

TOWN OF PINETOP-LAKESIDE

RESOLUTION NO. 17-1432

RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT, A TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AND AN OBLIGATION PURCHASE CONTRACT; APPROVING THE SALE AND EXECUTION AND DELIVERY OF NOT TO EXCEED \$2,000,000 AGGREGATE PRINCIPAL AMOUNT OF PLEDGED REVENUE AND REVENUE REFUNDING OBLIGATIONS, SERIES 2017, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN SUCH PURCHASE AGREEMENT; APPROVING AN OFFICIAL STATEMENT; DELEGATING THE DETERMINATION OF CERTAIN TERMS OF SUCH OBLIGATIONS AND MATTERS RELATED THERETO TO THE MANAGER AND FINANCE DIRECTOR OF THE TOWN; ADOPTING POST-ISSUANCE TAX COMPLIANCE AND CONTINUING DISCLOSURE COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE TOWN; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY

WHEREAS, the Mayor and Council of the Town of Pinetop-Lakeside, Arizona (the "Town") heretofore determined that it would be beneficial to its citizens to finance the acquisition and/or construction of real property and/or improvements, and/or the acquisition of equipment and/or other personal property in and for the Town (collectively, the "Existing Projects"); and

WHEREAS, in order to finance the costs of the Existing Projects, the Town deemed it necessary and desirable to borrow a total of \$540,000 from Zions First National Bank, a national banking association (the "Bank"); and

WHEREAS, in connection therewith, the Town and the Bank entered into a Lease/Purchase Agreement, dated as of January 13, 2012, and a Lease/Purchase Agreement, dated as of April 1, 2013 (together, the "Leases"); and

WHEREAS, the Mayor and Council of the Town have now determined it will be beneficial to its citizens to finance the costs of purchasing a Town Hall (together with the Existing Projects, the “Projects”) and to refinance the Leases; and

WHEREAS, in order to finance or refinance, as applicable, the costs of the Projects, the Mayor and Council of the Town hereby deem it necessary and desirable to cause the sale and execution and delivery of the Pledged Revenue and Revenue Refunding Obligations, Series 2017, Evidencing a Proportionate Interest of the Owner Thereof in Purchase Payments to be Made by the Town to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee” and such Obligations, the “Obligations”) provided for by this Resolution pursuant to the First Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations established as provided herein (the “Trust Agreement”), between the Trustee and the Town, such purchase payments to be made pursuant to the First Purchase Agreement, to be dated as of the first day of the month of the dated date of the Obligations established as provided herein (the “Purchase Agreement”), between the Town and the Trustee, in its separate capacity as “Seller”; and

WHEREAS, pursuant to the Purchase Agreement, the pledge of revenues from the Excise Taxes and the State Shared Revenues (each as defined in the Trust Agreement) to the payment of amounts due pursuant to the Purchase Agreement will be a first lien pledge of such amounts of the revenues from the Excise Taxes and the State Shared Revenues; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder (the “Regulations”), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes (“Tax-Exempt Obligations”), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, the Mayor and Council of the Town have also now determined that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the Town comply with the provisions of the Code and the Regulations (the “Tax Compliance Procedures”); and

WHEREAS, pursuant to Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), Participating Underwriters (as defined in the Rule) are required to reasonably determine that issuers have entered into written undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule; and

WHEREAS, the Mayor and Council of the Town have also now determined that procedures should be adopted in order to document practices and describe various procedures for preparing and disseminating such ongoing disclosure for the benefit of the holders of obligations and to assist the Participating Underwriters in complying with the Rule and such written undertakings (together with the Tax Compliance Procedures, the “Procedures”); and

WHEREAS, there have been presented to the Mayor and Council of the Town at the meeting of the Mayor and Council of the Town at which this Resolution is being adopted (1) the proposed form of the Purchase Agreement; (2) the proposed form of the Trust Agreement; (3) the proposed form of a First Continuing Disclosure Undertaking, to be dated the date of delivery of the Obligations (the "Undertaking"), from the Town necessary for purposes of the Rule; (4) the proposed form of the Obligation Purchase Contract, to be dated the date of the sale of the Obligations (the "Purchase Contract"), by and between the Town and RBC Capital Markets, LLC, as underwriter (the "Underwriter"), for the purchase of the Obligations; (5) the proposed form of the Preliminary Official Statement, to be dated the date of the mailing thereof (the "Preliminary Official Statement"), relating to the Obligations, which, as to be revised after the sale of the Obligations, shall constitute the Official Statement, to be dated the date of sale of the Obligations (the "Official Statement"), relating to the Obligations and (6) the proposed forms of the Procedures;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, THAT:

Section 1. The execution and delivery of not to exceed \$2,000,000 aggregate principal amount of the Obligations by the Trustee is hereby approved. The Obligations shall be in the denomination of \$5,000 of principal amount due on a specific maturity date or any integral multiples thereof and shall be fully registered without coupons as provided in the Trust Agreement.

