulgated thereunder. Moneys in such fund shall be segregated or (if authorized in writing by an opinion of bond counsel) commingled with other moneys of the City.

Section 15. Credit Enhancement. It is hereby authorized and approved that proceeds of the Bonds may be used to pay a premium for municipal bond insurance or other credit enhancement. The Senior Executive Manager responsible for financial matters is authorized to enter into any agreements and execute any documents in connection with such municipal bond insurance or other credit enhancement.

Section 16. Bonds Not Bank Qualified. The Bonds will not be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Section 17. Redemption of Bonds Being Bonds. All Bonds Being Refunded are hereby irrevocably called for redemption prior to their stated maturity dates as set forth in this resolution. The Trustee is directed to cause notice of such redemption to be delivered in accordance with the Depository Trust Agreement.

Section 18. Defeasance. Payment of all or any part of the Bonds may be provided for by the irrevocable deposit with a trustee of moneys or Government Obligations, or both. The moneys and the maturing principal and interest income on such Government Obligations, if any, shall be sufficient, as evidenced by a certificate of an independent certified public accountant, a firm of such accountants or an actuary, or firm of actuaries, or other experts in the field who shall calculate the sufficiency of the subject moneys and Government Obligations to pay when due the principal of and interest on such Bonds. The moneys and Government

Obligations shall be held by a trustee irrevocably in trust for the owners of such Bonds solely for the purpose of paying the principal of and interest on such Bonds as the same shall mature or come due. If payment of the Bonds is so provided for, the Trustee shall mail a notice so stating to each owner of a Bond so provided for.

Bonds, the payment of which has been provided for in accordance with this Section, shall no longer be deemed outstanding hereunder or secured hereby. To the extent permitted by law, the obligation of the City in respect to such Bonds shall nevertheless continue but the owners thereof shall thereafter be entitled to payment only from the moneys or Government Obligations deposited with the trustee to provide for the payment of such Bonds.

No Bond may be so provided for if, as a result thereof or of any other action in connection with the provision for payment of such Bond, the interest payable on any Bond is thereby made subject to federal income taxes. The Trustee and the City may rely upon an opinion of a nationally recognized bond counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this Section will not be breached by so providing for the payment of any Bonds.

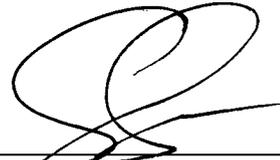
For purposes of this Section 18, "*Government Obligations*" shall mean direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Government Obligations are permissible. Investments in these proportionate interests are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

Section 19. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Mayor and Council members hereby declare that this resolution would have been enacted 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.

Section 20. Ratification of Actions. All actions of the officials and agents of the City which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds as contemplated by this resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officials 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.

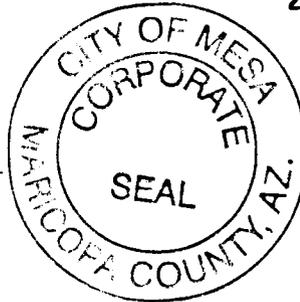
PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Mesa, Arizona, on January 23, 2012.



Mayor

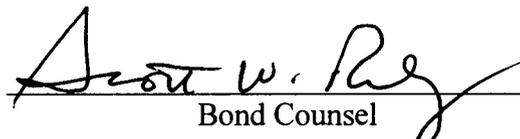
ATTEST:



Clerk

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C.



Bond Counsel

CERTIFICATION

I, Linda Crocker, the duly appointed and acting City Clerk of the City of Mesa, Arizona, do hereby certify that the above and foregoing Resolution No. 9975 was duly passed by the City Council of the City of Mesa, Arizona, at a special meeting held on January 23, 2012, and the vote was 7 aye's and 0 nay's and that the Mayor and 6 Council Members were present thereat.



Linda Crocker, 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
STREET AND HIGHWAY USER REVENUE REFUNDING BOND
SERIES 2012

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP:</u>
_____%	July 1, 20__	_____, 2012	_____

Registered Owner: CEDE & CO.

