



PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES. THANK YOU.

NOTICE OF POSSIBLE QUORUM OF THE CITY OF BUCKEYE PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD: PLEASE NOTE THAT THERE MAY BE A QUORUM PRESENT BUT THERE WILL BE NO VOTING TAKING PLACE BY THE CITY PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD AT THIS MEETING.

**CITY OF BUCKEYE
COUNCIL EXECUTIVE SESSION
FEBRUARY 2, 2016
AGENDA**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
4:30 p.m.**

Accessibility for all persons with disabilities will be provided upon request. Please telephone your accommodation request (623) 349-6911, 72 hours in advance if you need a sign language interpreter or alternate materials for a visual or hearing impairment.

Members of the City Council will either attend in person or by telephone conference call or video presentation. Items listed may be considered by the Council in any order.

- 1. Call to Order/Roll Call**
Council Action: None.

- 2. Council to Convene into Executive Session**
Council to convene into Executive Session pursuant to ARS 38-431.03 (A)(3) to:
 - a. receive legal advice regarding the appeal of the Planning and Zoning Commission approval of PLZ-15-00119 related to the EPCOR Water Plant 15 Site Plan; and,
 - b. receive legal advice relating to line extension and other related water infrastructure agreements assigned to the City in the Global Water Company acquisition.*Council Action: Motion to convene into the Executive Session.*

- 3. Council to Reconvene into the Public Meeting**
Council Action: Motion to reconvene into the Public Meeting.

- 4. Adjournment**
Council Action: Motion to adjourn.



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NOTICE OF POSSIBLE QUORUM OF THE CITY OF BUCKEYE PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD: PLEASE NOTE THAT THERE MAY BE A QUORUM PRESENT BUT THERE WILL BE NO VOTING TAKING PLACE BY THE CITY PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD AT THIS MEETING.

**CITY OF BUCKEYE
REGULAR COUNCIL MEETING
FEBRUARY 2, 2016
AGENDA**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
6:00 p.m.**

Accessibility for all persons with disabilities will be provided upon request. Please telephone your accommodation request (623) 349-6911, 72 hours in advance if you need a sign language interpreter or alternate materials for a visual or hearing impairment.

Members of the City Council will either attend in person or by telephone conference call or video presentation. Items listed may be considered by the Council in any order.

1. Call to Order/Invocation/Pledge of Allegiance/Roll Call

Council Action: None.

2A. Comments from the Public - Members of the audience may comment on any item of interest.

Council Action: Open Meeting Law does not permit Council discussion of items not specifically on the agenda.

2B. Awards/Presentations/Proclamations

3. Minutes

Council to approve the minutes of the January 5, 2016 Council Workshop and January 5, 2016 Regular Council Meeting.

Council Action: Motion to approve.

4. Expenditures

Council to ratify the payment of the accounts payable expenditures made. Copies of invoices are available at City Hall.

Council Action: Motion to ratify.

CONSENT AGENDA ITEMS

Approval of items on the Consent Agenda - All items with an (*) are considered to be routine matters and will be enacted by one motion and vote of the City Council. There will be no separate discussion of these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence.

*5. New Business

- *5A. Approve Student Placement Agreement with Arizona State University College of Health Solutions and College of Nursing and Health Innovations**
Staff Liaison: Miranda Gomez, Recreation Manager
District No. All

Council to approve the Student Placement Agreement with Arizona State University allowing the City of Buckeye to accept students from the College of Health Solutions and College of Nursing and Health Innovations as interns.

- *5B. Resolution No. 03-16 Ratifying the Submission of a Grant Application to the Arizona Department of Homeland Security Relating to the Purchase of Mobile Computer Terminals for Terrorism Liaison Officer Vehicles; Authorizing the Acceptance of any Resulting Grant Award; Authorizing the City Manager and the City Fire Chief to Execute and Deliver said Documents on Behalf of the City**
Staff Liaison: Bob Costello, Fire Chief
District No. All

Council to adopt Resolution No. 03-16 ratifying the submission of a grant application to the Arizona Department of Homeland Security relating to the purchase of mobile computer terminals for terrorism liaison officer vehicles; authorizing the acceptance of any resulting grant award; authoring the City Manager and the City Fire Chief to execute and deliver said documents on behalf of the City.

- *5C. Special Event Liquor License Application for the Buckeye Air Fair to be Held on February 6, 2016 at the Buckeye Municipal Airport**
Staff Liaison: Lucinda Aja, City Clerk
District No. All

Council to approve the Special Event Liquor License Application for the Buckeye Air Fair to be held on February 6, 2016 at the Buckeye Municipal Airport. Request by John H. Broadbent on behalf of the Buckeye Rotary Club.

- *5D. Boards and Commissions Appointment**
Staff Liaison: Lucinda Aja, City Clerk
District No. 5

Council to approve the following changes to Boards and Commissions:

- Appoint Carlos Machado (District 5) as a Regular Member on the Buckeye Pollution Control Corporation with a term expiration date of February, 2022.

6. Continued / Tabled Items

7. Public Hearings / Non-Consent - New Business

7A. Public Hearing and Action Appeal of Planning and Zoning Commission Approval of PLZ-15-00119 Related to the EPCOR Water Plant 15 Site Plan

Staff Liaison: Andrea Marquez, Planner II

Terri Hogan, Planning Manager

District No. 6

Council to:

1. Open a Public Hearing.
2. Receive Staff Report.
3. Receive Appellant's Request.
4. Receive Applicant's Response.
5. Receive Public Comment.
6. Close Public Hearing.
7. Uphold, reverse, or modify the Planning and Zoning Commission's approval of PLZ-15-00119 related to the EPCOR Water Plant 15 Site Plan.

Council Action: Public hearing and motion to uphold, reverse, or modify.

7B. Action Resolution No. 04-16 Authorizing the Execution and Delivery of an Agreement, a Trust Agreement, a Depository Trust Agreement, a Continuing Disclosure Certificate, and an Obligation Purchase Contract; Approving a Preliminary Official Statement; Approving the Issuance and Sale of Not to Exceed \$13,080,000 of the City's Excise Tax Revenue Refunding Obligations, Series 2016, Evidencing a Proportionate Interest of the Owners Thereof in the Agreement; Authorizing the Prepayment and Refinancing in Advance of Maturity of a Certain Outstanding Loan Repayment Agreement; Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by This Resolution; Declaring an Emergency

Staff Liaison: Larry Price, Finance Director

District No. All

Council to adopt Resolution No. 04-16 authorizing the execution and delivery of an Agreement, Trust Agreement, Depository Trust Agreement, Continuing Disclosure Certificate, and an Obligation Purchase Contract; approving a Preliminary Official Statement; approving the issuance and sale of not to exceed \$13,080,000 of the City's Excise Tax Revenue Refunding Obligations, Series 2016, evidencing a proportional interest of the owners thereof in the Agreement; authorizing the prepayment and refinancing in advance of maturity of a certain outstanding loan repayment agreement; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution; declaring an emergency.

Council Action: Motion to approve.

7C. Award Professional Services Contract (No. 2015-027) to Carollo Engineers for the Purpose of Updating the Water Resources Water Master Plan for a Total Amount not to Exceed \$660,000

Staff Liaison: Chris Williams, Construction and Contracting Manager

Dave Nigh, Water Resources Director

District No. All

Council to award Professional Services Contract (No. 2015-027) to Carollo Engineers for the purpose of updating the Water Resources Water Master Plan for a total amount not to exceed \$660,000.

Council Action: Motion to approve.

**7D. Award Professional Services Contract (No. 2015-044) to TischlerBise, Inc. for the Purpose of Updating the Infrastructure Improvement Plan for a Total Amount not to Exceed \$144,740
Staff Liaison: Chris Williams, Construction and Contracting Manager
District No. All**

Council to award Professional Services Contract (No. 2015-044) to TischlerBise, Inc. for the purpose of updating the Infrastructure Improvement Plan for a total amount not to exceed \$144,740.

Council Action: Motion to approve.

**7E. Authorize the City of Buckeye's Purchase of 611 Gallons per Minute (gpm) of Water Capacity in the North Airport Road Water Campus for a Purchase Price Not to Exceed \$4.2 Million; Authorize the City to Apply for a Water Infrastructure Financing Authority Loan to Finance such Purchase, if Necessary; and Authorize the City Manager or Designee to Execute and Deliver all Documents Necessary to Effectuate such Purchase or Loan Application
Staff Liaison: Dave Nigh, Water Resources Director
District No. All**

Council to authorize the City of Buckeye's purchase of 611 gallons per minute (gpm) of water capacity in the North Airport Road Water Campus for a purchase price not to exceed \$4.2 million; authorize the City to apply for a Water Infrastructure Financing Authority loan to finance such purchase, if necessary; and authorize the City Manager or designee to execute and deliver all documents necessary to effectuate such purchase or loan application.

Council Action: Motion to approve.

8. City Manager's Report and Government Relations

Council will receive brief project and program updates from City Manager and his designees

- *Council may ask questions that will be researched and staff will report before and at next meeting*
- *No legal action will be taken at the meeting on matters discussed*
- *Reports may be received on the topics list attached to the agenda*

9. Comments from the Mayor and Council

Mayor and Council may present a brief summary on current events and/or report on any of the Boards and Commissions and other organizations as necessary.

Councilmember Garza:

Councilmember Strauss:
Library Board

Vice Mayor Hess:
Community Development Advisory Board (CDAC Alternate Member)
Community Services Advisory Board
Public Safety Retirement Board (Police)
MAG Human Services Coordinating Committee

Councilmember McAchran:
Airport Advisory Board
Main Street Board
Project Boost, SCOSIC Board
Way Out West (WOW) Coalition Project Manager
Buckeye Youth Council

Councilmember Heustis:
All Faith Board President
Planning and Zoning
Public Safety Retirement Board (Fire)

Councilmember Orsborn:
Buckeye Pollution Control Corporation
Community Development Advisory Committee (CDAC Regular Member)
Valley Metro RPTA Board
WESTMARC
Greater Phoenix Economic Council (GPEC)

Mayor Meck:
All Faith Board
Chamber of Commerce Board
MAG Economic Development Committee
MAG Regional Council
MAG Regional Council Executive Committee

The Council may not propose, discuss, deliberate, or take any legal action on information presented. Council may direct inquiries to staff.

10. Adjournment

Council Action: Motion to adjourn.

Minutes

Minutes

Minutes

Minutes

Minutes



**CITY OF BUCKEYE
COUNCIL WORKSHOP
JANUARY 5, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
5:15 p.m.**

1. Call to Order/Roll Call

Mayor Meck called the meeting to order at 5:16 p.m.

Members Present: Councilmember Hess, Councilmember McAchran, Councilmember Heustis, Vice Mayor Orsborn and Mayor Meck.

Members Absent: Councilmember Garza and Councilmember Strauss.

Departments Present: City Manager Stephen Cleveland, Assistant City Manager Roger Klingler, City Attorney Shiela Schmidt, City Clerk Lucinda Aja, Deputy City Clerk Summer Stewart, Assistant to Council Carol Conley, Fire Chief Bob Costello, Police Chief Larry Hall, Finance Director Larry Price, Public Works Director Scott Lowe, Economic Development Director Len Becker, Water Resources Director Dave Nigh, and Chief Information Officer Jennifer Rogers.

2. Public Works Sustainability Update

**Staff Liaison: Robert van den Akker, Environmental Manager
District No. All**

Mr. Lowe provided an overview of the Public Works Department sustainability update. Each manager in the department will present a sustainability update related to their area of responsibility. Sustainability and how it relates to Public Works was defined; the department maintains the City's assets. The Public Works Department is comprised of administration, airport, facility maintenance, streets, fleet management, and environmental services. Nanci Dixon, Management Assistant, was introduced. Ms. Dixon discussed the goals and budget of the administration division. Street Light Improvement District (SLID) operations and real estate leases were summarized. Revenues, expenditures, budget, and sustainability were addressed. The Public Works Department will relocate to the former Tom Jones Ford site; the fleet management division will remain at its current location. The cost savings realized with SLID operations and contracting custodial services was discussed. Mr. Lowe clarified expansion of SLIDs. John McMahan, Airport Coordinator, was introduced. Mr. McMahan discussed management of the airport, to include maintenance, cost savings, and consideration of environmental concerns. Procedures and processes have been implemented to save money and become more environmentally friendly. It is important to grow the airport as the City grows; economic impact of aviation was summarized. The cost to build additional hangars was discussed along with the advantage of having an airport outside of the Sky Harbor Airport air space. Jose Heredia, Facilities Operations Manager, was introduced. The streets division is made up of streets maintenance, right-of-ways, street sweepers, signs and street markings, and lights and signals; duties, goals, and objectives were addressed. Michael DePaulo, Fleet Manager, was introduced and provided an overview of the fleet division; duties, achievements, environmental goals, and future plans were addressed. Robert van den Akker, Environmental Manager, was introduced and provided an overview of the environmental services division; duties, goals and objectives, and plans for sustainability were discussed.

3. Adjournment

A motion was made by Vice Mayor Orsborn and seconded by Councilmember Hess to adjourn the meeting at 5:59 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Council Workshop held on the 5th day of January, 2016. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk



**CITY OF BUCKEYE
REGULAR COUNCIL MEETING
AND
BOARD OF ADJUSTMENT
JANUARY 5, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
6:00 p.m.**

1. Call to Order/Invocation/Pledge of Allegiance/Roll Call

Mayor Meck called the meeting to order at 6:07 p.m. Bishop Chris Hart of The Church of Jesus Christ of Latter-Day Saints led the invocation.

Members Present: Councilmember Garza, Councilmember Strauss, Councilmember Hess (nominated Vice Mayor as of January 5, 2016), Councilmember McAchran, Councilmember Heustis, Vice Mayor Orsborn and Mayor Meck.

Members Absent: None.

Departments Present: City Manager Stephen Cleveland, Assistant City Manager Roger Klingler, City Attorney Shiela Schmidt, City Clerk Lucinda Aja, Deputy City Clerk Summer Stewart, Assistant to Council Carol Conley, Police Chief Larry Hall, Fire Chief Bob Costello, Finance Director Larry Price, Public Works Director Scott Lowe, Development Services Director George Flores, City Engineer Scott Zipprich, Human Resources Director Nancy Love, Information Technology Director Greg Platacz, Community Services Director Cheryl Sedig, Chief Information Officer Jennifer Rogers, Construction and Contracting Manager Chris Williams, Planning Manager Terri Hogan, Library Manager Jana White, and Government Relations Manager George Diaz.

2A. Comments from the Public – None.

2B. Awards/Presentations/Proclamations – None.

3. Minutes

A motion was made by Councilmember Heustis and seconded by Councilmember McAchran to approve the minutes of the December 1, 2015 Regular Council Meeting. Motion passed unanimously.

4. Expenditures

A motion was made by Vice Mayor Orsborn and seconded by Councilmember Hess to ratify the payment of the accounts payable expenditures made. Copies of invoices are available at City Hall. Motion passed unanimously.

CONSENT AGENDA ITEMS

Approval of items on the Consent Agenda - All items with an (*) are considered to be routine matters. A motion was made by Councilmember Heustis and seconded by Councilmember Hess to approve Consent Items *5A., *5B., *5C., *5D., and *5E. Motion passed unanimously.

***5. New Business**

- *5A. Award Delivery Order No. 1 (Job Order Contract No. 2014-009) to J. Banicki Construction Inc. for the Monroe Avenue and Benbow Alley Beautification Project for a Total Amount not to Exceed \$162,000**
Staff Liaison: Chris Williams, Construction and Contracting Manager
District No. 3

Council awarded Delivery Order No. 1 (Job Order Contract No. 2014-009) to J. Banicki Construction Inc. for streetscape improvements related to the Monroe Avenue and Benbow Alley Beautification Project for a total amount not to exceed \$162,000.

- *5B. Authorize the Award of Job Order Contract(s) for Various City of Buckeye Roadway Pavement Preservation Projects for a Total Amount not to Exceed \$640,000; Authorizing the City Manager to Execute and Deliver said Contract(s)**
Staff Liaison: Scott Lowe, Public Works Director
District No. 1, 3, 6

Council authorized the award of Job Order Contract(s) for Fiscal Year 2015-2016 pavement preservation projects on various public streets throughout the City of Buckeye (arterials: Verrado Way, Rainbow Road, Dean Road, Watson Road; communities: Rancho Vista, Miller Manor, Miller Park, Parkside at Buckeye) in accordance with the City of Buckeye Streets Pavement Maintenance Plan for a total amount not to exceed \$640,000; authorizing the City Manager to execute and deliver said contract(s).

- *5C. Special Event Liquor License Application for Buckeye Days Bulls and Sheep for January 23, 2016 to be held at the Helzapoppin' Rodeo Grounds**
Staff Liaison: Lucinda Aja, City Clerk
District No. All

Council approved the Special Event Liquor License for the Buckeye Days Bulls and Sheep Fund Raiser event to be held on January 23, 2016 at the Helzapoppin' Rodeo Grounds. Request by John Broadbent on behalf of the Buckeye Rotary.

- *5D. Special Event Liquor License Application for Buckeye Days Rodeo for January 30-31, 2016 to be held at the Helzapoppin' Rodeo Grounds**
Staff Liaison: Lucinda Aja, City Clerk
District No. All

Council approved the Special Event Liquor License for the Buckeye Days Rodeo Fund Raiser event to be held on January 30, 2016 and January 31, 2016 at the Helzapoppin' Rodeo Grounds. Request by John Broadbent on behalf of the Buckeye Rotary.

- *5E. Special Event Liquor License Application for Buckeye Days Wild West Show for January 30-31, 2016 to be held at the 6th Street Plaza**
Staff Liaison: Lucinda Aja, City Clerk
District No. All

Council approved the Special Event Liquor License for the Buckeye Days Wild West Show Fund Raiser event to be held on January 30, 2016 and January 31, 2016 at the 6th Street Plaza. Request by John Broadbent on behalf of the Buckeye Rotary.

6. Continued / Tabled Items – None.

7. Public Hearings / Non-Consent - New Business

7A. Action Nomination and Election of Vice Mayor for the Term of January 2016 through January 2017 in Compliance with the City Code of Ordinances (Section 2-2-2, Vice Mayor) Staff Liaison: Lucinda Aja, City Clerk District No. All

Ms. Aja provided an overview of the City Code of Ordinances (Section 2-2-2, Vice Mayor) providing for the annual nomination and election of Vice Mayor. A motion was made by Vice Mayor Orsborn to nominate Councilmember Hess as Vice Mayor for the term of January 2016 through January 2017. There being no other nominations, a motion was made by Vice Mayor Orsborn and seconded by Councilmember Strauss to accept the nomination and elect Councilmember Hess as Vice Mayor for the term of January 2016 through January 2017. Motion passed unanimously. Mayor Meck thanked Councilmember Orsborn for his service as Vice Mayor over the previous year and congratulated newly elected Vice Mayor Hess.

7B. Council to Convene into Board of Adjustment to Hold a Public Hearing and Consider Approval of a Variance for the Deep Truck Wash; Request by Jeff Bilie of Beus Gilbert PLLC Staff Liaison: Adam Copeland, Senior Planner District No. 3

a) Council to convene into the Board of Adjustment.

A motion was made by Councilmember Orsborn and seconded by Vice Mayor Hess to convene into the Board of Adjustment at 6:15 p.m. Motion passed unanimously.

b) Council to receive instruction from City Attorney related to variance procedures before a Board of Adjustment.

Ms. Schmidt provided an overview of variance procedures before a Board of Adjustment.

c) Board to hold a public hearing and consider approval of the Deep Truck Wash variance request.

Chairman Meck opened the public hearing at 6:15 p.m. to hear citizen input regarding the Deep Truck Wash variance request. Mr. Copeland provided an overview of the variance request and displayed vicinity maps; staff recommends approval of the variance request. Future site plans for the property will be reviewed by city staff, to include review by the Fire Department, allowing for preservation of access to the area. Chief Costello clarified minimum access is 20 feet; the 24 foot setback is adequate for fire access. Paul Gilbert, on behalf of the applicant, stated the hotel and adjacent vacant properties are owned by the same entity; there is no objection by the owner to the variance. Mr. Cleveland clarified the Yuma road alignment is owned by Arizona Department of Transportation (ADOT); ADOT intends to expand the I-10 Freeway near the site and eliminate the Yuma Road access to these properties; approval of the variance will not affect ADOT plans for expansion. Mr. Gilbert stated the applicant supports the 24 foot access easement; the applicant intends to preserve Yuma Road access to the property. There being no further comment, Chairman Meck closed the public hearing at 6:28 p.m. A motion was made by Boardmember Orsborn and seconded by Vice Chairman Hess to approve the Deep Truck Wash variance allowing a reduction of the required side yard setback from 50-feet to 20-feet on a 2.95 acre platted lot zoned General Commercial and located within the Miller Commerce Park subdivision west of Miller Road and south of the I-10 freeway, subject to stipulations a-b. Motion passed unanimously.

d) Board to Reconvene into Regular Council Session.

A motion was made by Boardmember Orsborn and seconded by Vice Chairman Hess to reconvene into Regular Council Session at 6:29 p.m. Motion passed unanimously.

8. City Manager's Report and Government Relations

See attached City Manager's Report.

9. Comments from the Mayor and Council

Councilmember Garza: stated he has received several positive comments from citizens regarding the Police Department and Community Services Department.

Councilmember Strauss: wished staff and residents a Happy New Year.

Vice Mayor Hess: thanked Council for Vice Mayor nomination and expressed appreciation for the support; stated Councilmember Orsborn did a fantastic job as Vice Mayor over the previous two years; invited staff and residents to the upcoming opening of Skyline Regional Park; congratulated Ms. Hogan for writing a great article that positively represents the City.

Councilmember McAchran: invited residents and staff to attend the upcoming Buckeye Days events.

Councilmember Heustis: discussed the upcoming Lucky Duck Race, Buckeye Air Fair, and veterans events.

Councilmember Orsborn: congratulated newly elected Vice Mayor Hess; praised Development Services and Engineering Departments for efforts related to moving development forward.

Mayor Meck: discussed economic growth and how it may relate to other countries, including France; encouraged attendance at the upcoming Skyline Regional Park opening; thanked staff for all of their hard work; stated the WestMEC campus is scheduled to open soon.

10. Adjournment

A motion was made by Vice Mayor Hess and seconded by Councilmember Strauss to adjourn the meeting at 6:46 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Regular Council Meeting held on the 5th day of January, 2016. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk

Expenditures

Expenditures

Expenditures

Expenditures

Expenditures



01/13/2016 09:35
ptulkan

City of Buckeye, AZ - LIVE
A/P CASH DISBURSEMENTS JOURNAL

P 1
apcshdsb

CASH ACCOUNT: 9999 104000 Cash in Bank - Checking
CHECK NO CHK DATE TYPE VENDOR NAME

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK	NET
100001	01/13/2016	PRTD	1064 AFLAC	276939	01/12/2016		pam	7,307.86
	Invoice: 276939				flex spending			
			7,307.86 1030	216700	AFLAC			
					CHECK	100001 TOTAL:		7,307.86
100002	01/13/2016	PRTD	1091 AMERITAS LIFE INSURANCE CORP	1/01/2016	01/12/2016		pam	4,019.04
	Invoice: 1/01/2016				vision insurance			
			4,019.04 1030	216600	Vision Insurance			
					CHECK	100002 TOTAL:		4,019.04
100003	01/13/2016	PRTD	1174 AZ MUNICIPAL RISK RETENTION PO	1/1/2016	01/13/2016		pam	222,986.00
	Invoice: 1/1/2016				workers comp			
			222,986.00 1030	218000	Worker's Comp Ins			
					CHECK	100003 TOTAL:		222,986.00
100004	01/13/2016	PRTD	1298 CHLIC	1916594	01/12/2016		pam	489,733.56
	Invoice: 1916594				health insurance			
			489,733.56 1030	213000	Health Insurance			
					CHECK	100004 TOTAL:		489,733.56
100005	01/13/2016	PRTD	1318 COLONIAL SUPPLEMENTAL INS.	85985590112074	01/12/2016		pam	1,595.51
	Invoice: 85985590112074				insurance, life			
			1,595.51 1030	216800	Colonial Insurance			
					CHECK	100005 TOTAL:		1,595.51
100006	01/13/2016	PRTD	1609 LEGALSHIELD	12252015	01/12/2016		pam	402.45
	Invoice: 12252015				legal services			
			402.45 1030	216300	Pre-paid Legal			
					CHECK	100006 TOTAL:		402.45
100007	01/13/2016	PRTD	1612 LIBERTY MUTUAL GROUP	295444	01/12/2016		pam	4,034.10
	Invoice: 295444				liberty home/auto			
			4,034.10 1030	216170	Liberty Home & Auto Ins			
					CHECK	100007 TOTAL:		4,034.10
100008	01/13/2016	PRTD	1667 METLIFE	27787331	01/12/2016		pam	26,188.04
	Invoice: 27787331				dental insurance			
			26,188.04 1030	216000	Dental Insurance			

Expenditures - 1



01/13/2016 09:35
ptulkan

City of Buckeye, AZ - LIVE
A/P CASH DISBURSEMENTS JOURNAL

P 2
apcshdsb

CASH ACCOUNT: 9999 104000 Cash in Bank - Checking
CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE INV DATE PO CHECK NET
INVOICE DTL DESC

CHECK 100008 TOTAL: 26,188.04

100009 01/13/2016 PRTD	1965 SUN LIFE FINANCIAL	2015.12.14	01/12/2016	pam	25,406.70
Invoice: 2015.12.14			Life -Dec\January Insurance		
	9,069.62 1030	216200	AD&D Life		
	8,195.90 1030	216150	Voluntary Life		
	1,628.00 1030	216160	Voluntary AD&D		
	6,513.18 1030	216100	Short Term Disability		

CHECK 100009 TOTAL: 25,406.70

NUMBER OF CHECKS 9 *** CASH ACCOUNT TOTAL *** 781,673.26

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	9	781,673.26

*** GRAND TOTAL *** 781,673.26

5A

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**CITY OF BUCKEYE
COUNCIL ACTION REPORT**

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	*SA.
DATE PREPARED:	January 6, 2016	DISTRICT NO.:	ALL
STAFF LIAISON:	Miranda Gomez	DIRECTOR APPROVAL:	CS
DEPARTMENT:	Community Services	FINANCE APPROVAL:	LP

Will not be added without both approvals

ACTION TITLE: Student Placement Agreement with Arizona State University College of Health Solutions and College of Nursing and Health Innovations

WORKSHOP
 SPECIAL
 CONSENT
 NON-CONSENT
 TABLED
 PUBLIC HEARING

RECOMMENDATIONS:

Council to authorize with Arizona State University College of Health Solutions and College of Nursing and Health Innovations.

RELEVANT COUNCIL GOAL:

GOAL 1: Fiscal Wellness and Financial Flexibility and Accountability
 GOAL 5: Responsive and Accountable Government and Effective Public Services

SUMMARY

PROJECT DESCRIPTION:

This agreement will allow the City of Buckeye to accept interns from the Arizona State University College of Health Solutions and College of Nursing and Health Innovations.

BENEFITS:

The City will benefit from the student completion of assigned projects in their work areas. Students attending this college focus on community health and wellness programs and projects.

FUTURE ACTION: (Council and Staff)

None.

ATTACHMENTS: **ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK

Student placement agreement with Arizona State University College of Health Solutions and College of Nursing and Health Innovations.

FINANCIAL NARRATIVE:

CURRENT FISCAL YEAR TOTAL COST \$0

BUDGETED
 UNBUDGETED FISCAL YEAR BUDGET (check one)
F/Y: \$0

FUND / DEPARTMENT (GL#): \$0



**STUDENT PLACEMENT AGREEMENT
(College of Health Solutions and/or
College of Nursing and Health Innovation)**

This Student Placement Agreement (“Agreement”) is entered into between the **ARIZONA BOARD OF REGENTS** for and on behalf of **ARIZONA STATE UNIVERSITY** for the College of Health Solutions and/or the College of Nursing and Health Innovation, (the “University”), and the “Facility” as of the “Effective Date.”

Effective Date: December 3, 2015

UNIVERSITY: (Check applicable college(s) below)

- College of Health Solutions
- College of Nursing and Health Innovation

FACILITY: CITY OF BUCKEYE

Signature: _____

Print Name: Keith D. Lindor, MD

Date: _____

Title/Authorization: Dean

Signature: _____

Print Name: Jackie A. Meck

Date: _____

Title/Authorization: Mayor

Signature: _____

Print Name: XXXXXXXXXXXXXXXXXXXXXX

Date: XXXXXXXXXXXXXXXXXXXXXX

Title/Authorization: XXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXX

Signature: _____

Print Name: XXXXXXXXXXXXXXXXXXXXXX

Date: XXXXXXXXXXXXXXXXXXXXXX

Title/Authorization: XXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXX

1. DURATION

The term of this Agreement shall be for a 5 year period, not to exceed five (5) years, commencing on December 3, 2015 (“Effective Date”) and ending on December 3, 2020 (“End Date”). This Agreement may be renewed by mutual written agreement.

Notwithstanding the above, either party may terminate this Agreement by providing at least thirty (30) days prior written notice to the other party, except that to the extent a student is currently participating in an educational experience contemplated by this Agreement at the time of receipt of the termination notice, the parties shall comply with such applicable provisions in the Agreement to allow such student to complete the educational experience provided such completion does not extend beyond one-hundred twenty (120) days from the date of receipt of such notice.

2. GENERAL TERMS

- 2.1. The purpose of this Agreement is to establish a relationship between the University and the Facility to enable an educational experience for students at the Facility's site that may qualify for academic credit at the University as determined by the University.
- 2.2. The University and the Facility will agree on a schedule for student participation at the Facility.
- 2.3. The students' participation should complement the service and educational activities of the Facility. The students will be under the supervision of a Facility employee.
- 2.4. Each student is expected to perform with high standards at all times and comply with all written policies and regulations of the appropriate department of the Facility.
- 2.5. Either the Facility or the University may require withdrawal or dismissal from participation at the Facility of any student whose performance record or conduct does not justify continuance.
- 2.6. Neither the University nor the Facility is obligated to provide for the students' transportation to and from the Facility or for health insurance for any of the students.
- 2.7. A meeting or telephone conference between representatives of the University and the Facility will occur at least once each semester to evaluate the educational program and review this Agreement.
- 2.8. Statements of performance objectives for this educational experience will be the joint responsibility of University and Facility personnel.
- 2.9. Each student is expected to adhere to the Facility's established dress and performance standards.

3. FACILITY'S OBLIGATIONS

- 3.1. The Facility agrees to appoint an Educational Coordinator who is responsible for the educational activities and supervision of the students participating under this Agreement.
- 3.2. The Facility agrees to submit to the University an evaluation of each student's progress. The format for the evaluation is established by the University in consultation with the Facility.
- 3.3. The Facility is responsible for the acts and omissions of its employees and agents and must maintain adequate insurance (which may include a bona fide self-insurance program) to cover any liability arising from the acts and omissions of the Facility's employees and agents. The Facility is not responsible for maintaining insurance to cover liability arising from the acts and omissions of the employees and agents of the University. University students are not deemed to be employees of the Facility by virtue of this Agreement. Upon written request, Facility will furnish University with proper certificates of insurance evidencing compliance with this section.
- 3.4. Nothing in this Agreement is intended to modify, impair, destroy, or otherwise affect any common law, or statutory right to indemnity, or contribution that the University may have against the Facility by reason of any act or omission of the Facility or the Facility's employees and agents.

4. UNIVERSITY'S OBLIGATIONS

- 4.1. The University will provide an administrative framework, including designating a University faculty or other representatives to coordinate scheduling, provide course information and objectives, and assist in advising students.
- 4.2. The University will be responsible for developing and carrying out procedures for student selection and admission.
- 4.3. The University is responsible for the negligent acts and omissions of its employees and agents and maintains insurance coverage through the State of Arizona's Risk Management Division self-insurance program to cover liabilities arising from the acts and omissions of the University's employees, students, and agents participating

4. UNIVERSITY'S OBLIGATIONS

under this Agreement, except as provided for in Arizona law, including Arizona Revised Statutes (ARS) §12-820.05 and 41-621(L). The University is not responsible for maintaining insurance coverage for liability arising from the acts and omissions of the Facility's employees and agents. Upon written request, University will furnish Employer with reasonable documentation evidencing compliance with this section.

5. UNIVERSITY AND STATE REQUIRED PROVISIONS

- 5.1. **Nondiscrimination.** The parties will comply with all applicable state and federal laws, rules, regulations, and executive orders governing equal employment opportunity, immigration, and nondiscrimination, including the Americans with Disabilities Act. **If applicable, the parties will abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a).** These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status, or disability.
- 5.2. **Conflict of Interest.** If within three years after the execution of this Agreement, Facility hires as an employee or agent any ASU representative who was significantly involved in negotiating, securing, drafting, or creating this Agreement, then ASU may cancel this Agreement as provided in Arizona Revised Statutes (ARS) § 38-511. Notice is also given of ARS §§ 41-2517 and 41-753.
- 5.3. **Arbitration in Superior Court.** As required by ARS § 12-1518, the parties agree to make use of arbitration in disputes that are subject to mandatory arbitration pursuant to ARS § 12-133.
- 5.4. **Records.** To the extent required by ARS § 35-214, the non-ASU parties to this Agreement (jointly and severally, "Facility") will retain all records relating to this Agreement. Facility will make those records available at all reasonable times for inspection and audit by ASU or the Auditor General of the State of Arizona during the term of this Agreement and for a period of five years after the completion of this Agreement. The records will be provided at Arizona State University, Tempe, Arizona, or another location designated by ASU on reasonable notice to Facility.
- 5.5. **Failure of Legislature to appropriate.** In accordance with ARS § 35-154, if ASU's performance under this Agreement depends on the appropriation of funds by the Arizona Legislature, and if the Legislature fails to appropriate the funds necessary for performance, then ASU may provide written notice of this to Facility and cancel this Agreement without further obligation of ASU. Appropriation is a legislative act and is beyond the control of ASU.
- 5.6. **Student Educational Records.** Student educational records are protected by the federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g (FERPA). Facility will comply with FERPA and will not access or make any disclosures of student educational records to third parties without prior notice to and consent from ASU or as otherwise provided by law. If this Agreement contains a scope of work or any provision that requires or permits Facility to access or release any student records, then, for purposes of this Agreement only, ASU hereby designates Facility as a "school official" for ASU under FERPA, as that term is used in FERPA and its implementing regulations. As such, Facility will comply with FERPA and will not make any disclosures of ASU students' educational records to third parties without prior notice to, and consent from, ASU or as otherwise permitted by law. In addition, any access or disclosures of student educational records made by Facility or its employees and agents must comply with ASU's definition of legitimate educational purpose, which definition can be found at: SSM 107-01: "Release of Student Information" (<http://www.asu.edu/aad/manuals/ssm/ssm107-01.html>). If Facility violates the terms of this section, Facility will immediately provide notice of the violation to ASU.
- 5.7. **ASU Names and Marks.** Facility will not use any names, service marks, trademarks, trade names, logos, or other identifying names, domain names, or identifying marks of ASU (ASU Marks), without in each case, the prior written consent of ASU. Facility's use of any ASU Marks must comply with ASU's requirements including using the ® indication of a registered trademark where applicable.

6. MISCELLANEOUS

- 6.1. Neither party shall have the right to assign this Agreement without the prior written consent of the other party.
- 6.2. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter. No prior or contemporaneous agreement or understanding will be effective. This Agreement shall be governed by the laws of Arizona, the courts of which state shall have jurisdiction over its subject matter.
- 6.3. The individual signing on behalf of the Facility hereby represents and warrants that s/he is duly authorized to execute and deliver this Agreement on behalf of the Facility and that this Agreement is binding upon the Facility in accordance with its terms.
- 6.4. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.
- 6.5. The parties may revise or modify this Agreement only by a written amendment signed by both parties.
- 6.6. Nothing in this Agreement shall provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties that this Agreement shall not be construed as a third-party beneficiary contract.

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**CITY OF BUCKEYE
COUNCIL ACTION REPORT**

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	YSP
DATE PREPARED:	12/21/2015	DISTRICT NO.:	ALL
STAFF LIAISON:	Bob Costello	DIRECTOR APPROVAL:	BC
DEPARTMENT:	Fire Department	FINANCE APPROVAL:	LP

Will not be added without both approvals

ACTION TITLE: Ratify Application and Authorize Acceptance of Resulting Federal FY2015 Urban Areas Security Initiative Grant Award from the Arizona Department of Homeland Security

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Council to adopt Resolution No. 03-16 ratifying the submission of a grant request submitted on January 4, 2016 by the Buckeye Fire Department to the Arizona Department of Homeland Security for an equipment project related to enhancing the Fire Department's Terrorism Liaison Officer (TLO) vehicles.

RELEVANT COUNCIL GOAL:

GOAL 5: Responsive and Accountable Government and Effective Public Services

SUMMARY

PROJECT DESCRIPTION:

The Arizona Department of Homeland Security opened a special and shortened grant project period for unspent funding. The City of Buckeye was given a short timeframe to respond and apply. The shortened timeframe did not allow for Council approval prior to the application being submitted.

BENEFITS:

If approved, this grant project will fund the addition of two mobile computer terminals (MCTs) to go into each TLO vehicle. Currently, the vehicles are not equipped with MCTs and cannot see vital call information and data being sent through by City of Phoenix dispatch.

FUTURE ACTION: (Council and Staff)

Due to timing restrictions of the grant application deadline, the grant application was submitted without Council approval. Resolution No. 03-16 will ratify submission of the grant application, authorize the acceptance of any resulting grant award and the execution of the subgrantee agreement. The Fire Department's Project Management Asst. will ensure that all required documentation is submitted within the established deadlines and that the grant award is managed in accordance with the terms set forth in the subgrantee agreement.

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*

Resolution No. 03-16

FINANCIAL NARRATIVE: Funding of the grant awarded by Arizona Department of Homeland Security is through reimbursable grants. Ongoing maintenance costs of the equipment purchased by the Fire Department will be the responsibility of the Fire Department, unless additional Homeland Security Grant Program funds are awarded in support of the project in subsequent grant cycles. There is no match for this grant.

CURRENT FISCAL YEAR TOTAL COST

\$58,755

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) F/Y: FY2015-2016

FUND / DEPARTMENT (GL#): 075-050-1995

RESOLUTION NO. 03-16

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BUCKEYE, ARIZONA, RATIFYING THE SUBMISSION OF A GRANT APPLICATION TO THE ARIZONA DEPARTMENT OF HOMELAND SECURITY RELATING TO THE PURCHASE OF MOBILE COMPUTER TERMINALS FOR TERRORISM LIAISON OFFICER VEHICLES; AUTHORIZING THE ACCEPTANCE OF ANY RESULTING GRANT AWARD AND AUTHORIZING THE CITY MANAGER AND THE CITY FIRE CHIEF TO EXECUTE AND DELIVER SAID DOCUMENTS ON BEHALF OF THE CITY.

WHEREAS, the City of Buckeye, acting by and through its Fire Department (the "City") submitted a grant application to the Arizona Department of Homeland Security ("ADHS") for the FY 2015 Urban Area Security Initiative funding to purchase mobile computer terminals for terrorism liaison officer vehicles (the "Grant Application"); and

WHEREAS, due to timing restrictions of the Grant Application deadline, the City had to submit the Grant Application to ADHS before receiving authorization from the Mayor and the City Council (the "City Council"); and

WHEREAS, the City Council desires to ratify the submission of the Grant Application and authorize the acceptance of any resulting grant funds.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BUCKEYE, ARIZONA, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. The City Council hereby (i) ratifies the submission of the Grant Application, (ii) authorizes the acceptance of any resulting grant award and (iii) authorizes the execution of any resulting grant agreement relating to the acceptance and administration of the grant funds.

Section 3. The Mayor, the City Manager, the Fire Chief, the City Clerk and the City Attorney are hereby authorized and directed to execute and submit any and all documents and any other necessary or desirable instruments in connection with the Grant Application and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and City Council of the City of Buckeye, Arizona, this 2nd day of February, 2016.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

APPROVED AS TO FORM:

Scott W. Ruby, City Attorney

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CITY OF BUCKEYE COUNCIL ACTION REPORT

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	*5C
DATE PREPARED:	December 22, 2015	DISTRICT NO.:	1
STAFF LIAISON:	Lucinda J. Aja	DIRECTOR APPROVAL:	L.A.
DEPARTMENT:	City Clerk	FINANCE APPROVAL:	L.A.

Will not be added without both approvals

ACTION TITLE: Special Event Liquor License Application for the Buckeye Air Fair to be held on Saturday, February 6, 2016 at the Buckeye Municipal Airport. Requested by John Broadbent on behalf of Buckeye Rotary.

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Council to approve Council to approve the Special Event Liquor License application for the Buckeye Air Fair to be held February 6, 2016 at the Buckeye Municipal Airport. Request by Jay Broadbent on behalf of Buckeye Rotary Club.

RELEVANT COUNCIL GOAL:

GOAL 2: Enhanced Economic Well-Being and Vitality

SUMMARY

PROJECT DESCRIPTION:

The Buckeye Rotary is requesting a Special Event Liquor License for the Buckeye Air Fair to be held on February 6th, 2016. There are no objections regarding this event.

BENEFITS:

This annual family event has been a success and is enjoyed by the community and surrounding communities.

FUTURE ACTION: (Council and Staff)

None

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*

Special Event Liquor License Application

FINANCIAL NARRATIVE: \$100 fee paid

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?

Yes No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 5
 (The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? Yes No
 (If yes, attach a copy of the agreement.)

4. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

Name Burkeup Rotary Percentage: 100%
 Address PO Box 594 Burkeup AZ 85338
Street City State Zip

Name _____ Percentage: _____
 Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
 (List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

2 Number of Police _____ Number of Security Personnel Fencing Barriers

Explanation: _____

SECTION 11 Date(s) and Hours of Event. May not exceed 10 consecutive days.
 See A.R.S. § 4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>2/6</u>	<u>Sat</u>	<u>9AM</u>	<u>4PM</u>
DAY 2:	_____	_____	_____	_____
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

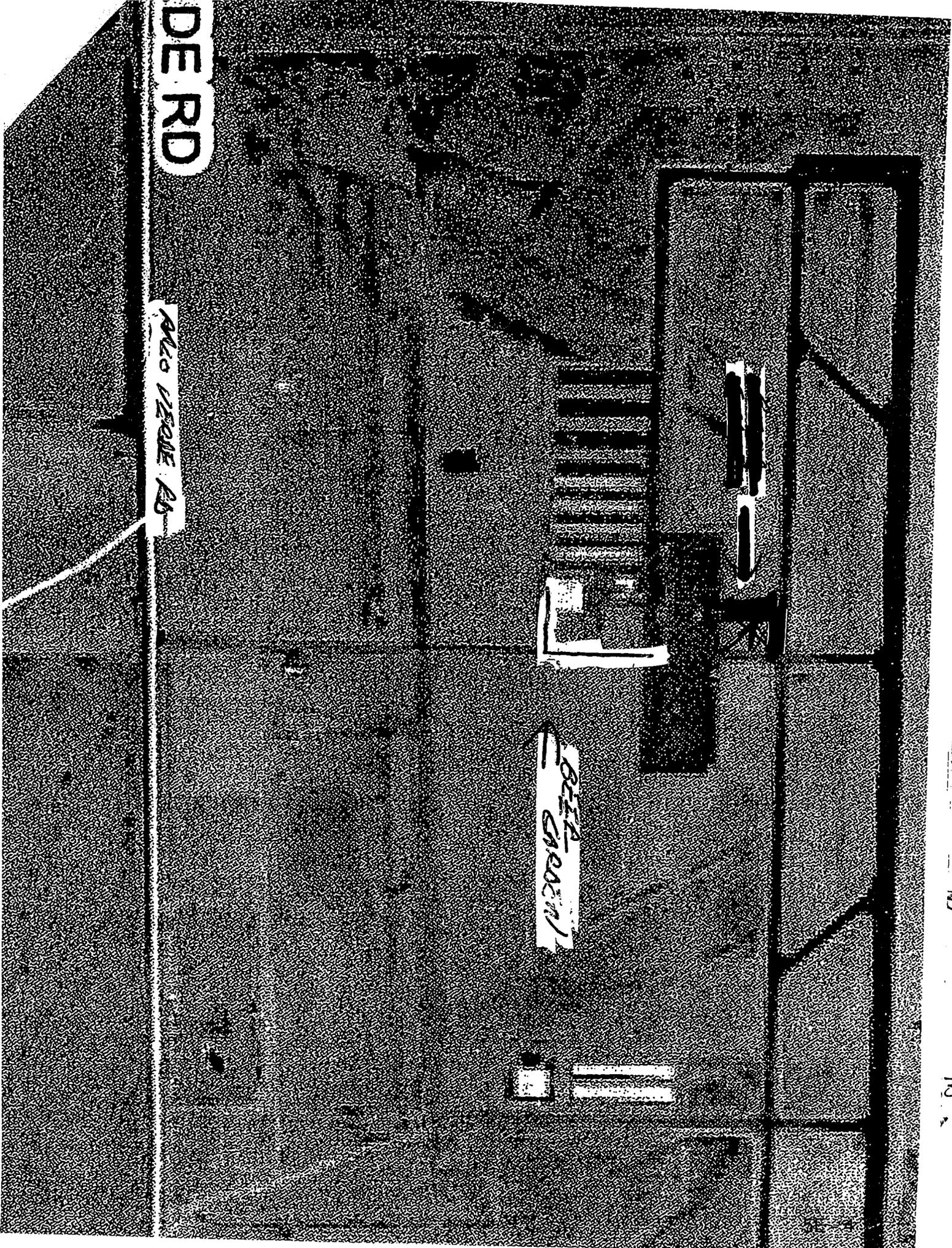
DE RD

ALSO SEE 25

BEH (MOS)

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SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, JOHN H BROSBERT declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON
(Print Full Name)
appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event
Liquor License

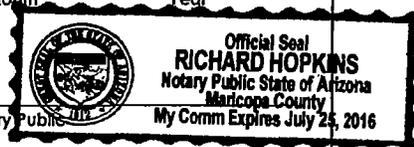
[Signature] Title/ Position _____ Date 1/13/15 Phone # 602-881-9111
(Signature)

The foregoing instrument was acknowledged before me this _____ Day _____ Month _____ Year _____

State AZ County of MARICOPA

My Commission Expires on: July 25, 2016
Date

[Signature]
Signature of Notary Public



SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, JOHN H BROSBERT declare that I am the APPLICANT filing this application as
(Print Full Name)
listed in Section 9. I have read the application and the contents and all statements are true, correct and
complete.

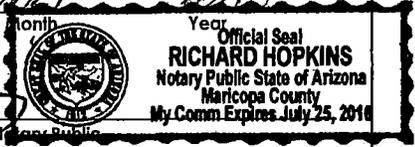
X [Signature] Title/ Position _____ Date 1/13/15 Phone # 602-881-9111
(Signature)

The foregoing instrument was acknowledged before me this _____ Day _____ Month _____ Year _____

State AZ County of MARICOPA

My Commission Expires on: July 25, 2016
Date

[Signature]
Signature of Notary Public



Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ recommend APPROVAL DISAPPROVAL
(Government Official) (Title)

on behalf of _____
(City, Town, County) Signature _____ Date _____ Phone _____

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

APPROVAL DISAPPROVAL BY: _____ DATE: _____

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

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CITY OF BUCKEYE COUNCIL ACTION REPORT

MEETING DATE:	February 2, 2016	AGENDA ITEM:	*5D
DATE PREPARED:	January 7, 2015	DISTRICT NO.:	5
STAFF LIAISON:	Lucinda Aja, City Clerk	DIRECTOR APPROVAL:	LA
DEPARTMENT:	City Clerk	FINANCE APPROVAL:	N/A

Will not be added without both approvals

ACTION TITLE: Boards and Commissions Appointment

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Council to approve the following changes to Boards and Commissions:

- Appoint Carlos Machado (District 5) as a Regular Member on the Buckeye Pollution Control Corporation with a term expiration date of February, 2022.

RELEVANT COUNCIL GOAL:

GOAL 5: Responsive and Accountable Government and Effective Public Services

SUMMARY

PROJECT DESCRIPTION:

The City encourages community involvement in our programs through our boards and commissions.

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*

Application of Carlos Machado

FINANCIAL NARRATIVE: N/A

Please Note: Volunteers selected to serve will be required to submit to a background records check.

