

RESOLUTION NO. R2016.43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF TEMPE, ARIZONA, GENERAL OBLIGATION BONDS, SERIES 2016A AND GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B; DELEGATING THE AUTHORITY TO APPROVE CERTAIN MATTERS WITH RESPECT TO THE BONDS AND THE BONDS BEING REFUNDED; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A REGISTRAR, TRANSFER AGENT AND PAYING AGENT AND A DEPOSITORY TRUSTEE; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; DELEGATING THE AUTHORITY TO APPROVE AND DEEM FINAL A FORM OF OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT; RATIFYING ALL ACTIONS TAKEN AND TO BE TAKEN WITH RESPECT TO THE BONDS IN FURTHERANCE OF THIS RESOLUTION.

WHEREAS, pursuant to special bond elections held in and for the City of Tempe, Arizona (the "*City*"), on November 4, 2008 and November 6, 2012 (together, the "*Elections*"), the issuance of general obligation bonds has been approved; and

WHEREAS, the City Council intends to issue bonds in the aggregate principal amount of not to exceed \$13,630,000 to be designated General Obligation Bonds, Series 2016A (the "*New Money Bonds*") for the purpose of providing funding for (i) street, traffic signal and other transportation improvements, (ii) the acquisition of public safety equipment and improvements, (iii) park and community services improvements and (iv) municipal infrastructure improvements in accordance with the authority granted at the Elections and for the purpose of paying the costs of issuance of the New Money Bonds; and

WHEREAS, the following general obligation bonds of the City have been issued and are outstanding: General Obligation Bonds, Series 2006, General Obligation Bonds, Series 2007A, General Obligation Bonds, Series 2008A and General Obligations Bonds, Series 2009A (collectively, the "*Prior Bonds*"); and

WHEREAS, the City Council finds that the issuance of not to exceed a principal amount of General Obligation Refunding Bonds, Series 2016B (the "*Refunding Bonds*" and together with the New Money Bonds, the "*Bonds*") sufficient for the purpose of (i) refunding some or all of the Prior Bonds (the "*Bonds Being Refunded*") selected by the Deputy City Manager/Chief Financial Officer of the City (the "*Deputy City Manager/Chief Financial Officer*"), and (ii) paying the costs of issuance of the Refunding Bonds, is necessary and advisable and is in the best interests of the City to lower the debt service payments due on its general obligation debt; and

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

WHEREAS, the City Council shall receive a proposal for the purchase of the Bonds from RBC Capital Markets, LLC (the "*Underwriter*") in the form of a bond purchase agreement that will be substantially similar to the bond purchase agreements the City has previously entered into, and the City desires that the Bonds be sold through negotiation to the Underwriter on the terms set forth in this resolution; and

WHEREAS, by this resolution, the City Council shall approve such form of bond purchase agreement and order the proposed 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 of the sale have been determined for the sale of the Bonds to the Underwriter (as so completed, the "*Bond Purchase Agreement*"); and

WHEREAS, within and by the parameters set forth in this resolution, the City Council shall authorize the sale, execution and issuance of the Bonds and their delivery to the Underwriter in accordance with the Bond Purchase Agreement and at such prices, in such principal amounts, bearing interest at such rates, maturing on such maturity dates and having such redemption features as may be hereafter determined by the Deputy City Manager/Chief Financial Officer and agreed to by the Underwriter as set forth in the Bond Purchase Agreement; and

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

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, AS FOLLOWS:

Section 1. Authorization.

A. **New Money Bonds.** For the purpose of providing funds to make certain of the acquisitions and public improvements authorized by the qualified electors of the City at the Elections and to pay costs of issuance of the New Money Bonds, the City Council hereby authorizes the New Money Bonds to be sold and issued by negotiated sale pursuant to A.R.S. § 35-457(C) in an aggregate principal amount of not to exceed \$13,630,000. The New Money Bonds shall be issued and sold in accordance with the provisions of this resolution and delivered against payment therefor by the Underwriter. The series designation of the Bonds may change.

B. **Refunding Bonds.** For purposes of providing funds to refund the Bonds Being Refunded, as indicated in the Depository Trust Agreement (as defined herein), and to pay costs of issuance of the Refunding Bonds, the Refunding Bonds are authorized to be sold and issued in an aggregate principal amount not to exceed an amount sufficient to refund the Bonds Being Refunded and to pay costs of issuance of the Refunding Bonds. The Refunding Bonds shall be sold and issued in accordance with the provisions of this resolution and delivered against payment therefor by the Underwriter. The City Council finds and determines that it is expedient, necessary and advisable for the City to restructure a portion of its outstanding bonded debt to lower the aggregate tax burden for the City's taxpayers. The Refunding Bonds may only be issued if the present value of the debt service savings that will occur, net of all costs associated with the Refunding Bonds, shall be not less than two and one-half percent (2.50%) of the principal amount of the Bonds Being Refunded.

Section 2. Terms.

A. **Bonds.** The Bonds will be dated such date as set forth in the Bond Purchase Agreement, will mature on July 1 in some or all of the years 2016 through 2036, inclusive, and shall bear interest from their dated date to the maturity or earlier redemption of each of the Bonds, provided that the yield (as determined pursuant to the regulations of the Internal Revenue Code of 1986, as amended (the "*Code*")) on all of the Bonds shall not exceed six percent (6.00%). No rates for the New Money Bonds shall exceed eight percent (8.00%) per annum, the lowest maximum rate authorized at the Elections.

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, including series designation, purchase price and provision for original issue discount and original issue premium, shall be as set forth in the Bond Purchase Agreement and approved by the Mayor or any other member of the City Council or the Deputy City Manager/Chief Financial Officer 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 January 1, 2017 (or on such other date as set forth in the Bond Purchase Agreement).

B. **Book-Entry-Only System.** Ownership of the Bonds will be registered on the registration books of the Registrar (as defined hereafter). So long as the Book-Entry-Only System is in effect, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*") or registered assigns. So long as the Bonds are administered under the Book-Entry-Only System described in the Letter of Representations (as defined hereafter), 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 previously entered into an agreement (the "*Letter of Representations*") with DTC in connection with the issuance of the City's bonds including 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 registration books shall show the registered owners of the Bonds (collectively, the owner or owners of the Bonds as shown on the Registrar's registration books shall be referred to as "*Owner*" or "*Owners*"). The Bonds shall be administered by the Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Registrar in the manner set forth in the Bonds. The City recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully-registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered.

D. **Payment.** If the Book-Entry-Only System is discontinued, interest on the Bonds shall 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 Record Date (as such term is defined in Section 10 hereof).

If the Book-Entry-Only System is discontinued, principal of the Bonds shall 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 (20) 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 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 that is subject to the Book-Entry-Only System may be paid by the Paying Agent by wire transfer in "same day funds".

The principal with respect to the Bonds shall be payable in lawful money of the United States of America upon surrender when due at the designated office of the Paying Agent.

E. Other Terms. The Bonds shall have such other terms and provisions as are set forth in Exhibits A and B hereto and shall be sold under the terms and conditions set forth in the Bond Purchase Agreement.

Section 3. Prior Redemption.

A. Optional Redemption. The Bonds may be subject to optional redemption as determined by the Deputy City Manager/Chief Financial Officer and as set forth in the Bond Purchase Agreement.

B. Mandatory Redemption. The Bonds may be subject to mandatory redemption as determined by the Deputy City Manager/Chief Financial Officer and as 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 of Redemption.

(i) 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 shall be mailed to the 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 transmission, wire transmission or 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.

(ii) 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 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.

(iii) 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 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.

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 such 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. If the Book-Entry-Only-System is discontinued, in that event, the 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 Owner thereof.

Section 4. Security.