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

THE CITY OF MESA, ARIZONA, 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 issue date set forth above. Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months having 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*.

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.

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.

SWR:dlh 1645158.2 1/5/2012

This bond is one of an issue of bonds in the aggregate principal amount of \$_____ of like date, tenor and effect except as to amount, rate of interest, number, redemption provisions and maturity date, issued pursuant to the Constitution and laws of the State of Arizona including particularly Title 48, Chapter 4, Article 5, Arizona Revised Statutes, as amended, and Resolution No. _____ adopted by the Mayor and Council of the City of Mesa on January 23, 2012 (the "Bond Resolution"), and pursuant to the Constitution and laws of the State of Arizona, in accordance with Title 48, Chapter 4, Article 5, Arizona Revised Statutes, and all amendments thereto and all other laws of the State of Arizona thereunto enabling.

This bond and all bonds of the issue of which this bond is one, and all bonds issued on a parity basis with this bond, whether prior to or subsequent to the issuance of this bond, provided such bonds have not been defeased pursuant to the terms of the Bond Resolution, are payable from and are secured by a pledge of all revenues received by the City from taxes, fees, charges and other moneys collected by the State and returned to the City for street and highway purposes pursuant to law, including Title 28, Chapter 18, Article 2, Arizona Revised Statutes, as amended, subject to the rights to such revenues of the owners of the bonds being refunded in the event of any insufficiency in the obligations purchased to meet the requirements of such refunded bonds, as authorized by the provisions of the Act. Payment of this bond and the interest hereon are enforceable exclusively from the revenues above-recited 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 is not a debt of the City within the meaning of any Constitutional or statutory limitation. This bond is being issued on a parity with the City's Street and Highway User Revenue Bonds, Series 2000; Street and Highway User Revenue Bonds, Series 2002; Street and Highway User Revenue Refunding Bonds, Series 2002; Street and Highway User Revenue Bonds, Series 2003; Street and Highway User Revenue Refunding Bonds, Series 2004; Street and Highway User Revenue Bonds, Series 2004; Street and Highway User Revenue Refunding Bonds, Series 2005; Street and Highway User Revenue Bonds, Series 2005; Street and Highway User Revenue Bonds, Series 2006; and Street and Highway User Revenue Bonds, Series 2007.

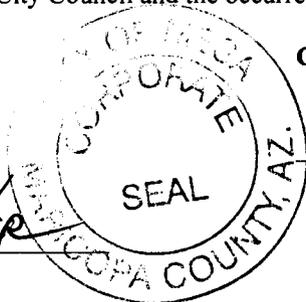
The registrar may but need not register the transfer of a bond which has been selected for redemption and need not register the transfer of any bond for a period of fifteen (15) days before a selection of bonds to be redeemed; if the transfer of any bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the bond or bonds.

The registrar or paying agent may be changed by the City without notice. 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, interest and any premium 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, attested by its Clerk and countersigned by its Senior Executive Manager responsible for financial matters, which signatures may be facsimile signatures and the seal of the City to be impressed hereon. 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 approval of the City Council and the occurrence of certain other conditions.

ATTEST:


Clerk



CITY OF MESA, ARIZONA

Mayor



COUNTERSIGNED:


Senior Executive Manager

(SEAL)

DATE OF AUTHENTICATION AND REGISTRATION: _____

AUTHENTICATION CERTIFICATE

This bond is one of the City of Mesa, Arizona, Street and Highway User Revenue Refunding Bonds, Series 2012, described in the resolution mentioned on the reverse hereof.

U.S. BANK NATIONAL ASSOCIATION, as Registrar

By _____
Authorized Representative

INSERT INSURANCE STATEMENT, IF APPLICABLE

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 face of the within registered bond in every particular without alteration or enlargement or any change whatsoever

Signature Guaranteed:

Firm or Bank

Authorized Signature

The signature(s) should be guaranteed by an eligible guarantor institution pursuant to SEC Rule 17Ad-15

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR