



# *Resolution*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

No. 2304

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, (1) APPROVING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN A FOURTH EXCISE TAX PURCHASE AGREEMENT; (2) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, RESOLUTION; AND DOCUMENTS RELATED TO THE SALE AND EXECUTION AND DELIVERY OF SUCH OBLIGATIONS; (3) DELEGATING AUTHORITY TO THE MAYOR, THE MANAGER AND THE FINANCE DIRECTOR OF THE CITY TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; (4) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND (5) DECLARING AN EMERGENCY.**

**WHEREAS**, the City Council of the City of San Luis, Arizona (the "City"), has determined to refinance all or a portion of the remaining payments due pursuant to the First Excise Tax Purchase Agreement, dated as of November 1, 2014 (the "First Purchase Agreement"), to U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), with respect to refinancing the costs of certain improvements to the water and wastewater system of the City and the cost of constructing a new City Complex and refunding certain obligations of the San Luis Civic Improvement Corporation (collectively, the "Refinanced Projects"), by entering into a Fourth Excise Tax Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations (the "Purchase Agreement"), with a bank authorized to exercise corporate trust powers in the State of Arizona, appointed as provided hereby, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

**WHEREAS**, the payments due from the City pursuant to the First Purchase Agreement secure certain payments due with respect to the City's Pledged Excise Tax Revenue Refunding Obligations, Tax-Exempt Series 2014A (the amount of such obligations to be prepaid as provided herein are referred to herein as the "Obligations Being Prepaid"); and

**WHEREAS**, in connection with the Purchase Agreement, the City Council hereby deems it necessary and desirable to provide for the sale, execution, and delivery of Pledged Excise Tax Revenue Refunding Obligations, Series 2024 (the "Obligations"), pursuant to a Fourth Excise Tax 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 City, evidencing proportionate interests of the owners of the Obligations in payments to be made by the City to the Trustee pursuant to the Purchase Agreement; and

**WHEREAS**, the payments represented by the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge the revenues from the Excise Taxes and the State Shared Revenues (each as defined in the Trust Agreement); and

**WHEREAS**, the City Council will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the underwriter (the "Underwriter") and not acting as a municipal advisor as defined in the Registration of Municipal Advisors Rule of the Securities and Exchange Commission, and has determined that the Obligations should be sold through negotiation to the Underwriter on such terms as may hereafter be approved by the hereinafter defined Authorized Representatives; and

**WHEREAS**, there have been presented to the City Council at the meeting at which this Resolution is being adopted the proposed forms of: (1) the Purchase Agreement; (2) the Trust Agreement; (3) a Continuing Disclosure Agreement, to be dated the date of delivery of the Obligations (the "Undertaking"), from the City necessary for purposes of compliance with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"); (4) an Obligation Purchase Agreement, to be dated the date of the sale of the Obligations (the "Purchase Contract"), by and between the City and the Underwriter, for the purchase of the Obligations; and (5) a Preliminary Official Statement, to be dated the date of the dissemination 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

**WHEREAS**, refinancing the costs of the Refinanced Projects pursuant to the Purchase Agreement is in furtherance of the purposes of the City and is in the public interest;

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of San Luis, Arizona;

**Section 1:** (a) The execution and delivery of the Obligations by the Trustee is approved.

(b) The Mayor, the Manager and the Finance Director of the City or the designees of any of them (collectively, the "Authorized Representatives") are each authorized to determine on behalf of the City: (1) the entity to serve as Trustee; (2) the aggregate principal amount of the Obligations (but not to exceed \$22,590,000); (3) the date the Obligations are to be sold to the Underwriter; (4) the date the Obligations are to be dated; (5) the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear; (6) the dates the Obligations are to become payable (but not later than July 1, 2038), the principal amounts to become payable on such dates and the provisions for prepayment thereof in advance of such dates; (7) the provisions for prepayment of the Obligations Being Prepaid (including the amounts and dates of prepayment); and (8) 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); provided, however, that the foregoing determinations shall result in a present value savings, net of all costs, with respect to the prepayment of the Obligations Being Prepaid, of at least two and one-half percent (2.5%) of the principal amount of the Obligations Being Prepaid.

