

RESOLUTION NO. _____

THIRTY-EIGHTH SUPPLEMENTAL RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, SUPPLEMENTING THE CITY'S RESOLUTION NO. 6362, DATED JULY 29, 1991, AS THEREAFTER 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 2019C; PRESCRIBING THE FORM AND OTHER DETAILS OF THE SERIES 2019C 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; 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 2019C REFUNDING BONDS AND THE PRELIMINARY OFFICIAL STATEMENT PERTAINING THERETO.

WHEREAS, on July 29, 1991, the City Council of the City of Mesa, Arizona (the "City"), adopted Resolution No. 6362 (as amended by Resolution No. 7960, the "*1991 Master Resolution*") pertaining to the issuance by the City of its Utility Systems Revenue Bonds; and

WHEREAS, the City Council has previously adopted thirty-seven supplemental resolutions amending and supplementing the 1991 Master Resolution, excluding Resolution No. 10183 adopted by the City Council of the City on January 28, 2013 and Resolution No. 10200 adopted by the City Council of the City on March 18, 2013, amending Resolution No. 10183 (together, the "*Twenty-Sixth Supplemental Resolution*"), both of which were repealed on September 22, 2014 by Resolution No. 10539 adopted by the City Council of the City on September 22, 2014, and are excluded from the definition of "Supplemental Resolutions" because the refunding bonds contemplated by the Twenty-Sixth Supplemental Resolution were not issued (collectively, the "*Supplemental Resolutions*" and together with the 1991 Master Resolution, the "*Master Resolution*"); and

WHEREAS, pursuant to Title 9, Chapter 5, Article 3, Arizona Revised Statutes, as amended ("A.R.S."), the Master Resolution and this Thirty-Eighth Supplemental Resolution, the City will issue not to exceed \$95,000,000 aggregate principal amount of its Utility Systems Revenue Refunding Bonds, Series 2019C (the "*Series 2019C Refunding Bonds*") to refund any and all of the City's Outstanding Utility Systems Revenue Bonds and Utility Systems Revenue Refunding Bonds for the purposes of generating debt service savings and to restructure debt service. Those maturities and principal amounts of the foregoing bonds as selected for refunding are hereinafter referred to as the "*Bonds Being Refunded*"; and

WHEREAS, the firm of Hilltop Securities Inc. will serve as the City's financial advisor (the "*Financial Advisor*") with respect to the Series 2019C Refunding Bonds; and

WHEREAS, the Mayor and Council will receive a proposal for the purchase of the Series 2019C Refunding Bonds from Goldman Sachs & Co. LLC (the "*Underwriter*") in the form of a bond purchase agreement now on file with the City Clerk (the "*Bond Purchase Agreement*"), and the City desires that the Series 2019C Refunding Bonds be sold through negotiation to the Underwriter on such terms as may hereafter be approved by the Chief Financial Officer; and

WHEREAS, in accordance with this Thirty-Eighth Supplemental Resolution the City Council shall authorize the Chief Financial Officer, with the advice of the Financial Advisor, to determine which of the Outstanding Utility Systems Revenue Bonds and Utility Systems Revenue Refunding Bonds shall constitute the Bonds Being Refunded; and

WHEREAS, within and by the parameters set forth in this Thirty-Eighth Supplemental Resolution, the City Council will authorize the execution, issuance and sale of the Series 2019C 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 Chief Financial Officer, 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 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 Thirty-Eighth Supplemental Resolution have happened, exist and have been performed as so required in order to make this Thirty-Eighth Supplemental Resolution and the Master Resolution valid and binding instruments for the security of the Series 2019C Refunding Bonds authorized herein; and

WHEREAS, there has been presented to the City Clerk, made available to the City Council and presented at the meeting at which this Thirty-Eighth Supplemental Resolution was adopted, proposed forms of the following documents:

1. the Bond Purchase Agreement;
2. the continuing disclosure certificate pertaining to the Series 2019C 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 2019C Refunding Bonds (the "*Depository Trust Agreement*");
4. the bond registrar, transfer agent and paying agent contract (the "*Registrar Contract*");
5. the preliminary official statement pertaining to the Series 2019C Refunding Bonds (the "*Preliminary Official Statement*"); and

WHEREAS, the Mayor and Council of the City now desire to proceed with authorizing the issuance and sale of the Series 2019C Refunding Bonds;

