

## RESOLUTION NO. 9976

**TWENTY-THIRD SUPPLEMENTAL RESOLUTION 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 REFUNDING BONDS, SERIES 2012; PRESCRIBING THE FORM AND OTHER DETAILS OF THE SERIES 2012 REFUNDING BONDS; PROVIDING THAT SUCH BONDS SHALL BE PARITY BONDS AS DEFINED IN RESOLUTION NO. 6362, AS AMENDED; AUTHORIZING COMPLETION, EXECUTION AND DELIVERY OF A BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT, A CONTINUING DISCLOSURE CERTIFICATE, A DEPOSITORY TRUST AGREEMENT AND RELATED DOCUMENTS; AUTHORIZING THE PURCHASE OF BOND INSURANCE AND RESERVE FUND INSURANCE OR SIMILAR GUARANTIES; PROVIDING FOR THE REDEMPTION OF THE BONDS BEING REFUNDED; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT; RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE CITY WITH RESPECT TO THE SERIES 2012 REFUNDING 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 and supplemented, the "*Master Resolution*") pertaining to the issuance by the City of its Utility Systems Revenue Bonds; and

**WHEREAS**, the Mayor and Council have previously adopted twenty-two supplemental resolutions (collectively, the "*Supplemental Resolutions*") amending and supplementing 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 Twenty-Third Supplemental Resolution, the City will issue not to exceed \$50,000,000 aggregate principal amount of its Utility Systems Revenue Refunding Bonds, Series 2012 (the "*Series 2012 Refunding Bonds*") to refund certain of the following Utility Systems Revenue Bonds for the purposes of generating debt service savings and to restructure debt service:

### **PRIOR BONDS**

Utility Systems Revenue Refunding Bonds, Series 2002  
Utility Systems Revenue Refunding Bonds, Series 2002A  
Utility Systems Revenue Bonds, Series 2003  
Utility Systems Revenue Bonds, Series 2005  
Utility Systems Revenue Bonds, Series 2006

The aggregate of the foregoing bonds are hereinafter referred to as the "*Prior Bonds*". Those maturities and principal amounts of the Prior Bonds as selected for refunding are hereinafter referred to as the "*Bonds Being Refunded*"; 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 Master Resolution and this Twenty-Third Supplemental Resolution have happened, exist and have been performed as so required in order to make this Twenty-Third Supplemental Resolution and the Master Resolution valid and binding instruments for the security of the Series 2012 Refunding Bonds authorized herein;

**WHEREAS**, the firm of Wedbush Securities Inc. will serve as the City's financial advisor (the "*Financial Advisor*") with respect to the Series 2012 Refunding Bonds; and

**WHEREAS**, the Senior Executive Manager responsible for financial matters will receive a proposal for the purchase of the Series 2012 Refunding Bonds from an underwriter or underwriters, as 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 Series 2012 Taxable Refunding Bonds now on file with the Mayor and Council and the Mayor and Council desire that the Series 2012 Refunding 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 Twenty-Third Supplemental Resolution the Mayor and Council will approve a bond purchase agreement in substantially the form now on file and order the bond purchase agreement related to the Series 2012 Taxable Refunding Bonds to be completed with the final terms of the Series 2012 Refunding Bonds and entered into between the City and the Underwriter when the final terms have been determined for the sale of the Series 2012 Refunding Bonds to the Underwriter (as completed, the "*Bond Purchase Agreement*"); and

**WHEREAS**, within and by the parameters set forth in this Twenty-Third Supplemental Resolution, the Mayor and Council will authorize the execution, issuance and sale of the Series 2012 Refunding 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**, there has been presented to the Clerk, made available to this Mayor and Council and presented at the meeting at which this Twenty-Third Supplemental Resolution was adopted, proposed forms of the following documents:

1. the Bond Purchase Agreement;
2. the continuing disclosure certificate pertaining to the Series 2012 Refunding Bonds (the "*Continuing Disclosure Certificate*");
3. a depository trust agreement between the City and U.S. Bank National Association pertaining to the safekeeping of the moneys and securities to be acquired with the proceeds of the Series 2012 Refunding Bonds (the "*Depository Trust Agreement*");
4. a bond registrar, transfer agent and paying agent contract (the "*Registrar Contract*");

5. the preliminary official statement pertaining to the Series 2012 Refunding Bonds (the "*Preliminary Official Statement*"); and

WHEREAS, the Mayor and Council is now empowered to proceed with authorizing the issuance and sale of the Series 2012 Refunding Bonds;

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

**Section 1. Authority.** The Series 2012 Refunding Bonds are authorized to be issued in an amount not to exceed \$50,000,000 aggregate principal amount pursuant to Title 9, Chapter 5, Article 3, Arizona Revised Statutes, as amended, the Master Resolution, this Twenty-Third Supplemental Resolution and other applicable provisions of law. The Master Resolution and this Twenty-Third Supplemental Resolution and all Supplemental Resolutions shall stay in effect until all Series 2012 Refunding 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. § 9-535.01, *et seq.*, have been met with respect to the Series 2012 Refunding Bonds.

**Section 2. Definitions.** For purposes of this Twenty-Third Supplemental Resolution, and except as hereafter amended or added to, all definitions contained in the Master Resolution are hereby incorporated by reference into this Twenty-Third Supplemental Resolution as if herein fully set forth. The following terms shall have the following meanings in the Master Resolution and in this Twenty-Third Supplemental Resolution unless the text expressly or by necessary implication requires otherwise:

"*Bond Registrar*" shall mean U.S. Bank National Association, as bond registrar for the Series 2012 Refunding Bonds.

"*Bonds*" shall mean all of the bonds issued and outstanding under the Master Resolution and the Twenty-Third Supplemental Resolution and all Parity Bonds hereafter issued, including the Series 2012 Refunding Bonds.

"*Bond Year*", with respect to the Series 2012 Refunding Bonds, shall mean initially the period from the date of the Series 2012 Refunding Bonds to July 1, 2012, 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.

"*Depository Trust Agreement*" shall mean, with respect to the Series 2012 Refunding Bonds the agreement between the City and U.S. Bank National Association, as Depository Trustee, regarding the holding in trust of the securities purchased to secure payment of the Bonds Being Refunded and other matters.

"*Depository Trustee*" shall mean U.S. Bank National Association.

"*Paying Agent*" shall mean U.S. Bank National Association, as paying agent for the Series 2012 Refunding Bonds.

"*Reserve Fund Guarantor*" shall mean with respect to the Series 2012 Refunding Bonds, if applicable, any provider of a reserve fund guaranty policy for the Series 2012 Bonds.

"Twenty-Third Supplemental Resolution" shall mean this resolution.

**Section 3. Authorization of Series 2012 Refunding Bonds; Special Obligations.**

A. For the purposes of providing funds to be used to refund the Bonds Being Refunded, there is hereby authorized the issuance and sale of not to exceed \$50,000,000 aggregate principal amount of the City of Mesa, Arizona, Utility Systems Revenue Refunding Bonds, Series 2012. The Series 2012 Refunding Bonds issued pursuant to this Twenty-Third Supplemental Resolution shall never be construed to be tax secured bonds of the City, as defined in Sections 9-521, A.R.S., or general obligation bonds of the City within the meaning of Title 35, Chapter 3, Article 3, A.R.S., or constitute a debt of the City within the meaning of the Constitution and laws of the State. The Series 2012 Refunding Bonds shall be post-2002 Bonds for all purposes of the Master Resolution. The Series 2012 Refunding Bonds shall have no claim on or right to share in the pre-2003 Reserve Fund.

B. The Series 2012 Refunding Bonds are special obligations of the City payable solely from the Net Revenues and secured as to the payment of the principal thereof, and interest thereon, in accordance with their terms, the Master Resolution, and this Twenty-Third Supplemental Resolution. Subject to the provisions of Section 10(B) of the Master Resolution, the Net Revenues are hereby pledged and assigned as security for the payment of the principal of, and interest on the Series 2012 Refunding Bonds. All Net Revenues shall be immediately subject to the pledge of the Master Resolution, as amended and supplemented by each previous Supplemental Resolution, this Twenty-Third 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.

C. The Series 2012 Refunding Bonds shall create a net present value debt service savings of not less than 3% of the principal amount of the Bonds Being Refunded.

**Section 4. Terms of Series 2012 Refunding Bonds.**

A. **Terms.** The Series 2012 Refunding Bonds shall be dated such date as set forth in the Bond Purchase Agreement, will mature July 1 in some or all of the years 2013 through 2030 inclusive, and will bear interest from their date to maturity or earlier redemption date of each of the Series 2012 Refunding Bonds at an interest rate, not to exceed 6%. The Series 2012 Refunding Bonds shall be initially issued in fully registered book-entry-only form in denominations equal to the respective year's 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 2012 Refunding Bonds shall be re-issued and delivered to the respective Beneficial Owners in the denomination of \$5,000 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 2012 Refunding Bonds, commencing on July 1, 2012 (or such later date as is specified in the Bond Purchase Agreement).

B. **Book-Entry-Only System.** So long as the Series 2012 Refunding 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 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 Letter of Representations heretofore entered into between the City and DTC shall apply to the Series 2012 Refunding Bonds so long as the Series 2012 Refunding Bonds are administered under the Book-Entry-Only System.

C. **Registration.** If the Book-Entry-Only System is discontinued, the Registrar's registration books will show the registered owners of the Series 2012 Refunding Bonds (collectively, the owner or owners of the Series 2012 Refunding Bonds as shown on the Registrar's registration books shall be referred to as "Owner" or "Owners"). While the Series 2012 Refunding Bonds are subject to the Book-Entry-Only System, the Series 2012 Refunding Bonds shall be registered in the name of Cede & Co., or its registered assigns. The Series 2012 Refunding 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 Series 2012 Refunding Bonds.

D. **Payment.** If the Book-Entry-Only System is discontinued, interest on the Series 2012 Refunding 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 Registrar as of the close of business of the 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 2012 Refunding Bonds will be payable, when due, only upon presentation and surrender of the Series 2012 Refunding Bonds at the designated office of a bank or trust company to be designated as the successor 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 2012 Refunding 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 Twenty-Third Supplemental Resolution, payment of principal of and interest on any Series 2012 Refunding Bond that is held by a securities depository or Series 2012 Refunding Bonds subject to the Book-Entry-Only System may be paid by wire transfer in "same day funds".

#### **Section 5. Prior Redemption.**

A. **Optional Redemption.** The Series 2012 Refunding 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 Series 2012 Refunding 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 Series 2012 Refunding 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 Series 2012 Refunding Bonds so retired shall satisfy and be credited against the mandatory redemption requirements for such Series 2012 Refunding Bonds for such years as the City may direct.

C. Notice. So long as the Series 2012 Refunding 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 Series 2012 Refunding 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 Series 2012 Refunding Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2012 Refunding 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 2012 Refunding Bonds or portions of the Series 2012 Refunding Bonds so called for redemption shall cease to accrue, such Series 2012 Refunding Bonds shall cease to be entitled to any benefit or security hereunder and the Owners of such Series 2012 Refunding Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Series 2012 Refunding Bonds shall be deemed paid and no longer outstanding.

E. Redemption of Less Than All of a Series 2012 Refunding Bond. The City may redeem an amount which is included in a Series 2012 Refunding Bond in the denomination in excess of, but divisible by, \$5,000. In that event, the registered owner shall submit the Series 2012 Refunding Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new Series 2012 Refunding Bond in a principal amount equal to the unpaid amount remaining on such Series 2012 Refunding Bond after the redemption to be authenticated and delivered to the registered owner thereof.

**Section 6. Form of Series 2012 Refunding Bonds.** Pursuant to A.R.S. Section 35-491, a fully registered bond form is adopted as an alternative to the form of bond provided in A.R.S. Section 9-529. So long as the Book-Entry-Only System is in effect, the Series 2012 Refunding 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 2012 Refunding Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval. If the Book-Entry-Only System is discontinued, the Series 2012 Refunding 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 2012 Refunding Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval.

The Series 2012 Refunding Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Series 2012 Refunding Bond shall show both the date of the issue and the date of such Series 2012 Refunding Bond's authentication and registration. The Series 2012 Refunding Bonds are prohibited from being converted to coupon or bearer form without the consent of the Council and approval of bond counsel.

**Section 7. Application of Revenues.**

A. The City 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; and
- (6) the Replacement Fund.

B. In addition to the payments required to be made into the Bond Fund required by the Master Resolution and the Supplemental Resolutions, the following additional payments shall be made to the Bond Fund with respect to the Series 2012 Refunding Bonds:

(i) If the first interest payment on all Series 2012 Refunding Bonds then Outstanding is July 1, 2012, then the City shall deposit in the Bond Fund one-half (1/2) of the interest coming due on July 1, 2012 less any amount lawfully available for such purpose on May 10, 2012 and one-half (1/2) on June 10, 2012 less any amount lawfully available for such purpose; commencing on July 10, 2012 and the tenth (10<sup>th</sup>) day of each month thereafter, one-sixth (1/6) of the interest coming due on the next semiannual interest payment date; and commencing July 10, 2012, the City shall deposit in the Bond Fund on the tenth (10<sup>th</sup>) day of each month, one-twelfth (1/12) of the principal becoming due on the next succeeding principal payment date on all Series 2012 Refunding Bonds then Outstanding.

(ii) If the first interest payment on all of the Series 2012 Refunding Bonds then Outstanding is January 1, 2013, then the City shall deposit in the Bond Fund on the tenth (10<sup>th</sup>) day of each month commencing July 10, 2012, one-sixth (1/6) of the interest coming due on the next semiannual interest payment date less any amount lawfully available for such purpose; and commencing July 10, 2012, the City shall deposit in the Bond Fund on the tenth (10<sup>th</sup>) day of each month, one-twelfth (1/12) of the principal becoming due on the next succeeding principal payment date on all Series 2012 Refunding Bonds then Outstanding.

**Section 8. Disposition of Series 2012 Refunding Bond Proceeds.**

A. Immediately upon closing of the Series 2012 Refunding Bonds, the proceeds from the sale of the Series 2012 Refunding Bonds shall be disposed of as follows: (1) all accrued interest and net original issue premium not to be applied to purchasing government obligations to defease the Bonds Being Refunded, payment of the Costs of Issuance or the payment of the premiums for Bond Insurance for the Series 2012 Refunding Bonds (which may be paid directly by the Underwriter and credited to payment for the Bonds) shall be deposited in the Bond Fund, (2) the remaining proceeds shall constitute the "*Net Proceeds*" of the Series 2012 Refunding Bonds as the term

is defined in A.R.S. Section 9-535.01 shall be delivered to the Trustee and used to acquire Government Obligations to complete the refunding pursuant to the Depository Trust Agreement. A portion of the proceeds, as determined by the Senior Executive Manager responsible for financial services and set forth in the Depository Trust Agreement, will be delivered to the Depository Trustee and disbursed by the Depository Trustee to pay Costs of Issuance pursuant to the Depository Trust Agreement.

B. The Government Obligations in which such Net Proceeds are so invested and any moneys in any existing fund pertaining to the Bonds Being Refunded held by the Depository Trustee under the Depository Trust Agreement, shall be held in trust by the Depository Trustee, under the Depository Trust Agreement, as required by A.R.S. Section 9-535.01. The securities in which such proceeds are so invested shall comply in all respects with the requirements of A.R.S. Section 9-535.01. After all Bonds Being Refunded shall have become due and payable through redemption prior to maturity, any amount in excess of the amount necessary for payment of all Bonds Being Refunded then payable at said redemption date, shall be returned to the City and deposited in the Bond Fund.