MAIL COMPLETED APPLICATIONS AND ALL ATTACHMENTS (RESUME, CERTIFICATES) TO:

City of Buckeye
Office of the City Clerk
530 E. Monroe Ave.
Buckeye, AZ 85326
623-349-6911

City Clerk

DEC 22 2015

Received

Applications will be held for up to six months, and will be reviewed as vacancies arise.

NAME:	<u>Carlos</u>	<u>Machado</u>	DISTRICT:	<u>5</u>
	FIRST	LAST		
ADDRESS:	<u>626 So 226th Dr</u>	<u>Buckeye</u>	<u>85326</u>	
	STREET	CITY	ZIP	
<u>Retired</u>				
PLACE OF EMPLOYMENT			HOME PHONE	
	<input type="checkbox"/> AM <input type="checkbox"/> PM	<u>803-493-2035</u>	<u>623-266-7603</u>	
BEST TIME TO CALL			CELL PHONE	WORK PHONE
<u>Any time</u>			<u>cmach9@gmail.com</u>	
EMAIL ADDRESS			WEB ADDRESS (if any)	

BOARD AND COMMISSION PREFERENCE(S)	
If interested in more than one, please indicate order of preferences, i.e. 1 st , 2 nd , 3 rd , etc.	
<input type="checkbox"/> Airport Advisory Board	<input checked="" type="checkbox"/> Buckeye Pollution Control Corporation
<input type="checkbox"/> Community Services Advisory Board	<input type="checkbox"/> Library Advisory Board
<input type="checkbox"/> Social Services Advisory Board (inactive)	<input type="checkbox"/> Public Safety Retirement Board (Fire)
<input type="checkbox"/> Planning & Zoning Commission	<input type="checkbox"/> Public Safety Retirement Board (Police)

PART ONE				
If appointed, how much time are you able to devote to the Board/Commission?				
Number of hours per week	<u>4-6</u> Number of hours per month <u>16-24</u>			
Best meeting days? (Please <input checked="" type="checkbox"/> all that apply)				
<input type="checkbox"/> MON	<input checked="" type="checkbox"/> TUES	<input type="checkbox"/> WED	<input type="checkbox"/> THUR	<input checked="" type="checkbox"/> FRI
How long have you been a resident of Buckeye?	Years: <u>5</u>	Months: <u>1</u>		

You must be a valid registered voter in Buckeye to be appointed to serve on certain Boards/Commissions.

Are you a valid registered voter in Buckeye? YES NO

What civic activities have you been or are now involved in?

Volunteer in Police service

Please tell us why you wish to be appointed to a City Board or Commission?

LIKE TO GIVE BACK TO THE COMMUNITY

Are you now serving or have you ever served on a Board / Commission for the City of Buckeye? Please indicate Board / Commission and the dates served.

No

Give any qualifications, education or experience you have which may pertain to the requested Board(s)/Commission(s).

Served in Tega Cay SC as a Public Works advisory commission member

Additional Comments

I was recommended by Mr. Carl Goin

PART TWO

Provide details regarding any education you may have that pertains to any of the Boards / Commissions you would like to serve on.

I was involved in freight transportation in LA Ca and have experience in handling Haz Mats.

If you are certified in areas relating to the Boards / Commissions you would like to serve on, please provide detailed information, including date of certification. ATTACH COPIES OF ALL APPLICABLE CERTIFICATIONS.

Listed above

Have you ever served on a committee? If yes, please provide details.

Listed above

Are you familiar with Robert's Rules of Order? YES NO

Have you taken any additional training that may be specific to the City Board(s) / Commission(s) of which you have indicated an interest?

No

SIGNATURE

DATE

FOR OFFICE USE ONLY

BOARD/COMMISSION _____

NEW APPOINTMENT _____ UNDERFILLING TERM _____ DATE APPOINTED _____

NAME OF MEMBER REPLACED _____ TERM EXPIRATION _____

DATE RE-APPOINTED _____ TERM EXPIRATION _____

DATE OF RESIGNATION (If applicable) _____

BOARD/COMMISSION _____

NEW APPOINTMENT _____ UNDERFILLING TERM _____ DATE APPOINTED _____

NAME OF MEMBER REPLACED _____ TERM EXPIRATION _____

DATE RE-APPOINTED _____ TERM EXPIRATION _____

DATE OF RESIGNATION (If applicable) _____

**CITY OF BUCKEYE
COUNCIL ACTION REPORT**

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	7A
DATE PREPARED:	January 12, 2016	DISTRICT NO.:	6
STAFF LIAISON:	Andrea Marquez / Terri Hogan	DIRECTOR APPROVAL:	<i>[Signature]</i> 1.13.16
DEPARTMENT:	Development Services	FINANCE APPROVAL:	N/A

ACTION TITLE: Appeal of Planning and Zoning Commission Approval, PLZ-15-00119, EPCOR Water Plant 15 Site Plan.

WORKSHOP
 SPECIAL
 CONSENT
 NON-CONSENT
 TABLED
 PUBLIC HEARING

RECOMMENDATIONS:

Council to:

1. Open Public Hearing
2. Receive Staff Report
3. Receive Appellant's request
4. Receive Applicant's response
5. Receive Public Comment
6. Close Public Hearing
7. Uphold, reverse, or modify the Planning and Zoning Commission's approval of the EPCOR Water Plant 15 Site Plan

RELEVANT COUNCIL GOAL:

GOAL 3: A Well-Planned Urban Community

SUMMARY

PROJECT DESCRIPTION:

An appeal has been filed with the Development Services Department regarding the approval of the Planning and Zoning Commission on December 8, 2015 for the EPCOR Water Plant 15 Site Plan. The proposed use is for a common water booster pump station. The site is located approximately 474' west of the Jackrabbit Trail alignment and 464' north of the Missouri Avenue alignment on 0.72 acres within a larger 320 acre property. Access to the site will be via Jackrabbit Trail onto an access easement driveway. The station will be enclosed by a 8' high masonry architectural themed wall with landscaping for screening and will contain a 1,500 sq. ft, 15' high operations building, 300,000 gallon, 20' high tank, and other equipment. The station will be powered by APS electric and will have a sound attenuated emergency generator. The water will be treated with a common liquid chlorine solution and will be contained within the operations building with secondary containment for any spillage. The site plan was unanimously approved by the Planning and Zoning Commission on December 8, 2015 with stipulations for the following reasons: 1) the proposal is a by-right use within the existing zoning district and meets all the requirements of the Development Code, 2) no outstanding issues from reviewing departments, and 3) concerns expressed from the public have been reasonably addressed.

BACKGROUND:

- 3/12/15: A Pre-Application Conference meeting with staff was held. Due to the known public opposition, the site plan which would typically be administratively reviewed was referred to Planning and Zoning Commission.
- 7/29/15: The site plan was officially submitted with notice of application sent out to property owners within 600' of the larger parcel (300' required).
- 8/17/15: The applicant held a Neighborhood Meeting with property owners (not required).
- 11/10/15: Staff scheduled the request for the November 24, 2015 Planning and Zoning Commission meeting and drafted a report for approval with stipulations.
- 11/24/15: The Planning and Zoning Commission held a public meeting for the request and continued it to December 8, 2015 to allow the applicant additional time to discuss their Emergency Action Plan. Public in opposition were heard at this meeting.
- 12/08/15: The Planning and Zoning Commission held another public meeting. The applicant presented their Emergency Action Plan and several members of the public spoke in opposition of the request. The site plan was approved with staff recommended stipulations and an additional stipulation from the Commission addressing enhanced screening as follows: "Prior to approval of final landscape plans, the applicant shall work with city staff to provide enhanced screening which may include depression of the site, berming, and additional landscaping".
- 12/09/15: The approval letter with stipulations was sent to applicant.
- 12/26/15: An appeal was filed by residents of Beautiful Arizona Estates and surrounding properties for the Planning and Zoning Commission approval of case PLZ-15-00119 EPCOR Water Plant 15 Site Plan.
- 1/05/16: Staff scheduled the Appeal for the February 2, 2016 City Council hearing.
- 1/06/16: Staff met with the applicant to discuss the Commission added enhanced screening stipulation. As of this date, a revised enhanced screening plan has not been submitted. However, staff understands that the applicant intends to depress the site and add additional trees to fully screen the operations building and tank from the southern and eastern property boundaries.
- 1/13/16: A response letter from the applicant regarding the appeal was submitted.
- 1/14/16: Staff met public hearing notification requirements (mailing, posting, legal ad) and drafted a staff report for the February 2, 2016 City Council.

ZONING:

The property is currently zoned Planned Residential (PR). The proposal is an allowed by right use subject only to a site plan approval with minimum screening standards (Dev. Code Section 5.4.5). The property is 320 acres of un-subdivided land and until such time setbacks are established via a final plat they default to Rural Residential standards as shown below.

Table 1: Lot Setbacks

Setbacks	Requirements for (Rural Residential)	Proposed Site Plan
Front	40 feet (minimum)	474 feet
Back	40 feet (minimum)	450 feet +
Side	20 feet (minimum)	464 feet
Side (corner lot)	25 feet (minimum)	N/A

FUTURE ACTION: (Council and Staff)

N/A

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*

- Applicant's response letter to appeal dated 1/13/2016
 - Southwest Value Partners support letter dated 1/12/2016
 - SLV Sienna Hills LLC support letter dated 1/12/2016
 - Verrado support letter dated 1/12/2016
 - Letter of Appeal dated 12/26/2015
 - City of Buckeye Approval Letter dated 12/09/2015
 - Planning and Zoning Commission 12/8/15 Minutes
 - Comment forms of opposition from 12/8/15 P&Z meeting
 - Planning and Zoning Commission Meeting Packet for 12/8/15 P&Z meeting
 - Planning and Zoning Commission 11/24/15 Minutes
 - Maricopa County, Certificate of Approval to Construct – Storage Tank with stipulations dated 3/31/2015
 - Maricopa County, Certificate of Approval to Construct – Booster Pump Station with stipulations dated 3/31/2015
 - Maricopa County, Certificate of Approval to Construct – Chlorination with stipulations dated 3/31/2015
 - Maricopa County, Certificate of Approval to Construct – Pressure Tank with stipulations dated 3/31/2015
-

FINANCIAL NARRATIVE:

N/A

CURRENT FISCAL YEAR TOTAL COST N/A

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) F/Y: N/A

FUND / DEPARTMENT (GL#): N/A



Received

JAN 13 2016

City of Buckeye by: KH

10:56 A.M.

2355 W Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

epcor.com

The Honorable Mayor Jackie Meck
Vice Mayor Michelle Hess
Councilmember Robert Garza
Councilmember Craig Heustis
Councilmember Brian McAchran
Councilmember Eric Orsborn
Councilmember Ray Strauss

City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326

Re: Appeal Request for EPCOR Water Plant 15, PLZ-15-00119

January 13, 2016

EPCOR has carefully reviewed the letter provided by residents of Beautiful Arizona Estates (BAE) to the City of Buckeye on December 29, 2015 with respect to the proposed EPCOR Agua Fria Water Plant 15. The purpose of this letter is to present additional information to refute the misleading and inaccurate claims regarding this important and necessary project.

As the water provider for the Agua Fria district, which includes Verrado and Canyon Views, EPCOR has the responsibility to provide our customers with a safe and reliable water supply. Our commitment to our customers and the surrounding communities is to provide this in the safest, most efficient and cost-effective manner.

BACKGROUND

A new water booster station and pipeline is required to bring potable water west from 195th Avenue and the Missouri Road alignment to serve future phases of development in the southern portion of EPCOR's Agua Fria service area, including Verrado and Canyon Views.

On December 8, 2015, the City of Buckeye Planning & Zoning Commission approved the site plan for Water Plant 15. Like similar water booster stations throughout the City of Buckeye and the Valley, Water Plant 15 will include a water storage tank, booster pumps and a water disinfection system. This booster station will be on an approximately ¾-acre site within the future Canyon Views community, approximately 470 feet north of the Missouri Road alignment and approximately 475 feet west of 195th Avenue. (See attached project fact sheet.)

Originally proposed along the northern edge of the Missouri Road alignment, the project team worked diligently with Klondike Land Portfolio, LLC, which owns the Canyon Views property, to relocate the water booster station to its currently proposed location in response to concerns raised by residents of BAE, placing it well within the Canyon Views community.

Throughout the multi-year process that preceded the Planning & Zoning Commission's approval, EPCOR has communicated consistently with BAE through its designated liaison, Jean Huerta. EPCOR has responded multiple times to questions and concerns raised by members of the BAE community, adapting the plan and related construction work to respond to the community's concerns and ultimately moving the site of the pumping station nearly 500 feet north of its original to the approved location. In doing so, the project cost has increased, which will be borne by EPCOR and its customers, including those who live in Verrado.

In addition to ongoing communications with BAE through Jean Huerta, a public meeting attended by EPCOR's project team, DMB Associates and Klondike Properties was held on August 17 at Verrado High School to further provide information about the project. Property owners within a 600-foot radius of the site – including all BAE property owners – were invited to attend. The names and addresses of the property owners were pulled directly from the County Recorder's online system. The same information was also provided by email to Jean Huerta for further distribution to BAE residents. It is important to note that of the more than 100 property owners invited to attend the public meeting, only 15 people attended.

APPEAL RESPONSE

In response to concerns raised in the December 29, 2015 letter of appeal from BAE to Mayor and Council for the City of Buckeye, EPCOR takes exception to statements in the letter as being incomplete, inaccurate or without basis as follows:

Hazardous Chemical Facility. Safety is of paramount concern for EPCOR and every operation, facility and task is designed and approached from a safety-first mindset with highly detailed operating procedures, emergency plans and continuous training in place. Additionally, water and wastewater treatment and distribution facilities are subject to rigorous reviews by the EPA or its delegates. The Maricopa County Environmental Services Department (MCESD) – the government agency that has been delegated by the EPA to regulate these types of facilities in Maricopa County – approved the construction of this facility at its originally proposed site on March 31, 2015. This approval indicates that the facility meets all EPA requirements for chemical safety and use.

In its request for an appeal, the letter incorrectly identifies the disinfectant that will be used at the facility, and incorrectly and incompletely references a report from the Center for Effective Government. The full citation refers to chlorine gas, which will not be used at this pumping station. Instead, sodium hypochlorite – more commonly known as liquid bleach – will be used to disinfect the water passing through the pumping station. The liquid bleach that will be used at this facility is the same product used at other pumping stations owned by the city of Buckeye, other municipalities and water providers including EPCOR, and is comparable or very similar to household bleach that might be found in a laundry room.

The Center for Effective Government, in the same report, points out that the use of liquid bleach is common and increasingly preferred, providing an effective and safe disinfectant process for drinking water.

At no point is the liquid bleach exposed to the air – the liquid bleach is added to the water through sealed pipes that are connected to fully contained, sealed, double-walled fiberglass storage tanks that are further housed within the operations building, more than 20 feet away from the back-up power generator. Diesel fuel for the generator will be stored in a sealed, double-walled steel tank in a location separate and distant from the liquid bleach storage tanks.

BAE's letter of appeal makes reference to phosgene gas. EPCOR researched this and found that phosgene gas is produced by passing purified carbon monoxide and chlorine gas through a bed of porous activated carbon, or

through the degradation of chloroform in the presence of UV light and oxygen. These chemicals and processes will not be present at this site and therefore cannot result in phosgene gas creation.

Noise, Vibration & Odors. All EPCOR facilities are designed to adhere to, and are regulated and monitored by, applicable municipal, county, state and/or Federal requirements and standards. MCESD fully reviewed the construction plans for the original location and approved them on March 31, 2015, confirming that the site plan meets the required standards for odor control. In addition to these requirements, the City of Buckeye requires that all back-up generators utilize the Quiet Site II enclosure (housing) to help dissipate sound to no more than 50 decibels at the site wall.

Zoning. EPCOR is siting the land for Water Plant 15 through the appropriate legal process. Initially, EPCOR will build the site within a temporary construction easement while the land owner (Klondike) concurrently works to complete pre-plat and final plat approval. EPCOR's site will be a tract on the eventual recorded plat designated for a "water booster station."

Laws, Codes & Permits. The site plan was approved by the City of Buckeye's Planning & Zoning Commission on December 8, 2015 and, prior to that, the design drawings were approved by MCESD on March 31, 2015. The pipeline referred to in the appeal letter, known as Phase 1A pipeline, received an approval to construct from MCESD on November 3, 2014 followed by a permit to construct from Maricopa County Department of Transportation (MCDOT) Right of Way on December 8, 2014. As with all facilities, EPCOR is required to obtain the appropriate construction permits from MCESD, the City of Buckeye, and from other agencies as needed, and will continue to do so.

During site plan development, checks for biological and Section 401/404 requirements were fully completed. Studies addressing both were completed as part of the Canyon Views development where the site is located.

Relocation Cost. As a regulated utility, EPCOR's rates are reviewed and set by the Arizona Corporation Commission. Because the costs for service – and any necessary capital improvement costs to maintain and provide service – are factored into the rates paid by customers, EPCOR is committed to providing service and maintaining, installing and repairing the necessary infrastructure in a cost-effective manner that ensures safe and reliable service.

Water Plant 15 has been planned for nearly a decade as part of the Klondike Property development, with the intent that it will enable the adequate and safe delivery of water to new developments in this general area. EPCOR's engineers and operators, working with professional engineers and consultants who specialize in the siting and design of these types of hydraulic facilities, have reviewed all potential locations for the site within the Klondike property. System hydraulics and topography studies have identified this location and pipeline pathway as the appropriate location to bring water west from a previously existing trunk line that extends north to south. Any deviations from this location will be more costly – both to build and to maintain and operate on an ongoing basis – for EPCOR and its customers.

Devaluing Properties. Water pumping and disinfection stations such as this one are common throughout municipalities across Arizona and the country, and are often blended seamlessly within neighborhoods and communities. It is important to note that BAE has an existing booster and storage facility that serves BAE residents within its development today. EPCOR does not have any information to support the claim that a water pumping station would affect property values. Rather, water facilities such as this can be viewed as positive impacts to a community, ensuring adequate water delivery and fire flow services for businesses and home owners.

At EPCOR Water, we take pride in providing safe, reliable and high-quality water and water service every day. This project demonstrates our continued commitment to our customers, the City of Buckeye and the surrounding West Valley community. We urge the City of Buckeye to uphold the City of Buckeye Planning & Zoning Commission's December 8, 2015 approval so that we can proceed and ensure water delivery as planned.

Best regards,

A handwritten signature in blue ink, appearing to read "Andrew D. Brown".

Andrew D. Brown
Director of Engineering

Enclosures

cc: Stephen Cleveland, City Manager, City of Buckeye
Roger Klingler, Assistant City Manager, City of Buckeye
George Flores, Director of Development Services, City of Buckeye

EPCOR WATER BOOSTER STATION

KEEPING YOU CONNECTED

To meet the demands of new growth, and deliver quality and safe water service to the communities within EPCOR's Agua Fria service area, we are installing a water booster station, located west of 195th Avenue and north of the Missouri Road alignment.

PROJECT OVERVIEW

What: A water booster (pumping) station that includes water storage and pumping facilities set within the Canyon Views community. The booster station will be surrounded by an 8-foot privacy wall. The tallest structure within the site will have a 16-foot side wall and a ventilation shaft that will extend to 20.5 feet tall. This is much lower than the maximum building height, which is typically 30 feet.

Why: As the surrounding communities including Verrado and Canyon Views grow, we need to expand, maintain and improve the water-supply infrastructure. The proposed water booster station is needed to provide safe, reliable, high-quality drinking water as well as reliable water for fire safety for these communities in our Agua Fria service area.

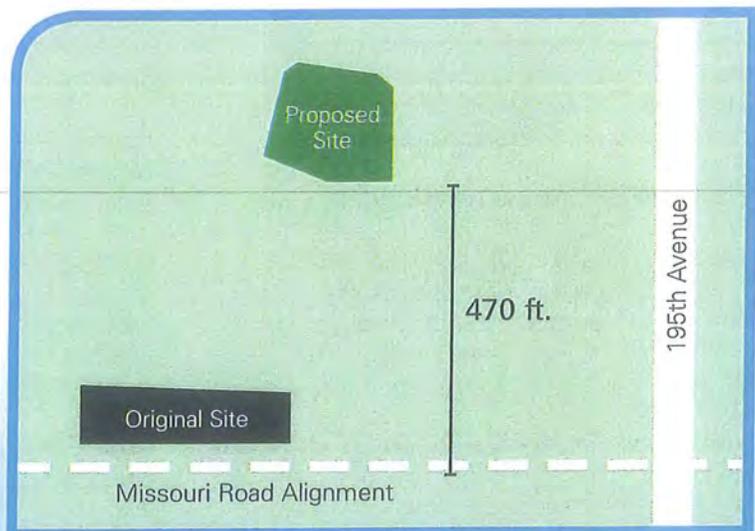
Where: The site is located within the future Canyon Views community, approximately 470 feet north of the Missouri Road alignment and Beautiful Arizona Estates.

When: Construction is planned to begin early 2016 and should conclude in summer 2016.

Who: We are constructing the water booster station to serve future residents in the southern portion of the Agua Fria water district and the surrounding Buckeye area, including Verrado and Canyon Views.

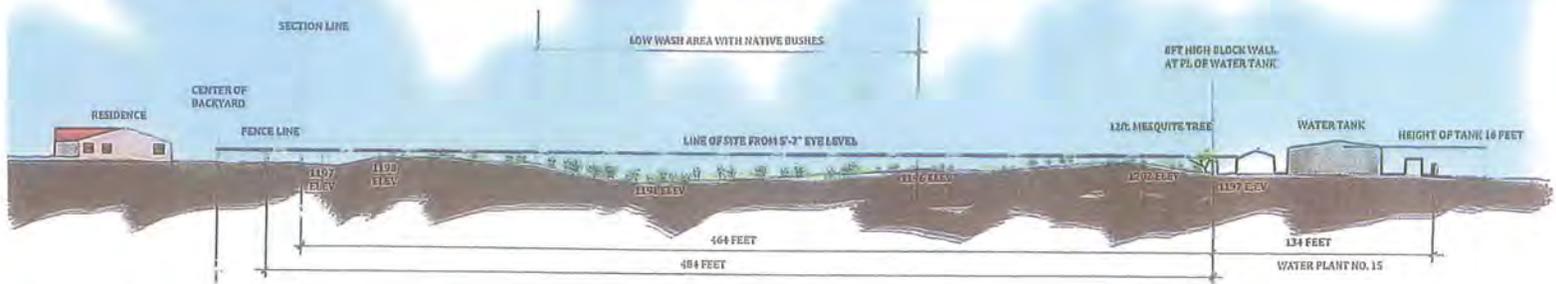


Conceptual artist rendering of proposed water booster station viewed from the Missouri Road alignment.



Proposed location of the new water booster station.

EPCOR WATER BOOSTER STATION



FAQ

What permits are needed for this project?

We follow all regulations and standards for the permitting and construction process, and we'll obtain necessary permits from the City of Buckeye as well as the Maricopa County Environmental Services Department, the Maricopa County Air Quality Department, the Maricopa County Department of Transportation and any other agency as required.

Why is it in this location?

Given the existing topographic conditions of the site and the area, including factors such as elevation and the distance from existing infrastructure, the site can only be located within a certain area. Moving it further north or west makes it difficult to provide sufficient service to current and future residents within Buckeye. This plant doesn't just provide drinking water – it provides reliable water pressure and flow for fire protection.

Will I see or hear the pumping station?

The tallest structure on the site will have a 16-foot side wall and a 20.5-foot ventilation shaft, nicely integrated within the interior of the Canyon Views community. Given its location within Canyon Views, it will be well hidden when future homes are constructed. Additionally, the station will be surrounded by an 8-foot block wall – higher than privacy fencing in most neighborhoods. The pumping station will have an electrical motor similar to the motor for most pool pumps or residential air-conditioning units.

Is the water going to be chlorinated?

Sodium hypochlorite is added to drinking water for your protection and is used as a disinfectant to destroy harmful organisms – bacteria and viruses. This is an industry-standard, FDA-approved process used by many municipal and private water utilities, and will be used to disinfect the water at this pumping station.

What about gas emissions from the station?

Emissions of any type that adversely impact human health or the environment are simply not permitted. Pumping stations like this one do not emit chlorine fumes.

What about wastewater?

There will be no wastewater treatment at this facility.

How does water get from the station to Verrado?

A new pipeline, engineered and constructed in a manner approved by the City of Buckeye and Maricopa County, will extend west from the pumping station to the Verrado community north of the Missouri Road alignment. Portions of this part of the distribution system have been completed or are under construction.

How will you control dust during construction?

We will comply with Maricopa County's dust control program.

Southwest Value Partners



January 12, 2016

City of Buckeye
503 E. Monroe Avenue
Buckeye, AZ. 85326

RE: CANYON VIEWS- EPCOR WATER BOOSTER PUMP SITE

Dear Mayor Meck and Buckeye City Council,

I am writing you on behalf of Southwest Value Partners, the parent company of Klondike Land Portfolios, LLC. As current owners of the future Canyon Views development, we are keenly aware of the concerns posed to City leadership and staff regarding EPCORs water booster pump site #15 located on our property.

We have worked diligently with EPCOR and city staff to ensure the location of this site has a minimal visual and physical impact on neighboring communities while continuing to meet not only the needs of the future Canyon Views development, but also those of the communities who will rely on this infrastructure for growth.

The site location for EPCORs water booster pump station #15 is supported by Klondike Land Portfolios, LLC and is being integrated into the future Canyon Views community. This integration will further remove the perceived concerns, should any remain.

Your time is greatly appreciated and we hope to have your support in this matter, as well.

Best Regards,

Southwest Value Partners

By: David Henry

Its: Senior Asset Manager- Real Estate



January 12, 2016

The Honorable Jackie Meck, Mayor
The Honorable Eric Orsborn, Vice Mayor
The Honorable Brian McAchran
The Honorable Robert Garza
The Honorable Michelle Hess
The Honorable Ray Strauss
The Honorable Craig Heustis
City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326

RE: EPCOR Water Plant 15
Appeal of Site Plan

Dear Mayor Meck and members of the City Council,

The purpose of this letter is to express our concurrence with the request by EPCOR for the approval of a site plan for Water Plant 15 (WP 15). We are the developer of the Verrado community which is located west of the proposed property. Verrado is an approximately 8,800 master planned community in the City of Buckeye and EPCOR is the water and sewer provider for Verrado. The expansion of the water system is consistent with longstanding infrastructure development plans for the expansion of water infrastructure necessary to serve Verrado and the west Valley.

We appreciate the opportunity to comment on this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Kelly". The signature is fluid and cursive, with a large initial "D" and "K".

Dan Kelly
Sr. Vice President

cc: George Flores, Development Services Director
Shawn Bradford, EPCOR

SLV Sienna Hills LLC

January 12th, 2016



Terri S. Hogan, AICP

Planning Manager

City of Buckeye 530 E. Monroe Avenue, Buckeye, Arizona 85326

RE: Support Letter for EPCOR Water Plant 15

Dear Terri,

On behalf of Starwood Land Ventures, the Sienna Hills Development, and the Sienna Hills Homeowners Association, we wanted to take a quick moment and express our support for the recently approved Epcor Water Plant 15. As you are very much aware developing communities need a lot of infrastructure to be able to provide adequate levels of service and ensure life safety. Without this infrastructure development would not be able to exist and we would be without shelter, homes, and neighborhoods.

The development community has made great strides in the last decades of establishing codes and requirements to minimize the effects of this required infrastructure.

We have had a chance to review the files related to the Epcor Water Plant 15, and we are impressed with how Epcor and the Developer have designed and laid out this water campus to minimize any effects to the adjacent neighbors and within its own community. The site is well screened by natural topography, set back distances, and I am sure will have a masonry wall around it with landscaping in the set back that will further screen the campus. From a visual standpoint, I wish all development infrastructure could look this good and be so well screened.

Well managed water campuses are safe. Most having long histories without incidents. Epcor has a long running record of safety and safe handling of chemicals. We feel that the prior approved site plan for EPCOR Water Plant 15, should stand, and that the Beautiful Arizona Estate Appeal be denied.

Sincerely,

Shane Graser

Development Consultant on Behalf of Starwood Land Ventures, the Sienna Hills Development, and the Sienna Hills Homeowners Association

Received

DEC 26 2015*

City of Buckeye by: AM
* via email

December 26, 2015

Appeal – EPCOR Water Plant 15

Dear Mayor Meck, Vice Mayor Orsborn, Councilmember Garza, Councilmember Hess, Councilmember Heustis, Councilmember McAchran, Councilmember Strauss, Development Services Director George Flores:

Introduction

The residents of Beautiful Arizona Estates (BAE) wish to appeal the December 8, 2015 decision of the City of Buckeye Planning and Zoning (P&Z) Commission regarding the location and site plan of EPCOR Water Plant 15 on the Klondike Land Portfolio LLC (Klondike) property north of BAE.

The decision has and will cause irreparable harm to BAE residents as follows:

- 1) The action of the P&Z Commission and EPCOR will result in a substantial devaluing of BAE residents' properties (details below).
- 2) The P&Z Commission and EPCOR disregarded proper procedures, processes, laws and codes (details below).
- 3) BAE residents have been subjected to the physical and emotional torment of being put in jeopardy and having to live in fear and uncertainty with this hazardous chemical facility near our properties (details below).

Background

From the outset of the process involving EPCOR Water Plant 15, the City of Buckeye Development Services Department and the P&Z Commission have not acted in an unbiased and neutral manner. They also have not done their own due diligence regarding the accuracy of EPCOR's claims and statements and instead simply accept EPCOR's words as true, complete, and accurate.

As is outlined below, the presentation to the P&Z Commission was largely based on inaccurate and outdated information and false premises designed to skew the negative impact of EPCOR Water Plant 15.

Hazardous Chemical Facility - Maricopa County deems this Water Plant a "hazardous chemical" facility. The chemicals used are NOT like household chlorine bleach, and are substantially more hazardous in concentration and volume. While EPCOR is trying to insinuate that it's safe, EPCOR's own employee procedures, safety policies and emergency procedures for this facility would prove otherwise.

"In a 15 year period, over 600 major accidents were reported at facilities containing chlorine." (Center for Effective Government, Washington, D.C. 10/08/2013.) That's an average of 3.33 major accidents per month – in essence 1 major accident each and every week for 15 years.

These incidents have resulted in thousands of injuries, hundreds of fatalities, thousands of people being evacuated, and property damage in the hundreds of millions of dollars. This data is also confirmed in a report by the U.S. Environmental Protection Agency (EPA).

Those statistics do not include the substantial number of accidents (resulting in injuries, fatalities, evacuations and property damage) involved in the transportation of these hazardous chemicals to those facilities. A liquid chlorine tanker truck accident will spread this toxic gas up to 2 miles from the accident site, multiplying the risk to our surrounding area.

Additionally, it is our understanding that while the facility will run on electric power, the backup generator/pump will run on diesel fuel, which means there will be a diesel fuel tank onsite and a whole host of additional issues and concerns regarding the hazards and safety of combustible liquids. Diesel motors/pumps commonly leak (think of your car engine). A spark igniting a diesel fuel fire in a chlorine facility creates Phosgene - a deadly gas ... one that was first used by the German Army in the chemical warfare of World War I.

Noise and Vibration - EPCOR claims that the noise generated by this facility will be at an acceptable decibel. However, the annoyance to humans is only one part of the problem with the noise from this facility. The facility will effectively disable horse properties in our subdivision as animals hear 100-1000 times greater than humans. Vibration was not addressed by EPCOR, but the issue is relevant and similar to the noise issue with regard to humans and, as with noise levels, is intensely more problematic to animals.

Odor – The odor from this facility while unpleasant to the average person, is outright dangerous to someone with severe allergies and asthma. There are such people residing in BAE that will be forced out of their homes for health reasons.

Zoning – With regard to suspect creative zoning for EPCOR Water Plant 15, Buckeye code does not allow lot splitting. EPCOR is planning on getting around this by leasing the land from Klondike until such time as they can get the code changed. This law (both the letter of the law and the intent of this law) is there for a reason - to protect people from this type of harm. We ask that the City uphold this law and deny any attempt to wrangle around it.

Buckeye code also requires a public process for a proposed subdivision plat such as the Klondike property - Canyon Views Development, north of BAE. The December 8, 2015 decision of the P&Z Commission is pre-decisional in that it pre-determines future traffic flow patterns and drainage plans.

To make matters worse, it appears the P&Z Commission is prematurely assuming future approval of high density two-story homes next to one-story acre-plus horse properties. In effect, the P&Z Commission has pre-determined major elements of the Canyon Views site plan without the required public process.

Laws/Codes/Permits – Before the City of Buckeye allows EPCOR to begin construction within the City limits, EPCOR should be required to show satisfactory completion of all studies and show approval from all concerned entities for accesses and permits.

No one has or will address EPCOR's lack of required studies, accesses, and permits from the EPA, FEMA, the Maricopa County Flood Control District, Maricopa County Department of Transportation, APS, Arizona Game and Fish, etc. Many of these entities are very displeased with EPCOR's tactics, and if you were to place these agencies in the same room at the same time to discuss EPCOR Water Plant 15 at the proposed location, it would be soundly and swiftly rejected by multiple agencies.

The P&Z Commission has stated these are not "Buckeye" issues/concerns to deal with, but we respectfully disagree. At a minimum, there is most certainly an ethical and moral obligation – not to mention a sound business practice - to ensuring that all Federal, State and Local

agencies' studies, accesses, permits, laws, etc., have been successfully fulfilled by the applicant (not just given their word that they will be fulfilled) prior to any decision being considered, let alone approved.

If the City of Buckeye approves the proposed site plan, EPCOR will begin building without going to any of these entities for approvals or permits - just as they did when they knowingly and illegally breached multiple agencies properties (not to mention BAE private property) without approvals/permits to install the pipeline - bullying their way over agencies, the county, city, and residents and asking for forgiveness, waivers or being fined after the fact ... if caught.

As we stated to the P&Z Commission, FEMA requires by federal law that any chemical treatment type plant must have both a regress and egress plan so emergency vehicles can respond without any possibility of road blockage. The location of the proposed EPCOR Water Plant 15 on the Klondike property does not provide for this. North of Indian School road, the only road in and out for the subdivisions west of Jackrabbit Trail (one of which is BAE) and the subdivisions east of Jackrabbit Trail (such as Arroyo Mountain Estates) is Jackrabbit Trail itself, which is also the only road anywhere near the proposed EPCOR Water Plant 15.

Along those lines, Maricopa County Department of Transportation and Maricopa County Flood Control District stated that they will not allow permanent or temporary access north off of Jackrabbit Trail again (it dead ends into the Flood Control District Channel) . Therefore, there are no access points to the proposed site, or any location on the Klondike property.

Relocation Cost - Any relocation cost to EPCOR cannot and should not be considered. Such cost is solely the fault of EPCOR due to their own lack of surveys/studies, irresponsible planning and poor engineering. EPCOR states that this is the only feasible location available because of water pressure. But the water pressure issue is primarily caused by EPCOR using an existing 1-foot pipeline to feed into their new 2-foot pipeline.

EPCOR also states that the proposed location is the only location on the Klondike property because the elevation is uphill any further north or west. Global Positioning System (GPS) readings at the proposed location compared to GPS readings further north near Bethany Home Road show an elevation drop of 15 feet. The City of Buckeye should not accept EPCOR's assertions without doing their own due diligence to determine a feasible site for relocation of EPCOR Water Plant 15.

EPCOR has had to dig 30 - 40 feet below their normal pipeline level in order to get 20 feet below the bottom of the washes they've run into. They will have to do that at least several more times in order to get to and from the proposed site and to get across the Tuthill Berm (which FEMA is still studying). Poor planning, designs and engineering are impacting the "uphill" and "water pressure" issue just as much as, if not more than, the terrain.

Devaluing of Properties - Every real estate agent and real estate appraiser we have contacted has confirmed that this hazardous chemical plant (EPCOR Water Plant 15) in the proposed site and/or general area will substantially devalue our properties due to external obsolescence factors.

Along with disabling horse properties, it will also severely harm and/or destroy an existing child day care business – as no parent would willingly choose to leave their child near this type of facility.

EPCOR can try to deceive and "justify" EPCOR Water Plant 15 any way they want in the current proposed location, but that will never make it right, especially when there are numerous other options/sites available that do not impact existing residential areas. To date, EPCOR has not considered, researched or presented any alternative options/locations outside of the Klondike property.

Therefore, we, the residents of Beautiful Arizona Estates and surrounding neighborhoods, respectfully request that:

- 1 - The Buckeye City Council reverse the P&Z Commission's December 8, 2015 decision regarding the site plan for EPCOR Water Plant 15.
- 2 - The Buckeye City Council require EPCOR to move the location of their Water Plant (water booster pump station, chlorine additive facility and water tank) for this pipeline off of the Klondike property north of BAE.
- 3 - The Buckeye City Council ensure that EPCOR completes all necessary studies, accesses and permits prior to any approvals and construction.
- 4 - The Buckeye City Council ensure the required public process for approval of all elements of the Klondike - Canyon Views Development plat is conducted.

Sincerely,

Beautiful Arizona Estates:

West Georgia Avenue:

Tony Sciulli
Karen Sciulli
Carol Jensen
Arlen Chelstrom
Lisa Chelstrom
Neil Harvey
Carmen Harvey
Gene Long
Norine Long
Bob Ince
Debbie Ince
Ed Polomski
Cindy Stedman
Brandon Powers
Kim Powers
Douglas Andrade
Crystal Andrade
Brian Reppe
Susan Reppe
Gary Gerard
Tracy Gerard
Tyler Jacobson
Lauren Jacobson
Dr. Shannon Smalley

West Georgia Avenue (Cont'd.):

Brenda Manos
Jerry Heidbreder
Kristie Heidbreder
Roman Lopez
Rikki Osman

North 196th Avenue:

Gerald Gilliam
Damon Hollins
Patrice Hollins
David Garcia
Valerie Garcia
Kenneth Whiting
Anna Whiting
Randy Karella
Cozette Karella
Monie Mann
Cleo Mann
Tony Blockwitz
Carol Blockwitz

West Missouri Avenue:

Lamar Stewart
Austin Stewart
Roel Guevarra
Dallas Stewart
Travis Hough
Jacque Hough
David Calhoun
Leslie Calhoun

West Colter Street:

Kevin Fleming
Sally Monrial
Bill Stevens
Sherry Stevens
Fred Hunter
Linda Hunter
John Consalvo
Mylisha Consalvo
Dennis Stillwell
Rita Stillwell
Dr. Robert Shaw
Jennifer Shaw
Larry Woehl
Jacqueline Woehl

Camelback:
Ken Alexander

North 199th Avenue:
Anthony Mitek
Nancy Mitek
Darlene Arnold
Charles Kendall
Carol Kendall

West Medlock Drive:
Maria Sachs
Gary Willis
Cathy Willis
Richard Hyde
Eliza Hyde

West Pasadena Avenue:
Bob Stone
Danyel Stone
Scott White
Rich Stringer
Janne Stringer
Patricia A. Dycus
Miguel Trejo
Mary J. Trejo
Myra Curtis
Georgene Hale
Melinda Crawford

North Tuthill Road:
Robert Huerta
Jean Huerta
Jess Wilhite
Andrea Wilhite
Chris Kozlow
LuAnne Kozlow
Troy Petges
Kim Woodhead
Dan Woodhead
Rebekah Stansbury
Bill Stansbury
Scott Schepker
Veronica Schepker

Surrounding Neighborhoods:

Greg Cantor
Tammy Cantor
Dale Schultz
Sheila Schultz
Chris Haddock
Ann Hale
Phylliss Selby
Tami Alexander
Wes Herman
Chris Eades
Nicole Eades
Judy Leyba
Jim Murray
Delores Murray



December 9, 2015

Travis Nuttall, PE
EPCOR Water
2355 W. Pinnacle Peak Road, Ste 130
Scottsdale, AZ 85258

VIA EMAIL: tnuttall@epcor.com

Mr. Nuttall:

Re: PLZ-15-00119 EPCOR Water Plant 15- Zone 3N Booster Pump Station Site Plan

On December 8, 2015, the Planning and Zoning Commission approved the site plan for EPCOR Water Plant 15- Zone 3N Booster Pump Station, PLZ-15-00119, located approximately, 474' west of the east line of Section 17, T2N R2W and approximately 464' north of the midsection line of Section 17, T2N, R2W (APN: 502-28-010J), subject to the following modified stipulations a-z:

- a. Development of the property shall be in general conformance with the site plan entitled "EPCOR WATER Agua Fria District Water Plant 15-Zone 3N Booster Pump Station" consisting of seven (7) sheets, dated September 24, 2015 and stamped received September 24, 2015, 2nd Submittal, except as modified by the following stipulations.
- b. Development of the property shall be in general conformance to the project narrative report entitled "EPCOR Water Plant 15 Water Infrastructure Improvements Project No. 53198, Site Plan Narrative 2nd Submittal" consisting of seven (7) pages, stamped received September 24, 2015, except as modified by the following stipulations.
- c. All development must be in accordance with the City of Buckeye Development Code, as amended.
- d. A native plant inventory shall be required prior to any development or construction activities. The native plant inventory shall define methods for transplanting materials to a nursery, on-site or off-site, during construction and transplanting back

to the site when a landscaping plan is implemented. Formal transplanting guidelines are available from the Planning Division.

- e. In accordance with the Development Code, this Site Plan is valid for a period of two (2) years from its approval date. The Director may grant a one-time extension of 12 months upon written request of the applicant prior to the expiration of the site plan.
- f. The property owner/s and their successor waive any and all claims for diminution in value of the property with regard to any action taken by City of Buckeye as result of this approval.
- g. The Buckeye Fire Chief and City Engineer shall determine the number, location, and types of all fire hydrants.
- h. Prior to delivery of any combustible materials to the site, the fire protection system shall be completely operational, with proper fire flow, and in accordance with the plans approved by the Buckeye Fire Chief and City Engineer.
- i. All building shall be equipped with a fire protection system as required by City of Buckeye Ordinance 37-02.
- j. Provide a "KNOX" box for emergency access.
- k. Address for site needs to be on building or gate plans.
- l. Fire suppression will require plans review and Fire Department approval.
- m. All gates require Fire Department "KNOX" boxes: If gate is electric owner to provide plans to Fire Department for review and approval (sec. 503) IFC 2012: (Fire Department emergency access control).
- n. An approved emergency access road will need to be installed, prior to construction.
- o. The following outstanding Engineering comments are to be addressed during the final design phase:
 - 1. The spot elevations around the XFMR, ATS & SES pads appear to be incorrect in comparison to the adjacent contours.
 - 2. Offsite sheet flow drainage will have to be satisfactorily addressed.

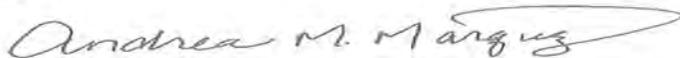
3. Site's Ultimate Outfall – Provide additional clarification as to the exact location of the ultimate outfall and how runoff will drain away from the site based upon the adjacent contours. Documentation of a Drainage Easement will be required with the construction documents.
- p. Final landscaping and irrigation plans, including all lighting improvements, shall be reviewed and approved by the City of Buckeye in conjunction with construction documents.
 - q. The Property Owner/Developer shall provide for channelization of off-site storm water that will be intercepted by this project in accordance with a Final Drainage Report as approved by the City Engineer, which shall be submitted along with the first submittal of the improvements plans. In the case where work related to interception of off-site storm water is required on adjacent parcels of land not controlled by the Property Owner/Developer, the Property Owner/Developer shall first obtain a drainage easement from the adjacent parcel owners. When required, said easement shall include an acknowledgment by the adjacent parcel owner(s) that historic drainage discharge points may be altered. Said drainage easements shall be executed and submitted to the City prior to approval of the Grading Plans and shall be recorded.
 - r. Prior to improvement plan approval, the Property Owner/Developer shall obtain approval from the applicable utility interests for easement location and width as required for utility purposes.
 - s. At the time of improvement plan submittal, the Property Owner/Developer shall provide a comprehensive Drainage Report, which addresses all on-site and off-site drainage requirements and issues.
 - t. The City Engineer shall approve all engineering and construction plans and reports for the required infrastructure for the project.
 - u. All existing overhead power lines less than 69 kV capacity, or any other overhead utilities within the project area or along its boundaries, shall be installed underground.
 - v. The Applicant will submit an electronic CAD and GIS file with full construction documents of the development to the City Engineer, Public Works Department,

and GIS Administrator in order to maintain current street records and assist in emergency dispatch and response.

- w. Pavement sections for all streets shall be determined in accordance with a City Engineer-approved geotechnical analysis, but shall not be less than the City's minimum requirements.
- x. All existing irrigation facilities located on the site shall be abandoned, relocated off the property, or installed underground. Any District-owned facilities to be located within the right-of-way shall be located near the rear of the right-of-way and the right-of-way shall be extended at least five (5) feet. Any additional right-of-way for District-owned facilities (not to exceed five feet) can be deducted from the depth of the perimeter landscape tracts.
- y. The Property Owner/Developer is responsible for providing water at the project for construction purposes including obtaining the necessary water rights for the water supply to be used for construction purposes.
- z. Prior to approval of final landscape plans, the applicant shall work with city staff to provide enhanced screening which may include depression of the site, berming, and additional landscaping.

A copy of the staff report and approved documents are attached for your reference. If you should have any questions, please do not hesitate to contact me at amarquez@buckeyeaz.gov or 623.349.6220.

Regards,



Andrea Marquez
Planner II

Attachments: Staff Report and Exhibits
 Approved Site Plan
 Approved Narrative Report



**CITY OF BUCKEYE
PLANNING AND ZONING COMMISSION
REGULAR MEETING MINUTES
DECEMBER 8, 2015**

City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

Chairperson Carol Kempniak called the meeting to order at 6:00 p.m.

Members present: Commissioner Thomas Marcinko, Commissioner Jeffrey Nagy, Chairperson Carol Kempniak, Commissioner Clayton Bedoya, Commissioner Gregory Clemmons, Vice Chairperson Nick Hudec, Alternate Deanna Kupcik, Alternate Gail Reese, and Alternate Bill Elliott

Members absent: Commissioner Preston Hundley, Alternate Jesse Knight, Alternate Duane Miltry

Staff present: Planning Manager Terri Hogan, Planner II Andrea Marquez, Administrative Assistant Keri Hernandez, City Attorney Gary Verburg, City Engineer Scott Zipprich, Planning Intern Cody White, Council Liaison Craig Heustis excused himself at 7:52p.m

2. APPROVAL OF MINUTES FROM NOVEMEBR 24, 2015 PLANNING AND ZONING COMMISSION REGULAR MEETING

A motion was made by Commissioner Bedoya and seconded by Commissioner Nagy to approve the minutes of the November 24, 2015 Planning and Zoning Commission Regular Meeting as presented. Motion carried.

3. CONSENT AGENDA

No items

4. CONTINUANCE AGENDA

No items

5. REGULAR AGENDA

5A. EPCOR WATER PLANT 15 – ZONE 3N BOOSTER PUMP STATION

Planner II Andrea Marquez presented the staff report and was available to answer questions from the Commission.

Vice Chairperson Hudec inquired how this station would better serve the communities, and how the existing station in Verrado differs from the station being presented.

Applicant Travis Nuttall presented an exhibit to the Commission to explain the need for the new water plant booster station, and stated that it is to provide water service to the northern Verrado Community. Mr. Nuttall also explained that the existing station is a waste water treatment plant, whereas the proposed station is a water booster pump station to provide adequate pressure and flow to the Verrado residents.

Commissioner Marcinko asked if an alternate location closer to a pre-existing station was considered. Mr. Nuttall indicated that the station referred to is owned by another company that supplies service to

Beautiful Arizona Estates (BAE). The location selected and presented was chosen in order to be able access water from the main trunk line. Mr. Marcinko asked about the tank height and the surrounding wall height. Mr. Nuttall informed that the height of the walls was a Homeland Security standard. Mr. Marcinko asked if there were concerns of a possible spill. Mr. Nuttall answered that there are policies and procedures in place to address emergency actions.

Mr. Nuttall submitted a copy of the Central Operations form used by EPCOR for each facility. Mr. Hudec asked what the impact a toxic related evacuation would have on the neighboring communities. EPCOR Production Team District Manager, Joseph Cornejo, explained the safety of the liquid chlorine that will be used at this specific facility. Mr. Cornejo also informed the Commission that the form of liquid chlorine is substantially safer for the surrounding community than if chlorine gas was used.

Chairperson Kempniak invited the public to speak.

Neil and Carmen Harvey submitted a letter to the Commission to be part of the public record. Letter reads – 'We are protesting the current proposed location of the EPCOR pump station to be located north of Beautiful Arizona Estates. Our property, 19602 West Georgia Avenue, will be directly impacted by the pump station proposed. We are concerned about the toxic chemicals used CHL etc., and the possible leak into our environment. The noise level of the pump station is also a very big concern as the proposed location is almost directly behind our property. Why should the pump station, serving the residents of a subdivision west of BAE directly impact the residents of another which does not benefit from it, be located so close as to disrupt the lives of the BAE subdivision residents? We are insisting that the pump station be moved two-thousand feet further north. Reduction in our property value etc., could lead to further action.'

Douglas Andrade submitted a letter to the Commission to be part of the public record. Letter reads – 'As residents of this subdivision we are really concerned about the construction of water pump station almost behind our house. Three reasons why we attend this meeting; environmental hazard issues in the future, aerial pictures currently are showing three new houses and one more in construction process, depreciation of properties particularly on the northwest corner of our subdivision which is Georgia Avenue and 196th Avenue.'

Karen and Tony Sciulli submitted a letter to the Commission to be part of the public record in opposition of this project. Letter reads – 'As follow up to the November 24, 2015 Planning and Zoning (P&Z) Commission meeting, the concerns of the residents of Beautiful Arizona Estates (BAE) have not been addressed as indicated, only brought up in the P & Z Commission's presentation. That presentation was largely based on inaccurate and outdated information and false premises in an intentional effort to skew the substantial impact of EPCOR Water Plant 15. The City of Buckeye should not be relying on information provided by EPCOR without doing its own independent due diligence as to the accuracy of EPCOR's claims and statements. EPCOR has developed a reputation in the State of Arizona for misleading, misinforming, lying, bullying, and intimidating the parties that it comes in contact with until everyone caves in to their way, especially when it comes to projects (such as EPCOR Water Plant 15) and water rates. The residents of BAE are not public speakers. This subdivision is horse property owners who moved out here to get away from this type of political bullying. That doesn't mean our voice of reason (whether one voice or a thousand voices) should be squashed, especially when it is right and just. BAE should not be harmed by the City of Buckeye and EPCOR due to EPCOR's irresponsible planning and poor engineering. BAE tried to resolve the pipeline location issue and water plant location issue with EPCOR since nearly two years ago, well before EPCOR had the site plan proposal prepared. Meaning any current "relocation" cost is solely the fault of EPCOR. Frankly, a relocation cost in the low millions is insulting as that is pocket change to a multi-billion dollar corporation, who is, or should be, committed to doing the right thing and being a good corporate steward/citizen. What isn't pocket change is the substantial amount that EPCOR Water Plant 15 will devalue BAE properties. Ask any realtor about having this monstrosity by you neighborhood and what it does to property values and level of buyer interest. Not to mention the chemicals used are absolutely NOT like household chlorine bleach and are substantially more hazardous in concentration and volume (no different than saying arsenic is safe because it's in our drinking water). As far as the noise, in addition to being an annoyance to humans, it will disable horse properties in BAE as animals hear one hundred to one thousand times greater than humans. Regarding suspect zoning creativity for EPCOR Water Plant 15, it is pre-decisional to presume approval of high density two-story homes up against one-story acre+ horse properties. We leave you with this important fact – that there isn't one person, anywhere (EPCOR, Planning and Zoning Commission, and City Council members included) who would want this in their back yard or who would

desire to buy a home with the atrocity on top of it. EPCOR can try to deceive and "justify" EPCOR Water Plant 15 any way they want in the current proposed location, but that will never make it right. We ask that the City of Buckeye Planning and Zoning Commission do no harm to you neighbors by rejecting the proposed location of EPCOR Water Plant 15.'

Greg Cantor of Beautiful Arizona Estates spoke of his concerns with the devaluation of property with the installation of the proposed water booster pump station.

Norine Long of Beautiful Arizona Estates spoke of her concerns, "Jean Huerta has requested several times that EPCOR and the City of Buckeye come to visit Beautiful Arizona Estates to see how the pump station will affect the residents. The only visit we had was to see what the berm behind the homes on Tuthill looked like. I have marked the house numbers on the attached map to show that there are more than 2 houses on West Georgia Avenue. The current internet Google map and Maricopa County are both from the same source. These maps are about eight to ten years old and not current. Since Beautiful Arizona Estates (BAE) is in Maricopa County, not the City of Buckeye we do not receive EPCOR water or sewage treatment. We do not receive notice from the City of Buckeye, Verrado, EPCOR or Klondike Homes as to current events or status of anything in the surrounding area. Not many people were aware of the November 24th meeting. If not for Jean Huerta we would not have known there was to be a meeting and most residents had made other plans. Jean sent notice out on November 23rd, the day she got the information, to the resident e-mail addresses she has. This meeting was held two days before Thanksgiving so the residents were not notified on a timely basis. We feel we have not been advised on a timely basis of meetings. I feel the residents of BAE are being steam rolled by a giant corporation. The people of West Georgia will be affected by noise, dust and chemical odors and did not have a chance to input information in the beginning of EPCOR work. This should have been done several years ago so you could have our input. Maricopa County has all the names and addresses of property owners recorded. We would like to be a good neighbor but EPCOR and the City of Buckeye has not been the good neighbor we would expect. This letter has been submitted as part of the record."

Ms. Marquez stated that the applicant exceeded requirements to notify neighbors regarding meetings, and all notices for the City of Buckeye are posted on the City website.

Ed Poloniski of Beautiful Arizona Estates spoke of his concerns with the surrounding county properties.

Maria Sachs of Beautiful Arizona Estates spoke of her concerns with the location, chemical use, property devaluation, emergency notification to the surrounding areas and generator noise pollution.

Bob Stone of Beautiful Arizona Estates spoke of his concerns, "The homeowners in Beautiful Arizona Estates made a decision to purchase a home, away from the city, that has beautiful views, and clean, fresh air to breath. The proposed location of EPCOR's water booster station jeopardizes two of these key principles. They are trying to drop a two-hundred thousand gallon tank that measures roughly twenty foot high by approximately fifty feet in diameter along with a fifteen foot high pump house that will dose the water with chlorine a mere four hundred sixty-five feet from our incredible neighborhood. It appears that this is being done because EPCOR did not properly plan the routes of their water pipelines to supply water to the underdeveloped neighborhoods of Verrado, Victory and other proposed development even further north. As we are concerned about our property values, visual pollution, and other statutory nuisances, we request that another venue be selected for this chlorine pumping plant. As stated at the previous meeting on November 24th, their pipelines originate somewhere around Cactus and Perryville, and travel south to Indian School, passing Beautiful Arizona Estates by more than a mile, before turning west towards Verrado. Because they have overshot these undeveloped northern neighborhoods, they wish to tap into that westward pipeline then run back north, and install their Band-Aid fix, just to the north of our homes. I am certainly not privy to all of the logistics involved here, but can't help but to wonder why they won't tap into the main pipeline that runs north and south at the Bethany Home level, then run west without the need for a water pumping/chlorination station. This could cover north Verrado, Victory and even allow for northern growth. Should they still need a boost in pressure, they can then add pumps as needed, uncontested as there are no existing homes there. It seems reasonable to request that as EPCOR is servicing Verrado, Victory and others, that the plant be relocated further into these neighborhoods, or even better, on the opposite side of the property owned by these developments. Currently it is slated for the southeast corner of their property, the distance of just over a football field from our homes. Most definitely the northeast corner or even better, northwest corner of these developments would be a far more logical location. As this would be the initial construction in these areas, it would allow people to choose whether they wish to live next to this plant

or not. Obviously, sacrificing the two aforementioned items that are important to us for a lower cost home next to a fifty foot diameter, twenty foot high tank, with the glorious aroma of chlorine in the air. At the risk of being facetious, EPCOR's proposal to build this almost literally in our back yards, would be the similar of my building an ugly, unsightly chicken coop at the end of my one acre parcel, closest to my neighbor's house. Then filling it with noisy, stinky chickens for him to enjoy, but of course, I would keep all of the eggs for myself. The bottom line is: We do not want this monolithic water tank and chlorine injecting plant in our back yards where our children play, and I ask the members of the council, would any of you? Again, I thank you for your time. I would like to submit a written copy of my statement to the committee record."

Anna Whiting of Beautiful Arizona Estates spoke of her concerns with the depreciation in value of their properties. She stated, "that this booster station is an external obsolescence which is defined as an element of depreciation, a defect, usually incurable caused by negative influences outside the sight, and generally incurable on the part of the owner, landlord or tenant". Ms. Whiting submitted her letter to the Commission.

Cindy Stedman of Beautiful Arizona Estates spoke of her concern with access from Jackrabbit Trail to the sight in case of an emergency.

Chair Kempiak inquired if the water stations along Miller Road are similar to the station presented.

City Engineer Scott Zipprich indicated that there are a few stations along Miller Road, each delivering different water services. Mr. Zipprich addressed the earlier concern about the access of Jackrabbit Trail. He stated that when the Jackrabbit Trail roadwork was completed, the end of Jackrabbit Trail was barricaded. Mr. Zipprich stated that if this site plan moves forward, EPCOR would have to coordinate with Maricopa County Department of Transportation to have the right of way dedicated to move beyond the barricades to extend the road or extend a driveway north past the barricade, and install additional barricades to keep trespassing at a minimum. Mr. Zipprich informed the Commission that the concern with Caterpillar dyke is there is not an acceptable plan in place to preserve the structural integrity and purpose of the dyke if the waterline was to breach through said berm until the future drainage is installed by DMB. Mr. Zipprich addressed concerns of the backup generator and stated that the City of Buckeye has commented on the site plan that fifty decibel noise range at the property line of the site, which is not quite as loud as an individual speaking. Mr. Zipprich addressed the concerns with the chlorine that would be used at this booster station, and informed the Commission that it would be almost the same strength of what is used in swimming pools. EPCOR's goal, when installing a booster pump station that involves the use of bleach, is to have full containment to avoid any loss in concentration, and the release of gas into the air.

Mr. Hudec inquired if locating further north would be a consideration. Mr. Zipprich stated that after further review, the City did question the chosen location and was regionally reviewed. It made sense with the amount and expense of the infrastructure that had to be installed. The line that was tapped into from Cotton Lane was sized to serve all of Verrado, and Indian School Road was chosen because there was existing right of way. A more northern location was not selected due to the lack of pressure and flow rate.

Mr. Hudec requested maximum screening of the booster station. Mr. Hudec asked if the Commission could stipulate additional landscaping and screening. Ms. Marquez reminded the Commission that there will be additional review by staff of the landscaping. Planning Manager Terri Hogan informed the Commission that there are several options to screening the tank, depressing the tank being an option.

Mr. Bedoya pointed out that a temporary screening is what is being presented, until future housing is developed. Mr. Hudec asked if depressing the tank is something that can be stipulated. Ms. Hogan stated that a stipulation providing enhanced screening could be discussed.

Mr. Nuttall addressed the option of depressing the tank, and stated that the main concern would be the soil conditions, and the increased material cost of the tank.

Mr. Zipprich stated that there is a number of different ways to screen these types of tanks, and depressing the entire site – not just the tank, is another option.

Mr. Clemmons addressed the applicant and the residents present to let them know that their points have been heard and noted.

A motion was made by Vice Chairperson Hudec and seconded by Commissioner Bedoya to recommend approval as presented with stipulations, adding stipulation (z) as stated – prior to approval of the final landscaping plans, the applicant shall work with city staff to provide enhanced screening which may include depression of the site, berming and additional landscaping.

Motion carried.

6. COMMENTS FROM THE PUBLIC

Bob Stone commented on the distance and location of the water station.

7. REPORT FROM STAFF

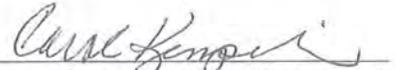
Ms. Hogan informed the Commission that the December 22nd Planning and Zoning Commission regular meeting would be cancelled.

8. COMMENTS FROM THE PLANNING AND ZONING COMMISSION

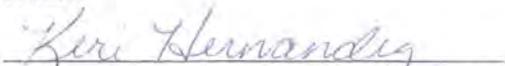
Vice Chairperson thanked the community for coming out to the meeting.

9. ADJOURNMENT

A motion was made by Commissioner Bedoya and seconded by Commissioner Clemmons to adjourn at 7:54 p.m. Motion carried.


Carol Kempick, Chairperson

ATTEST:


Keri Hernandez, Administrative Assistant

I hereby certify that the foregoing is a true and correct copy of the Planning and Zoning Commission Regular Meeting held on the 8th day of December, 2015. I further certify that a quorum was present.


Keri Hernandez, Administrative Assistant



CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12-8-15
Name: Ed Poloniski
Address: 19702 West Georgia
Phone #: 602-980-5235
Organization: Honie Dwyer
Address: Same

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: Epcor - Pumping Station

Note to speaker:

1. This form must be completed and delivered to the Clerk prior to the meeting being called to order.
2. When the Chairperson addresses you, please approach the podium, state your name and address, speak clearly as your comments will be recorded.
3. When speaking, address the Chairperson, Vice Chairperson, and Board at all times.
4. Please refrain from making personal attacks on the Chairperson, Vice Chairperson, Board members, City Staff or members of the public. All complaints regarding City Staff should be directed to the City Manager's office during regular business hours.
5. Please limit your comments to subjects related to City Government (3minutes)
6. If written notes on your address are furnished to any member of the media, please provide a copy to the Clerk.
7. Under the provisions of the Arizona Open Meeting Law, the Chairperson, Vice Chairperson, Board or City Staff cannot respond to citizens making comments on non-agenda items beyond thanking the citizen for their comments/directing the City Manager for investigation.

QUESTIONS FOR MEETING DECEMBER 6, 2015

1. Klondike- Property: No 4 strand barbed wire - signs - zero non-conforming use
Agricultural Taxes - High density, two story houses? Why? how?
2. EPA Permit? Dust Control? - None
3. No access from Jackrabbit? Canyon View traffic plan?
Mitch Wagner - DOT - Never further
4. Maricopa Flood Control - Permits, > None
Dam - 1/4 mile wide drainage channel? multi million \$ dam project
5. Maricopa Parks and Rec Trail? - Done - no permits
6. Pumping station power - APS? No plan for power?
7. Diesel Fuel - chemical spill? Chlorine gas-liquid? "emergency plan"
E.P.A.
8. FEMA redo "Cat" dike to specifications? 2016 + nothing settled
9. Verrado second emergency access? 2 access routes?
Fire and Police?
10. Traffic lights at Jackrabbit + Indian School ?
More traffic with new shopping center ?
11. Bridge ~~at~~ ^{over} Camelback?
12. "Original Commercial 5 acres" - North East corner, Canyon View?
13. Bethany Home Easement ? existing now!



* Letter submitted
to Planning & Zoning Commission

CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12/08/15
 Name: Karen & Tony Sciulli
 Address: 19532 W. Georgia Avenue - Beautiful Arizona Estates
 Phone #: 623-572-4788
 Organization: Homeowner - Beautiful Arizona Estates
 Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: 5A - EPCOR Water Plant 15

Note to speaker:

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December 8, 2015

SUBJECT: EPCOR Water Plant 15

Dear City of Buckeye Planning and Zoning Commission,

As follow up to the November 24, 2015 Planning and Zoning (P&Z) Commission meeting, the concerns of the residents of Beautiful Arizona Estates (BAE) have not been addressed as indicated, only brought up, in the P&Z Commission's presentation. That presentation was largely based on inaccurate and outdated information and false premises in an intentional effort to skew the substantial impact of EPCOR Water Plant 15.

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The residents of BAE are not public speakers. This subdivision is horse property owners who moved out here to get away from this type of political bullying. That doesn't mean our voice of reason (whether one voice or a thousand voices) should be squashed, especially when it is right and just.

BAE should not be harmed by the City of Buckeye and EPCOR due to EPCOR's irresponsible planning and poor engineering. BAE tried to resolve the pipeline location issue and water plant location issue with EPCOR since nearly 2 years ago, well before EPCOR had the site plan proposal prepared. Meaning any current "relocation" cost is solely the fault of EPCOR. Frankly, a relocation cost in the low millions is insulting as that is pocket change to a multi-billion dollar corporation, who is, or should be, committed to doing the right thing and being a good Corporate steward/citizen.

What isn't pocket change is the substantial amount that EPCOR Water Plant 15 will devalue BAE properties. Ask any realtor about having this monstrosity by your neighborhood and what it does to property values and level of buyer interest. Not to mention the chemicals used are absolutely NOT like household chlorine bleach and are substantially more hazardous in concentration and volume (no different than saying arsenic is safe because it's in our drinking water). As far as the noise, in addition to being an annoyance to humans, it will disable horse properties in BAE as animals hear 100-1000 times greater than humans. Regarding suspect zoning creativity for EPCOR Water Plant 15, it is pre-decisional to presume approval of high density two-story homes up against one-story acre+ horse properties.

We leave you with this important fact – there isn't one person, anywhere (EPCOR, Planning and Zoning Commission, and City Council members included) who would want this in their backyard or who would desire to buy a home with this atrocity on top of it. EPCOR can try to deceive and "justify" EPCOR Water Plant 15 any way they want in the current proposed location, but that will never make it right. We ask that the City of Buckeye Planning and Zoning Commission do no harm to your neighbors by rejecting the proposed location of EPCOR Water Plant 15.

Sincerely,

Anthony and Karen Sciulli
19532 W. Georgia Avenue
Beautiful Arizona Estates

Phone: 623-572-4788
E-mail: tsciulli@msn.com



CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12-8-15

Name: Greg Cantor

Address: 19506 W Meadowbrook Ave, Litchfield Park

Phone #: 623-824-4067

Organization: _____

Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: EPCOR Water Station

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CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12-8-15

Name: NORMA LONE

Address: 19812 W. GEORGIA AVE, LITKA FIELD PARK

Phone #: 603-853-9309

Organization: _____

Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: 6 PCUR PUMP STATION

Note to speaker:

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December 8, 2015 City of Buckeye, EPCOR meeting regarding pumping station

Jean Huerta has requested several times that EPCOR and the city of Buckeye come to visit Beautiful Arizona Estates to see how the pump station will affect the residents. The only visit we had was to see what the berm behind the homes on Tuttle looked like.

I have marked the house numbers on the attached map to show that there are more than 2 houses on W. Georgia Ave. The current internet Google Map and Maricopa County are both from the same source. These maps are about 8 to 10 years old and not current.

Since Beautiful Arizona Estates (BAE) is in Maricopa County, not the City of Buckeye we do not receive EPCOR Water or sewage treatment. We do not receive notice from the City of Buckeye, Verrado, EPCOR or Klondike Homes as to current events or status of anything in the surrounding area.

Not many people were aware of the November 24 meeting. If not for Jean Huerta we would not have known there was to be a meeting and most residents had made other plans. Jean sent notice out on November 23, the day she got the information, to the resident e-mail addresses she has. This meeting was held 2 days before Thanksgiving so the residents were not notified on a timely basis. We feel we have not been advised on a timely basis of meetings.

I feel the residents of BAE are being steam rolled by a giant corporation. The people of West Georgia Ave will be affected by noise, dust and chemical odors and did not have a chance to input information in the beginning of EPCOR work. This should have been done several years ago so you could have our input. Maricopa County has all the names and addresses of property owners recorded. We would like to be a good neighbor but EPCOR and City of Buckeye have not been the good neighbor we would expect.

I will submit my comments to the clerk.

Norine Long

norinesquilts@aol.com

623-853-9509

19812 W Georgia Ave

Litchfield Park, AZ 85340



Google earth





Selected Parcel
 Delinquent Tax
 Unsold Lien
 Ead Investment



53 19840
 54 19831
 53 19822
 52 19811
 51 19801
 50 19791
 49 19781
 48
 47
 46 19702
 45
 44
 43
 42
 41
 40
 39
 38
 37
 36
 35

19632

NEW 19602
 CONST.

19582

19528

5336

6 VACANT LOTS ON N 191ST



CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12-8-15

Name: Maria Sachs

Address: 19702 W. Medlock Dr. Litchfield PK, AZ

Phone #: _____

Organization: _____

Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: EPCOR Pumping Plant Station - 5A

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The homeowners in Beautiful Arizona Estates made a decision to purchase a home, away from the city, that has beautiful views, and clean, fresh air to breathe. The proposed location of Epcor's water booster station jeopardizes two of those key principles. They are trying to drop a 200k gallon tank that measures roughly 20' high by ~ 50' diameter along with a 15' high pump house that will dose the water with chlorine a mere 465' from our incredible neighborhood. It appears that this is being done because Epcor did not properly plan the routes of their water pipelines to supply water to the undeveloped neighborhoods of Verrado, Victory and other proposed developments even further North. As we are concerned about our property values, visual pollution, and other statutory nuisances, we request that another venue be selected for this chlorine pumping plant. As stated at the previous meeting on Nov 27th, their pipelines originate somewhere around Cactus and Perryville, and travel south to Indian School, *passing* Beautiful Arizona Estates by more than a mile, before turning west towards Verrado. Because they have overshot these undeveloped Northern neighborhoods, they wish to tap into that westward pipeline), then run back North, and install their band-aid fix, just to the North of our homes. I am certainly not privy to all of the logistics involved here, but can't help but wonder why they won't tap into the 'main' pipeline that runs North and South at the Bethany Home level, then run West without the need for a water pumping/chlorinating station. This could cover North Verrado, Victory and even allow for Northern growth. Should they still need a boost in pressure, they can then add pumps as needed.....uncontested as there are no existing homes there. It seems reasonable to request that as Epcor is servicing Verrado, Victory and others, that the plant be relocated further into these neighborhoods, or even better, on the opposite end of the property owned by these developments. Currently it is slated for the Southeast corner of their property, the distance of just over a football field from our homes. Most definitely the Northeast corner or even better, northwest corner of these developments would be a far more logical location. As this would be the initial construction in these areas, it would allow people to *choose* whether they wish to live next to this plant or not. Obviously sacrificing the two aforementioned items that are important to us, for a lower cost home next to a 50' diameter, 20' high tank, with the glorious aroma of chlorine in the air. At the risk of being facetious, Epcor's proposal to build this almost literally in our backyards, would be the equivalent of my building an ugly, unsightly chicken coop at the end of my one acre parcel, closest to my neighbor's house. Then filling it with noisy, stinky chickens for him to enjoybut of course, I would keep all of the eggs for myself. The bottom line is: We do not want this monolithic water tank and chlorine injecting plant in our backyards where our children play, and I ask the members of the committee.....would any of you? Again I thank you for your time. I would like to submit a written copy of my statement to the committee record.

Bob Stone
19541 W Pasadena Ave
Beautiful Arizona Estates
602/770-0931



CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12-8-15
Name: Anna Whiting
Address: 5311 N 196th Ave
Phone #: 480 440 7927
Organization: Beautiful Arizona Estates
Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: EPOR Pumping Plant

Note to speaker:

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**Kenneth and Anna Whiting
Beautiful Arizona Estates
5311 N. 196th AVE
kenvoltage@gmail.com**

12/8/2015

Good evening, my name is Anna and I am here to speak about concerns our family and other residents of Beautiful Arizona Estates (BAE) has regarding EPCOR's pump plant facility. As you have heard from other residents, we are unhappy with the location of the pump plant which we feel should be closer to Bethany Home Road and Jackrabbit Trail- as well as the location of the Operations Building within the Pump Plant Facility. Since this is where the chlorine treatment will occur, we ask that it be moved furthest away from BAE instead of where it is currently being shown. (being on the south side, closest to BAE.)

This leads directly into our concerns over the hazardous chemicals that will be used, one we know for sure is the Chlorine Chemicals: If there is a spill, is it treated as a hazardous waste response? Are response personnel required to wear personal protective clothing for hazardous chemicals? Will HAZMAT be involved? What is the spill radius concerns?

ODOR: What about the odor? Household Clorox at 5% concentration versus EPCOR's planned chemical concentration at 12.5% are not similar.....they are different. How will this be taken into effect to not further disrupt the established BAE neighborhood?

NOISE: The backup generator at the Pump Plant will be tested once per week and will run continuously if there is a

**Kenneth and Anna Whiting
Beautiful Arizona Estates
5311 N. 196th AVE
kenvoltage@gmail.com**

12/8/2015

power outage. We are requesting additional noise abatement materials be installed around the backup generator.

Visual Impairment: It is a WATER PUMPING PLANT, there will be VISUAL IMPAIRMENT-where it was once beautiful desert.

Taking into consideration, the VISUAL IMPAIRMENT of the EPCOR Pumping Plant, The ODOR from the chemicals being used, the FACT that there WILL be chemicals being used, the NOISE of the weekly generator tests and longer if needed due to a power outage. THE EPCOR PUMPING PLANT can be considered by a Real Property Appraiser who is appraising homes in BAE as "EXTERNAL OBSOLESCENCE" which is defined as "an element of depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of the owner, landlord or tenant." This definitely can lower the property values of the homes in BAE.

There has been talk that there will be 2 story homes that will minimize the visual impairment of EPCOR's chemical pump plant. The platting for Canyon Views development has not been approved. BAE residents have previously submitted comments requesting a buffer zone between our 1 acre properties and the high density lots proposed for Canyon Views. We have also requested one story homes to minimize the visual impairment of adjacent

**Kenneth and Anna Whiting
Beautiful Arizona Estates
5311 N. 196th AVE
kenvoltage@gmail.com**

12/8/2015

homes. To say there will be two story homes is completely not fact and cannot be considered as such.

Thank you for allowing me the opportunity to share my concerns.



CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: DEC 8, 2015

Name: CINDY STEDMAN

Address: 19702 W. GEORGIA AVE

Phone #: (602) 980-5234

Organization: _____

Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item

Non-Agenda Item

Item #/Subject: - DEAD END FROM JACKRABBIT & INDIAN SCHOOL

Note to speaker: - ONLY ONE WAY INTO BAE & OTHER HOUSING DEVELOPMENTS - BIG PROBLEM IF EMERGENCY HAPPENS

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Submittal of Comments for the Record on EPCOR Pumping Plant Station
December 8, 2015
Submitted by Maria Sachs of Beautiful Arizona Estates (BAE)

The EPCOR Pumping Station is proposed to be located about 460 feet north of the Beautiful Arizona Estates (BAE) border and 475 feet west of Jackrabbit. The facility layout shows the chlorination facility on the south side closest to BAE.

Chlorine Chemicals: Household Clorox is at 5% concentration versus EPCOR's planned chemical concentration at 12.5%. The products are not similar; they are different. Chlorine is listed as a hazardous material and is 2.5 times heavier than air. In accordance with the Material Safety Data Sheet, during an accidental release unprotected people have to be evacuated. Chlorine must not be discharged onto the soil.

- EPCOR should be required to install a leak detection alert system in the event that a chlorine leak develops. *How often is the facility inspected? Daily? Monthly?*
- Who is the dedicated maintenance team? *How often maintenance performed?*
- In the event of a spill, BAE residents ~~BAE~~ should be notified immediately.
- Who is the dedicated hazardous waste response team and how will they be contacted?
- *Trucks will be traveling to the plant to refill the tanks.*

Noise: The backup generator at the Pump Plant will be tested once per week and will run continuously if there is a power outage. BAE is requesting that additional noise abatement materials be installed around the backup generator.

Location of Operations Building within the Pump Plant Facility. Once again, BAE is requesting that the Operations Building be moved as far away from BAE as possible. BAE is requesting another half mile of pipeline to get from current location north to Bethany Home or coming west from the existing pipeline that runs down Perryville. *This facility does not provide any benefit to BAE. This facility is hazardous and will reduce our property values.*

EPCOR service territory in the West Valley: Several new developments are in construction or proposed in the west valley which will provide ratepayers that will absorb EPCOR's costs. For example, Zanjero Trails (1300+ homes), Sedella, and 5 other new communities west of Loop 303. The request for Pump Plant relocation is not unreasonable when spread over all these new ratepayers.

Canyon Views Visual Impairment: Currently, the platting for Canyon Views development has not been approved. BAE residents have previously submitted comments requesting a buffer zone between our 1 acre properties and the high density lots proposed for Canyon Views. BAE has also requested one story homes to minimize the visual impairment of adjacent homes. The residents of BAE are opposed to the construction of two-story homes in Canyon Views.

Notification of Public Meetings on the EPCOR Pumping Plant Proposed Site and Other Future Developments: The residents of BAE are requesting notification of all future development activities close to BAE and are requesting Public Hearings on all future developments.



CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12/08/15

Name: Douglas Andrade

Address: 19612 W. Georgia Ave. Fitchfield Park, AZ 85340

Phone #: 602-391-6688

Organization: _____

Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: ETCOR WATER TOWER

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Litchfield PARK 12/06/2015

To: Who may concern
(City or Town of Buckeye)

From: Douglas Andrade.
Elisa Uriarte.
19612 W. Georgia Ave
Litchfield Park, AZ
85340

As a residents of this subdivision
we are really concerned about the
construction of water pump station that
behind our house.

Three reasons why we assisting to
this meeting:

- ① Environmental Hazard Issues of the future.
- ② Aerial Pictures currently are showing
about three new houses and more
or construction process.
- ③ Depreciation of properties particularly
on the southwest corner of our
subdivision, which is Georgia Avenue & 19th Ave.

Douglas Andrade.



CITY OF BUCKEYE

CITIZENS WHO WISH TO ADDRESS THE BOARD COMMENT FORM

Date: 12/08/15
Name: Neil Harvey / Carney Harvey
Address: 19602 W. Georgia Ave.
Phone #: 360-961-9294
Organization: _____
Address: _____

Please limit speaking time to (3) three minutes
(check one)

Agenda Item Non-Agenda Item

Item #/Subject: Excess Water Pump

Note to speaker: This a letter from Person that is not
currently here, (out of town)

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Neil Harvey
to Fenix Mechanical
cc Ed & Cindy Polomski

Wed, Dec 2 8:52 AM

EPCORE pump station.

Doug or Ed,
Please forward this letter to the appropriate People.

We are protesting the current proposed location of the EPCOR pump station to be located north of Beautiful Arizona Estates.

Our property, 19602 West Georgia Ave, will be directly impacted by the pump station proposed location.

We are concerned about the toxic chemicals used CHL Ect, and the possible leak into our environment. The noise level of the pump station is also a very big concern as the proposed location is almost directly behind our property.

Why should the pump station, serving the residence of a subdivision west of BEA directly impact the residence of another which dose not benefit from it, be located so close as to disrupt the lives of the BFE subdivision residence.

We are insisting that the pump station be moved 2000' further north.

Reduction in our property value ect, could lead to further action.

Yours truly

Neil and Carmen Harvey
19602 W Georgia Ave
Litchfield Park, AZ 85340
360-961-9299

Sent from Neil Harvey's Ipad



Site Plan

Report to the Planning and Zoning Commission

CASE NUMBER: PLZ-15-00119
TITLE: EPCOR Water Plant 15 - Zone 3N Booster Pump Station
MEETING DATE: *December 8, 2015
AGENDA ITEM: *5A

Applicant: Travis Nuttall, PE - EPCOR Water
Owner: Klondike Land Portfolios, LLC
Request: Site Plan for a water booster pump station
Location: Approximately 474' west of the east line of Section 17, T2N R2W and approximately 464' north of the midsection line of Section 17, T2N, R2W (APN: 502-28-010J)
Site size: 0.72 acres
Density: N/A
Public input: *Seven (7) letters of opposition
Recommendation: Approve with stipulations

*Denotes change

PROJECT DESCRIPTION

1. Travis Nuttall PE, EPCOR Water, on behalf of Klondike Land Portfolios, LLC is requesting a site plan for a water booster pump station on a site less than one (1) acre in size located approximately at the northwest corner of Jackrabbit Trail and Missouri Avenue within the future Canyons Views Subdivision. The project will extend water availability to residents within the designated EPCOR water service area including residents in the Verrado Master Planned Community, Sienna Hills Master Planned Community, and any future proposed development. This site plan would typically be administratively reviewed but was referred to Planning and Zoning Commission for review due to neighborhood opposition.
2. The site was originally proposed at the immediate SEC of the property adjacent to the Maricopa Flood Control Drainage easement and approximately 50 feet north of the Missouri Avenue alignment. Due to opposition of the original site location, the applicant worked with and compromised with the existing neighboring residents in moving the site further north as currently proposed.
3. The water booster pump station will draw water from the existing 24-inch water transmission main located at the intersection of Camelback Road and Jackrabbit Trail. The site will contain a 1,500 square foot operations building that will house the chemical storage and electrical equipment. A flooded suction tank (300,000 gallon capacity), a hydropneumatic surge tank system (10,000 gallon), pump gallery and emergency generator will all be contained within 8 foot high architectural style themed site walls. Additional landscape screening will be placed along the west and south side of the property. At the time of residential platting additional landscape requirements will be required. Refer to the site plan for conceptual landscape plans in addition to the view shed rendering in the "Site Plan Narrative" (Exhibits D and E).
4. The station will be utilizing 12.5% sodium hypochlorite (NaClO) at the site for rechlorination purposes (a common concentration utilized by public and private water providers). The site will generate typical noise associated with this use. The site is walled and landscaped and will utilize a Cummins Quiet Site Stage 2 enclosure to mitigate sound generated when in operation.

AREA CONTEXT

5. *Table 1: Existing Land Use, General Plan Designation, and Zoning District*

	LAND USE	GENERAL PLAN	ZONING
Subject Property	Vacant	Medium Density Residential 3.01-6 du/ac	Planned Residential
North	Vacant	Low Density 1.01-3 du/ac and Regional Commercial	RU-43
South	Residential	Low Density 1.01-3 du/ac	RI-35
East	Vacant	Low Density 1.01-3 du/ac	R1-62, Overlay R.U.P.D./P.A.D (County) Zanjero Trails
West	Vacant	Master Planned Community	Planned Community -Verrado

PUBLIC PARTICIPATION SUMMARY:

6. This proposal would typically be an administratively approved site plan but due to the pre application neighborhood opposition, the request was referred to the Planning and Zoning Commission by the Director. Regardless, this site plan application does not require a public hearing. The applicant was required to send out a “notice of application” to property owners within 300’ of the subject property. In addition to the “notice of application”, the applicant held a neighborhood meeting at Verrado High School, on August 17, 2015. In addition, all residents of Beautiful Arizona Estates, an unincorporated county subdivision located south of the subject parcel, were notified, as well as, property owners within 600 feet of the proposal. Exhibit F contains correspondence of opposition from the neighboring residents received by the City.

7. Letters and emails regarding opposition of the proposal are summarized below:
- a. Residents requested that the project to be held in a public venue to allow for public comment. In response, the Director referred the site plan from “administrative review” to Planning and Zoning Commission (public meeting) review.
 - b. Concerns regarding the proposal refer to Exhibit F for all matters of concern. In summary, existing residents are concerned for property values, location of hazardous chemicals, excessive noise and odor, as well as visual and environmental impact.

In response, the applicant has relocated the water station and has addressed other concerns within the text of their narrative. In addition the proposed

booster pump station is for both existing water users in a designated EPCOR water service area and for future residents. Water treatment is a necessary process to provide potable (safe drinking) water; the booster pump station will be designed to meet all applicable codes, i.e. city code, Environmental Protection Agency (EPA) and the State of Arizona Department of Environmental Quality, etc. Staff has worked with the applicant to lessen the visual impact by requiring extensive buffering and screening with walls and landscape. In addition, a native plant inventory and archeological survey will be required prior to any disturbance of the site.

8. **Table 2: Public Notice**

Notification Element	Date
Published in Buckeye Valley News	Not required
Site Posted	Not required
Mailing to Property Owners w/in 600'	August 4, 2015, Notice of Application August 17, 2015, Neighborhood meeting (Not required)

BACKGROUND:

9. A03-17 Annexed into the City of Buckeye: Ordinance No. 09-04 February 17, 2004
10. RZ-06-23 Rezoned to Planned Residential: Ordinance No. 47-07 August 7, 2007
11. PLZ-14-00056 Planning case currently in review for PP14-05 Preliminary Plat Canyon Views Subdivision approximately 984 lots.
- * 12. Planning and Zoning Commission public meeting held on November 24, 2015. Item was continued to December 8, 2015 to discuss emergency action plan for facility.

ANALYSIS:

13. Conformance with General Plan:
The City of Buckeye General Plan designates this property as Medium Density Residential. The existing zoning for the site, Planned Residential, is in concert with the General Plan designation.
14. Zoning
The property is currently zoned Planned Residential (PR). The proposal is an allowed by right use subject only to a site plan approval. Setbacks are contingent on PR zoning

requirements as stated on the final plat. The property currently does not have a recorded final plat and setback requirements will default to Rural Residential standards as shown below.

Table 3: Lot Setbacks

Setback	Requirements for (Rural Residential)	Actual
Front	40 feet (minimum)	474
Back	40 feet (minimum)	450' +
Side	20 feet (minimum)	465
Side (corner lot)	25 feet (minimum)	N/A

15. *Circulation*

Access to the site will be from the existing 195th Avenue (Jackrabbit Trail). The temporary access drive easement will extend from the terminus of 195th Ave and turns west and north to the site. Future access will be via public right-of-way developed to serve the residents of the proposed subdivision.

16. *Infrastructure*

Water, will be provided through the proposed distribution lines within the proposed facility. Wastewater collection will not be available at this time for this site.

RECOMMENDATION:

17. Staff recommends the Planning and Zoning Commission motion for approval with stipulations a – y for PLZ-15-00119 for the following reasons:

- The proposal is a by right use within the existing zoning district and meets all requirements of the Development Code.
 - No outstanding issues from reviewing departments.
 - Concerns expressed from the public have been reasonably addressed.
- a. Development of the property shall be in general conformance with the site plan entitled “EPCOR WATER Agua Fria District Water Plant 15-Zone 3N Booster Pump Station” consisting of seven (7) sheets, dated September 24, 2015 and stamped received September 24, 2015, 2nd Submittal, except as modified by the following stipulations.
 - b. Development of the property shall be in general conformance to the project narrative report entitled “EPCOR Water Plant 15 Water Infrastructure Improvements

Project No. 53198, Site Plan Narrative 2nd Submittal” consisting of seven (7) pages, stamped received September 24, 2015, except as modified by the following stipulations.

- c. All development must be in accordance with the City of Buckeye Development Code, as amended.
- d. A native plant inventory shall be required prior to any development or construction activities. The native plant inventory shall define methods for transplanting materials to a nursery, on-site or off-site, during construction and transplanting back to the site when a landscaping plan is implemented. Formal transplanting guidelines are available from the Planning Division.
- e. In accordance with the Development Code, this Site Plan is valid for a period of two (2) years from its approval date. The Director may grant a one-time extension of 12 months upon written request of the applicant prior to the expiration of the site plan.
- f. The property owner/s and their successor waive any and all claims for diminution in value of the property with regard to any action taken by City of Buckeye as result of this approval.
- g. The Buckeye Fire Chief and City Engineer shall determine the number, location, and types of all fire hydrants.
- h. Prior to delivery of any combustible materials to the site, the fire protection system shall be completely operational, with proper fire flow, and in accordance with the plans approved by the Buckeye Fire Chief and City Engineer.
- i. All building shall be equipped with a fire protection system as required by City of Buckeye Ordinance 37-02.
- j. Provide a “KNOX” box for emergency access.
- k. Address for site needs to be on building or gate plans
- l. Fire suppression will require plans review and Fire Department approval.

- m. All gates require Fire Department "KNOX" boxes: If gate is electric owner to provide plans to Fire Department for review and approval (sec. 503) IFC 2012: (Fire Department emergency access control).
- n. An approved emergency access road will need to be installed, prior to construction.
- o. The following outstanding Engineering comments are to be addressed during the final design phase:
 - 1. The spot elevations around the XFMR, ATS & SES pads appear to be incorrect in comparison to the adjacent contours.
 - 2. Offsite sheet flow drainage will have to be satisfactorily addressed.
 - 3. Site's Ultimate Outfall – Provide additional clarification as to the exact location of the ultimate outfall and how runoff will drain away from the site based upon the adjacent contours. Documentation of a Drainage Easement will be required with the construction documents.
- p. Final landscaping and irrigation plans, including all lighting improvements, shall be reviewed and approved by the City of Buckeye in conjunction with construction documents.
- q. The Property Owner/Developer shall provide for channelization of off-site storm water that will be intercepted by this project in accordance with a Final Drainage Report as approved by the City Engineer, which shall be submitted along with the first submittal of the improvements plans. In the case where work related to interception of off-site storm water is required on adjacent parcels of land not controlled by the Property Owner/Developer, the Property Owner/Developer shall first obtain a drainage easement from the adjacent parcel owners. When required, said easement shall include an acknowledgment by the adjacent parcel owner(s) that historic drainage discharge points may be altered. Said drainage easements shall be executed and submitted to the City prior to approval of the Grading Plans and shall be recorded.
- r. Prior to improvement plan approval, the Property Owner/Developer shall obtain approval from the applicable utility interests for easement location and width as required for utility purposes.

- s. At the time of improvement plan submittal, the Property Owner/Developer shall provide a comprehensive Drainage Report, which addresses all on-site and off-site drainage requirements and issues.
- t. The City Engineer shall approve all engineering and construction plans and reports for the required infrastructure for the project.
- u. All existing overhead power lines less than 69 kV capacity, or any other overhead utilities within the project area or along its boundaries, shall be installed underground.
- v. The Applicant will submit an electronic CAD and GIS file with full construction documents of the development to the City Engineer, Public Works Department, and GIS Administrator in order to maintain current street records and assist in emergency dispatch and response.
- w. Pavement sections for all streets shall be determined in accordance with a City Engineer-approved geotechnical analysis, but shall not be less than the City's minimum requirements.
- x. All existing irrigation facilities located on the site shall be abandoned, relocated off the property, or installed underground. Any District-owned facilities to be located within the right-of-way shall be located near the rear of the right-of-way and the right-of-way shall be extended at least five (5) feet. Any additional right-of-way for District-owned facilities (not to exceed five feet) can be deducted from the depth of the perimeter landscape tracts.
- y. The Property Owner/Developer is responsible for providing water at the project for construction purposes including obtaining the necessary water rights for the water supply to be used for construction purposes.