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

Section 1. Authority. The Series 2019C Refunding Bonds are authorized to be issued in a total aggregate principal amount not to exceed \$95,000,000 aggregate principal amount pursuant to Title 9, Chapter 5, Article 3, Arizona Revised Statutes, as amended, the Master Resolution, this Thirty-Eighth Supplemental Resolution and other applicable provisions of law. With the exception of the Twenty-Sixth Supplemental Resolution that was previously repealed, the Master Resolution and this Thirty-Eighth Supplemental Resolution shall stay in effect until all Series 2019C 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 2019C Refunding Bonds. The present value of the debt service savings, net of all costs associated with the Series 2019C Refunding Bonds, must be at least 3.00% of the principal amount of the Bonds Being Refunded.

Section 2. Definitions. For purposes of this Thirty-Eighth Supplemental Resolution, and except as hereafter amended or added to, all definitions contained in the Master Resolution are hereby incorporated by reference into this Thirty-Eighth Supplemental Resolution as if herein fully set forth. The following terms shall have the following meanings in the Master Resolution and in this Thirty-Eighth 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 2019C Refunding Bonds.

"Bond Year", with respect to the Series 2019C Refunding Bonds, shall mean initially the period from the date of the Series 2019C Refunding Bonds to July 1, 2019, 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.

"Bonds" shall mean all of the bonds issued and outstanding under the Master Resolution, including the Series 2019C Refunding Bonds issued pursuant to this Thirty-Eighth Supplemental Resolution and all Parity Bonds hereafter issued.

"Depository Trust Agreement" shall mean, with respect to the Series 2019C Refunding Bonds, the agreement between the City and U.S. Bank National Association, as Depository Trustee, regarding the holding in trust of the cash and any securities purchased to secure payment of the Bonds Being Refunded and other matters.

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

"Financial Advisor", with respect to the Series 2019C Refunding Bonds, shall mean Hilltop Securities Inc.

"*Paying Agent*" shall mean U.S. Bank National Association, as paying agent with respect to the Series 2019C Refunding Bonds.

"*Reserve Fund Guarantor*" shall mean with respect to the Series 2019B Bonds, if applicable, any provider of a reserve fund guaranty policy for the Series 2019B Bonds.

"*Series 2019C Refunding Bonds*" shall mean the Utility Systems Revenue Refunding Bonds, Series 2019C, of the City, dated as of such date as set forth in the Bond Purchase Agreement, authorized to be issued by the Master Resolution and this Thirty-Eighth Supplemental Resolution in an amount not to exceed \$95,000,000.

"*Thirty-Eighth Supplemental Resolution*" shall mean this resolution.

"*Underwriter*" shall mean, with respect to the Series 2019C Refunding Bonds, Goldman Sachs & Co. LLC.

Section 3. Authorization of Series 2019C 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 \$95,000,000 aggregate principal amount of the City of Mesa, Arizona Utility Systems Revenue Refunding Bonds, Series 2019C. The series designation of the bonds may change if the Series 2019C Refunding Bonds are not sold in calendar year 2019. The Series 2019C Refunding Bonds issued pursuant to this Thirty-Eighth Supplemental Resolution shall never be construed to be tax secured bonds of the City, as defined in A.R.S. § 9-521, or general obligation bonds of the City within the meaning of A.R.S. Title 35, Chapter 3, Article 3 or Article 4, or constitute a debt of the City within the meaning of the Constitution and laws of the State. The Series 2019C Refunding Bonds shall be post-2002 Bonds for all purposes of the Master Resolution. The Series 2019C Refunding Bonds shall have no claim on or right to share in the pre-2003 Reserve Fund.

B. The Series 2019C 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 Thirty-Eighth Supplemental Resolution. Subject to the provisions of Section 10(B) of the 1991 Master Resolution, the Net Revenues are hereby pledged and assigned as security for the payment of the principal of, and interest on, the Series 2019C Refunding Bonds. All Net Revenues shall be immediately subject to the pledge of the Master Resolution, this Thirty-Eighth Supplemental Resolution and all other resolutions amending the Master Resolution, without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such persons have notice thereof. Nothing contained in this section shall be construed as limiting any authority granted in the Master Resolution to issue Parity Bonds nor shall be deemed a limitation upon the issuance of bonds, notes or other obligations under any law pertaining to the City which are secured by moneys, income and funds other than the Net Revenues and other moneys and investments pledged hereunder.