A. New Money Bonds. For the purpose of paying the principal of, premium (if any), interest on and costs of administration of the registration and payment of the New Money Bonds, there shall be levied on all the taxable property in the City a continuing, direct, annual, ad valorem tax, without limit as to rate or amount, sufficient to pay all such principal, interest and administration costs on the New Money Bonds as the same becomes due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes shall be kept in a special fund and shall be used only for the purpose for which collected.

B. Refunding Bonds. For the purpose of paying the principal of, premium (if any), interest on and costs of administration of the registration and payment of the Refunding Bonds, there shall be levied on all the taxable property in the City a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of the Refunding Bonds as the same becomes due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. Taxes levied with respect to the payment of principal of and interest on the Refunding Bonds, shall be limited as follows: the total aggregate of taxes levied to pay principal of and interest on the Refunding Bonds in the aggregate shall not exceed the total aggregate principal of and interest to become due on the Bonds Being Refunded,

calculated from the date of issuance of the Refunding Bonds to the final maturity date of the Bonds Being Refunded; and further, if the trust created to pay principal of and interest on the Bonds Being Refunded is insufficient to make such payments when due, any taxes levied to pay principal and interest on the Refunding Bonds shall first be applied to the payments of amounts due on the Bonds Being Refunded. The proceeds of the taxes shall be kept in a special fund of the City and shall be used only for the payment of principal, interest, or costs as above-stated.

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

Section 5. Use of Proceeds.

A. New Money Bonds. The proceeds from the sale of the New Money Bonds shall be set aside and used by the City for the following purposes in the following estimated amounts:

<u>Amount</u>	<u>Election</u>	<u>Purpose</u>	<u>Debt Limit</u>
\$5,000,000	11/04/2008	Public Safety	6%
2,700,000	11/04/2008	Street Improvements	6%
2,500,000	11/06/2012	Parks Improvements/ Community Services	6%
3,430,000	11/06/2012	Municipal Infrastructure Preservation	6%

The New Money Bonds will be charged against the City's 6% debt limit as shown above. Notwithstanding the foregoing, upon finalizing the Bond Purchase Agreement as contemplated by Section 9 hereof, and if necessary, the Deputy City Manager/Chief Financial Officer is authorized to change the amounts and use of proceeds set forth above to accurately reflect the final terms of the New Money Bonds and the intended uses of the proceeds by the City. Any such changes shall be certified in a closing certificate signed by the Deputy City Manager/Chief Financial Officer. Further, the Deputy City Manager/Chief Financial Officer in such closing certificate shall allocate such amounts and purposes to the maturities of the New Money Bonds. The moneys for each separate purpose as stated above or as set forth in the closing certificate of the Deputy City Manager/Chief Financial Officer as to use of proceeds shall be applied and used solely for the respective purpose set forth in the respective ballot question submitted to the qualified electors of the City at the Elections.

The New Money Bonds allocated for each purpose will mature in the amounts and in the years determined by the Deputy City Manager/Chief Financial Officer to be in the best interests of the City as shown in such closing certificate executed and delivered by the Deputy City Manager/Chief Financial Officer at the time of delivery of the Bonds.

B. Refunding Bonds. Upon the delivery of and payment for the Refunding Bonds in accordance with the terms of their sale, the net proceeds from the sale of the Refunding Bonds, after payment of the costs and expenses of issuance, shall be set aside, together with certain funds of the City, if any, required to pay the Bonds Being Refunded, in a special trust fund maintained by The Bank of New York Mellon Trust Company, N.A., as depository trustee (the "*Depository Trustee*") and shall be used to pay, when due, principal of and interest on the Bonds Being Refunded, all as more fully

described in that certain Depository Trust Agreement dated as of June 1, 2016, or such later date as mutually agreed upon by the parties thereto (the "*Depository Trust Agreement*"), by and between the City and the Depository Trustee. Amounts credited to the trust, other than any beginning cash balance, shall be invested immediately in obligations issued by or directly or indirectly guaranteed by the United States of America (as more fully described in the Depository Trust Agreement), the maturing principal of and interest on which, together with any beginning cash balance, shall be sufficient to pay the principal of and interest on the Bonds Being Refunded as the same becomes due at maturity or prior redemption as provided herein.

Any balance of the net proceeds of the Refunding Bonds remaining after creation of the trust for the Bonds Being Refunded shall be transferred to the debt service fund for the Refunding Bonds.

Section 6. Forms of Bonds. The Bonds shall be in substantially the forms of *Exhibit A* and *Exhibit B* attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Bond Purchase Agreement and are approved by those officers executing the Bonds and execution thereof by such officers shall constitute conclusive evidence of such approval. If the Book-Entry-Only System is discontinued, the forms of the Bonds shall be adjusted to accommodate the requirements of non-book-entry bonds.

The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall be dated the date of its authentication and registration.

The Bonds are prohibited from being converted to coupon or bearer Bonds without the consent of the City Council and approval of bond counsel. If the Book-Entry-Only System is discontinued, the Bonds shall be reissued and transferred in the form of the Bond to be prepared at that time.

Section 7. Execution of Bonds and Other Documents.

A. **Bonds.** The Bonds shall be executed for and on behalf of the City by the Mayor or Vice Mayor 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 Bonds. The Refunding Bonds shall be countersigned by the Deputy City Manager/Chief Financial Officer by his manual or facsimile signature. If the signatures are affixed or imprinted by facsimile, the Mayor, the City Clerk and, if applicable, the Vice Mayor or the Deputy City Manager/Chief Financial Officer shall execute a certificate adopting as their signatures the facsimile signatures appearing on the Bonds. If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, such Bond shall nevertheless be valid. A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Registrar. The signature of the authorized representative of the Registrar shall be conclusive evidence that such Bond has been authenticated and issued pursuant to this resolution.

B. **Registrar, Transfer Agent and Paying Agent Contract.** The form of Registrar, Transfer Agent and Paying Agent Contract, in substantially the form presented to the City Council and on file with the City Clerk's office, concerning duties of the Registrar and Paying Agent for the Bonds is hereby approved, and the Mayor, the Clerk or the Deputy City Manager/Chief Financial

Officer is each hereby authorized and directed to execute and deliver 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 and cause such contract to be delivered. Execution and delivery by such officers shall constitute conclusive evidence of such approval.

C. Depository Trust Agreement. The form of the Depository Trust Agreement, in substantially the form presented to the City Council and on file with the City Clerk's office, concerning the refunding of the Bonds Being Refunded is hereby approved and the Mayor, the Clerk or the Deputy City Manager/Chief Financial Officer is hereby directed to execute and deliver 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 contract to be delivered.

D. Continuing Disclosure Certificate. The form of continuing disclosure certificate, in substantially the form as presented to the City Council and on file with the City Clerk's office, is hereby approved. The Mayor, the City Clerk or the Deputy City Manager/Chief Financial Officer is each hereby authorized and directed to execute and deliver on behalf of the City, such certificate for the benefit of the Owners (including beneficial owners) of the Bonds.

E. 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 the distribution of such preliminary official statement is hereby authorized and approved. The form of preliminary official statement has been submitted to and is on file with the City Clerk's office. Such preliminary official statement shall be in a form that is approved and deemed "final" for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934 (the "Rule"), by the Mayor, any member of the City Council or the Deputy City Manager/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 to be prepared and distributed with the Bonds upon initial issuance. The Mayor, any member of the City Council or the Deputy City Manager/Chief Financial Officer 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.

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

Section 9. Acceptance of Offer; Sale of Bonds; Bond Purchase Agreement Approval. When the final terms of the Bonds are known, the Bond Purchase Agreement shall be finalized. The Mayor, any member of the City Council or the Deputy City Manager/Chief Financial Officer are each hereby authorized and directed to cause the Bond Purchase Agreement to be

completed and executed and to finalize the terms thereof, including, but not limited to, establishing the principal amount of Bonds sold, the maturity amounts and dates and interest rates; provided, however, that the parameters of this resolution shall govern the Bond Purchase Agreement as finalized; and provided further, that neither the Mayor, any member of the City Council nor the Deputy City Manager/Chief Financial Officer are authorized to insert in the Bond Purchase Agreement any terms or conditions which would be contrary to this resolution. Upon the completion, execution and delivery of the Bond Purchase Agreement, the Bonds are ordered sold to the Underwriter pursuant to the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement as completed shall be conclusive evidence of such approval of the final terms and provisions.

The Deputy City Manager/Chief Financial Officer 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. Any other provision of this resolution to the contrary notwithstanding, no premium on the New Money Bonds shall exceed the net premium permitted by A.R.S. § 35-457, and the Refunding Bonds shall not be sold with a premium that exceeds the net premium permitted by A.R.S. § 35-473.01.

Section 10. Registrar and Paying Agent. The City will maintain an office or agency where Bonds may be presented for registration or transfer and an office or agency where Bonds may be presented for payment. The Deputy City Manager/Chief Financial Officer 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, The Bank of New York Mellon Trust Company, N.A. (the "*Registrar*" and "*Paying Agent*"), will act as the Registrar and the Paying Agent with respect to the Bonds. Any entity into which the Registrar or the Paying Agent is merged or consolidated shall continue as the Registrar or the Paying Agent hereunder without notice to the Owners of the Bonds or any further action by the City. The City may change the Registrar or the Paying Agent without notice to or consent of Owners of the Bonds and the City may act in any such capacity.

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 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 separate registration books of the New Money Bonds and the Refunding Bonds, the registered Owners of the New Money Bonds and the Refunding Bonds and transfer of the New Money Bonds and the Refunding 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 the

Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds. The "*Record Date*" for the Bonds will be the close of business of the Registrar on the fifteenth day of the month preceding an Interest Payment Date, or if such date is a Saturday, Sunday or legal holiday, the previous business day. 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 will charge the Owner for every such transfer an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or governmental charge be paid before any such new Bond or Bonds shall be delivered.

The Registrar shall authenticate New Money Bonds for original issue up to \$13,630,000 in aggregate principal amount and Refunding Bonds for original issue up to an aggregate principal amount sufficient to refund the Bonds Being Refunded and pay costs of issuance upon the written request of the Deputy City Manager/Chief Financial Officer of the City. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the City are met.

Section 11. Depository Trustee. The City hereby requests the Depository Trustee to take any and all action necessary in connection with the execution and delivery of the Depository Trust Agreement, the sale and issuance of the Bonds and the redemption of the Bonds Being Refunded, including mailing the conditional notice of redemption, notice of advance refunding and notice of redemption described in the Depository Trust Agreement.

Section 12. Rebate Fund; Rebate Payments. In the event the City is required to rebate its earnings on the Bonds, the City Council hereby authorizes the Deputy City Manager/Chief Financial Officer or any agent thereof to create a separate fund to be known as the Rebate Fund. Into such fund shall be deposited any and all moneys deemed necessary 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. The Deputy City Manager/Chief Financial Officer is ordered and directed to employ or engage one or more arbitrage rebate consultants to calculate annually any necessary rebate amount to be paid to the United States of America. The Deputy City Manager/Chief Financial Officer is authorized and directed to pay any amounts necessary to the United States of America, as arbitrage rebate(s).

Section 13. Resolution a Contract. This resolution shall constitute a contract between the City and the Owners and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the Owners of the Bonds then outstanding. The performance by the City Council of the obligations in this resolution, the Bonds and the other agreements listed in Section 7 of this resolution is hereby authorized and approved.

Section 14. Ratification of Actions. All actions of the officers and agents of the City which conform to the purposes and intent of this resolution and which further the issuance and sale of the Bonds as contemplated by this resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized

and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this resolution.

Section 15. Tax Covenants. In consideration of the purchase and acceptance of the Bonds by the Owners thereof and, as authorized by A.R.S., Title 35, Chapter 3, Article 7, and in consideration of retaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, the City covenants with the Owners from time to time of the Bonds to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest income on the Bonds becoming subject to inclusion as gross income for federal income taxes.

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

The City Council hereby agrees that the City will comply with such requirements and will take any such actions, as in the opinion of Bond Counsel, are necessary to prevent interest on the Bonds from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by Bond Counsel; to pay to the United States of America any required amounts representing 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 City Council hereby authorizes the Deputy City Manager/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 Exchange Commission and other governmental entities' requests, reporting requirements and post-issuance compliance policies and matters.

Section 16. Redemption of Prior Bonds and Weighted Average Maturity. Some or all of the maturities of the Prior Bonds may be refunded. Those selected for refunding are referred to herein as the Bonds Being Refunded. The City Council hereby orders that the maturities of the Prior Bonds and the times that the Bonds Being Refunded will be redeemed will be determined by the Deputy City Manager/Chief Financial Officer and will be as set forth in the Official Statement and as indicated in the Depository Trust Agreement. The weighted average maturity of the Refunding Bonds shall be at least 75% of the weighted average maturity of the Bonds Being Refunded.

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

PASSED, ADOPTED AND APPROVED by the City Council of City of Tempe, Arizona, on April 21, 2016.

Mark W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk

APPROVED AS TO FORM:

Timothy A. Stratton, Bond Counsel

Exhibit A: New Money Bond Form

Exhibit B: Refunding Bond Form

CERTIFICATION

I, Brigitta Kuiper, the duly appointed and acting City Clerk of the City of Tempe, Arizona, do hereby certify that the above and foregoing Resolution No. R2016.43 was duly passed by the City Council of the City of Tempe, Arizona, at a regular meeting held on April 21, 2016 and the vote was ____ aye's and ____ nay's and that the Mayor and ____ City Council Members were present thereat.

DATED: April 21, 2016

Brigitta M. Kuiper, City Clerk

EXHIBIT A

(New Money Bond)

(Form of Book-Entry-Only Bond)

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 TEMPE, ARIZONA
GENERAL OBLIGATION BOND,
SERIES 2016A**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Dated Date</u>	<u>CUSIP</u>
	July 1, ____	_____, 2016	879709__

Registered Owner: CEDE & CO.

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

CITY OF TEMPE, 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.

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 their stated maturity dates, at the option of the City, in whole or in part, on any date on or after July 1, 20__, 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.

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 (or in accordance with existing arrangements between the City and DTC).

The "Record Date" for this Bond will be the close of business of the registrar on the fifteenth day of the month preceding an interest payment date, or if such date is a Saturday, Sunday or legal holiday, the previous business day.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this Bond exist, have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the City for the payment of this Bond and of the interest hereon as each becomes due.

This Bond is one of a series of general obligation bonds in the aggregate principal amount of \$_____ of like tenor except as to amount, maturity date, redemption provisions, interest rate and number, issued by the City to provide funds for [(i) street and storm drain improvements, (ii) the acquisition of public safety equipment and improvements, (iii) park and community services improvements and (iv) municipal infrastructure improvements] approved by a majority vote of qualified electors voting at elections duly called and held in and for the City, pursuant to a resolution of the Mayor and City Council duly adopted prior to the issuance hereof (the "*Resolution*") and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of general obligation bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the punctual payment of this Bond and the interest hereon and for the levy and collection of ad valorem taxes on all taxable property within the City sufficient for that purpose, the full faith and credit of the City are hereby irrevocably pledged.