The Manager and the Finance Director of the Town are hereby authorized to determine on behalf of the Town the date the Obligations are to be sold to the Underwriter; the date the Obligations are to be dated; the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear; whether the Obligations can be designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code; the dates the Obligations are to mature, the principal amounts to mature on such dates and the provisions for redemption thereof in advance of such dates; the terms upon which the Obligations are to be sold to the Underwriter (including determinations of price, original issue discount and premium and underwriting compensation) and the provisions pursuant to which the Obligations are to be credit enhanced (including determinations with respect to bond insurance, if any, for the Obligations).

The forms and other terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are hereby approved.

Section 2. The Obligations are to be sold to the Underwriter pursuant to the terms of the Purchase Contract as such terms are to be determined as provided hereinabove.

Section 3. The form, terms and provisions of the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking, in substantially the forms of such documents (including the Obligations and other exhibits thereto) presented at the meeting of the Mayor and Council of the Town at which this Resolution is being adopted are hereby approved, with such final provisions, insertions, deletions and changes as shall be approved by the Mayor

or, in the absence thereof, Vice Mayor, the execution of each such document being conclusive evidence of such approval, and the Mayor or, in the absence thereof, Vice Mayor and the Clerk, and, in the case of the Purchase Contract, the Finance Director of the Town, are hereby authorized and directed, for and on behalf of the Town, to execute and deliver and attest, where applicable, or approve the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking and to take all action to carry out and comply with the terms of such documents.

The Procedures are hereby adopted to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

Section 4. The form and use by the Underwriter of the Preliminary Official Statement are hereby approved, and the use by the Underwriter of the Official Statement in connection with the sale of the Obligations is hereby approved. The Mayor or, in the absence thereof, Vice Mayor of the Town is hereby authorized and directed, for and on behalf of the Town, to cause the preparation of and to execute the Official Statement.

Section 5. The Mayor and Council of the Town hereby request that the Trustee (including in its capacity as Seller) takes any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking and the sale and execution and delivery of the Obligations and further authorizes and directs the Trustee to enter into such agreements as may be reasonable for the administration of the trusts so held by it.

Section 6. The covenants and agreements contained the Purchase Agreement as to the pledge of and the lien on the revenues from the Excise Taxes and the State Shared Revenues and the restriction on the issuance of further parity obligations secured by the revenues from the Excise Taxes and the State Shared Revenues are approved and confirmed.

Section 7. After any of the Obligations are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

Section 8. The Mayor, the Clerk, the Manager and the other officers of the Town, on behalf of the Town, are each hereby authorized and directed, without further order of the Mayor and Council of the Town, to execute and deliver such certificates, proceedings and agreements as may be necessary or convenient to be executed and delivered on behalf of the Town, to evidence compliance with, or further the purposes of, all the terms and conditions of this Resolution and the consummation of the transactions contemplated by the Preliminary Official Statement.

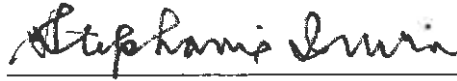
Section 9. All actions of the officers and agents of the Town which conform to the purposes and intent of this Resolution and which further the sale and execution and delivery of the Obligations as contemplated by this Resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the Town are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the Town as may be necessary to carry out the terms and intent of this resolution.

Section 10. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 11. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, particularly to finance and refinance the Projects on the most attractive terms available to the Town, and an emergency is hereby declared to exist, and this Resolution will be in full force and effect from and after its passage by the Mayor and Council of the Town and it is hereby excepted from the referendum provisions of the Constitution and laws of the State of Arizona. After any of the Obligations are delivered by the Trustee to the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

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PASSED AND ADOPTED by the Mayor and Council of the Town of Pinetop-Lakeside, Arizona, this 5th day of October, 2017.



Stephanie Irwin
Mayor

ATTEST:



Remilie S. Miller, MMC
Town Clerk



APPROVED AS TO FORM:



William J. Sims, III
Town Attorney