EXHIBITS

- Exhibit A Vicinity Map (Aerial Photo)
- Exhibit B General Plan Land Use Map
- Exhibit C Zoning Map
- Exhibit D Site Plan (Landscape, drainage and Architectural drawings)
- Exhibit E Narrative
- Exhibit F Letters of Opposition

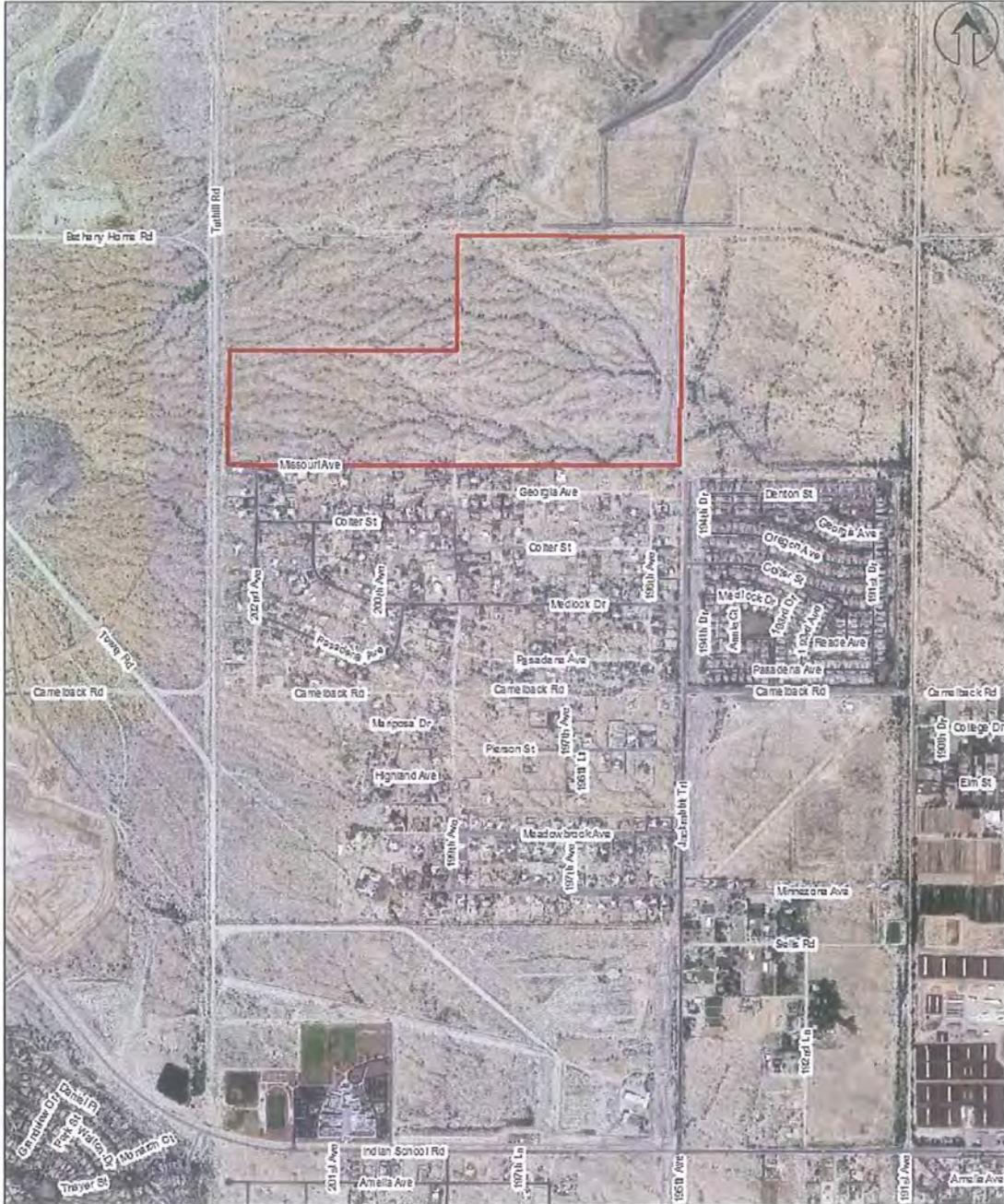
Prepared By:
Andrea M. Marquez, Planner II

Reviewed By:
Terri Hogan, AICP, Planning Manager

Vicinity Map



Exhibit A

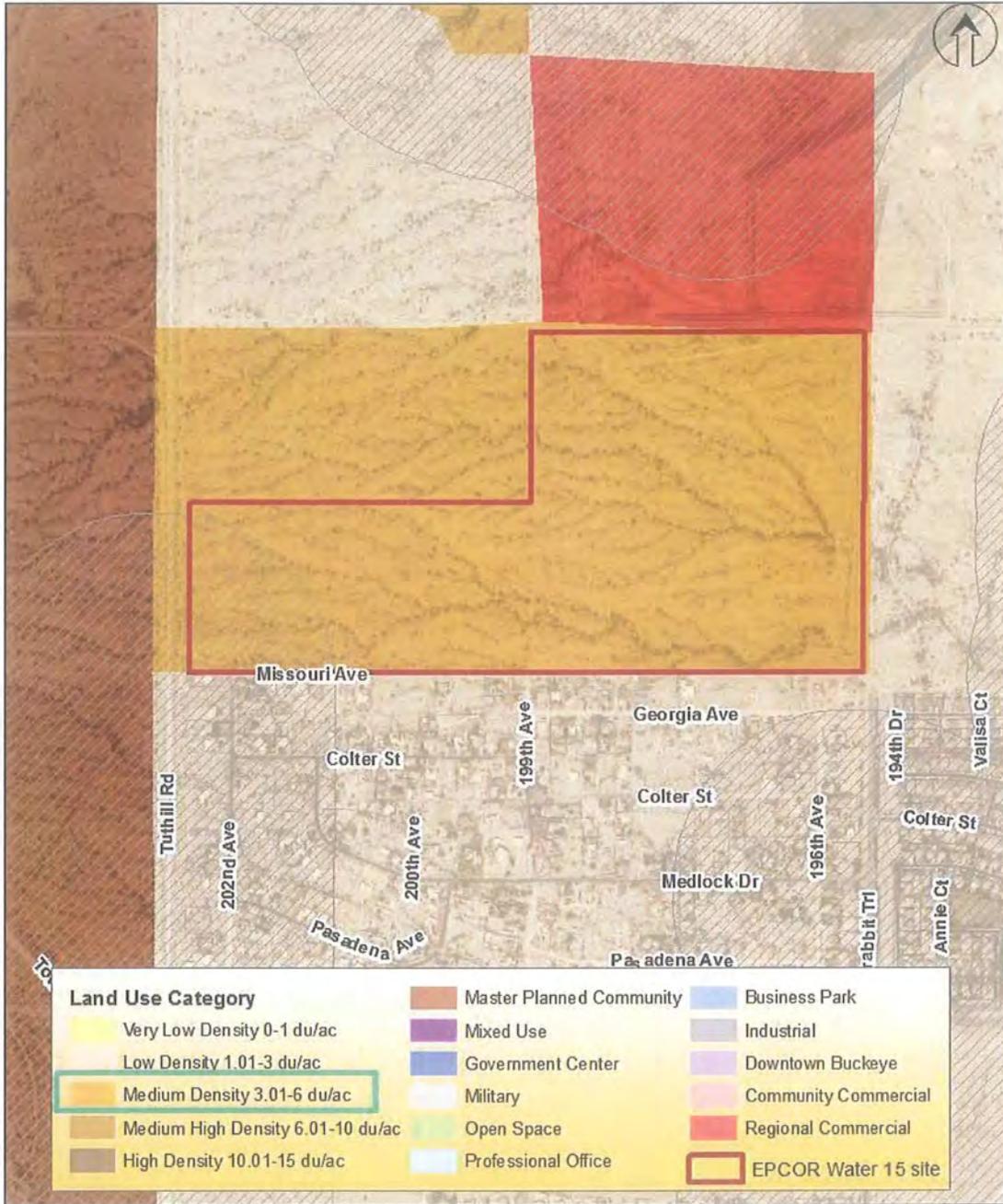


Case:SP15-06 (PLZ-15-00119)
Title: EPCOR WATER (15) Zone 3 North

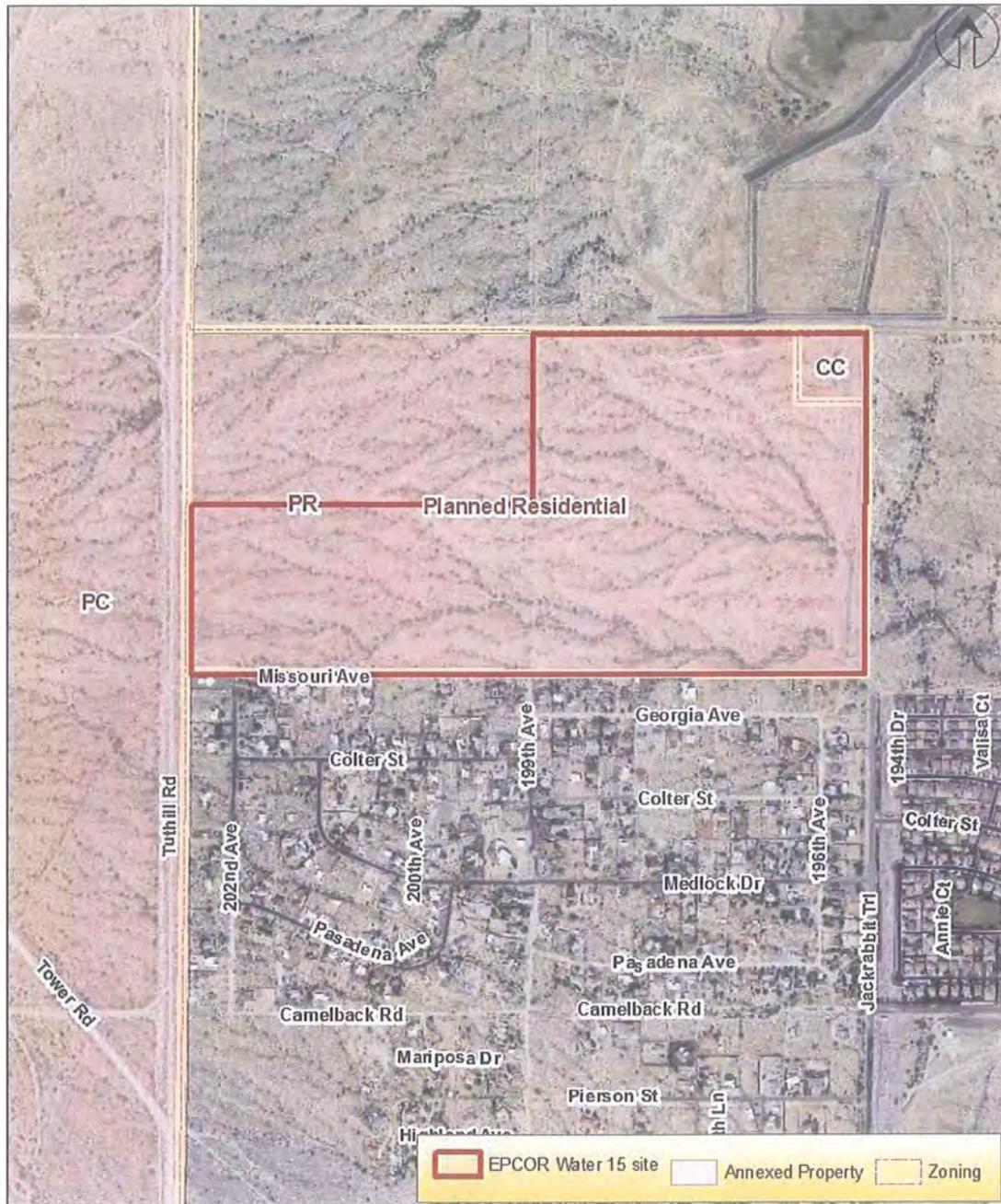
Land Use



Exhibit B



Case: SP15-06 (PLZ-15-00119)
 Title: EPCOR WATER (15) Zone 3 North

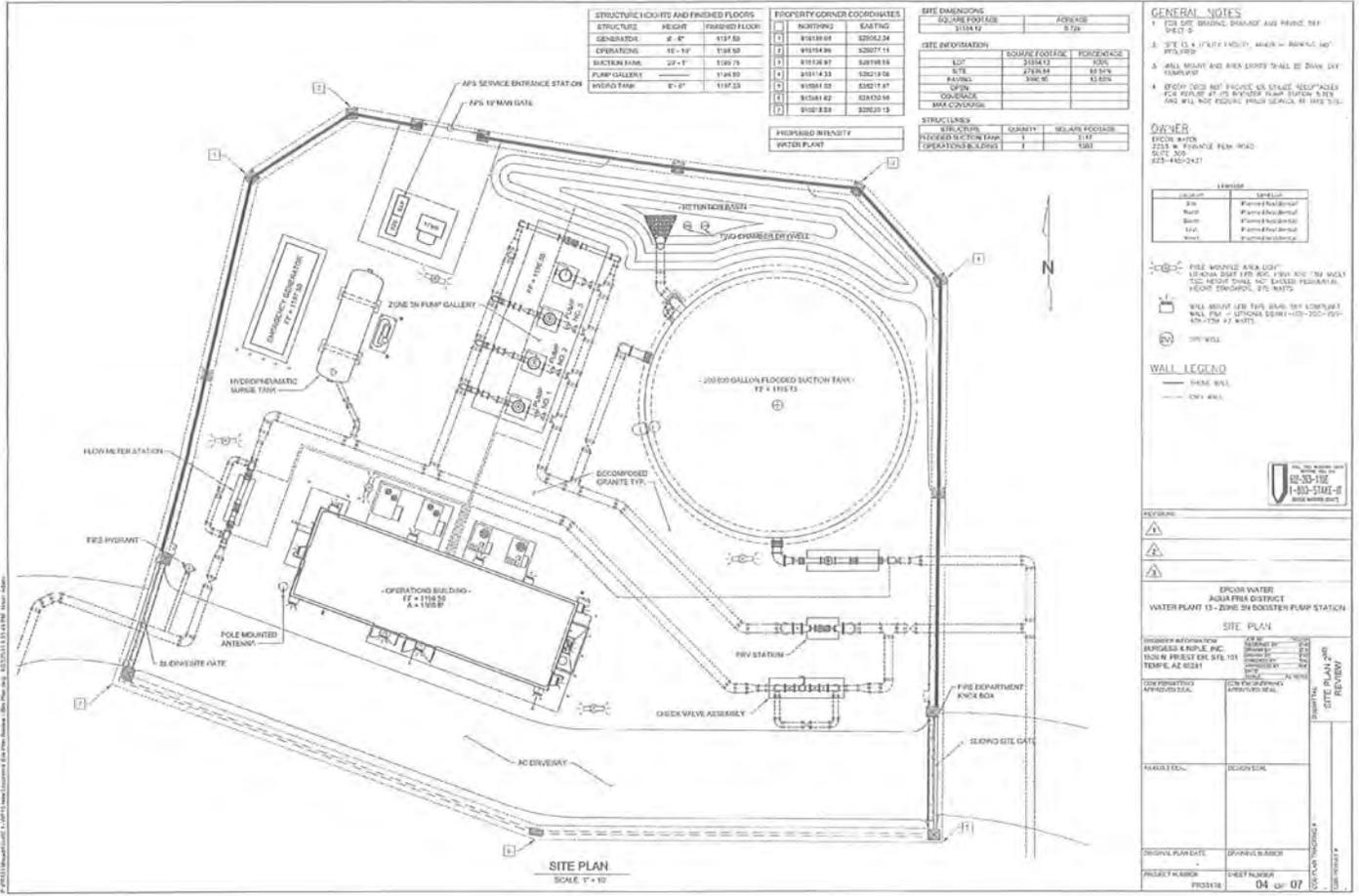


Case: SP15-06 (PLZ-15-00119)
Title: EPCOR WATER (15) Zone 3 North

EXHIBIT D

SITE PLAN

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STRUCTURE HEIGHT AND FINISHED FLOOR	PROPERTY CORNER COORDINATES
GENERATOR 8'-0" 1137.50	(1) NORTHING EASTING
OPERATIONS 10'-0" 1138.50	(2) 81838.04 82862.24
SUCTION TANK 22'-0" 1139.75	(3) 81834.86 82867.11
PUMP GALLERY 1'-0" 1140.00	(4) 81838.87 82870.83
HYDRANT 6'-0" 1137.25	(5) 82811.33 82821.85
	(6) 81881.50 82821.87
	(7) 81581.42 82823.36
	(8) 81823.88 82823.12

SITE DIMENSIONS	
SQUARE FOOTAGE	ACRES
3118.14	0.07

SITE INFORMATION		
TYPE	SOURCE FOOTAGE	PERCENTAGE
LOT	2100.00	67%
STREET	270.00	8%
PAVING	300.00	10%
OPEN	300.00	10%
CONCRETE		
GRAVEL		

STRUCTURES			
NO.	DESCRIPTION	QUANTITY	SQUARE FOOTAGE
1	OPERATIONS BUILDING	1	5500

GENERAL NOTES

- FOR SITE BOUNDING DIMENSIONS AND PERMITS SEE SHEET 0.
- SITE IS 11' FEET WIDE. WHEN IN BOUNDARY PERMITS.
- ALL WALLS AND AREA EXPOSED SHALL BE 2" DIA. 40' DIA. REINFORCED.
- CONCRETE SHALL BE 4000 PSI STRENGTH. REINFORCED SHALL BE #4 BARS AT 12" ON CENTER. ALL WALLS SHALL BE 12" THICK. ALL WALLS SHALL BE 12" THICK. ALL WALLS SHALL BE 12" THICK.

OWNER
 FOCUS WATER
 2125 W. FORTUNE BLDG. ROAD
 SUITE 200
 825-442-2421

SYMBOL	DESCRIPTION
---	EXISTING WALL
---	NEW WALL

WALL LEGEND

- EXISTING WALL
- NEW WALL

PROVIDER INFORMATION

FOCUS WATER
 AQUA FERRA DISTRICT
 WATER PLANT 13 - ZONE 3N BOOSTER PUMP STATION

SITE PLAN

PROJECT NUMBER: 04-07

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMITS	04/07/07
2	REVISED	
3	REVISED	
4	REVISED	
5	REVISED	
6	REVISED	
7	REVISED	
8	REVISED	
9	REVISED	
10	REVISED	



WP 15 ELEVATION VIEWS
SCALE 1" = 10'

- GENERAL NOTES**
- OPERATIONS BUILDING SHALL BE CMU WALL WITH STANDING SEAM METAL ROOF
 - FENCE SHALL BE CMU WALL AND THREAT WALLS IN CONFORMANCE WITH CALIFORNIA VEHICLE WALL FENCE PANEL ELEVATION AND SITE AND CIVIL BUILDING - WOODEN FENCE SITE WALLS FOR COURSE SPUR/FACE - ROOF/RAMP SIDING SITE WALL - PRECAST CONCRETE CAP - WOODEN FENCE (SEE 312) TANK - WOODEN FENCE (SEE 312)



ENGINEER PROGRAM FOR BUSINESS & SALES, INC. 1500 N. FOREST DR. SUITE 101 TRUCKEE, CA 96161	
DATE OF PRELIMINARY APPROVAL: 08/20/14	DATE OF FINAL APPROVAL: 08/20/14
PROJECT NUMBER: 07	SHEET NUMBER: 07 OF 07
PROJECT NAME: PROSTATE	
SHEET TITLE: SITE PLAN 2	
REVIEW:	

EXHIBIT E
NARRATIVE

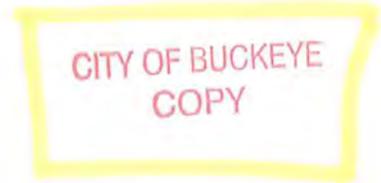
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PLZ-15-00119

EPCOR Water Plant 15
Water Infrastructure Improvements
Project No. 53198

Site Plan Narrative
2ND Submittal

Prepared For
The City of Buckeye Arizona



RECEIVED

SEP 24 2015

CITY OF BUCKEYE by: 
ENGINEERING

2nd Submittal

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36



VICINITY MAP
TOWNSHIP 2N RANGE 2W



LOCATION MAP
TOWNSHIP 2N RANGE 2W



BURGESS & NIPLE
Engineers ■ Planners

1.0 DESCRIPTION OF REQUEST

The purpose of this application is to request approval of a site plan for the EPCOR Water Arizona Inc. (EPCOR) proposed Agua Fria Water Plant 15 Zone 3 North Booster Pump Station (WP 15 or Water Facility). The Water Facility site is 0.72 acres and will be located approximately 464 feet north and 474 feet west of the intersection of Missouri Avenue and 195th Avenue. WP 15 is located within the interior of a 320-acre property, which is owned by Klondike Land Portfolios, LLC (Klondike) and which is being planned as the Canyon Views residential neighborhoods (Canyon Views Property or Klondike Property). At this time, the property is undeveloped. Klondike is currently working with the City of Buckeye (City) on the subdivision of this property. EPCOR is the applicant for this request and will be developing the proposed Water Facility.

2.0 BACKGROUND

EPCOR is a private, regulated utility providing water service to approximately 94,000 customers through approximately 41,000 service connections in its Agua Fria water district. The intent of the proposed Water Facility, which will be located within the Agua Fria water district, is to extend water availability to residents within the EPCOR water service area including residents in the Verrado Master Planned Community and the future Canyon Views community. In order to keep pace with anticipated growth, it is necessary to expand on the existing facilities and construct a new potable water booster pump station and associated distribution mains.

EPCOR has retained the professional engineering services of Burgess & Niple, Inc. (B&N) to prepare detailed drawings and specifications for the design of WP 15, which includes a new booster pump station, flooded suction tank and approximately 14,800 linear feet of 24-inch pipeline. The Water Facility will be located near the northerly terminus of 195th Avenue as seen in the accompanying site plan.

EPCOR's water distribution plan is based on pressure zones. Pressure zones typically receive flow and are pressurized from storage tanks at an upper elevation of the zone. These tanks are normally filled by booster pump stations located at a lower elevation of the zone. Within this area of the EPCOR Agua Fria district is an existing 24-inch transmission main in Camelback Road that is fed from EPCOR's White Tanks Regional Water Treatment Plant (located at 18736 W. Cactus Road) or, depending on the time of the year, from wells that are owned and operated by EPCOR. These sources deliver water to the Verrado system via an existing Water Plant 9 (WP 9) booster pump facility located in EPCOR's Zone 3 South (Z3S), and they will be augmented by the proposed booster pumps for Zone 3 North (Z3N) located at WP 15. These two Zone 3 water plants will supply water to the entire Verrado system and meet the adjacent system demands of Sienna Hills and Canyon Views by pumping and maintaining the hydraulic grade line (HGL) of the Zone 3 storage reservoirs at 1,420 feet.

3.0 WATER PLANT DESIGN AND LANDSCAPING

Scope

WP 15 is located within the boundaries of the future Canyon Views development, and will draw water from the existing 24-inch water transmission main located at the intersection of Camelback Road and 195th Avenue as noted above.

Site Facilities

WP 15 will be screened with an eight (8) foot masonry wall. Within the confines of the perimeter wall are typical components found within a water booster pump facility. Below is a description of the primary components to be constructed within WP 15:

Operations Building

The Operations Building will house the chemical storage, chemical feed equipment and the electrical equipment. The chemical and electrical components will be in separate rooms that are climate controlled with separate HVAC systems. Within this building, the electrical room will have a waterless fire suppression system and the chemical room will be protected with a traditional water sprinkler system. The Operations Building will be masonry wall construction with a standing seam metal roof. This building will be approximately 1,500 square feet.

Flooded Suction Tank

The Flooded Suction Tank (FST) will have a capacity of 300,000 gallons and be constructed of steel with a side water depth of approximately 16 feet. The tank will include epoxy lining, cathodic protection, exterior painting and standard appurtenances such as a roof hatch and vent, man-ways, overflow pipe with in-line security protection, interior and exterior ladder equipped with a flexible cable fall prevention system, exterior story board and roof walkway with safety hand-railing in compliance with OSHA standards. As needed, the tank will drain to the new on-site retention basin.

Hydropneumatic Surge Tank System

The Hydropneumatic Surge Tank System will include a hydropneumatic tank, which has been sized at 10,000 gallons, air compressor and control panel. The tank will be installed on the discharge header for surge protection.

Metering and Flow Control

The measurement and control of flow through the site will be accomplished with a flow meter, control valves and pressure reducing valves.

Pump Gallery

The pump gallery will be comprised of vertical turbine pumps with variable frequency drives for a total build-out of four vertical turbine pumps. Initial construction will consist of three pumps. One pump will serve as a backup while the remaining pumps provide flow. The gallery will also include isolation and check valves.

APS Service

Electrical power to the site will be provided by APS. The service location will be sized and separately gated as required by APS.

Emergency Generator

The emergency generator will be a diesel engine driven unit sized to provide power for operations in the event of a power loss or interruption. The generator will be equipped with sound attenuation.

Rechlorination

EPCOR has chosen to utilize 12.5% sodium hypochlorite (NaClO) at WP 15 for rechlorination. Sodium hypochlorite, which is commonly called liquid bleach, is a colorless to pale yellow liquid that is

inflammable. While household bleach is approximately a 5% concentration, a 12.5% concentration is a commonly utilized by public and private water providers throughout Arizona. The chemical storage tanks in the Operations Building are sized to hold 30 days of average demand – approximately 1,700 gallons. The chemical room within the Operations Building will have secondary containment that can contain the entire volume of the chemical storage tank in the unlikely event of a rupture.

Landscaping

Additional screening will be installed along the south and west walls of the WP 15 site. Mesquite and sissoo trees will be planted at a spacing of approximately 15-18 feet. These trees will be maintained by EPCOR until Canyon Views develops, at which time they will be maintained by the homeowner's association or the adjacent lot owner. Irrigation will be provided as needed to establish and maintain these trees. When Canyon Views develops, additional landscaping is anticipated on the Klondike Property.

Noise

The proposed WP 15 does not generate significant noise other than what is typically associated with a pump electrical motor. The site will be walled and the emergency generator will utilize a Cummins Quiet Site Stage 2 enclosure to mitigate sound generated when in operation. The emergency generator will be exercised weekly; however, it will only be operated on a continual basis in the event of a power loss or interruption.

Access

During the time period prior to the development of the Canyon Views community, WP 15 will be accessed via a temporary access drive that extends from the terminus of 195th Avenue and turns west and north to the site. When Canyon Views develops, access will be via the roadways developed to serve the residential homes.

Parking

This site is a Minor Utility Facility, therefore parking is not required. Vehicles entering the facility through the access gates will likely be stationed inside the facility when on site to perform maintenance or other operations.

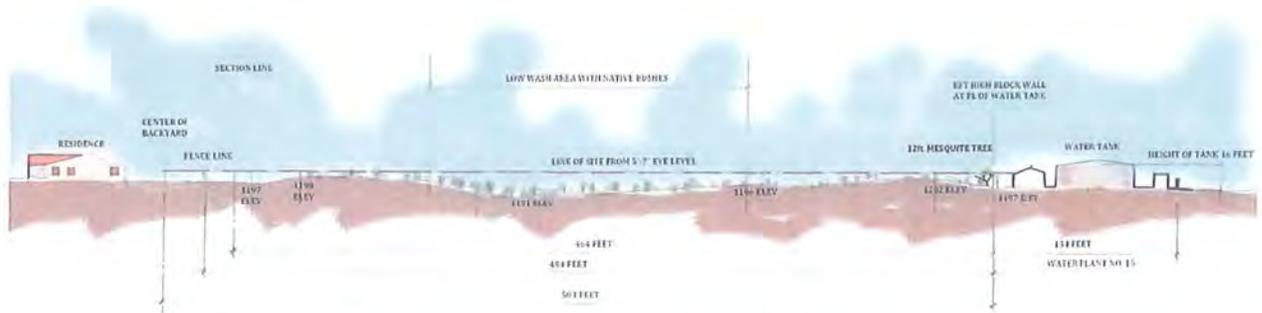
4.0 RELATIONSHIP TO SURROUNDING PROPERTIES

The Canyon Views Property is zoned Planned Residential and is undeveloped desert. From an ownership perspective, the WP 15 site, access drive and pipeline will be located on an easement provided by Klondike. This easement will remain in effect until the Canyon Views community develops, at which time the property encompassing WP 15 will be transferred to or leased by EPCOR. The WP 15 site is located in the interior of the Canyon Views community and more than 300 feet from any border.

Property to the south of the Klondike Property (and south of the Missouri Road alignment) is the Beautiful Arizona Estates neighborhood. This area is located within unincorporated Maricopa County, is zoned R1-35 and is developed with custom homes. Property to the east of 195th Avenue and east of the Klondike Property is owned by the Maricopa County Municipal Water Conservation District and is undeveloped. Property east of 195th Avenue and south of the Missouri Road alignment is the Jackrabbit Estates subdivision which is zoned R1-10 and developed with residences.

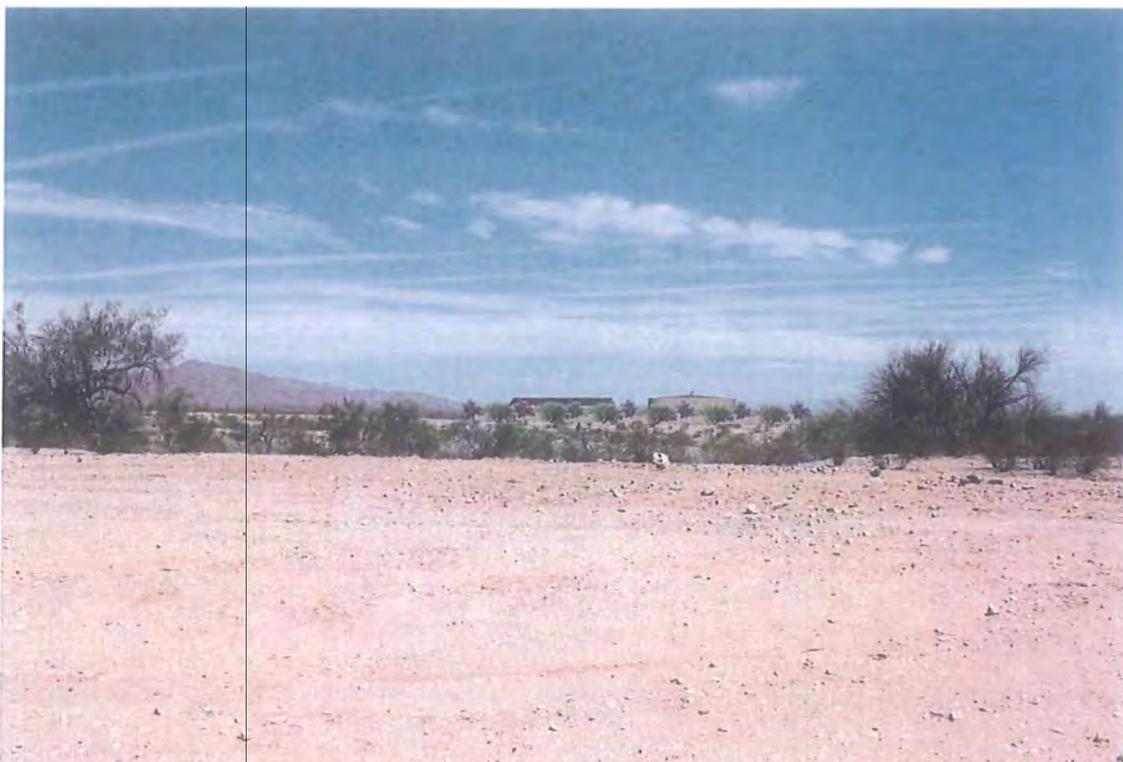
EPCOR originally sited WP 15 along the Missouri Road alignment and immediately adjacent to the Beautiful Arizona Estates subdivision. In response to concerns raised by residents of Beautiful Arizona Estates, and based on recommendations from the City, EPCOR worked with Klondike to relocate the site to be interior to the planned Canyon Views community. The proposed site is located a substantial distance from the south boundary of the Klondike Property with a distance of 464 feet from the property line to the south wall of the WP 15.

The following exhibit depicts an architectural line of sight for WP 15 and identifies the distance from Beautiful Arizona Estates.



Line of Sight for WP 15 Proposed Improvements from Mid-Section Line of Section 17 (Missouri Avenue Alignment)

The following conceptual rendering depicts the proposed pump station as viewed from the midsection line at the Missouri Avenue alignment south of the site.



*WP 15 Proposed Improvements as Viewed from Mid-Section Line of Section 17
(Missouri Avenue Alignment)*

As future homes are constructed within Canyon Views, it is anticipated that views of WP 15 from Beautiful Arizona Estates will be obscured by the homes and additional landscaping as part of the development.

5.0 WATER, SEWER AND REFUSE

Water for the site will be provided through the proposed distribution lines within the WP 15 site. Sewer will eventually connect to the sewer main for Canyon Views. Until that time, sewer will not be available at the site. Fixtures such as toilets, sinks etc. will not be installed until after sanitary sewers are installed for the Canyon Views Subdivision. EPCOR does not provide or utilize receptacles for refuse at its booster pump station sites and will not require trash service.

6.0 FIRE AND POLICE PROTECTION

The site will be located within the limits of the City of Buckeye. Fire and police protection will be provided by the City. The access driveway will be constructed to standards allowing emergency vehicle access as required by the City.

7.0 IMPACT ON LOCAL SCHOOLS AND PARKS

This pump station facility will have no impact on local schools or parks.

8.0 PROPOSED PERCENTAGE AND ACREAGE OF PARKS AND OPEN SPACE

The proposed site is a Utility Facility, Minor and contains no parks or open space.

9.0 ALTA SURVEY

Per a conversation with City staff, it was determined that an ALTA survey would not be necessary because WP 15 will be located on an easement until Canyon Views develops.

10.0 DRAINAGE

On-site storm water retention calculations will be based upon the *"Town of Buckeye Storm Water Drainage System Design Manual"* dated August 2007. Retention includes only the portion of the site within the perimeter wall. Calculations for volume required of storm water storage facilities are based on: $VREQ = (D/12)*A*C$; Where:

VREQ = Storage volume required, cubic feet; D = 100-year, 2-hour depth of rainfall, inches

A = Area of project in square feet; C = Runoff coefficient

Runoff coefficient C is 0.95 for concrete, asphalt, and roofs, and 0.55 for desert landscaping. D is based upon the NOAA 100 year two hour isopluvial map provided in the Maricopa County Drainage Design Manual, Hydrology. Approximately 1,760 CF of retention storage is being provided. The retention basin will contain a dual chamber drywell as directed by the City of Buckeye. The ultimate outfall is located in the northeast corner of the site, following the existing natural course of drainage of the site. Onsite drainage and offsite flows will be fully assessed in the drainage report.

Offsite flows will be routed around the site by means of a temporary channel that will be removed when Canyon Views Subdivision is developed. At that time, drainage will be conveyed and retained per the Canyon Views drainage report and drainage design.

EXHIBIT F
LETTERS OF OPPOSITION

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5312 North Tuthill Road
Beautiful Arizona Estates
Litchfield Park, AZ 85340

August 17, 2015

Jackie A. Meck, Mayor
City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326

Dear Mayor Meck,

EPCOR has submitted an application to the City of Buckeye for site plan approval of their proposed Water Plant 15, to provide water to Verrado Victory District and Canyon Views Development.

The purpose of this letter is to request that City of Buckeye hold public hearings with opportunity for public comments and input prior to finalizing Buckeye's decision on the EPCOR Water Plant 15 site plan application.

Beautiful Arizona Estates (BAE) is a pre-existing neighborhood located in unincorporated Maricopa County south of Canyon Views and east of Verrado Victory District, which are proposed subdivisions located in the City of Buckeye. The plat for our neighborhood was finalized and approved in the early 1960's over 50 years ago. BAE is not in the EPCOR certificated service territory as we receive our water services from Arizona Water Company. In addition, BAE receives our fire and emergency services from Buckeye Valley Fire District. In other words, EPCOR's activities and site plan request provide no benefits to the residents of BAE.

We are requesting that, at the very least, City of Buckeye should do no harm in their decision with regard to approval or disapproval of the EPCOR Water Plant 15 site plan.

The residents of Beautiful Arizona Estates are being harmed by the current EPCOR site plan proposal for Water Plant 15 since the value of our properties and homes will be decreased as a result of EPCOR's site proposal.

We are requesting that City of Buckeye hear our concerns (summarized below)

**EPCOR's Water Plant 15 is a hazardous chemical facility where water will be both pumped and treated with chlorine. This hazardous chemical facility should not be located near existing homes.

**The proposed location of the plant will result in excessive noise and visual impairment to existing BAE homes and properties.

**The proposed location is an environmentally sensitive area with a large wash, and

endangered animal and plant species.

Beginning in the fall of 2014 prior to commencement of EPCOR's on-site work on this project, BAE residents provided an alternative site recommendation. Over the past year, BAE has repeatedly requested to meet with EPCOR to provide input on their plans. We also requested in a November 2014 hearing before the Arizona Corporation Commission that we be allowed to provide input on EPCOR's site plan for the water pumping and chlorination facility.

The BAE alternative site recommendation at the corner of Jack Rabbit/195th Ave and Bethany Home Road was rejected. Further, after EPCOR has assured us repeatedly over the past year that they were going to meet with BAE residents, EPCOR is now having a meeting on August 17, 2015 to explain their finalized plans, not to get comments and input.

The residents of Beautiful Arizona Estates are asking City of Buckeye to be a good neighbor. Beautiful Arizona Estates was here a long time before any planning for water infrastructure and platting of subdivisions in areas adjacent to our neighborhood. We understand that properties adjacent to BAE in City of Buckeye will ultimately be developed. However, we are asking that City of Buckeye hear and consider our comments, and that, at the very least, "Do No Harm" with your decision-making.

Please give our request for a public hearing on EPCOR's Water Plant 15 site application your serious consideration and approval.

Thank You



Jean Gray Huerta

CC

Stephen Cleveland, City Manager

Scott Zipprich P.E., City Engineer

✓ George Flores, Director, Development Services

Sean Banda, Associate Planner

Andrea Marquez

From: Sean Banda
Sent: Tuesday, August 18, 2015 1:11 PM
To: Andrea Marquez
Subject: FW: EPCOR

Sean Banda | Planner
City of Buckeye | Planning & Zoning Division
530 E Monroe Ave | Buckeye, Arizona 85326
P 623-349-6215 | sbanda@buckeyeaz.gov
Monday thru Thursday 7am to 6pm CLOSED FRIDAYS

From: Charles Kendall [<mailto:redr222@juno.com>]
Sent: Monday, August 17, 2015 7:01 PM
To: Sean Banda
Subject: EPCOR

The purpose of this letter is to request that City of Buckeye hold public hearings with opportunity for public comments and input prior to finalizing their decision on the EPCOR site plan application.

Beautiful Arizona Estates is a pre-existing neighborhood located in unincorporated Maricopa County south of Canyon Views and east of Verrado, proposed subdivisions located in the City of Buckeye. The plat for our neighborhood was finalized and approved in the early 1960's over 50 years ago. BAE is not in the EPCOR certificated service territory as we receive our water services from Arizona Water Company. BAE receives our fire and emergency services from Buckeye Valley Fire District. In other words, EPCOR's activities and site plan request provide no benefits to the residents of BAE.

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**EPCOR's Water Plant 15 is a hazardous chemical facility where water will be both pumped uphill to Verrado and will be treated with chlorine.

**The proposed location of the plant will result in excessive noise and visual impairment.

**The proposed location is an environmentally sensitive area with a large wash, and endangered animal and plant species.

** Beginning back in late 2014 prior to the commencement of EPCOR's work on this project, BAE residents provided alternative siting recommendations, and have repeatedly requested to meet with EPCOR to provide input on their plans. We also requested in a November 2014 hearing before the Arizona Corporation Commission that we be allowed to provide input on EPCOR's plans. The BAE alternative site recommendation at the corner of Jack Rabbit/195th Ave and Bethany Home Road was rejected. Further, after EPCOR has assured us repeatedly over the past year that they were going to meet with us, EPCOR is now meeting with BAE residents to explain their finalized plans, not to get comments and input.

Bottom line, we are asking City of Buckeye to be a good neighbor. Beautiful Arizona Estates was here a long time before any planning for water infrastructure and platting of subdivisions in areas adjacent to our neighborhood. We understand that the subdivisions in City of Buckeye will ultimately be developed. However, we are asking that City of Buckeye consider our request and at the very least "Do No Harm".

Sent from my iPad Charles L Kendall resident 18 yrs BAE

Andrea Marquez

From: Sean Banda
Sent: Wednesday, August 19, 2015 11:42 AM
To: Andrea Marquez
Subject: FW: EPCOR Water Plant 15

Sean Banda | Planner
City of Buckeye | Planning & Zoning Division
530 E Monroe Ave | Buckeye, Arizona 85326
P 623-349-6215 | sbanda@buckeyeaz.gov
Monday thru Thursday 7am to 6pm CLOSED FRIDAYS

From: Maria Sachs [<mailto:mariasachs1@yahoo.com>]
Sent: Wednesday, August 19, 2015 11:38 AM
To: Jackie Meck; Stephen Cleveland; Scott Zipprich; George Flores; Sean Banda
Subject: EPCOR Water Plant 15

The purpose of this letter is to request that City of Buckeye hold public hearings with opportunity for public comments and input prior to finalizing their decision on the EPCOR site plan application.

Beautiful Arizona Estates (BAE) is a pre-existing neighborhood located in unincorporated Maricopa County south of Canyon Views and east of Verrado, proposed subdivisions located in the City of Buckeye. The plat for our neighborhood was finalized and approved in the early 1960's over 50 years ago. BAE is not in the EPCOR certificated service territory as we receive our water services from Arizona Water Company. BAE receives our fire and emergency services from Buckeye Valley Fire District. In other words, EPCOR's activities and site plan request provide no benefits to the residents of BAE.

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Thank you
Maria Sachs

August 19, 2015

Jackie A. Meck, Mayor
City of Buckeye
530 East Monroe Avenue
Buckeye, Arizona 85326

SUBJECT: EPCOR Water Plant 15

Dear Mayor Meck:

The residents of Beautiful Arizona Estates (BAE) are being harmed by the current EPCOR site plan proposal for Water Plant 15 being located in Klondike Canyon Views.

EPCOR's plan will devalue the property values of BAE (which interestingly EPCOR does not provide services to) while increasing the value and attractiveness of DMB Victory Verrado (a competing subdivision to BAE, which interestingly EPCOR does provide services to). In other words, putting their "trash" next to BAE, while clubhouses, pools, golf courses, and parks are being built in Victory Verrado.

We are requesting that the City of Buckeye (Buckeye) hear our concerns which are summarized below:

- 1 – EPCOR's Water Plant 15 is a hazardous chemical facility where water will be both pumped uphill to Victory Verrado and will be treated with chlorine. There is also a 300,000 gallon water tank in the plan.
- 2 – The proposed location of the plant will result in excessive noise, smell, and visual impairment to BAE.
- 3 – Arizona Game and Fish has deemed this location an environmentally sensitive area with large washes, and endangered animal and plant species.
- 4 – There are thousands and thousands of acres of undeveloped land in the surrounding areas where this could be built without affecting existing homes.
- 5 – EPCOR has been, and continues to be, deceitful, misleading, unprofessional, and disrespectful in its dealings with BAE. Beginning in 2014, prior to the commencement of EPCOR's work on this project, BAE residents provided alternative siting recommendations, and have repeatedly requested to meet with EPCOR to provide input on their plans - on the pipeline itself and now the pumping station. While assured we would be included, we have never been afforded that opportunity.

BAE is a pre-existing neighborhood located in unincorporated Maricopa County south of Canyon Views and east of Victory Verrado, proposed subdivisions located in Buckeye. The plat for our neighborhood was finalized and approved in the early 1960's over 50 years ago.

We are asking the City of Buckeye to continue to be a good neighbor. We understand that subdivisions in Buckeye will ultimately be developed, but that shouldn't be at the expense of a neighboring subdivision, especially when it CLEARLY does not have to be – again, there is a great deal of undeveloped land and areas where this could be built without affecting existing homes. This would allow people the choice of whether they want to build/buy a home around a toxic, industrial, noisy, smelly, eyesore, not have one forced on them.

We respectfully request that the City of Buckeye "Do No Harm" to Beautiful Arizona Estates by rejecting any EPCOR Water Plant 15 site plans located in Klondike Canyon Views. Thank you for your time and consideration.

Sincerely,


Anthony & Karen Sculli
19532 W. Georgia Avenue
Litchfield Park, AZ 85340
623-572-4788

cc: Stephen Cleveland, City Manager
Scott Zipprich P.E., City Engineer
George Flores, Director of Development Services ✓
Sean Bahda, Associate Planner

August 20, 2015

Jackie A. Meck, Mayor
City of Buckeye
530 East Monroe Avenue
Buckeye, Arizona 85326

Re: EPCOR Water Plant 15

Dear Mayor Meck:

Although I now live in Desert Hills, AZ, I purchased an acre of land in Beautiful Arizona Estates to build my future retirement home. My land sits on Georgia Avenue nestled between gorgeous and expensive custom homes. I was impressed by the beautiful landscapes of Buckeye and the White Tank Mountains, but mostly by the friendly people in your town.

I am writing to you now to implore your intervention by preventing the building of EPCOR's Water chemical facility that is proposed to be "right in my backyard". My property will be tremendously affected by this proposed location because of the visual impairment, the odors, and excessive noise.

There are hundreds of acres of land upon which EPCOR can build this plant. As it stands right now, they want to build it only 400 feet from my future retirement home. I am deeply disappointed and angered. My property will be devalued immediately, while the properties in Verrado and Canyon Views will increase in value and benefit from this chlorination plant.

I am writing on behalf of myself and the entire neighborhood of Beautiful Arizona Estates for you to analyze this situation carefully and hopefully favor our wishes to move this water plant to the Verrado area or the far north side of Canyon Views. It is completely unacceptable to build a chlorination plant in such close proximity to the homes in Beautiful Arizona Estates.

This issue needs to be resolved before it explodes into a litigious situation. Property values, environmental damage, and health concerns are at stake. If this proceeds, it will create bad publicity for EPCOR and the City of Buckeye.

Thank you for your anticipated cooperation in this matter.



Carol K. Jensen

2233 E. Joy Ranch Road

Desert Hills, AZ 85086

cc: Stephen Cleveland, City Manager
Scott Zipprich P.E., City Engineer
George Flores, Director of Development Services
Sean Banda, Associate Planner

*5312 North Tuthill Road
Beautiful Arizona Estates
Litchfield Park, AZ 85340*

August 27, 2015

Jackie A. Meck, Mayor
City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326

Dear Mayor Meck,

The purpose of this letter is to provide comments on the EPCOR site plan application submitted to the City of Buckeye for the proposed Water Plant 15, to provide water to Verrado Victory District and Canyon Views Development.

EPCOR held a meeting with residents of Beautiful Arizona Estates on August 17, 2015 to present their proposed Water Plant 15 site plan. During the preliminary remarks presented by Andrew Brown, EPCOR Director of Engineering, EPCOR stated that residents of Beautiful Arizona Estates would have the opportunity to provide comments and input during the City of Buckeye's Planning & Zoning Commission and City Council consideration of the site plan application.

Comments on the EPCOR site plan proposal for Water Plant 15 are provided below.

Location: EPCOR is proposing that Water Plant 15 be located within the future Canyon Views Community 470 feet north of the Missouri Road alignment on the northern border of Beautiful Arizona Estates. This proposed location is unacceptable to the residents of Beautiful Arizona Estates. The Water Plant should be located as far away from Beautiful Arizona Estates as possible, preferably on the Canyon Views northern border at Bethany Home Road.

EPCOR's planning for this project has failed to consider that the Beautiful Arizona Estates neighborhood has existed for over 50 years. The remainder of the Canyon Views site is completely open desert. Locating the Water Plant near Beautiful Arizona Estates devalues our properties, whereas there are no existing homes in the northern portion of Canyon Views that would be adversely devalued.

EPCOR has stated that the proposed site is most cost effective because of their existing infrastructure. Again, this is an example of EPCOR's inadequate planning for the total project. The first phase of the project consisted of a water pipeline from 195th Avenue west to the Verrado Victory property. Buckeye should not let EPCOR hold them hostage with regard to location stating that it is too costly to move the site further north since they have already installed a water pipeline along the Missouri Road alignment. EPCOR should have gotten approval for their entire project, including Water Plant 15 before any pipeline was

put in the ground. Buckeye should not be forced by EPCOR's poor planning to approve a site that is unacceptable to Beautiful Arizona Estates residents.

Hazardous Chemical Facility: Sodium hypochlorite will be added to the water at this Water Plant facility. Weekly deliveries via tank trucks of this concentrated hazardous chemical will be taking place. City of Buckeye should ensure that any roadways used by the tanker trucks to deliver these hazardous chemicals are not allowed to be any where near the vicinity of Beautiful Arizona Estates.

Permits: EPCOR has repeatedly demonstrated that their way of doing business is to start projects before they have all permits and approvals from all affected regulatory bodies. City of Buckeye should ensure that EPCOR has all required permits before EPCOR is allowed to start work.

Height of Privacy wall: EPCOR states that an 8-foot privacy wall will surround the pumping facility. Buckeye should require a 12-foot privacy enclosure. In addition, EPCOR should be required to plant vegetation that will achieve a minimum 16-foot height at full maturity, and EPCOR should be required to provide water to maintain this vegetation for as long as the Water Plant is in operation.

Noise: It is my understanding that City of Buckeye will allow no more than a 50-decibel noise level outside the Water Plant facility. EPCOR will have a backup generator at this facility to ensure continued operation in the event of a power outage. The backup generator will be tested for 15 minutes every week. The noise level testing should be done during the weekly generator test period to ensure compliance with the 50-decibel standard. EPCOR should be required to install noise abatement materials to ensure compliance with the Buckeye standard at all times and under all conditions.

Thank you for this opportunity to provide comments. If you have any questions or need additional information, please feel free to contact me at 623-853-0980 (home) or 602-320-7683 (cell).

Sincerely,

Jean Gray Huerta

CC

Stephen Cleveland, City Manager

Scott Zipprich P.E., City Engineer

George Flores, Development Services

Terri Hogan, Development Services

Comments 011 5B

November 24, 2015

City of Buckeye Planning & Zoning Commission,

As a resident of Beautiful Arizona Estates, we are vehemently opposed to the proposed site plan location of EPCOR Water Plant 15 (which includes a Booster Pump Station, chlorine additive/hazardous chemical facility, and 300,000 gallon water tank) for the following reasons:

1 – It is completely unnecessary and false that EPCOR Water Plant 15 has to be placed in this exact location. There are numerous other viable options and thousands and thousands of acres of undeveloped land in the surrounding areas where this could be built without affecting existing homes.

2 – The proposed location of the plant will result in excessive noise, smell, and visual impairment to the residences of Beautiful Arizona Estates. In addition, it would require deliveries from liquid chlorine hazardous chemical trucks and weekly maintenance trucks.

3 – EPCOR's plan will devalue the property values of Beautiful Arizona Estates (which interestingly EPCOR does not provide services to) while increasing the value and attractiveness of DMB Victory Verrado (a competing subdivision to Beautiful Arizona Estates, which interestingly EPCOR does provide services to). In other words, putting their "trash" next to Beautiful Arizona Estates, while clubhouses, pools, golf courses, and parks are being built in Victory Verrado.

4 – EPCOR has been, and continues to be, deceitful, misleading, unprofessional, and disrespectful in its dealings with Beautiful Arizona Estates and the City of Buckeye. Even the site plan proposal filed with the City of Buckeye contains "artist renderings" which are not to scale and do not accurately depict elevations and washes of this proposed project. The residences of Beautiful Arizona Estates should not be harmed due to EPCOR's poor planning and poor engineering.

5 – Arizona Game and Fish has deemed this location an environmentally sensitive area with large washes, and endangered animal and plant species.

6 – There are numerous other entities that have substantial issues with EPCOR's Water Plant 15 proposed site plan including, but not limited to: APS, Maricopa County Department of Transportation, Maricopa County Flood Control District, Arizona Game and Fish, United States Fish and Wildlife Service, etc.

We are asking the City of Buckeye Planning and Zoning Commission to continue to be a good neighbor. We understand that subdivisions in Buckeye will ultimately be developed, but that shouldn't be at the expense of a neighboring subdivision, especially when it CLEARLY does not have to be – again, there is a great deal of undeveloped land and areas where this could be built without affecting existing homes. This would allow people the choice of whether they want to build/buy a home around a toxic, industrial, noisy, smelly, eyesore, not have one forced on them.

We respectfully request that the City of Buckeye Planning and Zoning Commission "Do No Harm" to Beautiful Arizona Estates by rejecting any EPCOR Water Plant 15 site plans located in Klondike Canyon Views. Thank you for your time and consideration.

Sincerely,

Anthony & Karen Sculli
19532 W. Georgia Avenue
Litchfield Park, AZ 85340
(623) 572-4788



snapshot oppositions' property location in relation to water booster pump station

Agenda Item: 5A – Case PLZ-15-00119 EPCOR Water Plant 15- Zone 3N Booster Pump Station



**CITY OF BUCKEYE
PLANNING AND ZONING COMMISSION
REGULAR MEETING MINUTES
NOVEMBER 24, 2015**

City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

Chairperson Carol Kempniak called the meeting to order at 6:00 p.m.

Members present: Commissioner Jeffrey Nagy, Chairperson Carol Kempniak, Commissioner Gregory Clemmons, Commissioner Clayton Bedoya

Members absent: Commissioner Thomas Marcinko, Commissioner Preston Hundley, Vice Chairperson Nick Hudec, Alternate Jesse Knight, Alternate Deanna Kupcik, Alternate Gail Reese, Alternate Bill Elliott, Alternate Duane Mity

Staff present: Planning Manager Terri Hogan, Senior Planner Ed Boik, Administrative Assistant Keri Hernandez, City Attorney Gary Verberger, Council Liaison Craig Heustis

2. APPROVAL OF MINUTES FROM NOVEMBER 10, 2015 PLANNING AND ZONING COMMISSION REGULAR MEETING

A motion was made by Commissioner Bedoya and seconded by Commissioner Clemmons to approve the minutes of the November 10, 2015 Planning and Zoning Commission Regular Meeting as presented. Motion carried.

3. CONSENT AGENDA

No items

4. CONTINUANCE AGENDA

No items

5. REGULAR AGENDA

5A. SUN CITY FESTIVAL HH1 PRELIMINARY PLAT

Senior Planner Ed Boik presented and was available to answer questions from the Commission.

A public hearing was opened at 6:10 p.m.

With there being no comments from the public, the public hearing was closed at 6:10 p.m.

A motion was made by Commissioner Clemmons and seconded by Commissioner Nagy to recommend approval with presented stipulations to the City Council. Motion Carried.

5B. EPCOR WATER PLANT 15 -- ZONE 3N BOOSTER PUMP STATION

Planning Manager Terri Hogan pointed out that this was a public meeting, not a public hearing. Ms. Hogan presented and was available to answer questions from the Commission.

Mr. Bedoya asked why this facility it is not located closer to the site being serviced. Ms. Hogan deferred to the applicant or City Engineer Scott Zipprich.

Mr. Nagy asked about odor control with the chemicals used at this facility. Ms. Hogan deferred to the City Engineer Scott Zipprich.

City Engineer Scott Zipprich addressed the concern with odor and stated that the entire process will be contained and sealed as to avoid gases being released into the air. Mr. Zipprich stated that this location was chosen in order to provide adequate pressure from the specific existing waterline. Mr. Bedoya asked if there would be any impact on Beautiful Arizona Estates water service. Mr. Zipprich stated that would be no service or ground water impact.

A public meeting was opened at 6:37 p.m.

Jean Huerta of Beautiful Arizona Estates expressed her concerns with the impact of the facility.

With there being no further comments from the public, the public hearing was closed at 6:43 p.m.

Applicant Travis Nuttall presented and was available to answer questions from the Commission. Mr. Nagy asked how these sites are maintained. Mr. Nuttall stated that these pumps are operated and monitored by a computer system, and daily routine maintenance checks are performed. Mr. Clemmons asked if a leak detection system is in place. Mr. Nuttall reported that there are constantly monitored level controls in place within the tanks. Mr. Clemmons asked if there were emergency spill procedures in place. Mr. Nuttall was unable to provide information on the type of training in question.

EPCOR Engineering Manager Eric French was present to provide information on standard operating procedures within the company, and informed the Commission that those procedures are reviewed on a regular basis.

Council Liaison Heustis asked what the cost would be to realign the existing waterline to the north corner of the property. Mr. Nuttall stated that the estimated cost would be at the minimum of one million dollars per mile. Mr. Nagy requested the applicant provide additional information on emergency training and maintenance prior to the next meeting.

A motion was made by Commissioner Bedoya and seconded by Commissioner Nagy to continue to the next scheduled Planning and Zoning Commission regular meeting. Motion carried.

6. COMMENTS FROM THE PUBLIC

None

7. REPORT FROM STAFF

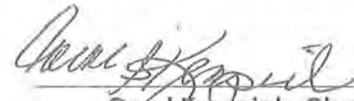
None

8. COMMENTS FROM THE PLANNING AND ZONING COMMISSION

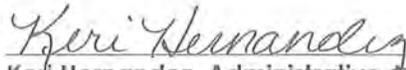
None

9. ADJOURNMENT

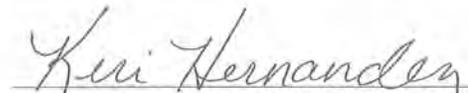
A motion was made by Commissioner Bedoya and seconded by Commissioner Clemmons to adjourn at 7:04 p.m. Motion carried.


Carol Kempia, Chairperson

ATTEST:


Keri Hernandez, Administrative Assistant

I hereby certify that the foregoing is a true and correct copy of the Planning and Zoning Commission Regular Meeting held on the 24th day of November, 2015. I further certify that a quorum was present.


Keri Hernandez, Administrative Assistant



Approval Date: 3/31/15

MCESD Project: No. DWR-15-00098
PWS SYSTEM No. 0407695

CERTIFICATE OF APPROVAL TO CONSTRUCT (WITH STIPULATIONS) STORAGE TANK

PROJECT DESCRIPTION: EPCOR Water Verrado Water Infrastructure Zone 3N Improvements Water Plant 15 – Zone 3N Booster Pump Station – Construction of new pump station with three vertical turbine pumps and fourth pump can for future, 300,000 gallon welded steel tank, hydropneumatic surge tank, chlorination and yard piping with a point of connection to the EPCOR Water system.

LOCATION: Town of Buckeye, Maricopa County
Section 17, T2N, R2W
700 feet West of the Intersection of Missouri Avenue
and 195th Avenue

PROJECT OWNER: EPCOR Water
Andrew Brown, Manager, Eng. & Project Delivery
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Pursuant to Arizona Administrative Code (AAC) Title 18: Chapters 4 and 5 and the Maricopa County Environmental Health Code: Chapters IV and V.

Approval to construct the above described facilities as represented in the approved plan documents on file with the Maricopa County Environmental Services Department is hereby given subject to the following stipulations: 1. In addition to obtaining a permit from Maricopa County Environmental Services Department, it may be necessary to obtain a permit from your local municipality or Maricopa County Planning and Development Department – if the property is in the unincorporated County. Please contact these entities for additional information.

2. Operation of this public water system project shall not begin until an Approval of Construction is issued by Maricopa County Environmental Services Department.

WATER AND WASTE MANAGEMENT DIVISION

By Greg Maupin
Greg Maupin, P.E., Program Manager
Subdivision Infrastructure & Planning Program

From the approval date noted above this certificate will expire if construction has not commenced within one year, there is a halt in construction of more than one year or construction is not completed within three years.



Approval Date: 3/21/15

MCESD Project: No. DWR-15-00097
PWS SYSTEM No. 0407695

CERTIFICATE OF APPROVAL TO CONSTRUCT
(WITH STIPULATIONS)
BOOSTER PUMP STATION

PROJECT DESCRIPTION: EPCOR Water Verrado Water Infrastructure Zone 3N Improvements Water Plant 15 – Zone 3N Booster Pump Station – Construction of new pump station with three vertical turbine pumps and fourth pump can for future, 300,000 gallon welded steel tank, hydro-pneumatic surge tank, chlorination and yard piping with a point of connection to the EPCOR Water system.

LOCATION: Town of Buckeye, Maricopa County
Section 17, T2N, R2W
700 feet West of the Intersection of Missouri Avenue
and 195th Avenue

PROJECT OWNER: EPCOR Water
Andrew Brown, Manager, Eng. & Project Delivery
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

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2. Operation of this public water system project shall not begin until an Approval of Construction is issued by Maricopa County Environmental Services Department.

WATER AND WASTE MANAGEMENT DIVISION

By Greg Maupin
Greg Maupin, P.E., Program Manager
Subdivision Infrastructure & Planning Program

From the approval date noted above this certificate will expire if construction has not commenced within one year, there is a halt in construction of more than one year or construction is not completed within three years.



Approval Date: 3/21/15

MCESD Project: No. DWR-15-00099
PWS SYSTEM No. 0407695

CERTIFICATE OF APPROVAL TO CONSTRUCT (WITH STIPULATIONS) CHLORINATION

PROJECT DESCRIPTION: EPCOR Water Verrado Water Infrastructure Zone 3N Improvements Water Plant 15 – Zone 3N Booster Pump Station – Construction of new pump station with three vertical turbine pumps and fourth pump can for future, 300,000 gallon welded steel tank, hydropneumatic surge tank, chlorination and yard piping with a point of connection to the EPCOR Water system.

LOCATION: Town of Buckeye, Maricopa County
Section 17, T2N, R2W
700 feet West of the Intersection of Missouri Avenue
and 195th Avenue

PROJECT OWNER: EPCOR Water
Andrew Brown, Manager, Eng. & Project Delivery
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Pursuant to Arizona Administrative Code (AAC) Title 18: Chapters 4 and 5 and the Maricopa County Environmental Health Code: Chapters IV and V.

Approval to construct the above described facilities as represented in the approved plan documents on file with the Maricopa County Environmental Services Department is hereby given subject to the following stipulations: 1. In addition to obtaining a permit from Maricopa County Environmental Services Department, it may be necessary to obtain a permit from your local municipality or Maricopa County Planning and Development Department – if the property is in the unincorporated County. Please contact these entities for additional information.

2. Operation of this public water system project shall not begin until an Approval of Construction is Issued by Maricopa County Environmental Services Department.

WATER AND WASTE MANAGEMENT DIVISION

By Greg Maupin
Greg Maupin, P.E., Program Manager
Subdivision Infrastructure & Planning Program

From the approval date noted above this certificate will expire if construction has not commenced within one year, there is a halt in construction of more than one year or construction is not completed within three years.



Approval Date: 3/21/15

MCESD Project No. DWR-15-00100
PWS SYSTEM No. 0407695

**CERTIFICATE OF APPROVAL TO CONSTRUCT
(WITH STIPULATIONS)
PRESSURE TANK**

PROJECT DESCRIPTION: EPCOR Water Verrado Water Infrastructure Zone 3N Improvements Water Plant 15 – Zone 3N Booster Pump Station – Construction of new pump station with three vertical turbine pumps and fourth pump can for future, 300,000 gallon welded steel tank, hydropneumatic surge tank, chlorination and yard piping with a point of connection to the EPCOR Water system.

LOCATION: Town of Buckeye, Maricopa County
Section 17, T2N, R2W
700 feet West of the Intersection of Missouri Avenue
and 195th Avenue

PROJECT OWNER: EPCOR Water
Andrew Brown, Manager, Eng. & Project Delivery
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Pursuant to Arizona Administrative Code (AAC) Title 18: Chapters 4 and 5 and the Maricopa County Environmental Health Code: Chapters IV and V.

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2. Operation of this public water system project shall not begin until an Approval of Construction is issued by Maricopa County Environmental Services Department.

WATER AND WASTE MANAGEMENT DIVISION

By Greg Maupin
Greg Maupin, P.E., Program Manager
Subdivision Infrastructure & Planning Program

From the approval date noted above this certificate will expire if construction has not commenced within one year, there is a halt in construction of more than one year or construction is not completed within three years.

7B

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**CITY OF BUCKEYE
COUNCIL ACTION REPORT**

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	7B
DATE PREPARED:	January 13, 2016	DISTRICT NO.:	ALL
STAFF LIAISON:	Larry Price, Finance Director	DIRECTOR APPROVAL:	LDP
DEPARTMENT:	Finance	FINANCE APPROVAL:	LDP

Will not be added without both approvals

ACTION TITLE: Resolution No. 04-16 Authorizing the Execution and Delivery of an Agreement, a Trust Agreement, a Depository Trust Agreement, a Continuing Disclosure Certificate and an Obligation Purchase Contract; Approving a Preliminary Official Statement; Approving the Issuance and Sale of Not to Exceed \$13,080,000 of the City's Excise Revenue Refunding Obligations, Series 2016, Evidencing a Proportionate Interest of the Owners Thereof in the Agreement; Authorizing the Prepayment and Refinancing in Advance of Maturity of a Certain Outstanding Loan Repayment Agreement; Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution; and Declaring an Emergency.

WORKSHOP
 SPECIAL
 CONSENT
 NON-CONSENT
 TABLED
 PUBLIC HEARING

RECOMMENDATIONS:

Council to adopt Resolution No. 04-16 Authorizing the Execution and Delivery of an Agreement, a Trust Agreement, a Depository Trust Agreement, a Continuing Disclosure Certificate and an Obligation Purchase Contract; Approving a Preliminary Official Statement; Approving the Issuance and Sale of Not to Exceed \$13,080,000 of the City's Excise Revenue Refunding Obligations, Series 2016, Evidencing a Proportionate Interest of the Owners Thereof in the Agreement; Authorizing the Prepayment and Refinancing in Advance of Maturity of a Certain Outstanding Loan Repayment Agreement; Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by the Resolution; and Declaring an Emergency.

RELEVANT COUNCIL GOAL:

GOAL 1: Fiscal Wellness and Financial Flexibility and Accountability

SUMMARY

PROJECT DESCRIPTION:

The City previously entered into a Loan Repayment Agreement, dated as of March 2, 2006 (the "Agreement Being Refunded"), with the Greater Arizona Development Authority ("GADA") in order to finance improvements to the City's municipal complex. The City is now able to achieve net interest expense savings by prepaying the Agreement Being Refunded on or before its first prepayment date, July 2, 2016. By adopting this Resolution, the City would authorize the execution and delivery of not to exceed \$13,080,000 of the City's Excise Tax Revenue Refunding Obligations, Series 2016 (the "Refunding Obligations"). The proceeds of the Refunding Obligations will (i) fund, as necessary, a Payment Fund or Reserve Fund for the Refunding Obligations, (ii) pay, at the direction of the City, all, none or a portion of the costs of issuance of the Refunding Obligations, and (iii) be transferred to a depository trustee to prepay and refinance the Agreement Being Refunded in accordance with a depository trust agreement.

BENEFITS:

The City will achieve net interest expense savings by prepaying and refinancing the Agreement Being Refunded. The source of repayment for the Refunding Obligations will be a pledge of the City's Excise Taxes and State Shared

Revenues, which is the same source of repayment for the Agreement Being Refunded, and not from ad valorem property taxes.

FUTURE ACTION: (Council and Staff)

Finalize an official statement and the closing documents related to the execution and delivery of the Refunding Obligations on or around March 28, 2016.

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*
Resolution No. 04-16 with exhibits.

FINANCIAL NARRATIVE:

CURRENT FISCAL YEAR TOTAL COST

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) F/Y:

FUND / DEPARTMENT (GL#):

RESOLUTION NO. 04-16

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BUCKEYE, ARIZONA, AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT, A TRUST AGREEMENT, A DEPOSITORY TRUST AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, AND AN OBLIGATION PURCHASE CONTRACT; APPROVING A PRELIMINARY OFFICIAL STATEMENT; APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$13,080,000 OF THE CITY'S EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2016, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN THE AGREEMENT; AUTHORIZING THE PREPAYMENT AND REFINANCING IN ADVANCE OF MATURITY OF A CERTAIN OUTSTANDING LOAN REPAYMENT AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Buckeye, Arizona (the "*City*"), is the successor in interest to the Town of Buckeye, Arizona (the "*Town*"), and the City has acceded to all assets and liabilities of the Town, including, without limitation, that certain Loan Repayment Agreement, dated as of March 2, 2006 (the "*Agreement Being Refunded*"), by and between the Town and the Greater Arizona Development Authority ("*GADA*"); and

WHEREAS, in order to reduce the debt service on the Agreement Being Refunded, the City desires to prepay and refinance the Agreement Being Refunded on its first prepayment date, July 2, 2016, and, in order to accomplish such prepayment and refinancing of the Agreement Being Refunded, the City will, by this Resolution, authorize the issuance, sale, execution and delivery of not to exceed \$13,080,000 of the City's Excise Tax Revenue Refunding Obligations, Series 2016 (the "*Refunding Obligations*"); and

WHEREAS, the Refunding Obligations will be executed and delivered pursuant to a trust agreement (the "*Trust Agreement*"), by and between the City and a trustee (the "*Trustee*"), who is a bank or trust company authorized to do trust business in the State of Arizona to be selected by the City pursuant to Section 5 herein; and

WHEREAS, the Refunding Obligations shall evidence a proportionate interest of the owners of the Refunding Obligations in an agreement (the "*Agreement*"), by and between the City and the Trustee, as payee, and obligating the City to make certain payments (the "*Payments*") to the Trustee in such amounts and payable at such times so as to be sufficient to pay the principal of, premium, if any, and interest on the Refunding Obligations; and

WHEREAS, the City previously established a separate and special fund designated the "*Excise Tax Fund*" for the deposit of the City's Excise Taxes (as defined herein) and State Shared Revenues (as defined herein), and the City shall pay the Payments due under the Agreement from such Excise Tax Fund; and

WHEREAS, the Trust Agreement will authorize the Trustee to apply the proceeds of the Refunding Obligations to (i) transfer a portion of the proceeds to a depository trustee to be selected by the City pursuant to Section 5 herein (the "*Depository Trustee*"), and such Depository Trustee shall apply the proceeds in accordance with a depository trust agreement (the "*Depository Trust Agreement*"), by and between the City and the Depository Trustee, in order prepay and refinance the Agreement Being Refunded in advance of its maturity, (ii) fund, as applicable, the Payment Fund and/or Reserve Fund, each as created pursuant to the Trust Agreement, and (iii) pay all or a portion of the costs of issuance of the Refunding Obligations (the "*Costs of Issuance*"); and

WHEREAS, a proposal in the form of an Obligation Purchase Contract (the "*Refunding Obligation Purchase Contract*") has been received from Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*") for the purchase of the Refunding Obligations, and the City has determined to award the Refunding Obligations to the Underwriter in accordance with the Refunding Obligation Purchase Contract and pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-007-1213; and

WHEREAS, in its role as Underwriter, the Underwriter is 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

WHEREAS, proposed forms of the following documents have been filed with the City Clerk for this meeting:

- (i) the Agreement;
- (ii) the Trust Agreement;
- (iii) the Depository Trust Agreement;
- (iv) the Refunding Obligation Purchase Contract;
- (v) the Continuing Disclosure Certificate (the "*Continuing Disclosure Certificate*"); and
- (vi) a preliminary form of the Official Statement relating to the Refunding Obligations (the "*Preliminary Official Statement*").

Collectively, the foregoing documents are referred to herein as the "*2016 Refunding Obligation Documents*".

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BUCKEYE, ARIZONA, THAT:

Section 1. Determination of Need. It is hereby found and determined that the prepayment and refinancing of the Agreement Being Refunded pursuant to the terms of the Agreement, the Trust Agreement and the Refunding Obligation Purchase Contract is in the best interest of and in furtherance of the purposes of the City and in the public interest because such action will lower the effective interest costs paid by the City.

Section 2. Terms of Refunding Obligations. The City hereby approves the execution and delivery of the Refunding Obligations, as hereinafter described, by the Trustee. The Refunding Obligations shall be executed in the aggregate principal amount of not to exceed \$13,080,000. The Refunding Obligations shall be in the denomination of \$5,000 or any integral multiples thereof, shall be dated as set forth in the Trust Agreement, shall bear interest from such date payable on the dates provided in the Trust Agreement, and shall be fully registered without coupons as provided in the Trust Agreement. The Refunding Obligations shall bear interest at the rates per annum set forth in the Trust Agreement and the Refunding Obligation Purchase Contract and shall mature on July 1 in some or all of the years 2016 through and including 2036, and in no event shall any of the Refunding Obligations mature later than July 1, 2036. The yield on the Refunding Obligations for federal tax purposes shall not exceed 5.00% per annum. The prepayment and refinancing of the Agreement Being Refunded must have a net present value savings to the City of not less than 3.00% of the outstanding principal amount of the Agreement Being Refunded.

The forms, terms, interest rates, dated date, interest payment dates, maturity dates, maturity amounts, provisions for redemption and other provisions of the Refunding Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement.

Section 3. Award to Underwriter. The Refunding Obligations are hereby awarded to the Underwriter pursuant to the Refunding Obligation Purchase Contract and pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-007-1213.

Section 4. Approval of the 2016 Refunding Obligation Documents and Related Closing Documents. The Mayor, the City Manager and the Finance Director is each hereby authorized and directed to determine and approve the interest rates, dated dates, interest payment dates, maturity dates, maturity amounts, purchase price, redemption provisions, reserve fund provisions and any provisions necessary in connection with the purchase of credit enhancement pursuant to Section 6 hereof, and cause the same to be set forth in the 2016 Refunding Obligation Documents and such other documents and closing documents related to the issuance and sale of the Refunding Obligations. The form, terms and provisions of the 2016 Refunding Obligation Documents, in substantially the form of such documents (including the Refunding Obligations and other exhibits thereto) presented at this meeting are hereby approved, with such final provisions, insertions, deletions and changes as shall be approved by the Mayor, City Manager or Finance Director, the execution of each such document being conclusive evidence of such approval, and the Mayor, the City Manager, the Finance Director and the City Clerk are each hereby authorized and directed to execute and deliver, where applicable, or approve the 2016 Refunding Obligation Documents and to take all action to carry out and comply with the terms of such documents.

Section 5. Selection of Trustee and Depository Trustee; Trustee and Depository Trustee Action. The City Manager and the Finance Director are authorized to receive proposals to act as Trustee and Depository Trustee from banks authorized to engage in trust business in the State of Arizona. Based on the proposals received, the City Manager and the Finance Director shall select the Trustee and Depository Trustee. The City hereby requests the

Trustee and Depository Trustee so selected to each take any and all actions necessary in connection with the execution and delivery of the applicable 2016 Refunding Obligation Documents and the prepayment and refinancing of the Agreement Being Refunded, and, as applicable to the Trustee, the execution and delivery of the Refunding Obligations. The City further authorizes and directs the Trustee and any trustees for any obligations on a parity with the Refunding Obligations to enter into such agreements as may be reasonable for the administration of the trusts so held.

Section 6. Bond Insurance; Credit Enhancement. The Mayor, the City Manager, Finance Director and City Clerk are hereby authorized to purchase municipal bond insurance, surety bonds, reserve fund guaranties or other credit enhancement as may be deemed by the Finance Director appropriate and beneficial, to pay or cause to be paid all premiums attendant thereto and to enter into any obligations or agreements on behalf of the City to repay amounts paid thereon by the providers thereof.

Section 7. Preliminary Official Statement; Official Statement. The form, terms and provisions of the Preliminary Official Statement in the form (including exhibits thereto) presented at this meeting are hereby ratified, approved and confirmed. The City hereby approves, ratifies and authorizes the use by the Underwriter of copies of the Preliminary Official Statement and the final Official Statement, which shall be in substantially the form of the Preliminary Official Statement with such changes as are necessary as a result of the sale of the Refunding Obligations (the "*Official Statement*") in connection with the public offering and sale of the Refunding Obligations. The City hereby deems the Preliminary Official Statement as "final" as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "*Rule*"). The Mayor, City Manager and the Finance Director are hereby authorized and directed to execute, when completed, the Official Statement and deem such Official Statement "final" for purposes of the Rule.

Section 8. Pledge of Excise Taxes and State Shared Revenues. Pursuant to the Agreement and the Trust Agreement, the City hereby pledges and grants a first lien on all its unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the City imposes; provided that the Mayor and City Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such City Council and which, if so restricted, will not be deemed Excise Taxes for purposes of the Agreement (collectively, "*Excise Taxes*") and any amounts of excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State of Arizona or any agency thereof and returned, allocated or apportioned to the City, except the City's share of any such taxes which by State of Arizona law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes (collectively, "*State Shared Revenues*") to the Payments and other amounts to come due under the Agreement and the Trust Agreement when due and on parity with respect to amounts due pursuant to the Parity Obligations (as defined in the Trust Agreement) heretofore or hereafter issued. Revenues generated by the City from building permits and development impact fees will not be deemed Excise Taxes for purposes of the Trust Agreement or the Agreement. Revenues received by the City from vehicle license taxes charged by the State will not be deemed Excise Taxes for purposes of the Trust Agreement or the Agreement. The City's obligation to make the Payments or any other payments under the Agreement or the Trust Agreement does not constitute an obligation of

the City or the State of Arizona, or any of its political subdivisions, for which the City or the State of Arizona, or any of its political subdivisions, is obligated to levy or pledge any form of ad valorem property taxation nor does the obligation to make Payments or any other payments under the Agreement or the Trust Agreement constitute an indebtedness of the City or of the State of Arizona or any of its political subdivisions within the meaning of the Constitution of the State of Arizona or otherwise. Unless specifically pledged by the City to be on a basis senior to, or on a parity with, the pledge described herein, the City's pledge of, and first lien on, its Excise Taxes and State Shared Revenues granted and conveyed by this Resolution is superior to, and shall have a priority over, any other pledge, agreement or financial policy of the City, including any designation or allocation made under Ordinance Numbers 23-10, 26-10 or 28-10. Pursuant to Ordinance Number 04-15, the City imposed an additional 3% tax upon transient lodging. The revenues generated by the additional 3% tax upon transient lodging are not pledged as Excise Taxes, and are restricted to be used to promote tourism in the City as allowed by law.

Section 9. Maintain Excise Taxes and State Shared Revenues. Pursuant to the Agreement,

(a) The amount of State Shared Revenues is determined by statutory formula and the City has not covenanted to, and has no power to, set or maintain rates or otherwise impose taxes to increase, replace or supplement State Shared Revenues to provide for the payment of the amounts due pursuant to the Agreement, the Trust Agreement and for any Parity Obligations.

(b) To the extent permitted by applicable law, the revenues from the Excise Taxes shall be retained and maintained so that the amounts received from the revenues from the Excise Taxes and the State Shared Revenues, when combined mathematically for such purpose only, all within and for the most recently completed fiscal year of the City, shall have been equal to at least two (2) times the total of interest and principal requirements for the current fiscal year of the City for the Refunding Obligations and any Parity Obligations heretofore or hereafter issued or incurred by the City. If the revenues from the Excise Taxes and the State Shared Revenues for any such fiscal year shall not have been equal to at least two (2) times the total of the interest and principal requirements for the current fiscal year of the City for the Refunding Obligations and any Parity Obligations heretofore or hereafter issued or incurred by the City, or if at any time it appears that the revenues from the Excise Taxes and the State Shared Revenues will not be sufficient to meet such requirements, the City shall, to the extent permitted by applicable law, impose new exactions of the type of the Excise Taxes which will be part of the Excise Taxes or increase the rates for the Excise Taxes currently imposed in order that (a) the revenues from the Excise Taxes and the State Shared Revenues will be sufficient to meet all current requirements hereunder and (b) the revenues from the Excise Taxes and the State Shared Revenues will be reasonably calculated to attain the level as required by the first sentence of this Section 9(b).

Section 10. Irrepealable. After any of the Refunding Obligations are delivered by the Trustee to the Underwriter thereof upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Refunding Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

Section 11. Further Action. The Mayor, the City Clerk, the City Manager, the Finance Director and the other officers of the City, on behalf of the City, are each hereby

authorized and directed, without further order of the City Council, to execute and deliver such certificates, proceedings and agreements 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 herein.

Section 12. Execution of the 2016 Refunding Obligation Documents and Other Proceedings. 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 Refunding Obligations as contemplated by this Resolution and the 2016 Refunding Obligation Documents 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 including, without limitation, the execution and delivery of all the 2016 Refunding Obligation Documents on behalf of the City as may be necessary to carry out the terms and intent of this Resolution.

Section 13. 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.

Section 14. Waiver of Inconsistency. 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 15. Emergency. The immediate operation of this Resolution is necessary because the exigencies of the municipal bond market, and the need for an immediate sale and early closing to secure the most favorable interest rates on the Refunding Obligations require that the Refunding Obligations be issued and delivered as soon as possible; therefore, an emergency is hereby declared to exist.

PASSED AND ADOPTED by the Mayor and City Council of the City of Buckeye, Arizona, this 2nd day of February, 2016.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

APPROVED AS TO FORM:

Scott W. Ruby, City Attorney

CERTIFICATION

I, Lucinda J. Aja, the duly appointed and acting City Clerk of the City of Buckeye, Arizona, do hereby certify that the above and foregoing Resolution No. 04-16 was duly passed by the City Council of the City of Buckeye, Arizona, at a regular meeting held on February 2, 2016, and the vote was ____ aye's and ____ nay's and that the Mayor and ____ City Council Members were present thereat.

City Clerk

AGREEMENT

Between

U.S. BANK NATIONAL ASSOCIATION
as Payee

and

CITY OF BUCKEYE, ARIZONA

Dated as of _____ 1, 2016

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EXHIBIT A - PAYMENT SCHEDULE

AGREEMENT

THIS AGREEMENT (hereinafter referred to as the "2016 Agreement") dated as of _____ 1, 2016 by and between the CITY OF BUCKEYE, ARIZONA, a municipal corporation and a political subdivision under the laws of the State of Arizona (hereinafter referred to as the "City") and U.S. BANK NATIONAL ASSOCIATION, a national banking association (hereinafter referred to as "Payee" or "Trustee"), in its capacity as trustee under the Trust Agreement dated as of even date herewith by and between the Payee and the City (the "Trust Agreement");

WITNESSETH:

1. **Definitions.** All terms not otherwise defined herein are as defined in the Trust Agreement.

2. **Terms and Payments.**

(a) For the purpose of the prepayment and refinancing the Agreement Being Refunded, the City shall hereby agree to make the 2016 Payments (as defined herein) to the Payee, and the Payee shall hereby agree to accept the 2016 Payments from the City.

(b) In connection with the prepayment and refinancing of the Agreement Being Refunded and in order to provide the funds necessary therefor, the Trustee, pursuant to the Trust Agreement, will execute and deliver the 2016 Refunding Obligations and apply the proceeds of the 2016 Refunding Obligations as provided for in the Trust Agreement.

(c) The City agrees to pay the 2016 Payments to the Payee at the address specified pursuant to Section 22 hereof (or such other address as the Payee may designate in writing) one Business Day in advance of the Payment Dates set forth (or on the same day as the Payment Dates set forth, if permitted by the Trustee), and in the amounts set forth, in the payment schedule attached hereto as Exhibit A and incorporated herein (the "2016 Payments"). The City's obligation to make such 2016 Payments shall be limited to the City's revenues from Excise Taxes and State Shared Revenues pledged to the 2016 Payments by the City in accordance herewith. The City shall transfer funds from its the City of Buckeye Excise Tax Fund, a separate and special fund of the City created specifically for receipt of Excise Taxes and State Shared Revenues, to the City of Buckeye 2016 Payment Fund established pursuant to the Trust Agreement, for purposes of making the 2016 Payments pursuant hereto.

(d) The obligations of the City to make the 2016 Payments from the sources described herein and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach of the Payee of any obligation to the City or otherwise, or out of indebtedness or liability at any time owing to the City by the Payee. Until such time as all of the 2016 Payments shall have been fully paid or provided for, the City (i) will not suspend or discontinue any 2016 Payments provided for in this Section 2,

(ii) will perform and observe all other agreements contained in this 2016 Agreement, and (iii) will not terminate the term of this 2016 Agreement for any cause, including, without limiting the generality of the foregoing, failure of the City or any other person to complete the acquisition, construction and installation of the capital facilities financed by the Agreement Being Refunded, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the capital facilities financed by the Agreement Being Refunded, the taking by eminent domain of title to or temporary use of any or all of the capital facilities financed by the Agreement Being Refunded, commercial frustration of purpose, abandonment of the capital facilities financed by the Agreement Being Refunded by the City, any change in the tax or other laws of the United States of America or of the State of Arizona or any political subdivision of either or any failure of the Payee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this 2016 Agreement. Nothing contained in this Section shall be construed to release the Payee from the performance of any of the agreements on its part herein or in the Trust Agreement and in the event the Payee shall fail to perform any such agreements on its part, the City may institute such action against the Payee as the City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the first sentence of this paragraph (d). This 2016 Agreement shall not terminate so long as any payments are due and owing under the 2016 Refunding Obligations.

(e) In the event that the City expects that it will not make a 2016 Payment when due hereunder, the City shall, at least five (5) Business Days before the date such 2016 Payment is due, notify the Trustee in writing of such expectation.

3. Pledge of Excise Taxes and State Shared Revenues; Limited Obligations.

(a) The City hereby irrevocably pledges and grants a first lien on all Excise Taxes and State Shared Revenues (as used herein and as defined in the Trust Agreement, "Excise Taxes" is inclusive of State Shared Revenues) as security for the 2016 Payments and other amounts to come due hereunder and under the Trust Agreement. The City intends that this pledge shall be a first lien pledge upon such amounts of said Excise Taxes as will be sufficient to make the 2016 Payments when due, and on parity with respect to amounts due pursuant to the Parity Obligations heretofore or hereafter issued. The City agrees and covenants to make said 2016 Payments from the revenues from said Excise Taxes, except to the extent it chooses to make the 2016 Payments from other funds pursuant to Section 5 hereof. Said pledge of, and said lien on, the revenues from the Excise Taxes is hereby irrevocably made and created for the prompt and punctual payment of the 2016 Payments according to the terms hereof and to create and maintain the funds as hereinafter specified or as may be specified in the Trust Agreement. All of the 2016 Payments are coequal as to the pledge of and lien on the revenues from the Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from the revenues from the Excise Taxes or security therefor. Except as limited by Sections 16(a) and 17 hereof and by the corresponding sections in any Additional Agency/Authority Loan Agreements, the rights of the Owners of the 2016 Refunding Obligations to the 2016 Payments from the Excise Taxes are on a parity with the rights to payment from, or, as applicable, the lien on, the Excise Taxes of the Parity Obligations heretofore or hereafter issued. Unless specifically pledged by the City to be on a

basis senior to, or on a parity with, the pledge described in the Authorizing Resolution, the City's pledge of, and first lien on, its Excise Taxes and State Shared Revenues granted and conveyed by the Authorizing Resolution is superior to, and shall have a priority over, any other pledge, agreement or financial policy of the City, including any designation or allocation made under Ordinance Numbers 23-10, 26-10 or 28-10. Pursuant to Ordinance Number 04-15, the City imposed an additional 3% tax upon transient lodging. The revenues generated by the additional 3% tax upon transient lodging are not pledged as Excise Taxes, and are restricted to be used to promote tourism in the City as allowed by law. Revenues generated by the City from building permits and development impact fees are not pledged to the City's payment of the 2016 Payments. Revenues received by the City from vehicle license taxes charged by the State are not pledged by the City to its payments of the 2016 Payments.

(b) The City shall remit to Trustee from the Excise Taxes on deposit in the City's special fund previously established by the City and designated as the City of Buckeye Excise Tax Fund all amounts due under this 2016 Agreement in the amounts and at the times and for the purposes as required herein. The City's obligation to make payments of any amounts due under this 2016 Agreement, including amounts due after default or termination hereof, is limited to payment from the Excise Taxes and shall in no circumstances constitute a general obligation of, or a pledge of the full faith and credit of, the City, the State of Arizona, or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem taxes.

4. **Surplus and Deficiency of Excise Taxes.** The revenues from the Excise Taxes in excess of amounts, if any, required to be paid under the Parity Obligations and deposited with or held by Trustee for payments due under this 2016 Agreement and the Trust Agreement shall constitute surplus revenues and may be used by the City for any lawful purpose for the benefit of the City, including the payment of junior lien obligations to which such Excise Taxes may from time to time be pledged. If at any time the moneys in the funds and accounts held for payment of amounts due under this 2016 Agreement or the Trust Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first Excise Tax moneys thereafter received and available for such transfers under the terms of this 2016 Agreement and, with respect to payments from the Excise Taxes, pro rata, as applicable, with amounts due with respect to Parity Obligations, and the transfer of any such sum or sums to said funds or accounts as may be necessary to make up any such deficiency shall be in addition to then-current transfers required to be made pursuant hereto and pursuant to the Parity Obligations.

5. **Use of Other Funds at the Option of the City.** The City may, at the City's sole option, make such payments from its other funds as permitted by law and as the City shall determine from time to time, but the Payee acknowledges that it has no claim hereunder to such other funds. No part of the amounts payable pursuant to this 2016 Agreement shall be payable out of any ad valorem taxes imposed by the City or from bonds or other obligations, the payment of which the City's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by the City according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

6. **Additional Parity Obligations.** So long as any of the 2016 Refunding Obligations and Parity Obligations remain outstanding and the principal and interest thereon shall be unpaid or unprovided for or any other amounts remain unpaid or unprovided for hereunder, the City will not further encumber the revenues from the Excise Taxes pledged on a basis equal to the pledge hereunder unless the revenues from the Excise Taxes, in the most recently completed Fiscal Year of the City, shall have amounted to at least two (2) times the Maximum Annual Debt Service Requirement for any succeeding Fiscal Year for the 2016 Refunding Obligations and any Parity Obligations heretofore or hereafter issued and secured, including with respect to the additional Parity Obligations so proposed to be issued. Subject to the foregoing, and to other terms and conditions set forth herein, the City shall have the right to incur future additional Parity Obligations payable from and secured by the Excise Taxes, on a parity with this Agreement. Any Additional Agency/Authority Loan Agreement and refinancing thereof, or the Existing GADA Loans and any refinancing thereof issued on a parity herewith, will have the benefit of the State Intercept of Funds (as defined herein).

7. **The City to Maintain Excise Taxes Coverage of Two Times Debt Service.**

(a) The amount of State Shared Revenues is determined by provisions of the Arizona Revised Statutes and the City has not covenanted to, and has no power to, set or maintain rates or otherwise impose taxes to increase, replace or supplement State Shared Revenues to provide for the payment of the amounts due hereunder, the Trust Agreement, the 2016 Refunding Obligations and any Parity Obligations heretofore or hereafter issued.

(b) To the extent permitted by applicable law, the revenues from the City imposed Excise Taxes shall be retained and maintained so that the amounts received from the revenues from the City imposed Excise Taxes and the State Shared Revenues, when combined mathematically for such purpose only, all within and for the most recently completed Fiscal Year of the City, shall have been equal to at least two (2) times the total of interest and principal requirements for the current Fiscal Year of the City for the 2016 Refunding Obligations and any Parity Obligations heretofore and hereafter issued or incurred by the City. If the revenues from the Excise Taxes for any such Fiscal Year shall not have been equal to at least two (2) times the total of the interest and principal requirements for the current Fiscal Year of the City for the 2016 Refunding Obligations and any Parity Obligations heretofore or hereafter issued or incurred by the City, or if at any time it appears that the revenues from the Excise Taxes will not be sufficient to meet such requirements, the City shall, to the extent permitted by applicable law, impose new exactions of the type of the Excise Taxes which will be part of the Excise Taxes or increase the rates for the Excise Taxes currently imposed in order that (a) the revenues from the Excise Taxes will be sufficient to meet all current requirements hereunder and (b) the revenues from the Excise Taxes will be reasonably calculated to attain the level as required by the first sentence of this subsection.

8. **Taxes.** In addition to the 2016 Payments to be made pursuant to Section 2 and Exhibit A hereto, the City agrees to pay, and, to the extent permitted by law, to indemnify and hold the Payee harmless for, from and against, all license, sales, use, real or personal property, gross receipts or other taxes, levies, imposts, duties or charges, together with any

penalties, fines or interest thereon (collectively, the "Taxes") imposed against or on the Payee or the City by any federal, state or local government or taxing authority, except any federal or state income taxes, if any, payable by the Payee. The Payee shall give the City ten (10) days' written notice before proceeding to pay any such Taxes. The City may in good faith and by appropriate proceedings contest any such Taxes prior to payment so long as the City shall have provided such security for the payment of any such Taxes pending the outcome of such proceedings as the Payee shall reasonably approve.

9. Reserved.

10. Reserved.

11. Reserved.

12. Indemnification.

(a) To the extent permitted by law, including the State "budget law," (and except to the extent caused by or resulting from the Payee's fraud, deceit, bad faith, willful misconduct or negligence), the City shall indemnify, protect, save and keep harmless the Payee and its agents, employees, officers and directors for, from and, at the City's expense, defend the Payee and its agents, employees, officers and directors against any and all liability, obligations, losses, damages, penalties, claims, actions, costs and expenses (including but not limited to reasonable attorneys' fees) of whatsoever kind and nature imposed on, incurred by or asserted against the Payee or its agents, employees, officers and directors which in any way relate to or arise out of this 2016 Agreement or the reasonable and necessary actions or omissions of the Payee relating to this 2016 Agreement.

(b) The Payee, promptly after determining that any event or condition which requires or may require indemnification by the City hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, shall notify the City in writing of such circumstances or action (the "Notification"). Upon giving of the Notification, the Payee shall cooperate fully with the City in order that the City may defend, compromise or settle any such matters or actions which may result in payment by the City hereunder. The City shall give the Payee notice of its election within fifteen (15) days after receiving the Notification whether the City, at its sole cost and expense, shall represent and defend the Payee in any claim or action which may result in a request for indemnification hereunder. If the City timely gives the notice that it will represent and defend the Payee thereafter, the Payee shall not settle or compromise or otherwise interfere with the defense or undertakings of the City hereunder. The City shall not settle or compromise any claim or action against the Payee without the written approval of the Payee, except to the extent that the City shall pay all losses and the Payee shall be fully released from such claim or action. The City shall be subrogated to the Payee's rights with respect to such events or conditions for which the City indemnifies the Payee hereunder. If the City either fails to timely give its notice or notifies the Payee that the City will not represent and defend the Payee, then the Payee may defend, settle, compromise or admit liability as it or they shall determine in the reasonable exercise of their

discretion and in an effort to minimize any claims for indemnity made hereunder. If the Payee determines it is necessary to retain separate counsel, it may do so at the City's expense.

(c) All amounts which become due from the City under this Section 12 shall be payable by the City within thirty (30) days following demand therefor by the Payee or on the earliest date thereafter on which the amount due may be lawfully included with the budget of the City and allocated for payment. The termination or expiration hereof for any reason shall not terminate the obligations of the City under this Section 12, and such obligations shall continue in effect after termination or expiration hereof, in respect of acts, omissions or other events occurring prior to such termination or expiration.

13. Representations, Warranties and Covenants.

(a) Except with respect to its power and authority to enter into this 2016 Agreement and to perform its covenants hereunder, the Payee has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the capital facilities originally financed by the Agreement Being Refunded. All such risks shall be borne by the City without in any way excusing the City from its obligations under this 2016 Agreement and the Payee shall not be liable to the City for any damages on account of such risks. Except with respect to any acts by the Payee which are not undertaken either (i) at the City's request, or (ii) with the City's prior approval, the City agrees to waive all claims against the Payee growing out of the capital facilities originally financed with the Agreement Being Refunded.

(b) The City represents, warrants and covenants that it has the power to enter into this 2016 Agreement, that this 2016 Agreement is a valid and binding obligation of the City, enforceable against the City in accordance with its terms, and has been duly authorized, executed and delivered by the City; that all required procedures for execution and performance hereof, including publication of notice, public hearing or competitive bidding, if applicable, have been or will be complied with in a timely manner; that all 2016 Payments hereunder will be paid when due out of funds which are legally available for such purposes.

(c) The City represents, warrants and covenants that it has disclosed in writing to the Payee all facts that do or will materially adversely affect the properties, operations or financial condition of the City and that any financial statements, notices or other written statements provided by the City to the Payee pursuant hereto will not contain any untrue statement of a material fact or omit any material fact necessary to make such statements or information not misleading.

14. Prepayment Permitted; Providing for the 2016 Payments.

a. The City may prepay any 2016 Payments in order to cause the redemption or purchase of the 2016 Refunding Obligations as provided in Article IV of the Trust Agreement.

b. The City may provide for the payment of any 2016 Payment in any one or more of the following ways:

1. by paying such 2016 Payment as provided herein as and when the same becomes due and payable at its scheduled due date pursuant to Section 2 hereof;

2. by depositing with a Depository Trustee, in trust for such purposes, at or before maturity, money which, together with the amounts then on deposit with the Payee and available for such 2016 Payment is fully sufficient to make, or cause to be made, such 2016 Payment; or

3. by depositing with a Depository Trustee, in trust for such purpose, any United States Obligations which are noncallable, in such amount as shall be certified to the Payee and the City, by a national firm of certified public accountants acceptable to both the Payee and the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with the Payee and available for such 2016 Payment, to make, or cause to be made, such 2016 Payment, as and when the same becomes due and payable at or before maturity.

A Depository Trustee shall be any bank or trust company, including the Payee, with a combined capital and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or State authority who holds money and securities in trust for the purposes set forth in subparagraphs (2) or (3) above.

15. Reserved.

16. Defaults and Remedies.

(a) (i) Upon (A) the nonpayment of the whole or any part of any 2016 Payment or other amount due at the time when the same is to be paid on the 2016 Refunding Obligations or any Parity Obligations, (B) the violation by the City of any other covenant or provision of this 2016 Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect the 2016 Refunding Obligations or any Parity Obligations heretofore or hereafter issued or incurred by the City, or (D) the insolvency or bankruptcy of the City as the same may be defined under any law of the United States of America or the State of Arizona, or any voluntary or involuntary action of the City or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any payment of principal and interest due on the 2016 Refunding Obligations or any Parity Obligations on their respective due dates; (B) in the case of nonpayment of the Rebate Amount on the due date; (C) in the case of the breach of any other covenant or provision of this 2016 Agreement or the Trust Agreement or the Parity Obligations not cured within sixty (60) days after notice in writing of such default from the Payee to the City, or from GADA to the City in the case of the Existing GADA Loans; and (D) in the case of any other default under any Outstanding 2016 Refunding Obligations and any Parity Obligations heretofore or hereafter issued or incurred by the City after any notice and passage of time provided for under the

proceedings under which such 2016 Refunding Obligations and any Parity Obligations were issued then:

(1) GADA, solely with respect to any Parity Obligations that are the Existing GADA Loans or Additional Agency/Authority Loan Agreements with GADA, may in the case of nonpayment, certify to the State treasurer and notify the Mayor and City Council of the City that the City has failed to make a required payment and direct a withholding of State Shared Revenues as provided in A.R.S. Sections 41-2257(I), (J), (K), (L) and (M) (the "State Intercept of Funds"),

(2) The Payee may, subject to the action of GADA described in subsection (1) above, take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable by the City under the 2016 Refunding Obligations and Parity Obligations, then due, or to enforce performance and observance of any pledge, obligation, agreement, or covenant of the City under this 2016 Agreement, the Trust Agreement or any Parity Obligations, and

(3) The Payee may, subject to the action of GADA described in subsection (1) above, with respect to the revenues from the Excise Taxes, without notice and without giving any bond or surety to the City or anyone claiming under the City, have a receiver pursue any other remedy at law or in equity, including the remedy of specific performance.

In the event of nonpayment, GADA would exercise its remedies as described in subsection (1) above and withhold the State Shared Revenues before the Payee could exercise its remedies with respect to such State Shared Revenues, but with respect to the Excise Taxes, GADA's and the Payee's remedies are on a parity with respect to the 2016 Refunding Obligations.

(b) The City's obligations under this 2016 Agreement, the Trust Agreement and any Parity Obligations, including, without limitation, its obligation to make the required payments hereunder, shall survive any remedies exercised as provided in this Section 16, and the City shall continue to pay the 2016 Payments due hereunder and perform all other obligations provided in this 2016 Agreement, the Trust Agreement and any Parity Obligations; provided, however, that the City shall be credited with any amount received by GADA pursuant to exercise of remedies under this Section 16.

17. Intercept of State Shared Revenues. The City acknowledges that a failure to pay principal of and interest on the Existing GADA Loans and any Additional Agency/Authority Loan Agreements with GADA, when due, shall result in the withholding of certain State Shared Revenues otherwise due to the City, as required by Sections 41-2257(L) and (M), Arizona Revised Statutes, as amended.

18. Assignment. Except as otherwise provided herein, without the prior written consent of the Payee, the City shall not assign, transfer, pledge or hypothecate or otherwise dispose of this 2016 Agreement, or any interest therein,

19. Reserved.

20. Reserve Fund. The Trustee shall create a separate and special fund to be held in the custody of the Trustee under the Trust Agreement. Said fund shall be designated the "City of Buckeye 2016 Reserve Fund" (and which shall also be known as the "Reserve Fund").

The Reserve Fund may contain any of the following: cash, an insurance policy, Reserve Fund Guaranty or other form of security.

If required to be funded under the terms of the Trust Agreement, moneys in the Reserve Fund shall be maintained in an amount not less than the Reserve Fund Requirement in accordance with the Trust Agreement. If at any time the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement, the Trustee shall so notify the City and the City shall be required to immediately restore from the Excise Taxes the amount on deposit in the Reserve Fund to an amount equal to the Reserve Fund Requirement. No amount of the Excise Taxes shall be considered surplus revenues or available to the City until the Reserve Fund has been restored to the Reserve Fund Requirement. If the Reserve Fund contains a Reserve Fund Guaranty, surety bond or other form of security, restoration of the Reserve Fund shall include payment to the provider of the Reserve Fund Guaranty, surety bond or other form of security of all amounts due under any agreement with such provider, including reimbursement of any amount drawn on the surety bond or other form of security, interest thereon until repaid and any costs associated therewith, all of which shall be additional lease payments hereunder.

If on any Computation Date, the total amount in the Reserve Fund exceeds the Reserve Fund Requirement, an amount equal to such excess shall be transferred from the Reserve Fund and shall be applied by the Trustee to the 2016 Payments hereunder. Except for such excess amounts, moneys on deposit in the Reserve Fund shall be used only to make up any deficiencies in the Excise Taxes for the 2016 Payments and to pay amounts due as reimbursement of any amounts drawn on any Reserve Fund Guaranty, surety bond or other form of security and any interest thereon.