Section 4. Terms of Series 2019C Refunding Bonds.

A. **Terms.** The Series 2019C 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 2020 through 2035, inclusive, and will bear interest from their date to maturity or earlier redemption date of each of the Series 2019C Refunding Bonds provided that the bond yield shall not exceed six percent (6.00%). The Series 2019C 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 2019C Refunding Bonds shall be re-delivered to the respective Owners (as defined herein) in the denomination of \$5,000 of principal or any integral multiple of \$5,000 in excess 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 2019C Refunding Bonds (each, an "*Interest Payment Date*"), commencing on July 1, 2019 (or such alternative date specified in the Bond Purchase Agreement).

B. **Book-Entry-Only System.** So long as the Series 2019C 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 the time established by DTC on each interest or principal payment date (or in accordance with then existing arrangements between the City and DTC). The Letter of Representations heretofore entered into between the City and DTC shall apply to the Series 2019C Refunding Bonds so long as the Series 2019C Refunding Bonds are administered under the Book-Entry-Only System.

C. **Registration.** While the Series 2019C Refunding Bonds are subject to the Book-Entry-Only System, the Series 2019C Refunding Bonds shall be registered in the name of Cede & Co., or its registered assigns. If the Book-Entry-Only System is discontinued, the Bond Registrar's registration books will show the registered owners of the Series 2019C Refunding Bonds (collectively, the owner or owners of the Series 2019C Refunding Bonds as shown on the Bond Registrar's registration books shall be referred to as "*Owner*" or "*Owners*"). The Series 2019C Refunding Bonds will be administered by the Bond Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Bond Registrar in the manner set forth in the Series 2019C Refunding Bonds.

D. **Payment.** If the Book-Entry-Only System is discontinued, interest on the Series 2019C 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 Bond Registrar as of the close of business of the Bond Registrar on the fifteenth (15th) day of the month preceding an Interest Payment Date (the "*Record Date*").

If the Book-Entry-Only System is discontinued, principal of the Series 2019C Refunding Bonds will be payable, when due, only upon presentation and surrender of the Series 2019C Refunding Bonds at the designated office of the Paying Agent. 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 2019C 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 Thirty-Eighth Supplemental Resolution, payment of principal of and interest on any Series 2019C Refunding Bond that is held by a securities depository or Series 2019C Refunding Bonds subject to the Book-Entry-Only System may be paid by wire transfer in "same day funds."

E. Other Terms. The Series 2019C Refunding Bonds shall have such additional terms and provisions as are set forth in substantially the form of the Series 2019C Refunding Bond attached hereto as Exhibit A and shall be sold under the terms and conditions set forth in the Bond Purchase Agreement.

Section 5. Prior Redemption.

A. Optional Redemption. The Series 2019C Refunding Bonds may be subject to redemption as determined by the Chief Financial Officer and set forth in the Bond Purchase Agreement.

B. Mandatory Redemption. The Series 2019C Refunding Bonds may be subject to mandatory redemption as determined by the Chief Financial Officer and set forth in the Bond Purchase Agreement.

Whenever Series 2019C Refunding Bonds subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the City to the Bond Registrar for cancellation, the principal amount of the Series 2019C Refunding Bonds so retired shall satisfy and be credited against the mandatory redemption requirements for such Series 2019C Refunding Bonds for such years as the City may direct.

C. Notice of Redemption.

(1) So long as the Series 2019C Refunding Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Series 2019C Refunding Bond will be mailed to the Owner of the Series 2019C Refunding Bond or Series 2019C Refunding Bonds being redeemed at the address shown on the registration books maintained by the Bond Registrar not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Failure to properly give notice of redemption shall not affect the redemption of any Series 2019C Refunding Bond for which notice was properly given.

(2) Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), in the manner required by the MSRB, but no defect in said further notice

or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the City or by the Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption. If a conditional redemption notice has been given and money sufficient to redeem all the Series 2019C Refunding Bonds or portions thereof called for redemption is not held in separate accounts by the City or by a Paying Agent on the day set for redemption, then such redemption shall be cancelled and be of no force and effect.

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

D. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Series 2019C Refunding Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2019C 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 2019C Refunding Bonds or portions of the Series 2019C Refunding Bonds so called for redemption shall cease to accrue, such Series 2019C Refunding Bonds shall cease to be entitled to any benefit or security hereunder or under the Master Resolution and the Owners of such Series 2019C Refunding Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Series 2019C Refunding Bonds shall be deemed paid and no longer Outstanding.