**Section 9. Acceptance of Offer; Sale of Series 2012 Refunding Bonds; Bond Purchase Agreement Approval.** The Senior Executive Manager responsible for financial matters, with the assistance of the City's Financial Advisor, will select the Underwriter, which will purchase such Series 2012 Refunding Bonds pursuant to the form of Bond Purchase Agreement to be received by the Senior Executive Manager responsible for financial matters. When the final terms of such Series 2012 Refunding 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 Twenty-Third Supplemental 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 Twenty-Third Supplemental Resolution. Upon the completion, execution and delivery of the Bond Purchase Agreement, any or all of the Series 2012 Refunding Bonds are ordered sold to the Underwriter pursuant to the Bond Purchase Agreement.

The Senior Executive Manager responsible for financial matters is hereby authorized and directed to cause the Series 2012 Refunding 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.

**Section 10. Resolution a Contract.** The provisions of the Master Resolution, as amended and supplemented by the Supplemental Resolutions and this Twenty-Third Supplemental Resolution, are deemed incorporated into the Series 2012 Refunding Bonds themselves and shall constitute a contract among the City, the bond insurer, if any, the Series 2012 Reserve Fund Guarantor, if any, and the Owner or Owners and, after the issuance of any of the Series 2012 Refunding Bonds, no change, variation or alteration of any kind in the provisions of the Master Resolution or this Twenty-Third Supplemental Resolution shall be made in any manner, except as provided in Sections 17 and Section 18 of the 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 Twenty-Third Supplemental Resolution constitutes a contract, this Twenty-third Supplemental Resolution is subject to cancellation pursuant to A.R.S. Section 38-511, as amended, the provisions of which are incorporated herein as if herein fully set forth.

**Section 11. Authorization of Certain Agreements.** The City Manager, the Senior Executive Manager responsible for financial matters or the designated representative of either is authorized and directed to complete, execute, attest and deliver the proposed form of the following agreements:

- (1) the Continuing Disclosure Certificate;
- (2) the Depository Trust Agreement; and
- (3) the Registrar Contract;

each in substantially the form attached hereto 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 2012 Refunding Bonds.

**Section 12. Approval of 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 Series 2012 Refunding 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, the preliminary official statement and the Official Statement for any other bonds which may be issued by the City.

**Section 13. Additional Covenants.** The City, in consideration of the purchase of the Series 2012 Refunding 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 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. Redemption of Bonds Being Refunded.** The City Manager, the Senior Executive Manager responsible for financial matters or the designated representative of either shall order that the Bonds Being Refunded be irrevocably called for redemption prior to their stated maturity dates on the earliest call date available for each or such other date as such officer shall determine. The weighted average maturity Bonds shall be at least 75% of the weighted average maturity of the Bonds Being Refunded.

**Section 15. Bond Insurance or Credit Enhancement.** The Senior Executive Manager responsible for financial matters is hereby authorized to expend or cause to be expended Series

2012 Refunding Bond proceeds to purchase bond insurance or other credit enhancements for the Series 2012 Refunding Bonds if deemed to be in the City's best interest.

**Section 16. Qualified Tax-Exempt Obligations.** The Series 2012 Refunding Bonds are NOT "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

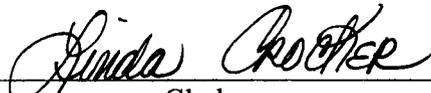
**Section 17. Ratification of Actions.** All actions of the officers and agents of the City that conform to the purposes and intent of this Twenty-Third Supplemental Resolution and the Master Resolution, and which further the issuance and sale of the Series 2012 Refunding Bonds, as contemplated by this Twenty-Third Supplemental Resolution and the Master Resolution, whether heretofore or hereafter taken, shall be and are ratified, confirmed and approved.