Any investment earnings allocated to the Reserve Fund after deduction of amounts to be set aside for rebate to the federal government pursuant to the Trust Agreement shall be used first to cause the amount on deposit in the Reserve Fund to equal the Reserve Fund Requirement or to reimburse any amounts drawn on the Reserve Fund Guaranty, surety bond or other form of security and any interest thereon, as provided in the Trust Agreement and, to the extent not necessary for such purpose, shall be applied by the Trustee to the Payment Fund or to any other payment fund for Outstanding Parity Obligations for which a separate reserve fund is not established.

21. Miscellaneous.

(a) No covenant or obligations herein to be performed by the City may be waived except by the written consent of the Payee and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude the Payee from invoking such remedy at any later time prior to the City's cure of the condition giving rise to such remedy.

(b) This 2016 Agreement shall be construed and governed in accordance with the laws of the State in effect from time to time.

(c) This 2016 Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, supplemented, altered or changed in any respect except by a written document signed by both the Payee and the City.

(d) Any term or provision hereof found to be prohibited by law or unenforceable or which would cause this 2016 Agreement to be invalid, prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, causing the remainder of this 2016 Agreement to be invalid, prohibited by law or unenforceable.

(e) The Payee hereunder shall have the right at any time or times, by notice to the City, to designate or appoint any person or entity to act as agent or trustee for the Payee for any purposes hereunder.

(f) Use of the neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the masculine or feminine gender whenever and wherever appropriate.

(g) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(h) Except as otherwise provided herein, this 2016 Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, assigns and personal representatives, as the case may be. Any person or entity acquiring any interest in or to the Payee's right, title or interest herein shall be and have the rights of a third party beneficiary hereunder.

22. Notices; Mailing Addresses. All notices, consents or other communications required or permitted hereunder shall be deemed sufficient if given in writing addressed and mailed by registered or certified mail, or delivered to the party for which the same is intended or certified, as follows:

If to the Payee: U.S. Bank National Association
101 North First Avenue, Suite 1600
Phoenix, Arizona 85003
Attn: Corporate Trust Services
(602) 257-5430

If to the City: City of Buckeye, Arizona
530 East Monroe Avenue
Buckeye, Arizona 85326
Attn: City Manager
(623) 386-4691

with a copy to: Gust Rosenfeld P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004
Telecopy No. (602) 340-1538
Attn: Mr. Scott W. Ruby
(602) 257-7432

23. **Tax Covenants.** In consideration of the acceptance and execution of this 2016 Agreement by the Payee and the purchase of the 2016 Refunding Obligations by the Owners thereof, from time to time, and in consideration of retaining the exclusion of interest income from gross income on this 2016 Agreement and the 2016 Refunding Obligations for federal income tax purposes, the City covenants with the Payee and the 2016 Refunding Obligation Owners from time to time 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 this 2016 Agreement or the 2016 Refunding Obligations to become subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution hereof or such laws as they may be modified or amended or tax laws later adopted.

The City agrees that it will comply with such requirement(s) and will take any such action(s) as are necessary to prevent interest income on this 2016 Agreement or the 2016 Refunding Obligations 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 special counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating hereto; 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 hereto; and limiting the use of the proceeds hereof and property financed thereby.

In consideration for the issuance of tax-exempt obligations, the City agrees to be the ultimate obligor for the payment of arbitrage rebate should the amounts held in the Arbitrage Rebate Fund be insufficient to make all payments required by Section 148(f)(3) of the Code, or any succeeding sections. The City shall cause to be prepared each completed Form 8038-T as

may be required pursuant to the Trust Agreement and direct the Trustee to file it and remit such payment all as may be necessary to comply with Section 148(f)(3) of the Code, or any succeeding sections as may be applicable.

24. Reserved.

25. Reserved.

26. Notice as to Conflict of Interest. A.R.S. Section 38-511 provides that the City may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, the City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City from any other party to the contract arising as a result of the contract.

27. Reserved.

28. Payee as Trustee. The Payee is at times acting hereunder in its capacity as Trustee pursuant to the Trust Agreement and the term "Payee," when used herein, shall also mean the Trustee as defined in the Trust Agreement.

29. E-Verify Requirements. To the extent applicable under A.R.S. Section 41-4401, the Trustee and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. Section 23-214(A). The Trustee or its subcontractors' breach of the above-mentioned warranty shall be deemed a material breach of this 2016 Agreement and the Trust Agreement and may result in the termination of the Trustee's services by the City. The City retains the legal right to randomly inspect the papers and records of the Trustee or its subcontractor employee who work on this 2016 Agreement or the Trust Agreement to ensure that the Trustee and its subcontractors are complying with the above-mentioned warranty.

The Trustee and its subcontractors warrant to keep the papers and records open for random inspection by the City during the Trustee's normal business hours. The Trustee and its subcontractors shall cooperate with the City's random inspections including granting the City entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

IN WITNESS WHEREOF, the parties have executed this 2016 Agreement as of the first day of _____ 1, 2016.

PAYEE:

U.S. BANK NATIONAL ASSOCIATION

By _____
Its _____

STATE OF ARIZONA
COUNTY OF MARICOPA

On this _____ day of _____, 2016, before me personally appeared _____, the _____ of U.S. Bank National Association, a national banking association, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he/she signed the above/attached document on behalf of the Payee.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

(Seal and Expiration Date)

Notary Public in and for the State of Arizona

CITY:

CITY OF BUCKEYE, ARIZONA

By _____
Jackie A. Meck, Mayor

ATTEST:

By _____
Lucinda J. Aja, City Clerk

STATE OF ARIZONA
COUNTY OF MARICOPA

On this ___ day of _____, 2016, before me personally appeared Jackie A. Meck, the Mayor of the City of Buckeye, Arizona, a municipal corporation and political subdivision under the laws of the State of Arizona, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he/she signed the above/attached document on behalf of the City.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

(Seal and Expiration Date)

Notary Public in and for the State of Arizona

EXHIBIT A

PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
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TOTAL

TRUST AGREEMENT

by and between

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

and

THE CITY OF BUCKEYE, ARIZONA

Dated as of _____ 1, 2016

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EXHIBIT A	FORM OF 2016 REFUNDING OBLIGATION
EXHIBIT B	FORM OF REQUISITION FOR COSTS OF ISSUANCE

TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of _____ 1, 2016 (the "Trust Agreement" or "Agreement"), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee (the "Trustee"), and THE CITY OF BUCKEYE, ARIZONA, a municipal corporation organized under the laws of the State of Arizona (the "City");

WITNESSETH:

WHEREAS, the City is the successor in interest to the Town of Buckeye, Arizona (the "Town"), and the City has acceded to all assets and liabilities of the Town; and

WHEREAS, the City previously pledged certain of its revenues (the "Excise Taxes," which term is inclusive of the City's "State Shared Revenues", as each term is further defined herein) to the payments due under certain agreements related to obligations, of which the following are currently Outstanding (as defined herein):

(i) \$1,050,000 (of \$1,795,000 originally executed and delivered) of the City's Excise Tax Revenue Refunding Obligations, Series 2010 (the "2010 Refunding Obligations");

(ii) \$5,955,000 (of \$6,565,000 originally executed and delivered) of the City's Excise Tax Revenue Refunding Obligations, Series 2015 (the "2015 Refunding Obligations"); and

(iii) \$51,260,000 (the entire amount originally executed and delivered) of the City's Excise Tax Revenue Obligations, Series 2015 (the "2015 Obligations"); and

WHEREAS, the City also previously pledged its Excise Taxes to the payment of amounts due pursuant to certain loan repayment agreements with the Greater Arizona Development Authority ("GADA"), of which the following are currently Outstanding:

(i) \$13,080,000 of the \$14,730,000 Loan Repayment Agreement, dated as of March 2, 2006, by and between the City and GADA (the "Agreement Being Refunded"); and

(ii) \$1,750,000 of the \$2,200,000 Loan Repayment Agreement, dated as of May 1, 2007, by and between the City and GADA (the "2007 GADA Loan", and together with the Agreement Being Refunded, the "Existing GADA Loans"); and

WHEREAS, the City now desires to prepay and refinance the Agreement Being Refunded in full in advance of its maturity; and

WHEREAS, the City used the proceeds of the Agreement Being Refunded to finance or refinance the acquisition, construction, improvement, equipping and operation of certain capital facilities of the City, including a municipal complex; and

WHEREAS, the payments due from the City in connection with the 2010 Refunding Obligations, the 2015 Refunding Obligations, the 2015 Obligations and the Existing GADA Loans (collectively, the "Existing Obligations") have a parity lien on the Excise Taxes and pursuant to the proceedings establishing the pledge and lien for the Existing Obligations, the City, upon satisfaction of certain conditions, may authorize the execution and delivery of additional obligations secured by a parity lien on the City's Excise Taxes; and

WHEREAS, for the purpose of prepaying and refinancing the Agreement Being Refunded, the City has heretofore agreed to make its payments (the "2016 Payments") to the Trustee pursuant to an Agreement, dated as of _____ 1, 2016 (the "2016 Agreement"), by and between the City, as payor, and the Trustee, as payee (the "Payee"); and

WHEREAS, pursuant to the 2016 Agreement the City has pledged its Excise Taxes to the payment of the 2016 Payments, and such pledge is on parity with the City's pledge related to payments due in connection with the Existing Obligations; and

WHEREAS, the City has authorized the execution and delivery of \$ _____ aggregate principal amount of its Excise Tax Revenue Refunding Obligations, Series 2016 (the "2016 Refunding Obligations" and, individually, each a "2016 Refunding Obligation"), each evidencing a proportionate, undivided interest in the 2016 Agreement and the 2016 Payments made by the City in accordance therewith, in order to provide monies to (i) prepay and refinance the Agreement Being Refunded in advance of its maturity (the "Refunding"), and (ii) pay all or a portion of the Costs of Issuance (as defined herein) of the 2016 Refunding Obligations; and

WHEREAS, the City has determined that all acts and things have been done and performed which are necessary to make this Trust Agreement a valid and binding agreement for the security for the 2016 Refunding Obligations authenticated and delivered pursuant hereto;

NOW, THEREFORE, in consideration for the 2016 Refunding Obligations executed, delivered and Outstanding in accordance with this Trust Agreement, the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the 2016 Refunding Obligations by the Owners (as defined herein), and to secure the payment of principal thereof and interest thereon (to the extent provided herein), the rights of the Owners of the 2016 Refunding Obligations and the performance and the observance of the covenants and conditions contained in the 2016 Refunding Obligations, the 2016 Agreement and herein, the Trustee hereby declares an irrevocable trust and acknowledges its acceptance of all right, title and interest in and to the following described trust estate:

A. All right, title and interest of the Trustee, in its role as Payee, in and to the 2016 Agreement, the 2016 Payments (including any Prepayments (as defined herein)) and any other amounts payable by the City pursuant to the 2016 Agreement (except any rebate payments

made pursuant to Section 23 of the 2016 Agreement) and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all such revenues, receipts and other sums of money payable or receivable thereunder, (ii) to bring acts and proceedings thereunder or for the enforcement of such rights, and (iii) to do any and all other things which the Trustee, as Payee, is or may become entitled to do thereunder;

B. All right, title and interest of the Trustee in and to amounts on deposit from time to time in the funds and accounts created pursuant hereto, subject to the provisions hereof permitting the application thereof for the purposes and on the terms and conditions set forth herein;

C. The right to enforce the 2016 Agreement and receive payment from the Excise Taxes of amounts due under the 2016 Agreement; and

D. All rights declared in trust by the Trustee shall be administered by the Trustee according to the provisions hereof and for the equal and proportionate benefit of the Owners of the 2016 Refunding Obligations.

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors and assigns, forever, subject, however, to the rights of the City, its successors and assigns, under the 2016 Agreement.

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the 2016 Refunding Obligations authenticated and delivered hereunder and Outstanding; and conditioned, however, that if the City shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event, this Trust Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereafter set forth.

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.1 shall, for all purposes of this Trust Agreement, have the meanings herein specified.

"Additional Agency/Authority Loan Agreements" means any additional loan from GADA or any loan from the Water Infrastructure Finance Authority of Arizona subject to Section 49-1225(F) or 49-1245(F), Arizona Revised Statutes, as amended, hereafter consummated.

"Agreement Being Refunded" means the Outstanding amount of the loan incurred by the City pursuant to that certain Loan Repayment Agreement, dated as of March 2, 2006, by and between the City, as borrower, and GADA.

"Annual Current Principal Requirement" means, for any Fiscal Year, the amount of principal coming due during such Fiscal Year on the 2016 Refunding Obligations and any Parity Obligations.

"Annual Debt Service Requirement" means, for any Fiscal Year, the Annual Current Principal Requirement for that Fiscal Year and the amount required to be deposited to pay interest on any Parity Obligations and the 2016 Refunding Obligations in that Fiscal Year. For the purpose of compliance with the requirements of Section 6.4 of this Trust Agreement with respect to the proposed issuance of any Parity Obligations, such proposed Parity Obligations shall be treated as Outstanding for the determination of the Annual Debt Service Requirement. For the computation of Annual Debt Service Requirement, (i) debt service on Credit Enhanced Indebtedness shall be deemed to include any periodic fees payable to the issuer of any liquidity or credit facility as a condition to such issuer's commitment to purchase such obligations upon tender or to provide moneys necessary for payment of principal of and interest on such obligations when due, and (ii) debt service on Credit Enhanced Indebtedness shall not be based upon the terms of any reimbursement obligation to the issuer of any liquidity or credit facility except to the extent and for periods during which payments are required to be made pursuant to such reimbursement obligation as a result of the issuer's unreimbursed advances of funds thereunder.

"Authorizing Resolution" means Resolution No. 04-16, passed, adopted and approved by Mayor and Council of the City on February 2, 2016.

"Bankruptcy Counsel" means nationally recognized counsel experienced in bankruptcy matters selected by the City. Bankruptcy counsel may be counsel to the City.

"Bond Insurance Policy" means any irrevocable Municipal Bond Insurance Policy issued by the 2016 Insurer insuring the payments of the principal of and interest on all or any of the 2016 Refunding Obligations in accordance with the terms thereof.

"Book-Entry-Only System" means, as to the 2016 Refunding Obligations, a system under which (i) physical 2016 Refunding Obligation certificates in fully registered form are issued only to the DTC or its nominee as Owner, or any successor to DTC, and (ii) the ownership of beneficial interests in the 2016 Refunding Obligations and principal of, premium, if any, and interest thereon may be transferred only through a book entry made by others than the City or the Trustee. The records maintained by entities other than the City or the Trustee constitute the written record that identifies the owners, and records the transfer of beneficial interests in those 2016 Refunding Obligations for purposes of payment of principal, premium, if any, and interest thereon.

"Business Day" means a day of the year other than Saturday, Sunday or a day on which banks in the State are authorized by law or executive order to close or on which the New York Stock Exchange is closed.

"City" means the City of Buckeye, Arizona, a municipal corporation and a political subdivision of the State.

"City Representative" means the City Manager or Finance Director or any other person authorized by the City Manager or Mayor and Council of the City to act on behalf of the City with respect to this Trust Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means the first Business Day in June and December.

"Closing Date" means with respect to the 2016 Refunding Obligations, _____, 2016.

"Costs of Issuance" means the costs incurred by the City with respect to the issuance of the 2016 Refunding Obligations. Such costs may include, without limitation, the fees and costs of financial advisors, bond counsel, underwriter's counsel, disclosure counsel, financial feasibility studies, rating agencies, registrars and paying agents initial fees, and publication of preliminary official statements and official statements related to the initial sale of the 2016 Refunding Obligations.

"Credit Enhanced Indebtedness" means (i) any series of Parity Obligations payment when due of the principal of and interest on which is fully secured by an irrevocable letter of credit, surety bond, insurance policy or other credit facility or arrangement pursuant to which the City is obligated to reimburse the issuer thereof for advances made thereunder to pay such principal or interest, or (ii) any series of Parity Obligations, a feature of which is an option on the part of the owners thereof to tender, or a requirement that such owners tender, all or a portion of such Parity Obligations to the City, or a trustee or other fiduciary for such owners, or another party, for payment of a purchase price or similar payment prior to their specified maturity or due date, if and to the extent that a party other than the City has undertaken to provide the monies necessary for such payment, or (iii) if applicable, the 2016 Refunding Obligations.

"Default Rate" shall mean the rate per annum equal to the lower of the maximum rate permitted by law or the rate that U.S. Bank National Association announces from time to time at its principal office as its prime lending rate for domestic commercial loans, such rate to change on the effective date of each change in the announced rate.

"Defeasance Obligations" means:

1. Cash but only if legal tender of the United States of America.
2. U.S. Treasury certificates, notes and bonds (including State and Local Government Series – "SLGs").
3. U.S. Treasury bills, notes and bonds, as traded on the open market that comply with federal tax law.
4. Such other obligations or investments as described in the 2016 Depository Trust Agreement.

"Depository Trustee" means any bank or trust company, which may include the Trustee, meeting the requirements of, and designated to act as, Depository Trustee pursuant to Section 13.1 of this Trust Agreement.

"DTC" means The Depository Trust Company (a limited purpose trust company), New York, New York, until a successor depository shall have become such pursuant to the applicable provisions of this Trust Agreement and, thereafter, DTC shall mean the successor to DTC. DTC is a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book-Entry-Only System to record ownership of beneficial interests in the 2016 Refunding Obligations

"Electronically" or "Electronic" notice means notice transmitted through a time-sharing terminal, computer network or facsimile machine, if operative as between any two parties, or if not operative, by telephone (promptly confirmed in writing).

"Event of Default" means an event of default under the 2016 Agreement, or with respect to any Parity Obligations, an event of default specified thereunder.

"Excise Taxes" means all unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the City imposes and State Shared Revenues; provided that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council and which, if so restricted, will not be deemed Excise Taxes for purposes of this Trust Agreement and the 2016 Agreement. Unless specifically pledged by the city to be on a basis senior to, or on a parity with, the pledge described in the Authorizing Resolution, the City's pledge of, and first lien on, its Excise Taxes granted and conveyed by the Authorizing Resolution is superior to, and shall have a priority over, any other pledge, agreement or financial policy of the City, including any designation or allocation made

under Ordinance Numbers 23-10, 26-10 or 28-10. Pursuant to Ordinance 04-15, the City imposed an additional 3% tax upon transient lodging. The revenues generated by the additional 3% tax upon transient lodging will not be deemed Excise Taxes for purposes of this Trust Agreement and the 2016 Agreement. Revenues generated by the City from building permits and development impact fees will not be deemed Excise Taxes for purposes of this Trust Agreement and the 2016 Agreement. Revenues received by the City from vehicle license taxes charged by the State will not be deemed Excise Taxes for purposes of this Trust Agreement and the 2016 Agreement.

"Existing GADA Loans" means, together, the Agreement Being Refunded and the 2007 GADA Loan.

"Existing Obligations" means the amounts Outstanding of the Agreement Being Refunded, the 2007 GADA Loan, and the payments due from the City in connection with the 2010 Refunding Obligations, the 2015 Refunding Obligations and the 2015 Obligations on a parity with City's pledge of and lien on the Excise Taxes for the payment of the 2016 Payments in connection with the the 2016 Refunding Obligations. It is anticipated that upon the execution and delivery of the 2016 Refunding Obligations the Agreement Being Refunded shall no longer be included as an Existing Obligation.

"F.A.S.T." shall mean DTC's fast automated securities transfer procedures, wherein the 2016 Refunding Obligations are fully paid for by the Underwriter and are deemed delivered to DTC notwithstanding that the Trustee, as registrar, continues to hold such 2016 Refunding Obligations in custody for DTC.

"Fiscal Year" means the period commencing each July 1 and ending June 30 of the succeeding calendar year, unless otherwise determined and designated by the City, and the Excise Taxes shall be accounted for on that basis.

"Fitch" means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"GADA" means the Greater Arizona Development Authority, a body corporate and politic constituting a governmental instrumentality duly organized and existing within the State under the Constitution and the laws of the State.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the City or the Trustee.

"Insurance Trustee" means the trustee designated by the 2016 Insurer as provided in Section 5.10.

"Interest Payment Date" means each of the dates specified in Section 2.4 hereof on which interest is due and payable with respect to the 2016 Refunding Obligations.

"Market Value" means the indicated bid value of the investment or investments to be valued as shown in the Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

"Maximum Annual Debt Service Requirement" means the greatest Annual Debt Service Requirement required to be paid in any Fiscal Year ending then or thereafter on or under the Outstanding Parity Obligations and the 2016 Refunding Obligations.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Notification" means the indemnification notification from the Trustee to the City as described in Section 11.3 hereof.

"Outstanding", when used as of any particular time with respect to 2016 Refunding Obligations, means (subject to the provisions of Section 9.3 hereof) all 2016 Refunding Obligations theretofore executed and delivered by the Trustee hereunder except:

(1) 2016 Refunding Obligations theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) 2016 Refunding Obligations for the payment of which funds or noncallable United States Obligations in the necessary amount shall have theretofore been deposited with a Depository Trustee (whether upon or prior to the maturity of such 2016 Refunding Obligations); and

(3) 2016 Refunding Obligations in lieu of or in exchange for which other 2016 Refunding Obligations shall have been executed and delivered by the Trustee pursuant to Section 2.9 hereof.

When used as of any particular time with respect to Parity Obligations, Outstanding means all such Parity Obligations theretofore executed and delivered under the applicable authorizing documents except (i) those which have been cancelled or surrendered for cancellation; (ii) those for which payment has been irrevocably provided for with funds or noncallable United States Obligations in the necessary amount and all other actions have been taken as required under the authorizing documents for the payment thereof; and (iii) those in lieu of or in exchange for which other Parity Obligations shall have been executed and delivered pursuant to the authorizing documents therefor.

"Owner" means any person who shall be the registered owner of any Outstanding 2016 Refunding Obligation or Parity Obligation.

"Parity Obligations" means and includes the Existing Obligations, any Additional Agency/Authority Loan Agreements and any bonds, lease purchase agreements, purchase agreements or other obligations authorized on a parity with the 2016 Refunding Obligations as to their lien on Excise Taxes in accordance with the terms and conditions of Section 6.4 hereof.

"Payee" means the Trustee in its trust capacity as Payee in accordance with the 2016 Agreement.

"Payment Date" means any date on which a 2016 Payment is due from the City pursuant to the 2016 Agreement.

"Payment Fund" means the fund by that name established and held by the Trustee pursuant to Article V hereof.

"Permitted Investments" means investments that are permitted under Arizona Revised Statutes §§ 35-323 and 35-324:

1. Certificates of deposit in eligible depositories.
2. Deposits in one or more federally insured banks or savings and loan associations placed in accordance with the procedures prescribed in Arizona Revised Statutes § 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this State whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible Depository to the same extent and in the same manner as required under Arizona Revised Statutes Title 35, Article 2.1.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.
5. The pooled investment funds established by the State treasurer pursuant to Arizona Revised Statutes § 35-326.
6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
7. Bonds, notes or other evidences of indebtedness of this State or any of its counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants that shall bear interest pursuant to Arizona Revised Statutes § 11-635.
8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district of any state that are payable from revenues,

earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.

9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:

- (a) The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the Bonds or the assessments for the payment of principal and interest on the Bonds are liens inferior only to the liens for general ad valorem taxes.
- (b) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.

11. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.

12. Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association.

13. Securities of or any other interests in any open-end or closed-end management type investment company or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by state law, registered under the investment company act of 1940 (54 Stat. 789; 15 United States Code sections 80a-1 through 80a-64), as amended.

14. Fixed income securities of corporations organized and doing business in any state of the United States or the District of Columbia which carry one of the two highest

ratings of Moody's and S&P or their successors. If only one of the above mentioned services rates the security, it must carry the highest rating of that service. If a rating change occurs after purchase, it is not mandatory to sell the security.

15. Investments in money-market funds rated, at the time of purchase, "AAAm" or "AAAm-G" by S&P and, if rated by Moody's, rated "AAA", "AA-1" or "AA-2".

"Prepayment" means any payment applied towards the prepayment of the 2016 Payments, in whole or in part, pursuant to Section 14 of the 2016 Agreement.

"Rebate Amount" means for the 2016 Refunding Obligations and the Existing Obligations, as of each Rebate Calculation Date for such 2016 Refunding Obligations and the Existing Obligations, an amount equal to the sum of (i) plus (ii) computed in accordance with Section 148(f) of the Code, where:

(i) is the excess of:

(a) the aggregate amount earned from the date of issuance of such 2016 Refunding Obligations or the Existing Obligations on all nonpurpose investments in which gross proceeds of such 2016 Refunding Obligations or the Existing Obligations are invested (other than investments attributable to an excess described in this clause (i)) including any gain or deducting any loss from disposition of nonpurpose investments, over

(b) the amount that would have been earned if those nonpurpose investments (other than amounts attributable to an excess described in this clause (i)) had been invested at a rate equal to the yield on such 2016 Refunding Obligations or the Existing Obligations; and

(ii) is any income attributable to the excess described in clause (i) of this definition.

"Rebate Calculation Date" means, for each of the 2016 Refunding Obligations or the Existing Obligations (i) the last day of each annual period provided for the computation of Rebate Amount under Section 148(f) of the Code for such Series and (ii) the date of retirement of the last bond of such 2016 Refunding Obligations or Existing Obligations.

"Record Date" means the close of business of the Trustee on the fifteenth day of the month preceding an Interest Payment Date.

"Reserve Fund" means the fund of that name established and, if funded, held by the Trustee pursuant to Article V hereof.

"Reserve Fund Guarantor" shall mean any issuer of a Reserve Fund Guaranty.

"Reserve Fund Guaranty" shall mean a letter of credit, surety bond or similar arrangement representing the irrevocable obligation of a Reserve Fund Guarantor to pay to the Trustee upon request made by the Trustee up to an amount stated therein for application as provided in Section 5.9 hereof.

"Reserve Fund Guaranty Agreement" shall mean the reimbursement agreement, loan agreement or similar agreement between the City and a Reserve Fund Guarantor with respect to repayment of amounts advanced under the Reserve Fund Guaranty.

"Reserve Fund Guaranty Coverage" shall mean the amount available at any particular time to be paid to the Trustee under the terms of the Reserve Fund Guaranty.

"Reserve Fund Requirement" means, if the Reserve Fund is required to be funded, an amount equal to the least of (1) ten percent (10%) of the stated principal amount of the then Outstanding 2016 Refunding Obligations, provided, however, that the incremental increase of the Reserve Fund Requirement with respect to an issue of Parity Obligations does not exceed ten percent (10%) of the stated principal amount of such issue, (2) the Maximum Annual Debt Service Requirement or (3) one hundred twenty-five percent (125%) of the average Annual Debt Service Requirement. During the 5-year build up of the Reserve Fund, if funding of the Reserve Fund is required, the Reserve Fund Requirement on any date shall be that portion of the Reserve Fund Requirement which was required to have been deposited by such date. If the Reserve Fund is not required to be funded, the Reserve Fund Requirement is \$0.00.

"Reserve Fund Value" means the aggregate of (i) the Reserve Fund Guaranty Coverage, and (ii) moneys and investments credited to the Reserve Fund; and whereby the value of such investments is the Market Value of such investments.

"S&P" means Standard & Poor's Financial Services LLC, a division of the McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"State" means the State of Arizona.

"State Shared Revenues" means all received amounts of excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State or any agency thereof and returned, allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes. Revenues received by the City from vehicle license taxes charged by the State are not deemed State Shared Revenues for purposes of this Trust Agreement or the 2016 Agreement.

"Trust Agreement" means this Trust Agreement, together with any amendments or supplements hereto permitted to be made hereunder.

"Trustee" means U.S. Bank National Association, or any successor thereto acting as Trustee pursuant to this Trust Agreement.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the 2016 Refunding Obligations.

"United States Obligations" means any bonds or other obligations which are direct obligations of or fully guaranteed as to timely payment of principal, interest and any premium by the United States of America (including Refcorp Strips).

"2007 GADA Loan" means the Loan Repayment Agreement, dated as of May 1, 2007, by and between the City and GADA.

"2010 Refunding Obligations" means the City's Excise Tax Revenue Refunding Obligations, Series 2010.

"2015 Obligations" means the City's Excise Tax Revenue Obligations, Series 2015.

"2015 Refunding Obligations" means the City's Excise Tax Revenue Refunding Obligations, Series 2015.

"2016 Agreement" means that certain Agreement, dated as of _____ 1, 2016, by and between the City and the Trustee, as Payee, together with any duly authorized and executed amendment thereto.

"2016 Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.3 hereof and held by the Trustee.

"2016 Depository Trust Agreement" means the depository trust agreement dated as of _____ 1, 2016, by and between the 2016 Depository Trustee and the City.

"2016 Depository Trustee" means U.S. Bank National Association as depository trustee under the 2016 Depository Trust Agreement.

"2016 Insurer" means, if any, the issuer of the Bond Insurance Policy pertaining to the 2016 Refunding Obligations.

"2016 Payments" means all payments required to be paid by the City on any date pursuant to the 2016 Agreement, including but not limited to the payments set forth in Exhibit A to the 2016 Agreement.

"2016 Refunding Obligations" means the aggregate principal amount of Excise Tax Revenue Refunding Obligations, Series 2016, to be executed and delivered pursuant hereto.

Section 1.2. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

Section 1.3 Interpretation.

(a) Unless the context otherwise indicates, defined terms shall include all variants thereof, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) References herein to DTC shall include both DTC and any securities depository nominee of DTC in whose name the 2016 Refunding Obligations may be registered.

(d) Unless otherwise indicated, references herein to Articles and Sections shall be to the Articles and Sections of this Trust Agreement. The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II
THE 2016 REFUNDING OBLIGATIONS

Section 2.1. Authorization of the 2016 Refunding Obligations.

(a) The Trustee is hereby authorized and directed to execute and deliver to or hold in custody for DTC, the 2016 Refunding Obligations in an aggregate principal amount of \$ _____ evidencing proportionate, undivided ownership interests in the 2016 Agreement and all 2016 Payments and premiums, if applicable. The City is authorized to enter into this Trust Agreement pursuant to the Authorizing Resolution. The 2016 Refunding Obligations shall be issued as a single issue and shall be issued to prepay and refinance the Agreement Being Refunded in advance of its maturity and to pay the Costs of Issuance.

(b) The Trustee shall not, at any time while the 2016 Refunding Obligations are Outstanding, issue additional bonds or obligations payable from the 2016 Payments. The 2016 Refunding Obligations shall in no event be deemed an obligation or debt of the Trustee.

Section 2.2. Date. Each 2016 Refunding Obligation shall be dated the date of its initial execution and delivery, and interest with respect thereto shall be payable from such date, or from the most recent Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding 2016 Refunding Obligations.

Section 2.3. Maturities and Interest Rates. The 2016 Refunding Obligations shall be in the denomination of \$5,000 or any integral multiple thereof, except that no 2016 Refunding Obligation may have principal maturing in more than one year. The 2016 Refunding Obligations shall mature on the dates and in the principal amounts, and interest with respect thereto shall be computed at the rates, as shown below:

Maturity Date <u> (July 1) </u>	Principal <u> Amount </u>	Interest <u> Rates </u>
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Section 2.4. **Interest on 2016 Refunding Obligations.** Interest on the 2016 Refunding Obligations shall be payable on July 1, 2016 and semiannually on January 1 and July 1 of each year thereafter to and including the date of maturity or prior redemption, if applicable, whichever is earlier (each, an "Interest Payment Date"). Said interest shall represent the portion of the 2016 Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the 2016 Refunding Obligations.

The proportionate share of the portion of the 2016 Payments designated as interest with respect to any 2016 Refunding Obligation shall be computed by multiplying the portion of the 2016 Payments designated as principal with respect to such 2016 Refunding Obligation by the rate of interest applicable to such 2016 Refunding Obligation (on the basis of a 360-day year of twelve 30-day months).

Section 2.5. **Form.** The fully registered form of the 2016 Refunding Obligations and the assignment to appear thereon shall be substantially in the form set forth in Exhibit A, attached hereto and incorporated herein. If the Book-Entry-Only System is no longer in effect, the 2016 Refunding Obligations shall be in substantially the same form with such changes as may be necessary to provide for the execution and delivery of the 2016 Refunding Obligations to the beneficial owners thereof.

Section 2.6. **Execution.** The 2016 Refunding Obligations shall be executed by and in the name of the Trustee by the manual signature of an authorized representative of the Trustee. If any officer representative whose signature appears on any 2016 Refunding Obligation ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the officer representative had remained in office until the Closing Date. Any 2016 Refunding Obligation may be executed on behalf of the Trustee by such person as at the actual date of the execution of such 2016 Refunding Obligation shall be the proper officer representative of the Trustee although at the nominal date of such 2016 Refunding Obligation such person shall not have been such officer representative of the Trustee.

No 2016 Refunding Obligation shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Trust Agreement unless and until executed and delivered by the Trustee. The execution by the Trustee upon any 2016 Refunding Obligation shall be conclusive evidence that the 2016 Refunding Obligation so executed has been duly authorized and delivered hereunder and is entitled to the security and benefit of this Trust Agreement.

Section 2.7. **Book-Entry-Only System.** The 2016 Refunding Obligations shall be initially issued to DTC or its nominee for holding in a Book-Entry-Only System, without further action by the City. There shall be a single 2016 Refunding Obligation representing the entire aggregate principal amount of each maturity of the 2016 Refunding Obligations and such 2016 Refunding Obligations shall be registered in the name of DTC or its nominee, as Owner, and immobilized initially in the custody of the DTC or the Trustee.

The Trustee, pursuant to a request by the City for the removal or replacement of DTC, and upon 30 days' notice to DTC, may remove or replace DTC. The Trustee agrees to

remove or replace DTC at any time at the request of the City. No other action by the City shall be required to effect such a removal or replacement. DTC may determine not to continue to act as depository for the 2016 Refunding Obligations upon 30 days written notice to the Trustee. The Owners have no right to either a Book-Entry-Only System or a depository for the 2016 Refunding Obligations.

Notwithstanding any other provision of this Trust Agreement or the 2016 Refunding Obligations, so long as the 2016 Refunding Obligations are in a Book-Entry-Only System and DTC or its nominee is the Owner of the 2016 Refunding Obligations:

(i) Presentation. Presentation of 2016 Refunding Obligations to the Trustee at redemption or at maturity, shall be deemed made to the Trustee when the right to exercise ownership rights in the 2016 Refunding Obligations through DTC or DTC's participants is transferred by DTC on its books.

(ii) Fractionalized Representation. DTC may present notices, approvals, waivers, votes or other communications required or permitted to be made by Owners under this Trust Agreement on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the 2016 Refunding Obligations through DTC or its participants.

If the use of the Book-Entry-Only System is discontinued, then after the Trustee has made provision for notification of the beneficial owners of their beneficial interests in the 2016 Refunding Obligations by appropriate notice to the then depository, the City and the Trustee shall permit withdrawal of the 2016 Refunding Obligations from DTC, and authenticate and deliver 2016 Refunding Obligation certificates in fully registered form and in denominations authorized by this Section 2.7 to the assignees of DTC or its nominee. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement 2016 Refunding Obligation certificates) of the City.

Subject to any arrangements made by the Trustee with a depository with respect to the 2016 Refunding Obligations held in a Book-Entry-Only System, which arrangements are hereby authorized subject to the approval of the City, principal of, premium, if any, and interest shall be payable on any 2016 Refunding Obligation as provided in this Trust Agreement.

Section 2.8. **Intentionally Omitted.**

Section 2.9. **Transfer and Exchange.**

A. Transfer of 2016 Refunding Obligations. Any 2016 Refunding Obligation may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.13 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2016 Refunding Obligation for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any 2016 Refunding Obligation or 2016 Refunding Obligations shall be surrendered for transfer, the Trustee shall execute and deliver a new 2016

Refunding Obligation or 2016 Refunding Obligations in fully registered form of the same series, maturity and interest rate and for a like aggregate principal amount.

B. Exchange of 2016 Refunding Obligations. The 2016 Refunding Obligations may be exchanged at the designated corporate trust office of the Trustee for a like aggregate principal amount of 2016 Refunding Obligations of authorized denominations of the same series, maturity and interest rate. In connection with any such exchange or transfer of the 2016 Refunding Obligations, the Owner requesting such exchange or transfer shall, as a condition precedent to the exercise of the privilege of making such exchange or transfer, remit to the Trustee an amount sufficient to pay any tax, or other governmental charge required to be paid, other than one imposed by the City, or any fee or expense of the Trustee or the City with respect to such exchange or transfer.

C. Transfer of 2016 Refunding Obligations Called for Redemption. The Trustee may, but shall not be required to, exchange or register the transfer of a 2016 Refunding Obligation (i) if the 2016 Refunding Obligation has been called, or selected for call, for redemption, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of redemption. If a 2016 Refunding Obligation is transferred after having been called or selected for redemption, any notice of redemption which has been given to the transferor shall be binding on the transferee and a copy of the notice of redemption shall be delivered by the Trustee to the transferee along with the duly registered 2016 Refunding Obligation or 2016 Refunding Obligations.

Section 2.10. 2016 Refunding Obligations Mutilated, Lost, Destroyed or Stolen. If any 2016 Refunding Obligation shall become mutilated, the Trustee, at the expense of the Owner of said 2016 Refunding Obligation, shall execute and deliver a new 2016 Refunding Obligation of like tenor, series, maturity and amount in exchange and substitution for the 2016 Refunding Obligation so mutilated, but only upon surrender to the Trustee of the 2016 Refunding Obligation so mutilated. Any mutilated 2016 Refunding Obligation so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the 2016 Refunding Obligation Owner. If any 2016 Refunding Obligation shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the 2016 Refunding Obligation Owner, shall execute and deliver a new 2016 Refunding Obligation of like tenor, series, maturity and amount and numbered as the Trustee shall determine in lieu of and in substitution for the 2016 Refunding Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new 2016 Refunding Obligation delivered under this Section 2.10 and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.10. Any 2016 Refunding Obligation issued under the provisions of this Section 2.10 in lieu of any 2016 Refunding Obligation alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other 2016 Refunding Obligations secured by this Trust Agreement. The Trustee shall not be required to treat both the original 2016 Refunding Obligation and any replacement 2016 Refunding Obligation as being Outstanding for the purpose of determining the principal amount of 2016 Refunding Obligations which may be executed and delivered hereunder or for the purpose of determining any percentage of 2016

Refunding Obligations Outstanding hereunder, but both the original and replacement 2016 Refunding Obligation shall be treated as one and the same. Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new 2016 Refunding Obligation for a 2016 Refunding Obligation which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such 2016 Refunding Obligation upon receipt of the aforementioned indemnity.

Section 2.11. **Payment.** Payment of interest due with respect to any 2016 Refunding Obligation on any Interest Payment Date shall be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed by first class mail to such Owner at his or her address as it appears on such registration book. However, if the Book-Entry-Only System is in effect, then interest payable to any registered Owner of \$1,000,000 or more in principal amount of 2016 Refunding Obligations shall be paid by wire transfer in immediately available funds to an account in the United States of America if the Owner makes a written request of the Trustee at least twenty (20) days before the Interest Payment Date specifying the account address. The notice may provide that it shall remain in effect for subsequent interest payments until otherwise requested in a subsequent written notice. The principal and redemption price, if any, with respect to the 2016 Refunding Obligations shall be payable in lawful money of the United States of America upon surrender when due at the designated office of the Trustee.

Principal, interest and premium, if any, payable to any securities depository shall be paid by wire transfer.

Section 2.12. **Execution of Documents and Proof of Ownership.** Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by 2016 Refunding Obligation Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such 2016 Refunding Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of 2016 Refunding Obligations shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of 2016 Refunding Obligations by any person and the amount, the maturity and the numbers of such 2016 Refunding Obligations and the date of his holding the same be proved on the registration books maintained pursuant to Section 2.13 hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any 2016 Refunding Obligation shall bind every future Owner of the same 2016 Refunding Obligation in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.13. 2016 Refunding Obligation Register. The Trustee will keep or cause to be kept, at its designated office, sufficient books for the registration and transfer of the 2016 Refunding Obligations which shall at all times during regular business hours be open to inspection by the City and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the 2016 Refunding Obligations as hereinbefore provided.

Section 2.14. Payment of Unclaimed Amounts. In the event any check for payment of interest on a 2016 Refunding Obligation is returned to the Trustee unendorsed or is not presented for payment within two (2) years from its Interest Payment Date or any 2016 Refunding Obligation is not presented for payment of principal at the maturity date, if funds sufficient to pay such interest or principal due upon such 2016 Refunding Obligation shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Owner of such 2016 Refunding Obligation who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such 2016 Refunding Obligation or amounts due thereunder. The Trustee's obligation to hold such funds shall continue for two years and six months following the date on which such interest or principal payment became due, at maturity, at which time the Trustee shall surrender such unclaimed funds so held to the City, whereupon any claim of whatever nature by the Owner of such 2016 Refunding Obligation arising under such 2016 Refunding Obligation shall be made upon the City.

Section 2.15. Issuance and Delivery of Parity Obligations. Subject to compliance with the provisions of Article VI hereof, the City may authorize the issuance, execution and delivery of Parity Obligations from time to time.

Section 2.16 F.A.S.T. Closing. The Trustee may agree to hold the 2016 Refunding Obligations for DTC under F.A.S.T. If F.A.S.T. is used to close the sale of the 2016 Refunding Obligations, the 2016 Refunding Obligations will be deemed fully issued, delivered, and enforceable according to their terms, even though the Trustee, as registrar, retains physical custody of the 2016 Refunding Obligations after receiving full payment therefore.

ARTICLE III
APPLICATION OF PROCEEDS

Section 3.1 **Application of Proceeds.** The proceeds received by the Trustee from the sale of the 2016 Refunding Obligations, net of the Underwriter's discount, shall forthwith be set aside by the Trustee in the following respective funds and accounts:

- (1) The Trustee shall deposit the amount of \$_____ from the proceeds of the 2016 Refunding Obligations together with \$_____ received from the City as a cash contribution to the 2016 Costs of Issuance Fund; and
- (2) The Trustee shall transfer the remainder of the proceeds in the amount of \$_____ to the 2016 Depository Trustee for application in accordance with the 2016 Depository Trust Agreement to prepay and refinance in full the Agreement Being Refunded in advance of its maturity.

Section 3.2 **2016 Depository Trust Agreement.** At the date of issuance of the 2016 Refunding Obligations, the 2016 Depository Trustee and the City shall enter into the 2016 Depository Trust Agreement, pursuant to which a portion proceeds of the 2016 Refunding Obligations shall be deposited into the depository trust created in accordance with the 2016 Depository Trust Agreement. Sufficient amounts of the proceeds of the 2016 Refunding Obligations shall be deposited with the 2016 Depository Trustee and used to purchase Defeasance Obligations and create a beginning cash balance, sufficient to pay all amounts needed to discharge the Agreement Being Refunded on or before July 2, 2016. The Trustee initially shall also be the 2016 Depository Trustee of the 2016 Depository Trust Agreement.

Section 3.3 **Establishment and Application of 2016 Costs of Issuance Fund.**

(a) The Trustee shall establish and maintain in trust a separate fund designated as the "2016 Costs of Issuance Fund." Money deposited in said fund shall be used to pay Costs of Issuance with respect to the 2016 Refunding Obligations as provided in this Section.

(b) The Trustee shall make payments from the 2016 Costs of Issuance Fund, except payments and withdrawals pursuant to subsection (e) of this Section, in the amounts, at the times, in the manner and on the other terms and conditions set forth in this subsection. Before any such payment from the 2016 Costs of Issuance Fund shall be made, there shall be filed with the Trustee a requisition therefore in substantially the form set forth in Exhibit B attached hereto, signed by a City Representative. Each such requisition shall state, in respect of the payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount of such payment, and (c) the particular item of the cost to be paid and that such payment in the stated amount is a proper charge against the 2016 Costs of Issuance Fund and that no part of such payment shall be applied to any item which has previously been

paid as a Costs of Issuance of the 2016 Refunding Obligations. The Trustee shall promptly issue its check, or transmit a wire transfer to the City or to the person identified in the requisition in the amount or amounts specified in each such requisition or, if requested pursuant to any such requisition, shall by wire transfer, interbank transfer or other method, as specified in the respective requisition, or arrange to promptly make each payment required by such requisition. The City shall apply, or cause to be applied, all such moneys received from the 2016 Costs of Issuance Fund to the payment of the Costs of Issuance of the 2016 Refunding Obligations identified in the requisition relating to such moneys.

Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon receipt of each such requisition, signed by a City Representative, the Trustee shall pay the amount set forth therein as directed by the terms thereof.

(c) Upon the earlier of (i) _____, 2016 or (ii) the receipt by the Trustee of a certificate of a City Representative requesting the Trustee to close the 2016 Costs of Issuance Fund, and after payment from the 2016 Costs of Issuance Fund of all amounts included in requisitions submitted by the City pursuant to this Section 3.3, the Trustee shall transfer any moneys remaining in the 2016 Costs of Issuance Fund to the Payment Fund or such other fund as directed by a City Representative. Upon such transfer the Trustee shall close the 2016 Costs of Issuance Fund.

(d) Moneys held in the 2016 Costs of Issuance Fund may, subject to the tax covenants in Article VII herein, be invested and reinvested to the fullest extent practicable in any investment directed by the City in writing, in which the City can legally invest its funds, which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from the 2016 Costs of Issuance Fund. Any investment earnings on moneys on deposit in the 2016 Costs of Issuance Fund shall be deposited in the 2016 Costs of Issuance Fund and be used in the same manner as other amounts on deposit in the 2016 Costs of Issuance Fund.

(e) Notwithstanding any of the other provisions of this Section, to the extent that other moneys are not available therefor, amounts in the 2016 Costs of Issuance Fund shall be applied to the payment of principal of and interest on the 2016 Refunding Obligations when due.

ARTICLE IV
REDEMPTION OF THE 2016 REFUNDING OBLIGATIONS

Section 4.1. Redemption or Purchase of the 2016 Refunding Obligations. Under the terms of the 2016 Agreement money may be paid or credited for the purpose of redeeming 2016 Refunding Obligations when redeemable or purchasing 2016 Refunding Obligations when permitted hereunder. The City covenants that any and all money received by the City which, pursuant to the 2016 Agreement, is to be used to redeem or purchase the 2016 Refunding Obligations or a portion thereof in advance of the stated maturity date shall be paid to the Trustee under this Trust Agreement, and in such event, the Trustee shall deposit the same in the Payment Fund and shall use any and all such money to prepay and redeem or purchase 2016 Refunding Obligations in accordance with their terms and the provisions of this Article.

Section 4.2. Terms of Redemption of the 2016 Refunding Obligations.

Optional Redemption. The 2016 Refunding Obligations maturing on or before July 1, 20[26], will not be subject to redemption prior to their stated maturity dates. The 2016 Refunding Obligations maturing on or after July 1, 20[27], will be subject to redemption prior to their stated maturity dates, at the option of the City, in whole or in part from maturities selected by the City on July 1, 20[26], or on any date thereafter, by the payment of a redemption price equal to the principal amount of each such 2016 Refunding Obligation redeemed, plus interest accrued to the date fixed for redemption, without premium.

Mandatory Redemption. The 2016 Refunding Obligations will be subject to mandatory redemption prior to their stated maturity, at random or such other manner, as selected by the Trustee, as shown below, and in the following principal amounts, at a redemption price equal to the principal amount thereof plus interest accrued to the date of redemption without premium:

July 1, 20__ Term Obligation	
20__	\$
20__	
20__	
20__	
20__ (maturity)	
July 1, 20__ Term Obligation	
20__	\$
20__ (maturity)	

Whenever 2016 Refunding Obligations subject to mandatory redemption are redeemed or are delivered to the registrar for cancellation, the principal amount of the 2016

Refunding Obligations of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity as designated by the City.

Section 4.3. City's Election to Redeem. The Trustee, at the direction of the City, will redeem any 2016 Refunding Obligations subject to redemption. The Mayor and Council of the City shall adopt a resolution to redeem such 2016 Refunding Obligations and shall thereupon give written notice to the Trustee at least forty-five (45) days prior to the redemption date. In the event that notice of redemption shall have been given by the Trustee to the Owners as provided in Section 4.4 hereof, if there has not been deposited with the Trustee prior to the redemption date, funds which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable 2016 Refunding Obligations for which notice of redemption has been given then such redemption shall be cancelled and of no effect and notice of cancellation shall be sent in the manner and to the persons that notice of redemption had been sent.

