

RESOLUTION NO. 4287

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$500,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS BY THE TOWN OF GILBERT, ARIZONA WATER RESOURCES MUNICIPAL PROPERTY CORPORATION; AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY OF ALL AGREEMENTS NECESSARY OR APPROPRIATE FOR THE FINANCING OF COSTS OF ACQUIRING, EXPANDING AND IMPROVING THE UTILITY SYSTEM SERVING THE TOWN AND RELATED FINANCING COSTS INCLUDING THE DELEGATION TO THE FINANCE AND MANAGEMENT SERVICES DIRECTOR OF THE TOWN OF CERTAIN AUTHORITY WITH RESPECT THERETO; AUTHORIZING THE EXPENDITURE OF ALL NECESSARY FUNDS THEREFOR AND DECLARING AN EMERGENCY.

WHEREAS, the Town of Gilbert, Arizona Water Resources Municipal Property Corporation (the "*Corporation*") desires to issue the herein described bonds (the "*Bonds*") one or more series, the proceeds of which will be used to finance the acquisition of title to or interests in certain property related to certain property and plant to be part of the waterworks and sewer plant and system serving the Town of Gilbert, Arizona (the "*Town*"), including by paying, or providing for payment of, certain obligations previously incurred by the Town; and

WHEREAS, there have been prepared and presented at the meeting at which this Resolution was adopted proposed forms of the following documents:

(a) a Series 2022 Utilities Town Purchase Agreement, to be dated as of the first day of the month of the dated date of the Bonds determined as provided herein (the "*Town Purchase Agreement*"), by and between the Corporation and the Town, and

(b) a Bond Purchase Agreement, to be dated as of the date of sale of the Bonds (the "*Purchase Contract*"), by and among the Corporation, the Town and J.P. Morgan Securities LLC, as representative of itself and of BofA Securities, Inc., Morgan Stanley & Co. LLC, Piper Sandler & Co. and RBC Capital Markets, LLC (collectively, the "*Underwriters*").

WHEREAS, (a) the Corporation was formed to assist the Town in financing and refinancing its capital improvement projects at no profit to the Corporation; (b) the Town desires to finance such property by issuing bonds; (c) the Corporation has not and will not make any profit by reason of the assistance it renders the Town in connection with the issuance of the Bonds; and (d) the Corporation is authorized by law to borrow money for purposes of carrying out its obligations under a Series 2022 Utilities Bond Indenture between the Corporation and U.S. Bank Trust Company, National Association, as Trustee, and the Town Purchase Agreement by issuing the Bonds and to secure the payment of the principal of and interest on the Bonds and the performance of the covenants and conditions contained in such documents; and

WHEREAS, the Corporation, an Arizona nonprofit corporation, is authorized and empowered, among other things (a) to issue its special obligation bonds such as the Bonds for the purposes of assisting the Town in financing and refinancing the acquisition, construction and equipping of municipal improvements such as such property and otherwise incurring expenses to

improve the use of municipal facilities, (b) to enter into necessary documents including such documents and to provide for payments sufficient to pay the principal of and premium, if any, and interest on the Bonds, (c) to secure the Bonds as provided for herein, and (d) to enact this Resolution and execute and deliver such documents, upon the terms and conditions provided herein and therein; and

WHEREAS, there has also been presented at the meeting at which this Resolution was adopted a form of Preliminary Official Statement with respect to the Bonds (the "*Preliminary Official Statement*") which, with certain additions thereto, with any necessary and appropriate changes, will be the form of the final Official Statement with respect to the Bonds, to be dated the date of the sale of the Bonds (the "*Official Statement*"); and

WHEREAS, the Common Council of the Town (the "*Common Council*") has determined that it is beneficial to the Town to authorize the issuance of the Bonds; and

WHEREAS, each of the above-referenced documents which have been presented at the meeting at which this Resolution was adopted are in appropriate form and are appropriate instruments to be executed and delivered by the respective parties named therein for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA, AS FOLLOWS:

Section 1. One or more series of bonds not exceeding in the aggregate \$500,000,000 principal amount is hereby authorized to be issued by the Corporation for the financing of costs of acquisitions, betterments, extensions, repairs or replacements or other capital improvements (including the purchase of real property and equipment and certain obligations previously incurred by the Town related thereto) to the utility system serving the Town (the "*System*"), and for any other lawful purposes of the System (the "*Property*"). Such costs may include the cost of issuance, credit enhancement and similar costs in connection with the issuance, sale and delivery of the Bonds.

Section 2. The Mayor of the Town (the "*Mayor*") or, in her absence, the Vice Mayor of the Town (the "*Vice Mayor*") are each hereby authorized and directed to execute and deliver the Town Purchase Agreement pursuant to which the Town shall convey certain interests in the Property to such corporation and the Town shall then acquire those interests in the Property from such corporation on an installment purchase basis, secured by net revenues of the System, for a term not exceeding that permitted by the Internal Revenue Code of 1986, as amended, and applicable regulations in order for interest paid with respect to the Bonds to be exempt from federal income taxation, with interest rates payable as current interest and an aggregate original principal amount not exceeding that described in Section 6. Appropriate officers of such corporation are hereby requested to execute the Town Purchase Agreement to accomplish the purposes hereof. The Town Purchase Agreement shall be completed with any information missing in, or necessary for the consummation of the transaction contemplated by, the Town Purchase Agreement determined as described in Section 6.