E. Redemption of Less Than All of a Series 2019C Refunding Bond. The City may redeem an amount which is included in a Series 2019C Refunding Bond in the denomination equal to or in excess of, but divisible by, \$5,000. In that event, the registered owner shall submit the Series 2019C Refunding Bond for partial redemption and the Paying Agent shall make such partial payment and the Bond Registrar shall cause to be issued a new Series 2019C Refunding Bond in a principal amount equal to the unpaid amount remaining on such Series 2019C Refunding Bond after the redemption to be authenticated and delivered to the registered owner thereof.

Section 6. Form of Series 2019C Refunding Bonds. Pursuant to A.R.S. § 35-491, a fully registered bond form is adopted as an alternative to the form of bond provided in A.R.S. § 9-529. So long as the Book-Entry-Only System is in effect, the Series 2019C 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 or by the Bond Purchase Agreement and are approved by those officers executing the Series 2019C Refunding Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval. If the Book-Entry-Only System is discontinued, the Series 2019C Refunding Bonds shall be re-delivered 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 2019C

Refunding Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval.

The Series 2019C Refunding Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Series 2019C Refunding Bond shall show both the date of the issue and the date of such Series 2019C Refunding Bond's authentication and registration. The Series 2019C Refunding Bonds are prohibited from being converted to coupon or bearer form without the consent of the City 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;
- (6) the Replacement Fund; and
- (7) the Construction Fund.

B. In addition to the payments required to be made into the Bond Fund required by the Master Resolution, the following additional payments shall be made to the Bond Fund with respect to the Series 2019C Refunding Bonds on or before the tenth (10th) day of each month.

(1) Commencing on the 10th day of the month following the closing date of the Series 2019C Refunding Bonds, the amount due on the next succeeding Interest Payment Date divided by the number of monthly payments that can be made prior to such next succeeding Interest Payment Date, and commencing on the 10th day of the month following the first Interest Payment Date, one-sixth (1/6) of the interest coming due on the next semiannual Interest Payment Date on all of the Series 2019C Refunding Bonds then Outstanding; and

(2) Commencing on the 10th day of the month following the closing date of the Series 2019C Refunding Bonds, the amount due on the next succeeding principal payment date divided by the number of monthly payments that can be made prior to such next succeeding principal payment date and commencing on the 10th day of the month following the first principal payment date, one-twelfth (1/12) of the principal becoming due on the next succeeding principal payment date on all Series 2019C Refunding Bonds then Outstanding.

Section 8. Disposition of Series 2019C Refunding Bond Proceeds.

A. Immediately upon closing of the Series 2019C Refunding Bonds, the proceeds from the sale of the Series 2019C Refunding Bonds shall be disposed of as follows: (1) all accrued interest and all net original issue premium not to be applied to defease the Bonds Being Refunded (including any initial cash deposit), payment of the Costs of Issuance or the payment of

the premiums for bond insurance for the Series 2019C Refunding Bonds (which may be paid directly by the Underwriter and credited to payment for the Series 2019C Refunding Bonds) shall be deposited in the Bond Fund, and (2) the remaining proceeds shall constitute the "*Net Proceeds*" of the Series 2019C Refunding Bonds as the term is defined in A.R.S. § 9-535.01 shall be delivered to the Depository Trustee and used to acquire Government Obligations or provide cash sufficient to complete the refunding pursuant to the Depository Trust Agreement. A portion of the proceeds, as determined by the Chief Financial Officer 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. § 9-535.01. The securities in which such proceeds are so invested shall comply in all respects with the requirements of A.R.S. § 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 2019C Refunding Bonds; Bond Purchase Agreement Approval. The Underwriter will purchase the Series 2019C Refunding Bonds pursuant to the Bond Purchase Agreement in substantially the form submitted to and on file with the City, as supplemented by the final terms as contemplated by this Thirty-Eighth Supplemental Resolution. When the final terms of such Series 2019C Refunding Bonds are known, the Bond Purchase Agreement shall be finalized. The Mayor, any member of the City Council or the Chief Financial Officer is each hereby authorized and directed to cause the Bond Purchase Agreement to be completed and executed; provided, however, that the parameters of this Thirty-Eighth Supplemental Resolution shall govern the Bond Purchase Agreement and neither the Mayor, any member of the City Council or the Chief Financial Officer is authorized to insert in the Bond Purchase Agreement any terms or conditions which would be contrary to this Thirty-Eighth Supplemental Resolution. Upon the completion, execution and delivery of the Bond Purchase Agreement, any or all of the Series 2019C Refunding Bonds are ordered sold to the Underwriter pursuant to the Bond Purchase Agreement.