The City may redeem an amount which is included in a 2016 Refunding Obligation in the denomination in excess of, but divisible by, \$5,000. In that event, if the Book-Entry-Only System is discontinued, the Owner shall submit the 2016 Refunding Obligation for partial redemption and the Trustee shall make such partial payment and the Trustee shall cause a new 2016 Refunding Obligation in a principal amount which reflects the redemption so made to be executed and delivered to the Owner thereof.

Section 4.4. Notice of Redemption. The notice of redemption of 2016 Refunding Obligations shall identify (i) by designation, letters, numbers or other distinguishing marks, the 2016 Refunding Obligations or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Trustee on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) calendar days prior to the date fixed for redemption, to the Owner of each 2016 Refunding Obligation subject to redemption in whole or in part at the address of the Owner shown on the 2016 Refunding Obligation register maintained by the Trustee on the 15th day preceding that mailing; provided, that failure to receive notice by mailing, or any defect in that notice, as to any 2016 Refunding Obligation shall not affect the validity of the proceedings for the redemption of any 2016 Refunding Obligation. The notice will also state whether the funds necessary for the redemption are on deposit with the Trustee or whether the redemption is conditional on such funds being deposited, on or prior to, the date set for redemption. The Trustee is not required to provide a notice of redemption of 2016 Refunding Obligations pursuant to mandatory redemption.

Notwithstanding the foregoing, notice of redemption may be given to DTC or any securities depository by electronic means, or in any other manner permitted by the depository.

Notice of redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system by the method required by the MSRB, no more than sixty (60) and no fewer than thirty (30)

calendar days prior to the redemption date, but no defect in such notice to the MSRB or record nor any failure to give all or a 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.

Section 4.5. Effect of Call for Redemption of 2016 Refunding Obligations.

(a) If notice is mailed as provided in Section 4.4 hereof, the 2016 Refunding Obligations and portions thereof to be redeemed shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice and shall be paid at the redemption price, plus interest accrued to the redemption date.

(b) If moneys for the redemption of all of the 2016 Refunding Obligations and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, are held by the Trustee, a Depository Trustee or any paying agent on the redemption date, so as to be available therefor on that date and, if notice of redemption shall have been deposited in the mail as aforesaid, then from and after the redemption date those 2016 Refunding Obligations and portions thereof to be redeemed shall cease to bear interest and no longer shall be considered to be Outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, the redemption shall be cancelled and of no effect and those 2016 Refunding Obligations and portions thereof shall continue to bear interest until they are paid, at the same rate as they would have borne had they not been called for redemption.

(c) All moneys deposited in the Payment Fund and held by the Trustee, Depository Trustee or a paying agent for the redemption of particular 2016 Refunding Obligations shall be held in trust for the account of the Owners thereof and shall be paid to them, respectively, upon presentation and surrender of those 2016 Refunding Obligations.

Section 4.6. Purchase of 2016 Refunding Obligations. Notwithstanding the foregoing, if at any time there is money in the Payment Fund and any of the Outstanding 2016 Refunding Obligations payable from such Payment Fund may be purchased in the open market at a net cost to the City which would be less than the cost of redeeming such 2016 Refunding Obligations under the provisions of this Article (or, prior to the time such 2016 Refunding Obligations may be redeemed, at a price equal to or below par), the City, from time to time, may cause the Trustee to purchase so many of such 2016 Refunding Obligations as the City shall designate and to pay therefor from the Payment Fund, to the extent of the funds in the Payment Fund. The 2016 Refunding Obligations so purchased shall be cancelled by the Trustee in accordance with the provisions hereof.

ARTICLE V
PAYMENTS; PAYMENT FUND; RESERVE FUND

Section 5.1. Trustee's Rights in the 2016 Agreement. The Trustee, as Payee under the 2016 Agreement, holds in trust hereunder all of its rights and duties in the 2016 Agreement, including but not limited to all of the Payee's rights to receive and collect all of the 2016 Payments, Prepayments and all other amounts required to be deposited in the Payment Fund pursuant to the 2016 Agreement or pursuant hereto. All the 2016 Payments, Prepayments and such other amounts to which the Payee may at any time be entitled shall be paid directly to the Trustee in trust, and all of the 2016 Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder.

Section 5.2. Establishment of Payment Fund. The Trustee shall establish a special fund designated as the "City of Buckeye 2016 Payment Fund" (which shall also be known as the "Payment Fund"). All moneys at any time deposited by the Trustee in the Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the 2016 Refunding Obligations. So long as any 2016 Refunding Obligations are Outstanding, the City shall have no beneficial right or interest in the Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.3. Deposits. There shall be deposited in the Payment Fund all the 2016 Payments received by the Trustee.

Section 5.4. Application of Moneys. All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest on the 2016 Refunding Obligations as the same shall become due and payable, in accordance with the provisions of Articles II and IV hereof.

Section 5.5. Transfers of Investment Earnings to Payment Fund. Subject to Section 7.7 hereof pertaining to arbitrage rebate, the Trustee shall, at least annually fifteen days prior to each July 1 Interest Payment Date, transfer any remaining income or profit on the investment of moneys in the funds hereunder to the Payment Fund.

Section 5.6. Surplus. Any surplus remaining in any of the funds or accounts created pursuant to this Trust Agreement, after payment of all 2016 Refunding Obligations, including accrued interest, if any, and payment of any applicable fees to the Trustee, or provision for such payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

Section 5.7. Separate Funds and Accounts. Monies and investments properly paid into and held in the funds and accounts established hereunder shall not be subject to the claims of the owners of any Parity Obligations, except for the Reserve Fund or moneys drawn on a Reserve Fund Guaranty, and the Owners of the 2016 Refunding Obligations shall have no claim or lien upon any monies or investments properly paid into and held in the funds

and accounts established under the proceedings for any Parity Obligations other than the Reserve Fund (unless a separate reserve fund is established) or monies drawn on a Reserve Fund Guaranty (unless a separate reserve fund guaranty is obtained).

Section 5.8. Reserve Fund. The Trustee shall establish a special fund designated as the "City of Buckeye 2016 Reserve Fund" (which shall also be known as the "Reserve Fund"). So long as the aggregate amount of Excise Taxes herein pledged and received by or on behalf of the City during the prior Fiscal Year is at least 200% of the highest aggregate Annual Debt Service Requirement for the current or any future Fiscal Year for the 2016 Refunding Obligations and any Parity Obligations that require a reserve fund, then the City is not obligated to fund the Reserve Fund. If such Excise Taxes are less than 200% of such Annual Debt Service Requirement, City shall, in addition to the 2016 Payments provided for under the 2016 Agreement, calculate the Reserve Fund Requirement and provide written notice to the Trustee and pay to the Trustee for deposit into the Reserve Fund, on each Interest Payment Date, one-tenth of the Reserve Fund Requirement on the 2016 Refunding Obligations and any Parity Obligations that require a reserve fund until the amount in the Reserve Fund equals the Reserve Fund Requirement.

The Reserve Fund, if funded, shall be an integrated and indivisible common Reserve Fund established and required hereunder for the 2016 Refunding Obligations and all Parity Obligations except to the extent that the City establishes a separate reserve fund for the Parity Obligations or certain Parity Obligations are specifically not entitled to share in the Reserve Fund. Amounts in the Reserve Fund shall be available to be applied as provided herein.

Amounts in the Reserve Fund shall be drawn out by the Trustee and used to make payment of principal and interest on the 2016 Refunding Obligations, and on any Parity Obligations for which a separate reserve fund is not established, in the event that amounts in the Payment Fund or other funds held for payment of principal and interest on such 2016 Refunding Obligations or Parity Obligations are insufficient.

In the event that after funding the Reserve Fund the Reserve Fund Value is less than the Reserve Fund Requirement, the City shall, in addition to the payments provided under the 2016 Agreement, immediately pay to the Trustee an amount sufficient to cause the Reserve Fund Value to equal the Reserve Fund Requirement.

In lieu of funding with cash payments, the City may deliver to the Trustee a Reserve Fund Guaranty. The Trustee is authorized and directed to execute (if necessary), deliver and comply with all of the terms and conditions of (i) any Reserve Fund Guaranty and Reserve Fund Guaranty Agreements and related restrictions or directions in connection with the 2016 Refunding Obligations and any Parity Obligations.

In connection with the issuance of any additional Parity Obligations, if the above conditions requiring the funding of the Reserve Fund have occurred, the Reserve Fund shall be funded in an amount equal to the Reserve Fund Requirement which applies after the issuance of such Parity Obligations or the City shall deliver to the Trustee a Reserve Fund Guaranty complying with the requirements of Section 5.9 hereof, or a combination of the foregoing.

Notwithstanding the foregoing, the City reserves the right to establish a separate reserve fund for any or all issues of Parity Obligations which may, in lieu of the Reserve Fund created in accordance with this Section, be funded (if the above conditions for funding the Reserve Fund occur) with the Reserve Fund Requirement applicable to such issue or covered by a Reserve Fund Guaranty or a combination thereof, provided that amounts to be paid into any such separate reserve fund or to pay the Reserve Fund Guarantor, other than from proceeds of such issue, shall be made on a parity with payments into the Reserve Fund hereby established and shall not exceed, in any Fiscal Year, the proportionate deficit payment allocable to such separate reserve fund. For the purposes hereof, "proportionate deficit payment" means an amount which bears the same proportion to the deficit in a given separate reserve fund that the amount available to remedy deficits in the Reserve Fund and all separate reserve funds bears to the aggregate deficit or deficits in the Reserve Fund and all separate reserve funds.

With respect to the 2016 Refunding Obligations or any Parity Obligations with respect to which a Reserve Fund Guaranty is then in effect, if on the Business Day preceding any day on which debt service is due on the 2016 Refunding Obligations or Parity Obligations there are not to the knowledge of the Trustee on deposit in the applicable payment fund and the Reserve Fund sufficient moneys to pay the debt service to become due on such date, the Trustee shall immediately notify the Reserve Fund Guarantor of such deficiency and shall do all things necessary under the terms of the Reserve Fund Guaranty to realize and receive on or before such date or as soon thereafter as is practicable moneys in the amount of such deficiency. All amounts received by the Trustee as payments under the Reserve Fund Guaranty shall be deposited to the Reserve Fund.

To the extent any moneys have been withdrawn from the Reserve Fund by the Trustee, no portion of the Excise Taxes shall be considered surplus revenues or available to the City until such Excise Taxes, or other available moneys, have first been applied to the extent required to reimburse the Reserve Fund for any such withdrawal or to increase the Reserve Fund Value to the Reserve Fund Requirement. If a Reserve Fund Guaranty is in effect with respect to any obligations, reimbursements to the Reserve Fund for such obligations shall be applied, first, to the extent a Reserve Fund Guaranty Agreement so requires, to pay to the Reserve Fund Guarantor any amounts owed to it pursuant to the Reserve Fund Guaranty Agreement and then to the Reserve Fund.

If on any Computation Date, the Reserve Fund Value exceeds the Reserve Fund Requirement, such excess shall be transferred to the Payment Fund or other applicable payment fund in proportion to the amounts next to come due on the 2016 Refunding Obligations and any Parity Obligations for which a separate reserve fund is not established except, with respect to the 2016 Refunding Obligations or any issue of Parity Obligations with respect to which a Reserve Fund Guaranty is in effect, as may otherwise be provided in the applicable Reserve Fund Guaranty Agreement.

Any investment earnings allocated to the Reserve Fund after deduction of amounts to be set aside for rebate to the federal government pursuant to this Trust Agreement shall be used first to cause the amount on deposit in the Reserve Fund to equal the Reserve Fund Requirement or to reimburse any amounts drawn on the Reserve Fund Guaranty and any interest

thereon and, to the extent not necessary for such purpose, shall be transferred by the Trustee to the Payment Fund or to any other payment fund for Outstanding Parity Obligations for which a separate reserve fund is not established.

Section 5.9. Reserve Fund Guaranty. If at any time the City shall deliver to the Trustee (i) a Reserve Fund Guaranty, (ii) an opinion of bond counsel stating that the delivery of such Reserve Fund Guaranty to the Trustee is authorized under this Trust Agreement and complies with the terms hereof and thereof, (iii) evidence that the Reserve Fund Guarantor is, at the time of initial delivery, rated "AA" or better by S&P, and (iv) evidence satisfactory to the Trustee that Moody's, S&P or Fitch, to the extent the 2016 Refunding Obligations are rated by any or all of those rating agencies, has reviewed the proposed Reserve Fund Guaranty and determined that (A) the issuance of the Reserve Fund Guaranty to the Trustee or (B) the substitution of the proposed Reserve Fund Guaranty for the Reserve Fund Guaranty then in effect, will not, in either case, result in a reduction or withdrawal of the respective rating on the 2016 Refunding Obligations. If such rating shall be in effect on the date of such issuance of the Reserve Fund Guaranty or, as applicable, substitution of the Reserve Fund Guaranty, then the Trustee shall accept such Reserve Fund Guaranty or, as applicable, promptly surrender the previously held Reserve Fund Guaranty to the issuer thereof for cancellation.

Section 5.10. Payment Pursuant to Bond Insurance Policy. As long as any Bond Insurance Policy shall be in full force and effect with respect to the 2016 Refunding Obligations, the City and the Trustee agree to comply with the following provisions or similar procedures agreed to between the Trustee, the 2016 Insurer and the City:

(a) At least one Business Day prior to each Interest Payment Date, the Trustee will determine whether there will be sufficient funds in the Payment Fund and Reserve Fund to pay the principal of or interest on the 2016 Refunding Obligations on such Interest Payment Date. If the Trustee determines that there will be insufficient funds, the Trustee shall so notify the 2016 Insurer. Such notice shall specify the amount of the anticipated deficiency, the 2016 Refunding Obligations or Parity Obligations to which such deficiency is applicable and whether such 2016 Refunding Obligations or Parity Obligations will be deficient as to principal or interest, or both. If the Trustee has not so notified, the 2016 Insurer, if applicable, at least one Business Day prior to an Interest Payment Date, the 2016 Insurer will make payments of principal or interest due on the 2016 Refunding Obligations or Parity Obligations on or before the first Business Day next following the date on which the 2016 Insurer shall have received notice of nonpayment from the Trustee.

(b) If the Book-Entry-Only System is no longer in effect, the Trustee shall, after giving notice to the 2016 Insurer as provided in (a) above, make available to the 2016 Insurer and, at the 2016 Insurer's direction, to a trustee designated by the 2016 Insurer (the "Insurance Trustee"), the registration books of the City maintained by the Trustee and all records relating to the funds and accounts maintained under this Trust Agreement. If the Book-Entry-Only System is in effect, all notices given to the 2016 Insurer shall also be given to DTC, or any successor depository.

(c) If the Book-Entry-Only System is no longer in effect, the Trustee shall provide the 2016 Insurer and the Insurance Trustee, if applicable, with a list of Owners entitled

to receive principal or interest payments from the 2016 Insurer under the terms of any Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the Owners entitled to receive full or partial interest payments from the 2016 Insurer and (ii) to pay principal upon the 2016 Refunding Obligations, or other Parity Obligations surrendered to the Insurance Trustee by the Owners entitled to receive full or partial principal payments from the 2016 Insurer.

(d) The Trustee shall, at the time it provides notice to the 2016 Insurer pursuant to (a) above, notify Owners entitled to receive the payment of principal of or interest on the 2016 Refunding Obligations or other Parity Obligations from the 2016 Insurer (i) as to the fact of such entitlement, (ii) that the 2016 Insurer will remit to them all or a part of the interest payments next coming due upon proof of Owners entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the Owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the 2016 Insurer, they must surrender their 2016 Refunding Obligations (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such 2016 Refunding Obligations or other Parity Obligations to be registered in the name of the 2016 Insurer) for payment to the Insurance Trustee, and not the Trustee, and (iv) that should they be entitled to receive partial payment of principal from the 2016 Insurer, they must surrender their 2016 Refunding Obligations for payment thereon first to the Trustee who shall note on such 2016 Refunding Obligations or other Parity Obligations the portion of the principal paid by the Trustee, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee which will then pay the unpaid portion of principal.

(e) In the event that the Trustee has notice that any payment of principal of or interest on a 2016 Refunding Obligation or other Parity Obligation which has become Due for Payment as defined in a Bond Insurance Policy and which is made to an Owner by or on behalf of the City has been deemed a preferential transfer and theretofore recovered from its Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the 2016 Insurer is notified pursuant to (a) above, notify all Owners that in the event that any Owner's payment is so recovered, such Owner will be entitled to payment from the 2016 Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the 2016 Insurer its records evidencing the payments of principal of and interest on the 2016 Refunding Obligations or other Parity Obligations which have been made by the Trustee and subsequently recovered from Owners and the dates on which such payments were made.

(f) In addition to those rights granted to the 2016 Insurer under this Trust Agreement, the 2016 Insurer shall, to the extent it makes payment of principal of or interest on 2016 Refunding Obligations or other Parity Obligations, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the 2016 Insurer's rights as subrogee on the registration books of the City maintained by the Trustee, upon receipt from the 2016 Insurer of proof of the payment of interest thereon to the Owners of the 2016 Refunding Obligations or other Parity Obligations, and (ii) in

the case of subrogation as to claims for past due principal, the Trustee shall note the 2016 Insurer's rights as subrogee on the registration books of the City maintained by the Trustee upon surrender of the 2016 Refunding Obligations or other Parity Obligations by the Owners thereof, together with proof of the payment of principal thereof.

Section 5.11 **Notice of Anticipated Deficiency**. If the Trustee is notified in writing by the City of the City's expectation that it will not make a 2016 Payment when due, the Trustee shall immediately give notice thereof to any Insurer by facsimile transmission. Failure to give such notice shall not excuse performance by the Insurer under the Bond Insurance Policy

ARTICLE VI PLEDGE AND LIEN

Section 6.1. **Pledge.** The 2016 Payments and all other amounts due under the 2016 Agreement are payable from a pledge of, and secured by a lien on, the Excise Taxes as may be necessary for their prompt and punctual payment. Said pledge of, and said lien on, the Excise Taxes is irrevocably made and created by the City pursuant to the 2016 Agreement for the prompt and punctual payment of amounts due under the 2016 Agreement according to its terms and the parity lien thereon with respect to the Existing Obligations, and to create and maintain the funds as hereinafter specified therein and herein. None of the 2016 Payments shall be entitled to priority or distinction one over the other in the application of the Excise Taxes thereby pledged to the payment thereof. All of the 2016 Payments are co-equal as to the pledge of and lien on the Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from the Excise Taxes or security therefor. Notwithstanding the foregoing, the Trustee, and each registered Owner of the 2016 Refunding Obligations and any Parity Obligations, acknowledges that the State Shared Revenues remain subject to interception by GADA, prior to receipt by the City, for any deficiency in the payments to GADA under the Existing GADA Loans or any other Additional Agency/Authority Loan Agreements secured by the City's Excise Taxes hereafter issued or incurred as Parity Obligations. This means that in the event of any late payment or failure of the City to timely pay any amounts due to GADA for the Parity Obligations held by GADA, the City will receive less than its expected share of State Shared Revenues if GADA should enforce its intercept rights.

The City's obligation to make the 2016 Payments or any other payments under the 2016 Agreement or this Trust Agreement does not constitute an obligation of the City or the State, or any of its political subdivisions, for which the City or the State, or any of its political subdivisions, is obligated to levy or pledge any form of ad valorem property taxation nor does the obligation to make the 2016 Payments or any other payments under the 2016 Agreement or this Trust Agreement constitute an indebtedness of the City or of the State or any of its political subdivisions within the meaning of the Constitution of the State or otherwise.

Section 6.2. **Protection of Lien.** The Trustee and the City hereby agree not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien hereof upon the interests granted hereby or any part thereof. The Trustee and the City agree that no obligations the payment of which is secured by a superior or equal claim on or interest in property or revenues pledged hereunder will be issued by either except in lieu of, or upon transfer of registration or exchange of, any 2016 Refunding Obligation as provided herein and except for Parity Obligations.

Section 6.3. **Existing Parity Pledge.** The pledge of Excise Taxes under the 2016 Agreement is on a parity with the pledge of the Excise Taxes to payment due on or with respect to the Existing Obligations.

Section 6.4. **Parity Obligations.** Parity Obligations may be issued by the City on a parity with the 2016 Refunding Obligations herein authorized if all of the following conditions are met:

A. The Excise Taxes available for payment of the 2016 Payments and any Parity Obligations for the completed Fiscal Year immediately preceding the issuance of the Parity Obligations must have been at least equal to two (2) times Maximum Annual Debt Service Requirement on all Outstanding 2016 Refunding Obligations and Parity Obligations immediately after the issuance of new Parity Obligations as shown by a certificate signed by City Representative.

B. The payments required to be made into each fund created pursuant hereto must then be current;

C. No Parity Obligations may be issued without the prior written consent of any Reserve Fund Guarantor whose Reserve Fund Guaranty costs are past due and owing or the 2016 Insurer whose reimbursements are past due and owing.

D. The obligation to make payments on the Parity Obligations from Excise Taxes shall not be subject to acceleration for any reason and such payments shall not be made immediately due and payable prior to their scheduled due date.

E. Parity Obligations may include any long-term obligation or deferred payment for property including, without limitation, installment-purchase or lease-purchase agreements. For the purpose of this Section 6.4, payments on installment purchase or lease purchase agreements shall be deemed to include a principal component and an interest component and references in this Trust Agreement to the payment of principal, interest and premium shall include the payment of long-term obligations, including lease-purchase or installment-purchase payments.

F. The Parity Obligations or any part thereof may be refunded and the refunding Parity Obligations so issued shall enjoy complete equality of lien with the portion of the Parity Obligations which is not refunded, if any, and the refunding Parity Obligations shall continue to enjoy whatever priority of lien over subsequent issues that may have been enjoyed by the Parity Obligations refunded.

If Parity Obligations are executed and delivered to refund the 2016 Refunding Obligations or one or more series of other Parity Obligations by providing for payment of the amounts due thereon in advance of their maturity, then such refunded 2016 Refunding Obligations or Parity Obligations, to the extent they will no longer be Outstanding after the refunding, will be treated as not Outstanding for purposes of this Trust Agreement, including but not limited to, the purpose of determining the Maximum Annual Debt Service Requirement required by this Section 6.4.

Section 6.5 **Recordation and Filing.** The City shall file the 2016 Agreement (or a memorandum thereof or a financing statement with respect thereto), and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the 2016 Refunding Obligation Owners to the extent possible.

ARTICLE VII
MONEYS IN FUNDS; INVESTMENTS; TAX COVENANTS

Section 7.1. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the 2016 Refunding Obligations, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the City, the Trustee or any Owner of 2016 Refunding Obligations.

Section 7.2. Investments Authorized. Upon written order of the City Representative, moneys held by the Trustee hereunder shall be invested and reinvested by the Trustee in Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 7.2 and may invest in funds which are Permitted Investments to which the Trustee or any of its affiliates provide services as an investment advisor. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. Amounts in the Payment Fund may be invested only in Permitted Investments which (i) are rated no lower than the underlying rating on the 2016 Refunding Obligations or (ii) secured by obligations which are so rated. Absent written direction of the City, the Trustee shall invest monies held in accordance with this Trust Agreement in those investments described in clause (15) of Permitted Investments.

Section 7.3. Accounting. The Trustee shall furnish to the City, not less than semiannually, an accounting (which may be in the form of its customary statement) of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 7.2 hereof.

Section 7.4. Allocation of Earnings. Subject to Section 7.7 pertaining to arbitrage rebate, Section 5.5 pertaining to annual transfers to the Payment Fund and Section 5.8 pertaining to the Reserve Fund, any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein.

Section 7.5. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at Market Value. The Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Section 7.6. Arbitrage Covenant. The City hereby covenants that it will make no use of the proceeds of the 2016 Refunding Obligations or other moneys which would cause the obligations of the City under the 2016 Agreement to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code.

Section 7.7. Tax Covenants. In addition to Section 7.6 hereof, and in consideration of the acceptance and execution of the 2016 Agreement by the Trustee and the purchase by the 2016 Refunding Obligation Owners, from time to time, and in consideration of retaining the exclusion of interest income from gross income on the 2016 Agreement and the 2016 Refunding Obligations for federal income tax purposes, the City covenants with the Trustee and the 2016 Refunding Obligation Owners from time to time 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 2016 Agreement or the 2016 Refunding Obligations to become subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the 2016 Agreement or this Trust Agreement or such laws as they may be modified or amended.

The City agrees that it will comply with such requirement(s) and will take any such action(s) as are necessary to prevent interest income on the 2016 Agreement or the 2016 Refunding Obligations 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 special counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the 2016 Agreement; 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 2016 Agreement and this Trust Agreement; and limiting the use of the proceeds of the 2016 Refunding Obligations.

In the event that the City is required to rebate its earnings and profits from the investment of the 2016 Refunding Obligations, the Trustee shall establish a separate "Arbitrage Rebate Fund". The Arbitrage Rebate Fund shall be held separate and apart from all other funds and accounts held by the Trustee. The Arbitrage Rebate Fund shall be funded with earnings and profits from the investment of the 2016 Refunding Obligation proceeds on an annual basis. The City must compute, or engage professionals to compute, the exact amount of earnings which need to be deposited into the Arbitrage Rebate Fund no later than thirty (30) days after each anniversary of the 2016 Refunding Obligation issuance unless and until advised by such professionals that further calculation of rebate amounts is not necessary.

No later than sixty (60) days after each fifth anniversary of the 2016 Refunding Obligation issuance, upon receipt from the City, the Trustee shall file a completed Form 8038-T, and remit the payment required by Code Section 148(f)(3), as directed by the City with the Internal Revenue Service Center, Ogden, Utah 842001-0027. Such payment shall be from moneys contained in the Arbitrage Rebate Fund. In addition, upon the redemption of the last 2016 Refunding Obligation of the issue, upon receipt from the City, the Trustee shall file, within

sixty (60) days after the last redemption, a completed Form 8038-T and remit, as directed by the City, the final payment as required by Code Section 148(f)(3). In the event there is insufficient moneys in the Arbitrage Rebate Fund to make a payment when due, the City shall pay to the Trustee from Excise Taxes or other money lawfully available therefor the amount necessary to provide the Trustee with an amount sufficient to make such payment when due.

**ARTICLE VIII
THE TRUSTEE**

Section 8.1. **Appointment of Trustee.** U.S. Bank National Association is hereby appointed Trustee by the City for the purpose of executing and delivering the 2016 Agreement, as Payee, and receiving all moneys required to be deposited with the Trustee pursuant hereto and to allocate, use and apply the same as provided in this Trust Agreement. The City covenants that it will maintain as Trustee a bank or trust company with a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or State of Arizona authority, so long as any 2016 Refunding Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section 8.1 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to redeem the 2016 Refunding Obligations when duly presented for payment at maturity and to cancel all 2016 Refunding Obligations upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all 2016 Refunding Obligations paid and discharged.

Section 8.2. **Liability of Trustee.** The recitals of facts, covenants and agreements herein and in the 2016 Refunding Obligations contained shall be taken as statements, covenants and agreements of the City, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Trust Agreement or of the 2016 Refunding Obligations or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the 2016 Refunding Obligations assigned to or imposed upon them, respectively, including but not limited to the Trustee's obligations under Section 7.7 hereof. Prior to the occurrence of an Event of Default hereunder, or after the timely cure of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in this Trust Agreement. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent indenture trustee would exercise under the circumstances in the conduct of the Trustee's affairs.

Section 8.3. **Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 8.1 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 8.4. **Protection and Rights of the Trustee.** The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond,

requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any 2016 Refunding Obligation or to take any action at his request unless such 2016 Refunding Obligation shall be deposited with the Trustee and satisfactory evidence of the ownership of such 2016 Refunding Obligation shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the City with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the City Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may become the Owner of the 2016 Refunding Obligations with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of 2016 Refunding Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the 2016 Refunding Obligations then Outstanding.

The recitals, statements and representations by the City contained herein or in the 2016 Refunding Obligations shall be taken and construed as made by and on the part of the City and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power hereunder or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. The Trustee shall not be accountable for the use or application by the City or any

other party of any funds which the Trustee has released in accordance with the terms hereof. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the 2016 Agreement or this Trust Agreement.

Notwithstanding any provision herein or in the 2016 Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default under Section 16(a)(i) of the 2016 Agreement, unless the Trustee has actual notice thereof or is specifically notified in writing of such default by the City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the 2016 Refunding Obligations then Outstanding.

Section 8.5. Compensation of Trustee. The City shall, from time to time and as agreed upon between the City and the Trustee, pay to the Trustee reasonable compensation for its services, and shall reimburse the Trustee for all its advances and expenditures, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder.

Section 8.6. Removal and Resignation of Trustee. The City (but only if no Event of Default has occurred and is continuing), or the Owners of a majority in aggregate principal amount of all 2016 Refunding Obligations Outstanding, or the 2016 Insurer with respect to the 2016 Refunding Obligations actually insured, by written directive, at any time and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company doing business and having an office in the State, having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by Federal or State of Arizona authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section 8.6, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the City does not appoint a successor trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. Trustee and City shall execute any documents reasonably required to affect the transfer of rights and obligations of the Trustee to the successor trustee. Upon such acceptance, the successor trustee shall mail notice thereof to the 2016 Refunding Obligation Owners at their respective addresses set forth on the 2016 Refunding Obligation registration books maintained pursuant hereto.

Section 8.7. Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee hereunder and to hold title to property or to take any other action which may be desirable or necessary.

Section 8.8. Commingling. The Trustee may commingle any of the funds held by it pursuant hereto in a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 8.9. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed hereunder, which shall be available for inspection by the City, or any of their agents, at any time during regular business hours. The Trustee shall provide the City Representative with semiannual reports of funds transactions and balances.

ARTICLE IX
MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 9.1. Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Owners of the 2016 Refunding Obligations and the 2016 Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of a majority in aggregate principal amount of the 2016 Refunding Obligations then Outstanding, exclusive of 2016 Refunding Obligations disqualified as provided in Section 9.3 hereof, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any 2016 Refunding Obligation or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such 2016 Refunding Obligation, or (2) reduce or have the effect of reducing the percentage of 2016 Refunding Obligations required for the affirmative vote or written consent to an amendment or modification of the 2016 Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 9.2 hereof.

(b) This Agreement and the rights and obligations of the Owners of the 2016 Refunding Obligations and the 2016 Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Trustee or the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, (3) to facilitate the issuance of additional Parity Obligations, (4) in connection with rating matters or (5) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the 2016 Refunding Obligations. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee may rely upon an opinion of nationally recognized bond counsel as conclusive evidence that any such supplemental agreement complies with this Section 9.1.

Section 9.2. Procedure for Amendment With Written Consent of 2016 Refunding Obligation Owners. This Trust Agreement and the 2016 Agreement may be amended by supplemental agreement as provided in this Section 9.2 in the event the consent of the Owners of the 2016 Refunding Obligations are required pursuant to Section 9.1 hereof. A copy of such supplemental agreement, together with a request to the 2016 Refunding Obligation Owners for their consent thereto, shall be mailed by the Trustee to each Owner of an Obligation at his address as set forth on the 2016 Refunding Obligation registration books maintained by the Trustee pursuant to Section 2.13 hereof, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section 9.2 provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of a majority in principal amount of the 2016 Refunding Obligations then Outstanding (exclusive of 2016 Refunding Obligations disqualified as provided in Section 9.3 hereof) and a notice shall have been mailed as hereinafter in this Section 9.2 provided. The consent of an Owner of an 2016 Refunding Obligation shall be effective only if accompanied by proof of ownership of the 2016 Refunding Obligations for which such consent is given, which proof shall be such as is permitted by Section 2.12 hereof. Any such consent shall be binding upon the Owner of the 2016 Refunding Obligation giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section 9.2 provided for has been mailed.

After the Owners of the required percentage of 2016 Refunding Obligations shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the 2016 Refunding Obligations in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of 2016 Refunding Obligations and will be effective as provided in this Section 9.2 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all 2016 Refunding Obligations at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

Section 9.3. Disqualified 2016 Refunding Obligations. Any 2016 Refunding Obligations owned or held by or for the account of the City or by any person directly or indirectly controlled by, or under direct or indirect common control with the City (except any 2016 Refunding Obligations held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding 2016 Refunding Obligations provided for herein and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement.

Section 9.4. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article IX, this Trust Agreement or the 2016 Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of 2016 Refunding Obligations Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the 2016 Agreement, as the case may be, for any and all purposes.

The Trustee may require each 2016 Refunding Obligation Owner, before his consent provided for in this Article IX shall be deemed effective, to reveal whether the 2016 Refunding Obligations as to which such consent is given are disqualified as provided in Section 9.3 hereof.

Section 9.5. Endorsement or Replacement of 2016 Refunding Obligations Delivered After Amendments. The Trustee may determine that 2016 Refunding Obligations delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any 2016 Refunding Obligation Outstanding at such effective date and presentation of his 2016 Refunding Obligation for the purpose at the office of the Trustee, a suitable notation shall be made on such Obligation. The Trustee may determine that the delivery of substitute 2016 Refunding Obligations, so modified as in the opinion of the Trustee is necessary to conform to such 2016 Refunding Obligation Owners' action, which substitute 2016 Refunding Obligations shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any 2016 Refunding Obligation then Outstanding, such substitute 2016 Refunding Obligation shall be exchanged at the designated office of the Trustee, without cost to such Owner, for a 2016 Refunding Obligation of the same character then Outstanding, upon surrender of such Outstanding 2016 Refunding Obligation.

Section 9.6. Amendatory Endorsement of 2016 Refunding Obligations. The provisions of this Article IX shall not prevent any 2016 Refunding Obligation Owner from accepting any amendment as to the particular 2016 Refunding Obligations held by him, provided that proper notation thereof is made on such 2016 Refunding Obligations.

Section 9.7. Notice to Rating Agencies. Any rating agency rating the 2016 Refunding Obligations must receive notice of each amendment and a copy thereof at least fifteen (15) days in advance of its execution and adoption.

Section 9.8. Consent of the 2016 Insurer. No provision hereof may be amended in any manner other than with respect to the issuance of Parity Obligations without the prior written consent of the 2016 Insurer (with respect to the 2016 Refunding Obligations actually insured) which consent will not be unreasonably withheld.

ARTICLE X
COVENANTS, NOTICES

Section 10.1. Compliance With and Enforcement of the 2016 Agreement.

The City covenants and agrees with the Owners of the 2016 Refunding Obligations to perform all obligations and duties imposed on it under the 2016 Agreement and this Trust Agreement.

The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default under the 2016 Agreement.

Section 10.2. Observance of Laws and Regulations. The City will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City, including its right to exist and carry on business as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 10.3. Further Assurances. The Trustee and the City will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the 2016 Agreement, and for the better assuring and confirming unto the Owners of the 2016 Refunding Obligations the rights and benefits provided herein.

Section 10.4. Notification to the City of Failure to Make the 2016 Payments. The Trustee shall notify the City of any failure by the City to make any 2016 Payment or other payment required under the 2016 Agreement to be made to the Trustee, in writing and within one (1) Business Day of any such failure. Such notice shall not be a prerequisite for the occurrence of an Event of Default hereunder or under the 2016 Agreement.

Section 10.5 Notices to the 2016 Insurer.

A. While any Bond Insurance Policy is in effect with respect to the 2016 Refunding Obligations or any Parity Obligations hereafter issued, the City shall furnish to the 2016 Insurer:

(a) as soon as practicable after the filing thereof, a copy of any financial statement of the City and a copy of any audit and annual report of the City;

(b) a copy of any notice to be given to the registered Owners of 2016 Refunding Obligations and any certificate rendered pursuant to this Trust Agreement relating to the security for the 2016 Refunding Obligations;

(c) prior written notice of resignation or the removal of the Trustee and the appointment of any successor thereto;

(d) if not presented in the audited financial statements, a statement of the Excise Tax Revenues pledged to payment of 2016 Refunding Obligations in each such Fiscal Year;

(e) official statement or other disclosure, if any, prepared in connection with the issuance of additional Parity Obligations or within thirty (30) days after the sale thereof;

(f) notice of the redemption, other than mandatory redemption, of any of the 2016 Refunding Obligations, or any advance refunding of any 2016 Refunding Obligations, including the principal amount, maturities and CUSIP numbers thereof, if applicable;

(g) a full transcript of all proceedings relating to the execution and delivery of any supplemental agreement amending, modifying or supplementing this Trust Agreement or the 2016 Agreement;

(h) any information required to be provided to any repository under any undertaking for continuing disclosure; and

(i) such additional information as the 2016 Insurer may reasonably request from time to time.

B. The Trustee shall notify the 2016 Insurer of any failure of the City to provide relevant notices or certificates required hereunder.

C. The City will permit the 2016 Insurer to discuss the affairs, finances and accounts of the City or any information the 2016 Insurer may reasonably request regarding the security for the 2016 Refunding Obligations with appropriate officers of the City. The Trustee or City, as appropriate, will permit the 2016 Insurer to have access to and to make copies of all books and records relating to the 2016 Refunding Obligations at any reasonable time during regular business hours.

D. Notwithstanding any other provision of this Trust Agreement, the Trustee shall immediately notify the 2016 Insurer if at any time the Trustee has actual knowledge that there are insufficient moneys to make any payments of principal and interest as required and immediately upon the occurrence of any payment default or other Event of Default hereunder.

E. If an Event of Default has occurred and is continuing, the 2016 Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the 2016 Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered Owner of the 2016 Refunding Obligations or any Parity Obligations.

ARTICLE XI
LIMITATION OF LIABILITY

Section 11.1. Limited Liability of the City. Except for the payment of the 2016 Payments from Excise Taxes when due in accordance with the 2016 Agreement and the performance of the other covenants and agreements of the City contained in the 2016 Agreement, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the 2016 Refunding Obligations with respect to this Trust Agreement, or the terms, execution, delivery or transfer of the 2016 Refunding Obligations, or the distribution of the 2016 Payments to the Owners by the Trustee.

Section 11.2. No Liability of the City for Trustee Performance. The City shall have no obligation or liability to any of the other parties or to the Owners of the 2016 Refunding Obligations with respect to the performance by the Trustee of any duty imposed upon it hereunder.

Section 11.3. Indemnification of the Trustee. To the extent permitted by law, the City shall indemnify and save the Trustee harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (a) the 2016 Refunding Obligations; (b) any breach or default on the part of the City in the performance of any of its obligations hereunder and under any other agreement made and entered into in connection with the 2016 Refunding Obligations; (c) any act of negligence of the City or of any of its agents, contractors, servants, employees or licensees with respect to the 2016 Refunding Obligations or the Agreement Being Refunded; (d) the Trustee's exercise and performance of its powers and duties hereunder; or (e) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the 2016 Refunding Obligations, including the costs and expenses of defending itself against any claim of liability arising hereunder. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence or breach of duty under this Trust Agreement by the Trustee, or by its officers, agents, employees, successors or assigns. The City's obligations hereunder shall remain valid and binding notwithstanding the maturity and payment of the 2016 Refunding Obligations or resignation or removal of the Trustee.

The Trustee, promptly after determining that any event or condition which requires or may require indemnification by the City hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, shall notify the City in writing of such circumstances or action (a "Notification"). Upon giving of a Notification, the Trustee shall cooperate fully with the City in order that the City may defend, compromise or settle any such matters or actions which may result in payment by City hereunder. The City shall give the Trustee notice of its election within fifteen (15) days after receiving the Notification whether the City, at its sole cost and expense, shall represent and defend the Trustee in any claim or action which may result in a request for indemnification hereunder. If the City timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise or otherwise interfere with the defense or

undertakings of the City hereunder. The City shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the City shall pay all losses and the Trustee shall be fully released from such claim or action. If the City either fails to timely give its notice or notifies the Trustee that the City will not represent and defend the Trustee, the Trustee may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion and in an effort to minimize any claims for indemnity made hereunder. In the event the City is required to and does indemnify the Trustee as herein provided, the rights of the City shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

Section 11.4. **Opinion of Counsel.** Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

ARTICLE XII
EVENTS OF DEFAULT AND REMEDIES
OF 2016 REFUNDING OBLIGATION OWNERS

Section 12.1. **Payee's Rights Held in Trust.** As provided herein, the Trustee holds in trust hereunder all of the Payee's rights in and to the 2016 Agreement, including without limitation all of the Payee's rights to exercise such rights and remedies conferred on the Payee pursuant to the 2016 Agreement as may be necessary or convenient to enforce payment of the 2016 Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of Excise Taxes.

Section 12.2. **Remedy.** Subject to Section 12.7 hereof, if an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and upon request of the Owners of twenty-five percent (25%) in aggregate principal amount of the 2016 Refunding Obligations and indemnified to its satisfaction from any liability or expense shall, exercise one or more of the following remedies:

(a) The Trustee may proceed to protect and enforce its rights and the rights of the holders of the 2016 Refunding Obligations hereunder by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in the 2016 Agreement, or in aid of the execution of any power granted herein or in the 2016 Agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of the rights or interests under the 2016 Refunding Obligations, this Trust Agreement and/or the 2016 Agreement. All rights of action hereunder or under any of the 2016 Refunding Obligations or under the 2016 Agreement may be enforced by the Trustee without the possession of any of the 2016 Refunding Obligations or the production thereof on any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment shall be for the ratable benefit of the Owners of the 2016 Refunding Obligations.

(b) The Trustee, upon the bringing of a suit to enforce any of its rights hereunder or under the 2016 Agreement, as a matter of right without notice and without giving bond to the City or anyone claiming under them, may (i) have a receiver appointed of all of the property encumbered hereby and of the earnings, income, rents, issues and profits thereof, and of all the Excise Taxes which are pledged for the payment of the payments under the 2016 Agreement, pending such proceedings, with such powers as the court making such appointment shall confer, including such powers as may be necessary or usual in such cases for the collection and proper disbursement of the Excise Taxes pledged for the payment of the 2016 Payments under the 2016 Agreement, and the City does hereby irrevocably consent to such appointment and (ii) seek and obtain such injunctive relief as may be appropriate.

(c) The Trustee is hereby appointed, and the successive respective Owners by taking and owning the 2016 Refunding Obligations, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney-in-fact of the respective Owners, with authority to make or file, in the respective names of the Owners or in behalf of all Owners as a

class, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of all sums becoming distributable on account thereof; to execute any and all acts and things for and in behalf of all Owners as a class, as may be necessary or advisable, in the opinion of the Trustee, in order to have the respective claims of the Owners against the City allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the City shall be a party. The Trustee shall have full powers of substitution and delegation in respect of any such powers.

(d) Notwithstanding anything herein or in the 2016 Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the 2016 Refunding Obligations nor to declare any 2016 Payment not then past due or in default to be immediately due and payable.

Section 12.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XII and subject to Sections 16 and 17 of the 2016 Agreement shall be applied by the Trustee in the following order upon presentation of the 2016 Refunding Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Trustee and of the 2016 Refunding Obligation Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel; and

Second, to the payment of the whole amount then owing and unpaid with respect to the 2016 Refunding Obligations for principal and interest, with interest on the overdue principal and installments of interest at the Default Rate (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the 2016 Refunding Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 12.4. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the 2016 Refunding Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of 2016 Refunding Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Section 12.5. Non-Waiver. Nothing in this Article XII or in any other provision of this Trust Agreement or in the 2016 Refunding Obligations shall affect or impair the obligation of the City to pay the 2016 Payments as provided in the 2016 Agreement, or affect or impair the right of action, which is absolute and unconditional, of the 2016 Refunding Obligation

Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or of any Owner of any of the 2016 Refunding Obligations to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or the Owners of 2016 Refunding Obligations may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the 2016 Refunding Obligation Owners.

Section 12.6. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the 2016 Refunding Obligations then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the 2016 Refunding Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the 2016 Refunding Obligations Outstanding.

Section 12.7. Limitation on 2016 Refunding Obligation Owners' Right to Sue. No Owner of any 2016 Refunding Obligation issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the 2016 Refunding Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of 2016 Refunding Obligations of any remedy hereunder; it being understood and intended that no one or more Owners of 2016 Refunding Obligations shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding 2016 Refunding Obligations.

The right of any Owner of any 2016 Refunding Obligation to receive payment of said Owner's proportionate interest in the 2016 Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision hereof.

Section 12.8 **The 2016 Insurer's Control of Proceedings.** Anything herein to the contrary notwithstanding, unless the 2016 Insurer is in bankruptcy, receivership, insolvency or similar proceedings or is in default or is contesting its obligations under the Bond Insurance Policy, (i) the 2016 Insurer shall be entitled to control and direct enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners hereunder, (ii) the 2016 Insurer shall also be entitled to approve all waivers of Events of Default, and (iii) for all purposes of this Article XII and Section 16 of the Agreement, except for the giving of notice to Owners, the 2016 Insurer shall be deemed to be the sole Owner of the respective 2016 Refunding Obligations.

**ARTICLE XIII
MISCELLANEOUS**

Section 13.1. Defeasance. If and when all Outstanding 2016 Refunding Obligations shall be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest with respect to all 2016 Refunding Obligations Outstanding, as and when the same become due and payable;

(b) by depositing with a Depository Trustee, in trust for such purpose, at or before maturity, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all 2016 Refunding Obligations Outstanding, including all principal and interest and premium, if any;

(c) by depositing with a Depository Trustee, in trust for such purpose, any noncallable United States Obligations in such amount as shall be certified to the Trustee and the City by a national firm of certified public accountants acceptable to both the Trustee and the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all 2016 Refunding Obligations (including all principal and interest) at or before their respective maturity dates, which deposit may be made in accordance with the provisions of Section 14 of the 2016 Agreement;

Notwithstanding that any 2016 Refunding Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to all Outstanding 2016 Refunding Obligations shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from the 2016 Payments paid by or on behalf of the City from funds deposited pursuant to paragraphs (b) or (c) of this Section and paid to the Trustee by the Depository Trustee, to the Owners of the 2016 Refunding Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the 2016 Refunding Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such 2016 Payments under the 2016 Agreement.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) through (c) of this Section, which are not required for the payment to be made to Owners, shall be paid over to the City.

Any Obligation or portion thereof in authorized denominations may be paid and discharged as provided in this Section 13.1.

After provision for the 2016 Refunding Obligations has been made under (c) above, at the direction of the City, all or any part of the United States Obligations held by the Depository Trustee may be liquidated and the proceeds therefrom together with all or any portion of the moneys held by the Depository Trustee may be used to acquire other United States

Obligations which the Depository Trustee shall hold provided that thereafter the moneys and United States Obligations held by the Depository Trustee shall remain sufficient, as evidenced by a certificate of a national firm of certified public accountants to pay and discharge all 2016 Refunding Obligations (including all principal and interest) at their respective maturity dates.

No 2016 Payment or 2016 Refunding Obligation may be so provided for and no liquidation or acquisition may be made if, as a result thereof, or of any other action in connection with which the provisions for payment of such 2016 Payment or 2016 Refunding Obligation is made, the interest payable on any 2016 Refunding Obligation is thereby made includable in gross income for federal income tax purposes. The Trustee, the Depository Trustee, and the City may rely upon an opinion of nationally recognized bond counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any 2016 Payments or 2016 Refunding Obligations.

The Depository Trustee shall be any bank or trust company, which may be the Trustee, designated by the City, with a combined capital and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or State authority.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the 2016 Refunding Obligations or any Parity Obligations shall be paid by the 2016 Insurer pursuant to the Bond Insurance Policy, the 2016 Refunding Obligations or any Parity Obligations so paid, shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge hereunder and all covenants, agreements and other obligations of the City to the registered Owners shall continue to exist and shall run to the benefit of the 2016 Insurer, and the 2016 Insurer shall be subrogated to the rights of such registered Owners.

Section 13.2. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed hereunder, which shall be available for inspection by the City and any Owner, or the agent of any of them, at any time during regular business hours.

Section 13.3. Notices. All written notices to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the City: City of Buckeye, Arizona
 530 East Monroe Avenue
 Buckeye, Arizona 85326
 Attn: Finance Director

If to the Trustee: U.S. Bank National Association
101 N. First Avenue, Suite 1600
Phoenix, Arizona 85003
Attn: Corporate Trust Services

Section 13.4. Covenant as to Conflict of Interest. A.R.S. Section 38-511 provides that the City may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, the City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City from any other party to the contract arising as a result of the contract.

Section 13.5. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 13.6. Binding Effect and Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the City or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements herein contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.7. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Trust Agreement.

