

RESOLUTION NO. 2020-06

RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA (1) PROVIDING FOR THE SALE AND EXECUTION AND DELIVERY PURSUANT TO A FIRST EXCISE TAX TRUST AGREEMENT OF AN EXCISE TAX REVENUE OBLIGATION, SERIES 2020, EVIDENCING ALL OF THE INTERESTS OF THE HOLDER THEREOF IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID BY THE TOWN OF PARADISE VALLEY, ARIZONA, PURSUANT TO A FIRST EXCISE TAX PURCHASE AGREEMENT; (2) AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY WITH RESPECT THERETO OF AGREEMENTS NECESSARY OR APPROPRIATE AS PART OF THE FINANCING AND PAYING RELATED FINANCING COSTS; (3) DELEGATING TO THE MAYOR, THE TOWN MANAGER AND THE CHIEF FINANCIAL OFFICER CERTAIN AUTHORITY WITH RESPECT TO THE PURPOSES HEREOF; (4) ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE TOWN; (5) AUTHORIZING THE CHIEF FINANCIAL OFFICER TO EXPEND ALL NECESSARY FUNDS THEREFOR; AND (6) DECLARING AN EMERGENCY

WHEREAS, the Mayor and Common Council of the Town of Paradise Valley, Arizona (the "Town") have determined to finance roadway and utility construction and improvements, drainage improvements, municipal facilities improvements, and equipment and technology purchases (collectively, the "Project"), by entering into a First Excise Tax Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Series 2020 Obligation (the "Purchase Agreement"), in substantially the form presented at the meeting at which this Resolution was adopted, by which the Town will agree to purchase the Project which is more specifically described in the Purchase Agreement; and

WHEREAS, the acquisition of the Project will be financed through the sale and execution and delivery of all of the interests (the "Series 2020 Obligation") in the Purchase Agreement pursuant to, and secured by, a First Excise Tax Trust Agreement to be dated as of the date of the Purchase Agreement (the "Trust Agreement") from the Town to a trustee appointed as provided herein (including any successor appointed and acting in such capacity, the "Trustee") in substantially the form presented at the meeting at which this Resolution was adopted; and

WHEREAS, the Mayor and Common Council of the Town will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the placement agent (the "Placement Agent"), and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission, and has determined that the Series 2020 Obligation should be placed by the Placement Agent and pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-005-1718; and

WHEREAS, the Placement Agent will submit such proposal to place the Series 2020 Obligation pursuant to a Placement Agent Agreement, in substantially the form presented at the meeting at which this Resolution was adopted, to be dated the date of placement of the Series 2020 Obligation (the "Placement Contract"), by and between the Town and the Placement Agent; 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 (the "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 Common Council of the Town hereby determine 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 "Procedures"); and

WHEREAS, there have been presented to the Mayor and Common Council of the Town at the meeting at which this Resolution was considered: (i) the proposed form of the Purchase Agreement; (ii) the proposed form of the Trust Agreement; (iii) the proposed form of the Placement Contract; and (iv) the proposed form of the Procedures; and

WHEREAS, the Town has the requisite power and authority to execute and deliver the Purchase Agreement and to cause the sale and execution and delivery of the Series 2020 Obligation, and all acts, conditions and things required by the Constitution and laws of the State of Arizona and the requirements of the Town to happen, exist and be performed precedent to and as a condition to the adoption of this Resolution have happened, exist and been performed in the time and manner required to make the Purchase Agreement a valid and binding limited special obligation of the Town;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, as follows:

Section 1. Authorization and Execution and Delivery of Documents and Obligation.

(a) For the purpose of providing funds to finance the costs of the Project and the related costs of the sale and execution and delivery of the Series 2020 Obligation, the Series 2020 Obligation shall be sold and executed and delivered. The Series 2020 Obligation shall be dated the date of its initial authentication and delivery and shall be in such form and denomination, shall be executed in such manner and shall have such other provisions as set forth in the form of the Trust Agreement, with such additions, deletions and modifications consistent with this Resolution as shall be approved by the officers of the Trustee executing and delivering the same on behalf of the Trustee, the execution and delivery thereof to constitute conclusive evidence of their approval and of such additions, deletions or modifications. The identity of the Trustee, the aggregate principal amount of the Series 2020 Obligation (but not to exceed \$8,200,000) and the dates the same shall be payable and prepayable, the period over which the Series 2020 Obligation shall become payable (but not later than July 1, 2030), the date on and price at which the Series 2020 Obligation shall be sold (including provisions for any premium or discount) and the entity to

which the Series 2020 Obligations shall be sold (the “Purchaser”), and the rates of interest the Series 2020 Obligation shall bear (but, except in the case of default or an event of taxability, not greater than two percent) and the dates the same shall be payable shall be determined by the Mayor, the Town Manager or the Chief Financial Officer of the Town or the designees of any of them (collectively, the “Authorized Representatives”) to which such authority is hereby delegated.

(b) The Mayor or, in the absence thereof, the Vice Mayor are hereby authorized to execute, and the Clerk is hereby authorized to attest and deliver, respectively, the Purchase Agreement, the Trust Agreement and the Placement Contract, which are hereby approved, with such additions, deletions and modifications as shall be approved by those officers executing and delivering the same on behalf of the Town, the execution and delivery thereof to constitute conclusive evidence of their approval, and of such additions, deletions, and modifications.

(c) The Trustee is hereby requested to execute and deliver the Series 2020 Obligation, the Purchase Agreement, and the Trust Agreement to accomplish the purposes hereof.

(d) The Authorized Representatives are hereby authorized to cause the sale and execution and delivery of the Series 2020 Obligation pursuant to the Placement Contract and are hereby delegated the authority to complete any information missing in, or necessary for the consummation of the transactions contemplated by, the Purchase Agreement, the Trust Agreement and the Placement Contract. The Chief Financial Officer is hereby authorized to receive and expend such funds as necessary to accomplish the purposes of this Resolution, including payment of installment payments related to debt service on the Series 2020 Obligation.

(e) 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 2. Pledge of Excise Taxes and State Shared Revenues. The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on the revenues from the Excise Taxes and the restriction on the incurrence of further parity obligations secured by such source are approved and confirmed.

Section 3. Severability. 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 4. Ratification of Actions. All actions of the officers, employees and agents of the Town including the Council conform to the purposes and intent of this Resolution and which further the actions contemplated by this Resolution, whether taken before or after adoption of this Resolution, 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 (including entering into any agreements for administrative or procedural requirements requested by the Purchaser).

Section 5. Emergency. The immediate operation of this Resolution is necessary for the preservation of the public health and welfare, particularly to be able to finance the capital needs of the Town on the most advantageous terms presently available, and an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage and approval by the Mayor and Common Council of the Town, as required by law, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED, ADOPTED, AND APPROVED this 12th day of March 2020.

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Jerry Bien-Willner, Mayor

ATTEST:

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Duncan Miller, Town Clerk

APPROVED AS TO FORM:

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Andrew Miller, Town Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution No. 20-_____ was duly passed and adopted by the Mayor and Common Council of the Town of Paradise Valley, Arizona, at a regular meeting held on the 12th day of March 2020, and the vote was ayes and nays and that the Mayor and Councilmembers were present thereat.

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Clerk, Town of Paradise Valley, Arizona