The Chief Financial Officer is hereby authorized and directed to cause the Series 2019C 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 and this Thirty-Eighth Supplemental Resolution are deemed incorporated into the Series 2019C Refunding Bonds themselves and shall constitute a contract among the City, the Bond Insurer, if any, and the Owner or Owners and, after the issuance of any of the Series 2019C Refunding Bonds, no change, variation or alteration of any kind in the provisions of the Master Resolution or this Thirty-Eighth Supplemental Resolution shall be made in any manner, except as provided in Sections 17 and Section 18 of the 1991 Master Resolution or until such time as all of the Bonds and interest due thereon have been paid in full.

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

Section 11. Execution of Series 2019C Refunding Bonds and Other Documents.

A. Bonds. The Series 2019C Refunding Bonds shall be executed for and on behalf of the City by the Mayor, countersigned by the Chief Financial Officer, and attested by the City Clerk by their manual or facsimile signatures and the City seal will be either photographically, mechanically or manually imprinted, affixed or reproduced on the Series 2019C Refunding Bonds. If the signatures are affixed or imprinted by facsimile, the Mayor, Chief Financial Officer, and City Clerk shall execute a certificate adopting as their signatures the facsimile signatures appearing on the Series 2019C Refunding Bonds. If an officer whose signature is on a Series 2019C Refunding Bond no longer holds that office at the time the Series 2019C Refunding Bond is authenticated and registered, such Series 2019C Refunding Bond shall nevertheless be valid. A Series 2019C Refunding Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar. The signature of the authorized representative of the Bond Registrar shall be conclusive evidence that such Series 2019C Refunding Bond has been authenticated and issued pursuant to this Thirty-Eighth Supplemental Resolution.

B. Registrar Contract. The form of bond registrar, transfer agent and paying agent contract now on file with the City Clerk concerning duties of the Bond Registrar and the Paying Agent for the Series 2019C Refunding Bonds is hereby approved and the Mayor, the City Clerk, or the Chief Financial Officer is each hereby authorized and directed to execute, and attest, as applicable, such contract on behalf of the City with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and approved by those officers executing the documents and cause such respective contract to be delivered. Execution by any such officer shall constitute conclusive evidence of such approval.

C. Continuing Disclosure Certificate. The form of a continuing disclosure certificate now on file with the City Clerk is hereby approved. The Mayor, the City Clerk, or the Chief Financial Officer is each 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 substantially the form now on file with the City Clerk, to be used in connection with the sale of the Series 2019C Refunding Bonds, is hereby authorized and approved and its distribution by the Underwriters is hereby authorized and approved. Such preliminary official statement is approved and may be deemed "final" for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934 (the "*Rule*"), by the Mayor or the Chief Financial Officer. The City will cause a final official statement (the "*Official Statement*") in substantially the form of the preliminary official statement referred to above but with omissions permitted by the Rule to be prepared and distributed with the Series 2019C Refunding Bonds in accordance with the Rule. The Mayor or the Chief Financial Officer is each hereby authorized to approve, execute and deliver the

Official Statement on behalf of the City and the execution by either such officer shall be deemed conclusive evidence of such approval.

E. Authority. In the event the Mayor, any member of the Council, or any officer of the City is unavailable or unable to discharge any obligation or duty with respect hereto, including the approval, execution or attestation of the Series 2019C Refunding Bonds or other documents, then any member of the Council may act in the capacity of such officer for the purpose of discharging such obligation or duty. The Mayor, the City Manager, the City Clerk, the Assistant City Managers and the Chief Financial Officer are also each hereby authorized to sign and deliver, on behalf of the City, and in their official capacities, such certificates in connection with sale of the Series 2019C Refunding Bonds and the accuracy of the Official Statement and any amendments thereto as may, in their judgment, be necessary or appropriate.

Section 12. Additional Covenants. The City, in consideration of the purchase of the Series 2019C 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 Net 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 City Council hereby authorizes the Chief Financial Officer, or his or her designee, to represent and act for the City in all matters pertaining to the City's tax-exempt bonds, as may be necessary to comply, on a continuing basis, with the Internal Revenue Service, Securities and Exchange Commission and other governmental entities requests, reporting requirements and post issuance compliance policies and matters.