Section 3. The Manager of the Town (the “*Manager*”), the Finance and Management Services Director of the Town (the “*Finance and Management Services Director*”), the Mayor and Vice Mayor are each hereby authorized and directed to execute and deliver the Purchase Contract, pursuant to which the Corporation shall sell the Bonds to the Underwriters. Appropriate officers of the Corporation are hereby requested to execute the Purchase Contract to accomplish the purposes hereof. The Purchase Contract shall be completed with any information missing in, or necessary for the consummation of the transaction contemplated by, the Purchase Contract determined as described in Section 6.

Section 4. Finance and Management Services Director or his designee, is hereby authorized and directed to execute and deliver a continuing disclosure undertaking (the “*Continuing Disclosure Certificate*”) in such form as may be required to facilitate the sale of the Bonds. When the Continuing Disclosure Certificate is executed and delivered on behalf of the Town as herein provided, the Continuing Disclosure Certificate will be a binding contract of the Town for the benefit of the beneficial owners of the Bonds, and the officers, employees and agents of the Town are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Certificate as executed. Notwithstanding any other provision of this Resolution, the sole remedies for failure to comply with the Continuing Disclosure Certificate shall be the ability of a beneficial owner of the Bonds to seek mandamus or specific performance by court order to cause the Town to comply with its obligations under the Continuing Disclosure Certificate.

Section 5. The proposed form of the Preliminary Official Statement, to be dated the date of the mailing thereof, relating to the Bonds, which, with certain additions thereto, shall constitute the Official Statement, which has been presented at the meeting at which this Resolution was adopted, and the distribution and use thereof in connection with the sale of the Bonds, with such changes as are approved by the Mayor or, in her absence, the Vice Mayor, is hereby approved. The Preliminary Official Statement in substantially the form so presented is hereby deemed to be “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12, except for the omission of the offering prices or yields, the interest rates and any other terms or provisions depending on such matters. The preparation of the Official Statement is hereby approved, and the Mayor or, in her absence, the Vice Mayor, are hereby authorized and directed to approve, on behalf of the Town, the Official Statement for use in connection with the offering and sale of the Bonds. The execution of the Official Statement by the Mayor or, in her absence, the Vice Mayor, is hereby authorized and approved and shall be conclusively deemed to evidence the approval of the status, form and contents thereof.

Section 6. The Bonds shall be sold in accordance with the terms of the Purchase Contract. The Finance and Management Services Director or his designee is hereby authorized to determine on behalf of the Town and the Corporation the date the Bonds are to be offered for sale; the total aggregate principal amount of the Bonds which are to be sold (but not to exceed the aggregate principal amount indicated hereinabove); the date the Bonds are to be dated; the dates on which interest on the Bonds is to be payable; the rates per annum the Bonds are to bear; the dates the Bonds are to mature (but not to exceed the term indicated hereinabove), the principal amounts to mature on such dates and the provisions for redemption of the Bonds in advance of such dates; the price at which the Bonds are to be sold (including matters with respect

to original issue premium and discount and underwriting compensation) and the provisions pursuant to which the Bonds are to be credit enhanced (including determinations with respect to any bond insurance); provided, however, that the yield for the Bonds as calculated for federal income tax purposes shall not exceed 4.00%. The Finance and Management Services Director, or his designee, is hereby authorized to take any and all actions, and the Mayor or Vice Mayor and Manager and Finance and Management Services Director are each hereby authorized to execute all documents or instruments, necessary or appropriate to carry out the transactions contemplated by this Resolution, and the documents described herein and to employ such professionals and consultants as are necessary in order to accomplish the purposes of this Resolution. Any contracts for the provision of such services shall be executed by the Mayor or her respective designee, and the execution of such contracts shall represent approval by the Town of the terms of such contracts. Appropriate officers of the Corporation are hereby requested to take any and all actions and execute all documents or instruments necessary or appropriate to carry out the transaction contemplated by this Resolution.

Section 7. Such funds as necessary to accomplish the purposes of this Resolution, including payment of installment payments related to debt service on the Bonds authorized hereby are hereby authorized to be received and expended from revenues of the System or any other lawfully available source. The obligation of the Town to make payments provided for in the Town Purchase Agreement is limited to payment from the sources of revenues pledged therefor, and the obligations of the Town under the Town Purchase Agreement shall not constitute nor give rise to a general obligation of the Town or any claim against its *ad valorem* property taxing powers, or constitute an indebtedness within the meaning of any statutory or constitutional debt limitation applicable to the Town.

Section 8. After any of the Bonds authorized hereby are delivered upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 9. If any section, paragraph, clause or provision of this Resolution is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 10. All orders and resolutions 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 or resolution or any part thereof.

Section 11. The immediate operation of the provisions hereof is necessary for the preservation of the public peace, health and safety, specifically to finance the Property on the most economic basis available, 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 Common Council and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED THIS 26TH DAY OF APRIL, 2022, BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF GILBERT, ARIZONA.



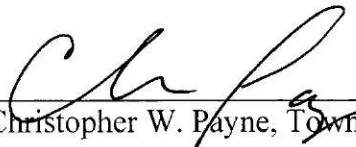
Brigitte Peterson, Mayor

ATTEST:



Chaveli Herrera, Town Clerk

APPROVED AS TO FORM:

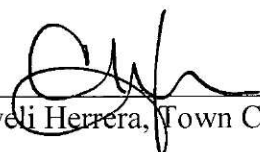


Christopher W. Payne, Town Attorney

CERTIFICATION

I, Chaveli Herrera, the duly appointed and acting Clerk of the Town of Gilbert, Arizona, do hereby certify that the above and foregoing Resolution No. 4287 was duly passed by the Common Council of the Town of Gilbert, Arizona, at a regular meeting held on April 26, 2022, and the vote was 6 ayes and 1 nays and that the Mayor and 6 Council Members were present thereat.

DATED: April 26, 2022.



Chaveli Herrera, Town Clerk