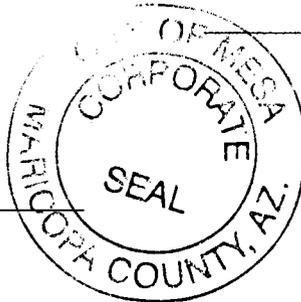
**Section 18. Severability.** If any section, paragraph or provision of this Twenty-Third Supplemental Resolution or the Master Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Twenty-Third Supplemental Resolution or the Master Resolution.

**ADOPTED AND APPROVED** on January 23, 2012.

  
\_\_\_\_\_  
Mayor

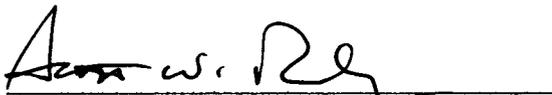
**ATTEST:**

  
\_\_\_\_\_  
Clerk



**APPROVED AS TO FORM:**

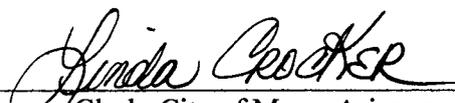
**GUST ROSENFELD P.L.C.**

  
\_\_\_\_\_  
Bond Counsel

**CERTIFICATION**

I, Linda Crocker, hereby certify that the foregoing Resolution No. 9976 was duly passed and adopted by the Mayor and Council of the City of Mesa, Arizona, at a 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.

DATED: Jan 23, 2012

  
\_\_\_\_\_  
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 REFUNDING BOND  
SERIES 2012**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Dated Date</u>	<u>CUSIP No.</u>
_____%	July 1, 20__	_____, 2012	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 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.

This bond is one of a series of bonds in the aggregate principal amount of \$\_\_\_\_\_ of like tenor except as to amount, maturity date, interest rate and number, issued pursuant to the Constitution and laws of the State of Arizona including particularly Arizona Revised Statutes Section 9-535.01, 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 January 23, 2012 (collectively, the "Bond Resolution"), for purpose of providing funds to refunding certain outstanding revenue bonds payable from revenues of the System (as defined below), to pay accrued interest on the bonds and to pay all legal, financial 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, electrical, 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.

[Insert Redemption Provisions.]

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 "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 its Mayor and attested by its Clerk, and countersigned by its Senior Executive Manager responsible for financial matters, 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:**

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Mayor

**COUNTERSIGNED:**

\_\_\_\_\_  
Senior Executive Manager



---

**Subject:** FW: Bond Resolution

**From:** Linda Crocker  
**Sent:** Monday, March 19, 2012 4:21 PM  
**To:** DeeAnn Mickelsen  
**Cc:** Michael Claspell  
**Subject:** FW: Bond Resolution

Want to make sure we have a copy of this somewhere on file to explain why we agreed to put the resolutions through with the changes. Thank you.

---

**From:** Debbie Spinner  
**Sent:** Monday, March 19, 2012 4:10 PM  
**To:** Linda Crocker  
**Subject:** Bond Resolution

Linda,

This is to confirm our conversation earlier today regarding Scott Ruby's requested change to Resolutions 9976 & 9977.

Scott Ruby called and requested that a sentence be added to Resolutions 9976 & 9977 that was recently adopted by the City Council. Scott opined that additional Council authority was not required because the sentence that he wanted to add did not have any legal effect. This sentence is already included in the Master Bond Resolution (Resolution 6362) previously passed by Council. Since the sentence is included in the Master Resolution, the City is already legally obligated to comply. However, Scott wanted to include this sentence in the recent bond resolution just to ensure that buyers of the bonds are aware of this obligation and to ensure that those individuals administering and managing the bonds are aware of the obligation.

Given Scott's opinion, I agree that the sentence can be added to the Resolution as long as the Mayor is made aware of the change and agrees.

Please let me know if you need anything else from me.

Thanks  
Debbie