Section 13. Redemption of Bonds Being Refunded. The City Manager, the Chief Financial Officer or the designated representative of either shall order that the Bonds Being Refunded, that are subject to redemption, 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 maturities of the Outstanding Utility Systems Revenue Bonds and Utility Systems Revenue Refunding Bonds selected for refunding are the Bonds Being Refunded. The City Council hereby orders that the series and the maturities of the Bonds Being Refunded and date of redemption will be determined by the Chief Financial Officer, with the advice of the Financial Advisor, and will be as set forth in the Official Statement and the Depository Trust Agreement.

Section 14. Bond Insurance or Credit Enhancement. The Chief Financial Officer is hereby authorized to expend or cause to be expended Series 2019C Refunding Bond proceeds to purchase bond insurance or other credit enhancements for the Series 2019C Refunding Bonds if deemed to be in the City's best interest, upon consultation with the Financial Advisor.

Section 15. Qualified Tax-Exempt Obligations. The Series 2019C Refunding Bonds are NOT "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 16. Ratification of Actions. All actions of the officers and agents of the City that conform to the purposes and intent of this Thirty-Eighth Supplemental Resolution and the

Master Resolution, and which further the issuance and sale of the Series 2019C Refunding Bonds, as contemplated by this Thirty-Eighth Supplemental Resolution and the Master Resolution, whether heretofore or hereafter taken, shall be and are ratified, confirmed and approved.

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Section 17. Severability. If any section, paragraph or provision of this Thirty-Eighth Supplemental Resolution or the Master Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Thirty-Eighth Supplemental Resolution or the Master Resolution.

PASSED AND ADOPTED by the City Council of the City of Mesa, Maricopa County, Arizona, this 1st day of April, 2019.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C.

Bond Counsel

CERTIFICATION

I, DeeAnn Mickelsen, the duly appointed City Clerk of the City of Mesa, Arizona, do hereby certify that the above and foregoing Resolution No. _____ was duly passed by the City Council of the City of Mesa, Arizona, at a regular meeting held on April 1, 2019, and that a quorum was present thereat and that the vote thereon was ____ aye's and ____ nay's; ____ did not vote or were absent.

DATED: April 1, 2019.

City Clerk

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 2019C**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Dated Date</u>	<u>CUSIP No.</u>
_____%	July 1, 20____	_____, 2019	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 July 1, 20__, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original dated date set forth above. Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.

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

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 Title 9, Chapter 5, Article 3, Arizona Revised Statutes, Resolution No. 6362 adopted by the Mayor and Council of the City on July 29, 1991, as thereafter amended and supplemented, and Resolution No. ____ adopted by the Mayor and Council of the City on April 1, 2019 (collectively, the "Master 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,

wastewater, electrical, natural gas, and solid waste (garbage and rubbish) utility systems (collectively, the "System"), subject only to the payment of the reasonable and necessary cost of operating and maintaining the System. Reference is made to the Master 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 Master 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 Master 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 Master 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 Master Resolution. As such, this bond has no claim against or right to share in the "pre-2003 Reserve Fund" which pertains only to bonds issued under the terms of the bond resolutions prior to January 1, 2003.

The bonds maturing on or before July 1, 20__ are not subject to call for redemption prior to maturity. The bonds maturing on or after July 1, 20__ are subject to call for redemption prior to maturity, at the option of the City, in whole or in part on July 1, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

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

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

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

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

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

CITY OF MESA, ARIZONA

ATTEST:

City Clerk

Mayor

COUNTERSIGNED:

Chief Financial Officer

DATE OF AUTHENTICATION AND REGISTRATION: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the City of Mesa, Arizona Utility Systems Revenue Refunding Bonds, Series 2019C, as described in the Master Resolution mentioned herein.

U.S. BANK NATIONAL ASSOCIATION, as Registrar

(INSERT INSURANCE STATEMENT HERE, IF APPLICABLE)

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

TEN COM – as tenants in common

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with right of survivorship
and not as tenants in common

UNIF GIFT/TRANS MIN ACT _____Custodian_____
(Cust) (Minor)

under Uniform Gifts/Transfers to Minors Act _____
(State)

Additional abbreviations may also be used though not in list above

ASSIGNMENT

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

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

Dated _____

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