(c) The Authorized Representatives are further each authorized to determine on behalf of the City whether the purchase of an insurance policy securing payment of the Obligations would be advantageous to the City or the terms of the financing represented by the Obligations. The Authorized Representatives are each authorized to negotiate with and secure, with proceeds of the Obligations or otherwise, such an insurance policy, from one or more institutions, the claims-paying ability of which are then assigned one of the two highest rating categories by a nationally recognized credit rating agency. The Authorized Representatives are each authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy.

(d) The form and other terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, prepayment, and number shall be as set forth in the Trust Agreement and are 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 forms, 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 City Council at which this Resolution is being adopted, are hereby approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove, and shall be approved by the Mayor of the City, any other

member of the City Council, and, in the case of the Purchase Contract, the Authorized Representatives, the execution of each such document being conclusive evidence of such approval. The Authorized Representatives are hereby authorized to enter into, if necessary, an Escrow Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Escrow Trust Agreement"), with the Trustee or another bank authorized to exercise corporate trust powers in the State of Arizona, as escrow trustee (the "Escrow Trustee"), for the establishment of an escrow to pay principal of and interest on the Obligations Being Prepaid and to prepay the Obligations Being Prepaid. The Mayor of the City or any other member of the City Council and, in the case of the Purchase Contract, the Authorized Representatives, or the Clerk of the City, where applicable, are hereby authorized and directed for and on behalf of the City, to execute and deliver, and attest or approve, the Purchase Agreement, the Trust Agreement, the Escrow Trust Agreement, the Purchase Contract and the Undertaking, in each case as necessary and as applicable, and to take all action to carry out and comply with the terms of such documents.

**Section 4:** The distribution of the Preliminary Official Statement by the Underwriter is approved, and the Official Statement in substantially the form of the Preliminary Official Statement, with such changes or revisions therein from the form of the Preliminary Official Statement as may be approved by the Authorized Representatives, is approved, and the Authorized Representatives are authorized, empowered and directed, in the name and on behalf of the City, to execute and deliver the same to the Underwriter and to execute and deliver instruments confirming that the Preliminary Official Statement is "deemed final" in accordance with the Rule.

**Section 5:** The Trustee (including in its capacity as Seller) and the Escrow Trustee are requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement and the Escrow Trust Agreement, the sale and execution and delivery of the Obligations and the prepayment of the Obligations Being Prepaid and are further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by them.

**Section 6:** 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 State Shared Revenues and the restriction on the execution and delivery of further parity obligations secured by the revenues from the Excise Taxes and the State Shared Revenues are approved and confirmed.

**Section 7:** The Authorized Representatives and other officers of the City, on behalf of the City, are authorized and directed, without further order of the City Council, to do all such acts and things and to execute and deliver all such certificates, proceedings,

agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the City to evidence compliance with, or further the purposes of, all the terms and conditions of this Resolution and the consummation of the transactions contemplated hereby and as may be necessary to carry out the terms and intent of this Resolution.

**Section 8:** All actions of the officers and agents of the City which conform to the purposes and intent of this Resolution and which further the sale, execution, and delivery of the Obligations and the prepayment of the Obligations Being Prepaid as contemplated by this Resolution, whether heretofore or hereafter taken, are ratified, confirmed, and approved.

**Section 9:** 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 10:** The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health, and safety of the City for the reason that the Obligations authorized herein must be sold immediately to secure the best available economic terms therefor; an emergency is, therefore, declared to exist, and this Resolution is enacted as an emergency and shall be in full force and effect immediately upon its passage by the City Council, as required by law, and it is hereby exempt 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, canceled, and discharged.

[Intentionally left blank. Signature and certification pages follow.]

**PASSED, ADOPTED, and APPROVED** by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this \_\_\_\_ day of February 2024.

\_\_\_\_\_  
Nieves Riedel, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

\_\_\_\_\_  
Kay Marion Macuil, City Attorney

## CERTIFICATION

I hereby certify that the foregoing Resolution No. 2304 was duly passed and adopted by the City Council of the City of San Luis, Arizona, at a regular meeting held on the \_\_\_\_ day of February 2024. The vote was \_\_\_\_\_ ayes and \_\_\_\_\_ nays.

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City Clerk