So long as the book-entry-only system is in effect, 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 shall be filed with the registrar and mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the books of the registrar not more than sixty (60) nor less than thirty (30) days prior to the redemption date. Notice of redemption may be given to any securities depository by mail, facsimile transmission, wire transmission or 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 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.

The registrar and paying agent on the original issue date is The Bank of New York Mellon Trust Company, N.A. The registrar and paying agent may be changed by the City without notice.

So long as the book-entry-only system is in effect, this Bond is non-transferable. If the book-entry-only system is discontinued, this Bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar, which on the original issue date is the corporate trust office of The Bank of New York Mellon Trust Company, N.A, 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 City, the registrar and the paying agent may treat the registered owner of this Bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

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

CITY OF TEMPE, ARIZONA

Mark W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk

DATE OF AUTHENTICATION AND REGISTRATION:_____.

AUTHENTICATION CERTIFICATE

This Bond is one of the City of Tempe, Arizona, General Obligation Bonds, Series 2016A, described in the Resolution.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Registrar

Authorized Representative

FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT/TRANS MIN ACT-_____ Custodian_____
TEN ENT - as tenants by the entireties	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts/Transfers to Minors Act _____ (State)

Additional abbreviations may also be used though not in list above

ASSIGNMENT

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

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

Dated _____

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

Signature Guaranteed:

Firm or Bank

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

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR

EXHIBIT B

(Refunding Bond)
(Book-Entry-Only Bond)

Number: _____

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 TEMPE, ARIZONA
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2016B**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Dated Date</u>	<u>CUSIP</u>
_____%	July 1, 20__	_____, 2016	879709_____

Registered Owner: CEDE & CO.

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

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

INSERT CALL FEATURE HERE, IF APPLICABLE

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.

The "Record Date" for this Bond will be the close of business of the registrar on the fifteenth day of the month preceding an interest payment date, or if such date is a Saturday, Sunday or legal holiday, the previous business day.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this Bond exist, have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the City for the payment of this Bond and of the interest hereon as each becomes due, as limited as described herein.

This Bond is one of an issue of general obligation refunding bonds in the aggregate principal amount of \$_____ of like tenor except as to amount, maturity date, redemption provisions, interest rate and number, issued by the City to provide funds to refund certain previously issued and outstanding bonds of the City, pursuant to a resolution of the Mayor and City Council duly adopted prior to the issuance hereof (the "*Resolution*"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of general obligation refunding bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

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

So long as the book-entry-only system is in effect, 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 shall be filed with the registrar and mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the books of the registrar not more than sixty (60) nor less than thirty (30) days prior to the redemption date. Notice of redemption may be given to any securities depository by mail, facsimile transmission, wire transmission or 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 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.

The registrar and paying agent on the original issue date is The Bank of New York Mellon Trust Company, N.A. The registrar and paying agent may be changed by the City without notice.

So long as the book-entry-only system is in effect, this Bond is non-transferable. If the book-entry-only system is discontinued, this Bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar, which on the original issue

date is the corporate trust office of The Bank of New York Mellon Trust Company, N.A., 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 City, the registrar and the paying agent may treat the registered owner of this Bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

The City has caused this Bond to be executed by the Mayor, attested by the Clerk and countersigned by the Deputy City Manager/Chief Financial Officer, which signatures may be facsimile signatures and the City seal has been mechanically or photographically impressed on this Bond. This Bond is not valid or binding upon the City without the manually affixed signature of an authorized representative of the registrar. This Bond is prohibited from being issued in coupon or bearer form without the consent of the City and the occurrence of certain other conditions.

CITY OF TEMPE, ARIZONA

Mark W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk

COUNTERSIGNED:

Kenneth Jones, Deputy City Manager/Chief Financial Officer

DATE OF AUTHENTICATION AND REGISTRATION: _____

AUTHENTICATION CERTIFICATE

This Bond is one of the City of Tempe, Arizona, General Obligation Refunding Bonds, Series 2016B, described in the resolution mentioned herein.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Registrar

Authorized Representative

FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
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