Section 13.8. Destruction of Cancelled 2016 Refunding Obligations. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the City of any 2016 Refunding Obligations, the Trustee may, in lieu of such cancellation and delivery, destroy such 2016 Refunding Obligations and deliver a certificate of such destruction to the City.

Section 13.9. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles", "Sections", and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 13.10. Parties Interested Herein. Nothing in this Trust Agreement or the 2016 Refunding Obligations, expressed or implied, is intended or shall be construed to

confer upon, or go give or grant to, any person or entity, other than the City, the Trustee, and the Owners of the 2016 Refunding Obligations, any legal or equitable right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, provisions and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, and the Owners of the 2016 Refunding Obligations.

Section 13.11. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.12. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the 2016 Refunding Obligations shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the 2016 Refunding Obligations pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases hereof may be held illegal, valid or unenforceable.

Section 13.13. E-Verify Requirements. To the extent applicable under A.R.S. Section 41-4401, the Trustee and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. Section 23-214(A). The Trustee or its subcontractors' breach of the above-mentioned warranty shall be deemed a material breach of this Trust Agreement and may result in the termination of the Trustee's services by the City. The City retains the legal right to randomly inspect the papers and records of the Trustee or its subcontractor employee who work on this Trust Agreement to ensure that the Trustee and its subcontractors are complying with the above-mentioned warranty.

The Trustee and its subcontractors warrant to keep the papers and records open for random inspection by the City during the Trustee's normal business hours. The Trustee and its subcontractors shall cooperate with the City's random inspections including granting the City entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

Section 13.14 Default by the 2016 Insurer. Any provision hereof to the contrary notwithstanding, if under any provision hereof any action is to be taken only with the consent or approval of the 2016 Insurer, if at the time such consent or approval would otherwise be called for, the 2016 Insurer is in bankruptcy, receivership, insolvency or similar proceedings or is in default of or is contesting its obligations under the Bond Insurance Policy then the consent or approval of such 2016 Insurer shall not be required.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Its _____

CITY OF BUCKEYE, ARIZONA, as City

By _____
Jackie A. Meck, Mayor

Attest:

Lucinda J. Aja, City Clerk

EXHIBIT A

FORM OF 2016 REFUNDING OBLIGATIONS

Registered Number: R- _____

Denomination: \$ _____

Unless this 2016 Refunding Obligation is presented by an authorized representative of The Depository Trust Company, a New York corporation ("*DTC*"), to the Trustee, as registrar (or any successor registrar), for registration of transfer, exchange, or payment, and any 2016 Refunding Obligation 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.

EXCISE TAX REVENUE REFUNDING OBLIGATION, SERIES 2016

Evidencing a Proportionate Interest of the Owner

Hereof in Payments to be Made by

THE CITY OF BUCKEYE, ARIZONA

to

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Interest Rate	Maturity Date	Dated Date	CUSIP
_____ %	July 1, 20__	_____, 2016	118087__

Registered Owner: CEDE & CO.

Principal Amount:

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner (the "Owner") of this Excise Tax Revenue Refunding Obligation, Series 2016 (the "2016 Refunding Obligation") is the owner of an undivided proportionate interest in the right to receive certain 2016 Payments under and defined in that certain Agreement (the "2016 Agreement"), dated as of _____ 1, 2016, by and between U.S. Bank National Association (the "Trustee"), as payee, and the City of Buckeye, Arizona (the "City"), a municipal corporation and a political subdivision existing under the laws of the State of Arizona, as payor, which 2016 Payments and other rights and interests under the 2016 Agreement are held by the Trustee in trust under a Trust Agreement dated as of _____ 1, 2016 (the "Trust Agreement") by and between the City and the Trustee. The Trustee

maintains a corporate trust office for payment and transfer of the 2016 Refunding Obligations (the "Designated Office").

Payment Terms

The registered owner of this 2016 Refunding Obligation is entitled to receive, subject to the terms of the 2016 Agreement, on the maturity date set forth above, the principal amount set forth above (the "Principal"), representing a portion of the 2016 Payments designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing July 1, 2016 (the "Interest Payment Dates") until payment in full of said portion of principal, the registered owner's proportionate share of the 2016 Payments designated as interest coming due (the "Interest") during the period commencing on the last date on which Interest was paid and ending on the day prior to the Interest Payment Date or, if no Interest has been paid, from the Date of Original Issuance specified above. Said Interest is the result of the multiplication of the Principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Principal of and interest on this 2016 Refunding Obligation are payable in lawful money of the United States of America to the registered owner or to any other registered owner hereof, as shown on the registration books maintained by the Trustee, at the address appearing therein at the close of business on the 15th day of the calendar month next preceding that interest payment date (the "Record Date").

Limitation on Trustee's Responsibility

The Trustee has no obligation or liability to the registered owners of the 2016 Refunding Obligations for the payment of Interest or Principal pertaining to the 2016 Refunding Obligations. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the 2016 Refunding Obligations, the various funds and accounts established pursuant to the Trust Agreement.

The recitals, statements and representations made in this 2016 Refunding Obligation shall be taken and construed as made by and on the part of the City, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

Authorization

This 2016 Refunding Obligation has been executed and delivered by the Trustee pursuant to the terms of the Trust Agreement. The City is authorized to enter into the 2016 Agreement and the Trust Agreement under the laws of the State of Arizona and by resolution of the Mayor and Council of the City adopted February 2, 2016. Reference is hereby made to the 2016 Agreement and the Trust Agreement (copies of which are on file at the Designated Office of the Trustee) for further definitions, a description of the terms on which the 2016 Refunding Obligations are delivered, the rights thereunder of the registered owners of the 2016 Refunding Obligations, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the 2016 Agreement, to all of the provisions of which 2016 Agreement and Trust Agreement the registered owner of this 2016 Refunding Obligation, by acceptance hereof, assents and agrees.

Payment from Excise Taxes and State Shared Revenues

The 2016 Refunding Obligations are payable from the 2016 Payments to be made by the City pursuant to the 2016 Agreement. The City is required under the 2016 Agreement to make 2016

Payments from Excise Taxes and State Shared Revenues (as defined below), which 2016 Payments are sufficient to pay, when due, the annual principal and interest due with respect to the 2016 Refunding Obligations. "Excise Taxes" means unrestricted transaction privilege (sales) taxes, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the City imposes; provided that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted at the discretion of such Council and which, if so restricted, will not be deemed Excise Taxes. "State Shared Revenues" means any amounts of excise taxes, transaction privilege (sales) and income taxes imposed by the State of Arizona or any agency thereof and returned, allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

Pledge of Excise Taxes and State Shared Revenues

The 2016 Payments and all other amounts due under the 2016 Agreement for the 2016 Refunding Obligations are payable from a pledge of, and secured by a lien on, the Excise Taxes and State Shared Revenues as may be necessary for their prompt and punctual payment. Said pledge of, and said lien on, the Excise Taxes and State Shared Revenues is irrevocably made and created by the City pursuant to the 2016 Agreement for the prompt and punctual payment of amounts due under the 2016 Agreement according to its terms, and to create and maintain the funds as hereinafter specified therein and herein. None of the 2016 Payments in connection with the 2016 Refunding Obligations shall be entitled to priority or distinction one over the other in the application of the Excise Taxes and State Shared Revenues thereby pledged to the payment thereof, regardless of the delivery of any of the 2016 Refunding Obligations prior to the delivery of any other of the 2016 Refunding Obligations, or regardless of the time or times the 2016 Refunding Obligations mature. The 2016 Payments made by the City in connection with the 2016 Refunding Obligations and all the heretofore or hereafter issued Parity Obligations are co-equal as to the pledge of and lien on the Excise Taxes and State Shared Revenues pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Taxes and State Shared Revenues or security therefor. Notwithstanding the foregoing, certain of the City's Outstanding Parity Obligations are held by the Greater Arizona Development Authority ("GADA") which, under State law, may intercept State Shared Revenues prior to the distribution thereof to the City upon the City's failure to timely pay any of such Parity Obligations held by GADA. In the event of any such failure on the City's part, should GADA enforce its interception rights, the City's share of State Shared Revenues would be reduced by the amount intercepted.

Limited Pledge

THE 2016 REFUNDING OBLIGATIONS, THE 2016 AGREEMENT AND THE OBLIGATION OF THE CITY TO MAKE PAYMENTS THEREUNDER NEITHER REPRESENT NOR CONSTITUTE A GENERAL OBLIGATION OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR WHICH THE CITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OTHER THAN THE OBLIGATION OF THE CITY TO LEVY THE EXCISE TAXES AND STATE SHARED REVENUES NOR DO THE 2016 REFUNDING OBLIGATIONS, THE 2016 AGREEMENT OR THE OBLIGATION TO MAKE PAYMENTS THEREUNDER CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION OR OTHERWISE.

This 2016 Refunding Obligation represents an interest in a limited obligation of the City (as described herein) and no Council member, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.

Record Date

The Record Date is the fifteenth day of the month preceding the month in which an interest payment is due.

Optional Redemption

The 2016 Refunding Obligations maturing on or before July 1, 20[26], will not be subject to redemption prior to their stated maturity dates. The 2016 Refunding Obligations maturing on or after July 1, 20[27], will be subject to redemption prior to their stated maturity dates, at the option of the City, in whole or in part from maturities selected by the City on July 1, 20[26], or on any date thereafter, by the payment of a redemption price equal to the principal amount of each such 2016 Refunding Obligation redeemed, plus interest accrued to the date fixed for redemption, without premium.

Mandatory Redemption

The 2016 Refunding Obligations will be subject to mandatory redemption prior to their stated maturity, at random or such other manner, as selected by the Trustee, as shown below, and in the following principal amounts, at a redemption price equal to the principal amount thereof plus interest accrued to the date of redemption without premium:

July 1, 20__ Term Obligation	
20__	\$
20__	
20__	
20__	
20__ (maturity)	

July 1, 20__ Term Obligation	
20__	\$
20__ (maturity)	

Whenever 2016 Refunding Obligations subject to mandatory redemption are redeemed or are delivered to the registrar for cancellation, the principal amount of the 2016 Refunding Obligations of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity as designated by the City.

Notice of Redemption

Notice of redemption of the 2016 Refunding Obligations shall be mailed by first class mail to the registered owner of each 2016 Refunding Obligation to be redeemed in whole or in part at the registered owner's address shown on the registration books for the 2016 Refunding Obligations on the 15th day preceding that mailing at least thirty (30) days, but not more than sixty (60) days, prior to the redemption date. Failure to properly give notice of redemption shall not affect the redemption of any 2016 Refunding Obligation for which notice was properly given. The Trustee is not required to provide a notice of redemption of 2016 Refunding Obligations pursuant to mandatory redemption.

If at the time of mailing of the notice of redemption there has not been deposited with the Trustee moneys or eligible securities sufficient to redeem all the 2016 Refunding Obligations called for redemption and other requirements set forth in the Trust Agreement are not met, such notice shall state that it is conditional, subject to the deposit of moneys sufficient for the redemption and satisfaction of such conditions. If the 2016 Refunding Obligations or portions thereof are called for redemption and if on the redemption date moneys for the redemption thereof are held by the Trustee and those other conditions are met, thereafter those 2016 Refunding Obligations or portions thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Trust Agreement. The failure to receive any notice of redemption, or any defect in such notice in respect of any 2016 Refunding Obligation, shall not affect the validity of redemption of any 2016 Refunding Obligation.

Transfer

This 2016 Refunding Obligation may be transferred on the registration books upon delivery hereof to the Trustee, as registrar, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Trustee, as registrar, duly executed by the registered owner of this 2016 Refunding Obligation, or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this 2016 Refunding Obligation shall be effective until entered on such registration books.

In all cases upon the transfer of a 2016 Refunding Obligation, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver, in the name of the transferee or transferees, a new fully registered 2016 Refunding Obligation of the denominations of \$5,000 or any integral multiple thereof (except that no 2016 Refunding Obligation shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Trust Agreement.

The registered owner of one or more 2016 Refunding Obligations may, upon request, and upon the surrender to the Trustee of such 2016 Refunding Obligations, exchange such 2016 Refunding Obligations for 2016 Refunding Obligations of other authorized denomination of the same maturity, series, and interest rate together aggregating the same principal amount as the 2016 Refunding Obligations so surrendered.

The City or the Trustee shall charge the registered owner of such 2016 Refunding Obligation, for every such transfer or exchange of a 2016 Refunding Obligation, an amount sufficient reimburse it for any tax, governmental fee or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before any such new 2016 Refunding Obligation shall be delivered. The City shall pay all initial registration fees on the 2016 Refunding Obligation. Subsequent owners of 2016 Refunding Obligations will pay all transfer fees including governmental fees, taxes or charges. The registered owner of any 2016 Refunding Obligation shall be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed 2016 Refunding Obligation.

The City and the Trustee may, but are not required to, transfer or exchange any 2016 Refunding Obligations during the period (i) from the record date to and including the respective interest payment date or (ii) from fifteen days prior to the selection of 2016 Refunding Obligations to be redeemed and including the day on which notice of redemption is given. The Trustee may, but is not required to, transfer or exchange any 2016 Refunding Obligations within the periods referred to above, the interest payment on such 2016 Refunding Obligation will be made payable to and mailed to the

registered owners shown on the bond register maintained by the Trustee as of the close of business on the respective Record Date.

Enforcement Pursuant to Trust Agreement

The registered owner of this 2016 Refunding Obligation shall have no right to enforce the provisions of the Trust Agreement or the 2016 Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Acceleration

The 2016 Refunding Obligations are not subject to acceleration for any reason.

This 2016 Refunding Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this 2016 Refunding Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution: _____, 2016.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this 2016 Refunding Obligation, 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
TEN ENT -	as tenants by the entireties	_____Custodian_____
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	(Cust) _____ (Minor)
		under Uniform Gifts/Transfers to Minors Act

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

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

Insert Social Security or Other
Identifying Number of Transferee

(Please Print or Typewrite Name and Address of Transferee)

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within certificate 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 face of the within registered certificate in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

The signature(s) should be guaranteed by an eligible guarantor institution pursuant to Securities and Exchange Commission Rule 17Ad-15

EXHIBIT B

FORM OF REQUISITION FOR MONEY
FROM THE 2016 COSTS OF ISSUANCE FUND

REQUISITION NO. __

2016 COSTS OF ISSUANCE FUND

RE: City of Buckeye, Arizona
Excise Tax Revenue Refunding Obligations, Series 2016

The City of Buckeye, Arizona (the "*City*") hereby requests U.S. Bank National Association, as trustee (the "*Trustee*"), under that certain Trust Agreement, dated as of _____ 1, 2016, by and between the City and the Trustee, relating to the above-captioned 2016 Refunding Obligations to pay to the persons listed on Schedule I attached hereto the amounts shown for the purposes indicated from the 2016 Costs of Issuance Fund established pursuant to the Trust Agreement.

The District hereby certifies that each item in the amount set forth on Schedule I is a proper charge against the 2016 Costs of Issuance Fund and no part of such payment shall be applied to any item which has previously been paid as a Cost of Issuance of the 2016 Refunding Obligations.

Dated: _____, 2016.

CITY OF BUCKEYE, ARIZONA

By: _____
Authorized Representative

SCHEDULE I

2016 COSTS OF ISSUANCE FUND

<u>TO*</u>	<u>AMOUNT**</u>	<u>PURPOSE</u>
1. U.S. Bank National Association 101 N. First Avenue, Suite 1600 Phoenix, Arizona 85003	\$____.00	Trustee's Initial Fees and Costs, 2016 Depository Trustee and Refunded Registrar Fees and Costs
2. Gust Rosenfeld P.L.C. One East Washington Street Suite 1600 Phoenix, Arizona 85004	\$____.00	Special Counsel Services
3. First Southwest Company LLC _____ _____	\$____.00	Financial Advisor Services
4. Greenberg Traurig LLP 2375 East Camelback Road Suite 700 Phoenix, Arizona 85016	\$____.00	Underwriter's Counsel Services
5. _____ _____ _____	\$____.00	Official Statement Printing
6. _____ _____ _____	\$_____	Rating fee

* See wire instructions or remittance address on the respective invoice.

** Amounts in the maximum amounts shown above to be disbursed by the Trustee against an invoice presented to the Trustee for such purpose.

DEPOSITORY TRUST AGREEMENT

This Depository Trust Agreement (the "*Agreement*") dated as of _____ 1, 2016, by and between the CITY OF BUCKEYE, ARIZONA (the "*City*"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association authorized to do trust business in the State of Arizona, as depository trustee (the "*Depository Trustee*");

WITNESSETH:

WHEREAS, a portion of the payments to be made by the City to the Greater Arizona Development Authority ("*GADA*") under that certain Loan Repayment Agreement, dated as of March 2, 2006 (the "*Agreement Being Refunded*"), between the City and GADA, remains unpaid; and

WHEREAS, the Agreement Being Refunded secures a portion of certain bonds issued by GADA and known as the Greater Arizona Development Authority Infrastructure Revenue Bonds, Series 2006A, dated March 2, 2006 (the "*GADA Bonds*"); and

WHEREAS, U.S. Bank National Association is the bond registrar and paying agent for the GADA Bonds; and

WHEREAS, by a resolution adopted on February 2, 2016 (the "*Authorizing Resolution*"), the Mayor and City Council of the City have authorized the execution, sale and delivery of \$_____ in aggregate principal amount of the City of Buckeye Excise Tax Revenue Refunding Obligations, Series 2016 (the "*2016 Refunding Obligations*"), which were issued to prepay and refinance the Agreement Being Refunded; and

WHEREAS, the Authorizing Resolution and that certain Trust Agreement, dated as of _____ 1, 2016 (the "*Trust Agreement*"), between the City and the Depository Trustee, authorizes and directs the City and the Depository Trustee to enter into this Agreement for the safekeeping and handling of the moneys and securities to be held in trust to prepay and refinance the Agreement Being Refunded in advance of its maturity; and

WHEREAS, the Depository Trustee agrees to accept and administer the irrevocable trust created hereby; and

WHEREAS, all capitalized terms not otherwise defined herein shall have the meanings set forth in the Trust Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements hereinafter set forth it is hereby agreed as follows:

Section 1. Deposit With Depository Trustee. Pursuant to this Agreement, the Depository Trustee has received for deposit the following amounts to prepay and refinance the Agreement Being Refunded.

Obligation Proceeds	\$
[Net] Premium	
Less: Underwriter's Discount	0
Less: Deposit to Payment Fund held by Trustee	0
 TOTAL	 \$

Section 2. Trust Account. The Depository Trustee shall hold the moneys so deposited, all investments made with such moneys and all earnings from investment and reinvestment of such moneys and all other moneys received by the Depository Trustee from the City hereunder in an irrevocable segregated and separate trust account that is separate from all other moneys, funds and investments deposited with the Depository Trustee for the sole and exclusive benefit of GADA, as the payee of the Agreement Being Refunded (the "*Trust Account*").

A. Any amounts held in the Trust Account may be held uninvested or may be invested in noncallable securities the payment of which is guaranteed by the full faith and credit of the United States ("*Government Obligations*") having any yield. Any investment in Government Obligations shall mature no later than necessary to prepay the Agreement Being Refunded on July 1, 2016. The first prepayment date of the Agreement Being Refunded is July 2, 2016, but GADA has agreed to permit the City to direct the Depository Trustee to make payment on July 1, 2016.

B. Amounts received from reinvestment of maturing principal of and interest on Government Obligations, if any, prior to the date such amounts are to be used to make payments on the Agreement Being Refunded pursuant to this Section 2 and which are not needed to provide for payments on the Agreement Being Refunded may be withdrawn from the Trust Account and returned to the City and applied for the benefit of the City in accordance with applicable law.

Section 3. Moneys Not Invested. Any Trust Account moneys which are not at any time invested in Government Obligations shall be held in a trust account by the Depository Trustee and shall be secured with collateral meeting the requirements of 12 CFR Part 9, Sec 9.10(b).

Section 4. Timely Payments. The Depository Trustee shall make timely payments from the Trust Account in the amounts and on the dates sufficient to pay principal and interest coming due on the Agreement Being Refunded. Unless otherwise directed by the Finance Director, in order to determine the amounts and the dates on which principal and interest is due on the Agreement Being Refunded, the Depository Trustee may rely upon the debt service schedules with respect to the Agreement Being Refunded as provided by the Finance Director.

Section 5. Notices. (a) On _____, 2016, the City sent notice to GADA and the U.S. Bank National Association, as trustee of the GADA Bonds, of the City's intent to prepay the Agreement Being Refunded.

Section 6. Insufficient Funds. If at any time or times there are insufficient funds on hand in the Trust Account to pay the principal of and interest on the Agreement Being Refunded as the same becomes due, or for the payment of the fees and expenses of the Depository Trustee, the Depository Trustee shall promptly notify the City of such deficiency.

Section 7. Depository Trustee Compensation. The District shall pay the Depository Trustee the fees and reimburse the Depository Trustee for all expenses incurred in the administration of this Agreement (including, without limitation, legal fees and expenses) as set forth in a separate fee schedule. The Depository Trustee shall not create or permit to be created any lien on moneys in the Trust Account for the failure to pay any such fees.

Section 8. **Reports.** On or before July 1 during the term hereof, the Depository Trustee shall submit to the City a report covering all moneys it has received and all payments it has made under the provisions hereof during the period from the initial execution and delivery of the 2016 Refunding Obligations and ending July 1, 2016.

Section 9. **Transfer Upon Full Payment.** When all amounts payable on the Agreement Being Refunded have become due and the Depository Trustee has on deposit all moneys necessary for the payment of such amounts, and in any event on the business day preceding the final payment or prepayment of the Agreement Being Refunded, the Depository Trustee shall transfer all moneys and investments credited to the Trust Account not required for payment of principal and interest with respect to the Agreement Being Refunded, to the Finance Director for the City's benefit.

Section 10. **Agreement Irrevocable.** The parties recognize that GADA, in connection with the Agreement Being Refunded, has a beneficial vested interest in the moneys and investments held in the Trust Account and that the 2016 Refunding Obligations will be delivered to and accepted by the owners thereof in reliance upon the irrevocable character of the trust so created. Therefore, this Agreement shall not be revoked, and shall not be amended in any manner which may adversely affect the rights herein sought to be protected, until the provisions hereof have been fully carried out.

Section 11. **Non-Liability.** The Depository Trustee shall be under no obligation to protect any of the rights of the City under any of the proceedings with respect to the Agreement Being Refunded or the 2016 Refunding Obligations. The Depository Trustee shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing except for its negligence or its default in the performance of any obligation imposed upon it hereunder. The Depository Trustee shall not be liable or responsible for any loss resulting from any investment made pursuant hereto in compliance with the provisions hereof.

Section 12. **Audit.** The City and the Auditor General of the State of Arizona shall have the right to audit the books, records and accounts of the Depository Trustee insofar as they pertain to the trust created hereunder.

Section 13. **Reserved.**

Section 14. **Depository Trustee Responsibility.** In the event the Depository Trustee is required or permitted hereby, or is requested hereunder, to take any action (or refrain from taking any action) as the Depository Trustee, the performance (or nonperformance) of which would, in the Depository Trustee's sole judgment, subject the Depository Trustee to unreasonable risk of liability or expense, the Depository Trustee shall have no duty to take (or refrain from taking) any such action until the Depository Trustee has been furnished with indemnity adequate, in its sole judgment, to protect the Depository Trustee, its directors, officers, employees, agents and attorneys for, from and against such liability or expense, and all reasonable costs and expenses (including reasonable attorneys' fees) in connection therewith, or until its duty as to any such action (or inaction) shall have been finally adjudicated by a court of competent jurisdiction and all applicable periods in which to appeal or seek appellate review have expired.

To the extent permitted by law, the City will indemnify and hold the Depository Trustee, its directors, officers, employees, agents and attorneys harmless for, from and against any loss, liability, judgment or expense (including reasonable attorneys' fees) arising from the Depository Trustee's performance of its obligations hereunder except any such loss, liability, judgment or expense resulting from the successful allegation of the Depository Trustee's negligence or willful misconduct or breach of

trust. The rights of the Depository Trustee to such indemnification shall survive the termination of this Agreement.

The Depository Trustee may consult with independent counsel, chosen by it with reasonable care, and shall not be liable for action taken or not taken in good faith in reliance upon the written advice or opinion of such counsel. The Depository Trustee shall not be liable for the accuracy of any calculations provided by others to it under this Agreement as to the sufficiency of the moneys or Government Obligations deposited with it to prepay the principal of and interest coming due on the Agreement Being Refunded. Furthermore, the Depository Trustee may conclusively rely in good faith as to the truth, accuracy and correctness of, and shall be protected and indemnified in acting or refraining from acting upon, any written opinion, calculation, notice, instruction, request, certificate, document or opinion furnished to the Depository Trustee in accordance herewith and signed or presented by the proper party pursuant hereto and it need not investigate the truth or accuracy of any fact or matter stated in such opinion, calculation, notice, instruction, request, certificate or opinion.

The Depository Trustee may at any time resign and be discharged of the duties and obligations created hereby. If the Depository Trustee resigns, or is dissolved, liquidated or in the process of being dissolved or liquidated or otherwise becomes incapable of acting hereunder, or is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Depository Trustee may be appointed. No resignation or removal may become effective until a successor Depository Trustee shall have been appointed. In the event that no appointment of a successor Depository Trustee occurs within sixty (60) days, the holder of any of the Agreement Being Refunded or the retiring Depository Trustee may apply to any court of competent jurisdiction for the appointment of a successor Depository Trustee acceptable to the City, and such court may thereupon, after such notice as it shall deem proper, appoint a successor Depository Trustee acceptable to the City. Any successor Depository Trustee appointed under this Agreement shall execute, acknowledge and deliver to its predecessor and the City an instrument in writing accepting such appointment and, thereupon, such successor Depository Trustee, without any further act, deed or conveyance, shall become fully vested with all rights, estates, powers, trusts, duties and obligations of its predecessor; but, such predecessor shall, nevertheless, on the written request of such successor Depository Trustee, execute, acknowledge and deliver an instrument transferring to such successor Depository Trustee all of the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Depository Trustee shall deliver all securities and moneys held by it to the successor Depository Trustee.

Any corporation into which the Depository Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Depository Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Depository Trustee, shall be the successor of the Depository Trustee hereunder, provided such corporation, association or agency shall be otherwise qualified and eligible under this Section, without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Depository Trustee, at any time prior to the first anniversary of July 1, 2016, may assign and transfer by written agreement all property, rights, interests, powers, duties and obligations of the Depository Trustee as established hereunder, to a bank or trust company that is duly qualified to conduct trust business in the State of Arizona that is under common corporate control with the Depository Trustee and that otherwise satisfies the qualification requirements hereunder for successor Depository Trustees. Upon such assignment and transfer, the transferee bank or trust company shall become successor Depository Trustee and receive, accept and hold all property, rights, interests, powers, duties and obligations thereof without further actions or approvals of any other person.

Section 15. Assignment; Merger. Neither this Agreement nor the Trust Account created hereunder may be assigned by the Depository Trustee without the prior written consent of the City unless the Depository Trustee is required by law to divest itself of its interest in its trust department or unless

the Depository Trustee sells or otherwise assigns all or substantially all of its corporate trust business in which event the trust shall be continued by the Depository Trustee's successor in interest.

Any corporation into which the Depository Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Depository Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Depository Trustee, shall be the successor of the Depository Trustee hereunder, provided such corporation, association or agency shall be otherwise qualified and eligible under this Section 18, without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Depository Trustee, at any time prior to the first anniversary of the date hereof, may assign and transfer by written agreement all property, rights, interests, powers, duties and obligations of the Depository Trustee as established hereunder, to a bank or trust company that is duly qualified to conduct trust business, that is under common corporate control with the Depository Trustee and that otherwise satisfies the qualification requirements hereunder for successor Depository Trustees. Upon such assignment and transfer, the transferee bank or trust company shall become successor Depository Trustee and receive, accept and hold all property, rights, interests, powers, duties and obligations thereof without further actions or approvals of any other person.

Section 16. Severability. If any section, paragraph, subdivision, sentence, clause or phrase hereof shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions hereof. The parties declare that they would have executed this Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases hereof may be held to be illegal, invalid or unenforceable. If any provision hereof contains an ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

Section 17. Applicable Laws. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Arizona and expresses the entire understanding of the parties hereto.

Section 18. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

Section 19. Conflict of Interest. The City hereby gives notice to the Depository Trustee that A.R.S. § 38-511, as amended, provides that the State of Arizona, its political subdivisions or any department or agency of either, may within three (3) years after execution thereof cancel any contract without penalty or further obligation, made by the State of Arizona, its political subdivisions or any department or agency of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating such agreements on behalf of the State of Arizona, its political subdivisions or any department or agency of either, is at any time while such contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

Section 20. E-verify Requirements. To the extent applicable under A.R.S. § 41-4401, the Depository Trustee and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). The Depository Trustee's or a subcontractor's breach of the above-mentioned warranty shall be deemed a material breach of this Agreement and may result in the termination of the Agreement by the City. The City retains the legal right to randomly inspect the papers and records of the Depository Trustee and its subcontractors who work on the Agreement to ensure that the Depository Trustee and its subcontractors are complying with the above-mentioned warranty.

The Depository Trustee and its subcontractors warrant to keep the papers and records open for random inspection by the City during the Depository Trustee's normal business hours. The Depository Trustee and its subcontractors shall cooperate with the City's random inspections including granting the City entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY OF BUCKEYE, ARIZONA

By _____
Finance Director

U.S. BANK NATIONAL ASSOCIATION, as
Depository Trustee

By _____
Title: _____

DRAFT
12/10/15
12/22/15

\$_____,000
CITY OF BUCKEYE, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2016

OBLIGATION PURCHASE CONTRACT

_____, 2016

Mayor and Council
City of Buckeye, Arizona
530 East Monroe Avenue
Buckeye, Arizona 85326

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), offers to enter into the following agreement (this "Purchase Contract") with the City of Buckeye, Arizona (the "Issuer"), which, upon the written acceptance by the Issuer of this offer, shall be binding upon the Issuer and upon the Underwriter. This offer is made subject to the written acceptance hereof by the Issuer on or before 5:00 p.m., Mountain Standard Time, on the date indicated above and shall be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. (Terms not otherwise defined in this Purchase Contract shall have the same meanings set forth in the Official Statement (as such term is defined herein).)

1. Purchase and Sale of the Obligations.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter shall purchase from U.S. Bank National Association, as trustee (the "Trustee"), and the Issuer shall cause the Trustee to sell and execute and deliver to the Underwriter, all, but not less than all, of the Issuer's Excise Tax Revenue Refunding Obligations, Series 2016 in the aggregate principal amount of \$_____,000 (the "Obligations"), at the aggregate purchase price of \$_____ (which represents the aggregate principal amount of the Obligations plus [net] original issue premium of \$_____ less Underwriter's compensation of \$_____).

(b) The Obligations shall (i) be dated, (ii) mature on the dates and in the principal amounts and be subject to redemption and (iii) bear interest at the rates payable commencing _____ 1, 20__, and semiannually thereafter on each January 1 and July 1, all as set forth on the Schedule hereto. The terms of the Obligations shall be as otherwise described in, and shall be executed and delivered by the Trustee pursuant to, a Trust Agreement, to be dated as of _____ 1, 2016 (the "Trust Agreement"), substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon between the Underwriter and the Issuer. The Obligations represent undivided proportionate interests in an Agreement, to be dated as of _____ 1, 2016 (the "Agreement"), between the Issuer and the Trustee, as payee.

(c) (i) The purchase and sale of the Obligations pursuant to this Purchase Contract is an "arm's-length," commercial transaction between the Issuer and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and proceedings leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal for its own account and is not acting as the agent or fiduciary of the Issuer, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement and Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB"), (iv) the Underwriter has financial and other interests that differ from those of the Issuer and (v) the Issuer has consulted its own advisors to the extent it has deemed appropriate.

2. Public Offering. The Underwriter shall make a *bona fide* public offering of all of the Obligations at prices not to exceed the public offering prices or yields not less than the public offering yields set forth on the Schedule hereto and may subsequently change such offering prices or yields without any requirement of prior notice. The Underwriter may offer and sell any portion of the Obligations to certain dealers (including dealers depositing the Obligations into investment trusts) and others at prices lower or yields higher than the public offering prices or yields stated on the Schedule hereto.

3. The Official Statement.

(a) The Preliminary Official Statement, dated _____, 2016 (the "Preliminary Official Statement"), relating to the Obligations, including the cover page, the inside front cover page and appendices thereto, has been prepared for use in connection with the public offer, sale and distribution of the Obligations by the Underwriter, and the Issuer hereby ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Obligations. The Issuer hereby deems, as of its date, the Preliminary Official Statement "final" (except for permitted omissions) by the Issuer for purposes of Section (b)(1) of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended (the "Rule").

(b) The Issuer shall deliver or cause to be delivered to the Underwriter within seven (7) business days after the acceptance by the Issuer of this Purchase Contract and, in the event the Closing (as such term is hereinafter defined) is held less than seven (7) business days from the date hereof, upon request of the Underwriter, such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB and in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, copies of the final Official Statement, dated of even date herewith (the "Official Statement" but if the Official Statement shall be amended prior to the date of delivery of the Obligations, the term "Official Statement" shall refer to such document as amended), relating to the Obligations, including the cover page, the inside front cover page and appendices thereto, which shall be determined on behalf of the Issuer by the Finance Director of the Issuer to be a "final official statement" for purposes of Sections (b)(3) and (4) of the Rule by his execution thereof, the Official Statement to be substantially in the form of the Preliminary Official Statement with only such changes therein as shall be necessary to conform to the terms of this Purchase Contract and with such other changes and amendments to the date thereof as have been accepted by the Underwriter.

(c) The Official Statement shall be prepared for use in connection with the public offering, sale and distribution of the Obligations by the Underwriter, and the Issuer hereby authorizes the Official Statement and the information therein contained and the City Documents (as such term is hereinafter defined) to be used by the Underwriter in connection with the public offering and sale of the Obligations.

(d) The Issuer shall not adopt any amendment to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by herein defined Special Counsel.

(e) While the Underwriter has participated and will participate with the Issuer in the preparation and assemblage of the Preliminary Official Statement and the Official Statement, respectively, the Issuer is and shall be primarily responsible for the content of the Preliminary Official Statement, and as of the date of acceptance hereof by the Issuer and until twenty-five (25) days after the original execution and delivery of the Obligations, the statements and information in the Official Statement shall be, and the statements and information in the Preliminary Official Statement, as of its date were, true, correct and complete in all material respects, and the statements and information in the Official Statement will not, and the statements and information in the Preliminary Official Statement as of its date did not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements and information, in light of the circumstances under which they will be or were made, not misleading in any material respect.

(f) If, to and including the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the original execution and delivery of the Obligations (unless the Underwriter notifies the Issuer otherwise), any fact or event occurs which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend the Official Statement to comply with law, the Issuer

shall notify the Underwriter and provide the Underwriter with such information as it may from time to time request, and if, in the opinion of the Underwriter such fact or event requires preparation and publication of an amendment to the Official Statement, the Issuer shall forthwith prepare and furnish, at the expense of the Issuer (in a form and manner approved by the Underwriter), a reasonable number of copies of amendments to the Official Statement so that the statements in the Official Statement as so amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notifications shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such amendment to the Official Statement.

4. Representations and Warranties and Agreements of the Issuer. The undersigned, on behalf of the Issuer, but not individually, hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a municipal corporation duly incorporated and validly existing under the laws of the State of Arizona (the "State"), and has full legal right, power and authority, and at the date of the Closing shall have full legal right, power and authority under the resolution of the Mayor and City Council of the Issuer authorizing the sale and execution and delivery of the Obligations adopted on February 2, 2016 (the "Resolution"), (i) to enter into, execute and deliver this Purchase Contract; the Resolution; the Agreement; the Trust Agreement; a Depository Trust Agreement, to be dated as of _____ 1, 2016 (the "Depository Trust Agreement"), by and between the Issuer and U.S. Bank National Association, as depository trustee (the "Depository Trustee"); a written undertaking by the Issuer to provide ongoing disclosure about the Issuer for the benefit of certain owners of the Obligations as required under paragraph (b)(5) of the Rule in form and substance satisfactory to the Underwriter (the "Undertaking"), which shall be substantially in the form described in the Official Statement, with such changes as may be agreed to in writing by the Underwriter and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Purchase Contract, the Agreement, the Resolution, the Trust Agreement, the Depository Trust Agreement, the Undertaking and the other documents referred to in this clause (i) hereinafter referred to as the "City Documents"), (ii) to cause the sale and execution and delivery of the Obligations to the Underwriter as provided herein, (iii) to carry out and consummate the transactions contemplated by the City Documents and the Official Statement and (iv) to approve, execute and authorize the use and distribution, as applicable, of the Preliminary Official Statement and the Official Statement, and the Issuer has complied, and shall at the Closing be in compliance in all respects, with all applicable provisions of law and the City Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Resolution and the execution and delivery and sale of the Obligations, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Obligations and the City Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the City Documents and any and all such other agreements and documents as may be required to be

executed, delivered and/or received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated herein and in the Official Statement;

(c) The Resolution (i) authorizes the execution and delivery of the City Documents and the Obligations as well as the approval, execution and authorization of the use and distribution of the Preliminary Official Statement and the Official Statement and the selling of the Obligations to the Underwriter, (ii) has been duly and validly adopted by the Issuer and (iii) is in full force and effect;

(d) This Purchase Contract has been duly executed and delivered by the Issuer, and the City Documents (when the other of the City Documents are executed and delivered by the other parties thereto) constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Obligations, when executed and delivered and paid for in accordance with the Trust Agreement and this Purchase Contract, shall constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Trust Agreement and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and upon the execution and delivery of the Obligations as aforesaid, the Agreement and the Trust Agreement shall provide, for the benefit of the holders from time to time of the Obligations, the legally valid and binding pledge of and lien they purport to create as set forth in the Agreement and the Trust Agreement;

(e) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject; no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing or the City Documents and the execution and delivery of the Obligations, the City Documents and the adoption of the Resolution and compliance with the provisions on the part of the Issuer contained therein shall not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor shall any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Obligations or under the terms of any such law, regulation or instrument, except as provided by the Obligations and the City Documents;

(f) All authorizations, approvals, licenses, permits, consents, orders and other matters of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer, of its obligation under the City Documents and the Obligations

have been duly obtained, except for such approvals, consents and orders as may be required under the “blue sky” or securities laws of any jurisdiction in connection with the offering and sale of the Obligations and including particularly, but not by way of limitation, all reports required to be filed by the Issuer pursuant to Section 35-501, Arizona Revised Statutes, as amended, and, except as otherwise indicated in the Official Statement, the Issuer has been and is in material compliance with all prior continuing disclosure undertakings undertaken by it pursuant to the Rule;

(g) The Obligations and the City Documents conform to the descriptions thereof contained in the Official Statement, and the proceeds of the sale of the Obligations shall be applied as described in the Official Statement;

(h) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against the Issuer (i) affecting the existence of the Issuer or the titles of its officers to their respective offices; or (ii) affecting or seeking to prohibit, restrain or enjoin the sale or execution and delivery of the Obligations or the levy and collection of the revenues from the Excise Taxes and the State Shared Revenues or the refinancing of the obligations being refunded with proceeds of the Obligations (the “Obligations Being Refunded”); or (iii) in any way contesting or affecting the validity or enforceability of the Obligations or the City Documents or contesting the exclusion from gross income of interest on the Obligations for federal income tax purposes or State income tax purposes; or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (v) contesting the formation or powers of the Issuer or any authority for the sale and execution and delivery of the Obligations, the adoption of the Resolution or the execution and delivery of the City Documents; or (vi) which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer or (vii) is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Obligations or the City Documents;

(i) The Issuer has not granted a lien on, made a pledge of or agreed to apply the revenues from the Excise Taxes and the State Shared Revenues and other moneys payable under the Agreement, except as provided or permitted in the Agreement or as described in the Official Statement;

(j) Unless the Official Statement is amended or supplemented pursuant to paragraph (f) of Section 3 of this Purchase Contract, at all times subsequent to the acceptance by the Issuer hereof, during the period up to and including the date of the Closing, the Official Statement, as of its date, did not, as of the date hereof, does not and, hereafter, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) The Issuer shall apply, or cause to be applied, the proceeds from sale of the Obligations as provided in and subject to all of the terms and provisions of the City Documents and shall not take or omit to take any action which action or omission will adversely

affect the exclusion of the interest income on the Obligations from gross income for federal income tax purposes or State income tax purposes;

(l) The Issuer shall furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (i) to (A) qualify the Obligations for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (B) determine the eligibility of the Obligations for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the distribution of the Obligations (provided, however, that the Issuer shall not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and shall advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Obligations for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The audited financial statements of the Issuer contained in the Official Statement fairly present the financial position and results of operations and changes in fund balances of the Issuer as of the dates and for the periods therein set forth; the Issuer has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied; since June 30 of the last fiscal year presented in the audited financial statements of the Issuer included in the Official Statement, the Issuer has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Issuer that is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business and prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer;

(n) The Issuer is not a party to any contract or agreement or subject to any restriction, the performance of or compliance with which may have a material adverse effect on the financial condition, operations or prospects of the Issuer or ability of the Issuer to comply with all the requirements set forth in the Official Statement, the City Documents or the Obligations;

(o) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Obligations without the prior approval of the Underwriter;

(p) The representations of the Issuer set forth herein and in the City Documents are, as of the date hereof, true and correct, and between the date hereof and the date of the Closing, the Issuer shall not take any action that will cause the representations and warranties made herein to be untrue as of the date of the Closing and

(q) The officers and officials of the Issuer executing the Official Statement, the City Documents and the Obligations and the officers and officials of the Issuer

listed on the certificate of the Issuer to be delivered at the Closing have been or will have been duly appointed and are or will be qualified to serve as such officers and officials of the Issuer, and any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Purchase Contract shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

5. Closing.

(a) At 8:00 a.m. Mountain Standard Time, on _____, 2016, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing"), the Issuer shall, subject to the terms and conditions hereof, cause the Trustee to provide for the execution and delivery of the Obligations to or on behalf of the Underwriter, duly executed, together with the other documents hereinafter mentioned, and the Underwriter shall, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Obligations as set forth in Section 1 of this Purchase Contract by a certified or bank cashier's check or checks or wire transfer payable in immediately available funds to the Trustee. Payment for the Obligations as aforesaid shall be made at the offices of Special Counsel or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Obligations shall be made through The Depository Trust Company, New York, New York, including, if provided for by the Underwriter, a "Fast Automated Securities Transfer." The Obligations shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, all as provided in the Trust Agreement, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

6. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties, covenants and agreements of the Issuer contained herein and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the obligations of the Underwriter under this Purchase Contract to purchase, to accept delivery of and to pay for the Obligations shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer and the Trustee contained herein and in the City Documents shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer, the Trustee and the Depository Trustee shall have performed and complied with all covenants, agreements and conditions required by the City Documents to be performed or complied with prior to or at the Closing;

(c) At the date of the Closing, (i) the City Documents and the Obligations shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended or modified; (ii) the Official Statement shall not have been amended or supplemented, except in any such case as may have been agreed to by the Underwriter and (iii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Special Counsel and Counsel to the Underwriter (as defined herein) to deliver their respective opinions referred to hereafter;

(d) At the date of the Closing, all official action of the Issuer relating to the Obligations and the City Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the City Documents shall have been duly executed and delivered by the Issuer and the Trustee shall have duly executed and delivered the Obligations;

(f) At the date of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that, in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impractical to market the Obligations on the terms and in the manner contemplated in the Official Statement;

(g) At the date of the Closing, no "event of default" shall have occurred or be existing under the City Documents nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an event of default under the City Documents;

(h) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(i) All steps to be taken, all instruments and other documents to be executed and all other legal matters in connection with the transactions contemplated by this Purchase Contract shall be reasonably satisfactory in legal form and effect to the Underwriter and

(j) At or prior to the Closing, the Underwriter shall have received two copies of the transcript of all proceedings of the Issuer relating to the execution and delivery of the Obligations, certified, as necessary, by appropriate officials of the Issuer, including, but not limited to, the following opinions, certificates and other documents:

(1) An unqualified approving opinion of Gust Rosenfeld P.L.C. as special counsel ("Special Counsel") as to the Obligations, dated the date of the Closing, addressed to the Issuer and substantially in the form included in the Official Statement;

(2) The supplemental opinion of Special Counsel, dated the date of the Closing, addressed to the Underwriter and substantially in the form attached hereto as Exhibit A;

(3) A certificate of the City Attorney that (i) based on an investigation of the records of the Superior Court of Maricopa County and the United States District Court, District of Arizona, Phoenix Division, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body pending or, to his knowledge (upon due inquiry), threatened (A) in any way affecting the powers of the Issuer, the existence of the Issuer or the title to office of any of the officials of the Issuer, (B) seeking to restrain or enjoin the sale or execution and delivery of the Obligations, or the levy and collection of the revenues from the Excise Taxes and the State Shared Revenues to be levied to pay the principal of and interest on the Obligations, (C) in any way contesting or affecting the validity or enforceability of the Obligations, the City Documents or any agreements entered into in connection therewith, (D) contesting in any way the completeness or accuracy of the Official Statement, (E) which may adversely affect the Issuer or its properties or (F) questioning the tax-exempt status of the Obligations; nor, to the best knowledge of such counsel, is there any reasonable basis therefor and (ii) the information contained in the Official Statement under the heading "LITIGATION" is true and correct in all material respects;

(4) An opinion of Greenberg Traurig, LLP, as counsel to the Underwriter ("Counsel to the Underwriter"), dated the date of the Closing, addressed to the Underwriter and substantially in the form attached hereto as Exhibit B;

(5) A certificate, dated the date of Closing and signed by the Mayor, the City Clerk and the Finance Director of the Issuer, to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (ii) there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body pending or threatened in any way affecting the existence of the Issuer or the titles of its officials to their respective positions, or seeking to restrain or to enjoin the sale or delivery of the Obligations, or the levy and collection of the revenues from the Excise Taxes and the State Shared Revenues imposed and levied or to be imposed and levied to pay all the principal of and interest on the Obligations, or the imposition thereof, or in any way contesting or affecting the validity or enforceability of the Obligations or the City Documents, or contesting in any way the completeness or accuracy of the Official Statement or the exclusion from gross income of interest on the Obligations, or contesting the powers of the Issuer or its authority with respect to the Obligations or the City Documents and (iii) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(6) A certificate, dated the date of the Closing and signed by the Finance Director of the Issuer, to the effect that to the best of his knowledge after due investigation (i) the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) the financial statements of the Issuer contained in the Official Statement fairly present the financial position and results of operations and changes in fund balances of the Issuer as of the dates and for the periods therein set forth and the Issuer has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied; (iii) since June 30 of the last fiscal year presented in the audited financial

statements of the Issuer included in the Official Statement, the Issuer has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the result of operations or financial condition of the Issuer that is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business, nor are there any deficits in any fund of the Issuer except as disclosed in the Official Statement; (iv) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose of which it is to be used or which it is necessary to disclose therein with respect to the Issuer in order to make the information therein in the light of the circumstances under which they were made or set forth not misleading in any material respect; (v) the Issuer is in compliance with the financial requirements included in the documents related to the Existing Obligations and, other than contained in the Existing Obligations, there are no incurrence test coverage requirements applicable to the Obligations and (vi) the Issuer is not otherwise in default under the Existing Obligations;

(7) A certified copy of the Resolution;

(8) A counterpart original of the Official Statement manually executed on behalf of the Issuer by the Finance Director of the Issuer;

(9) A non-arbitrage certificate of the Issuer in form and substance satisfactory to Special Counsel;

(10) A filing copy of the Information Return Forms 8038-G (IRS) for the Obligations and of the Report Relating to Bond and Security Issuance (Arizona State Treasurer) for the Obligations;

(11) An executed copy of each of the City Documents;

(12) a certificate or certificates, dated the date of the Closing, signed by an authorized representative of, as applicable, the Trustee or the Depository Trustee and in form and substance satisfactory to Special Counsel and the Underwriter, in which such official to the best of his/her knowledge after due investigation states that (i) the representations and warranties of the Trustee or the Depository Trustee contained in, as applicable, the Trust Agreement and the Agreement or the Depository Trust Agreement are true and correct in all material respects as of the date of the Closing, the Trustee or the Depository Trustee has duly executed and delivered, as applicable, the Trust Agreement and the Agreement or the Depository Trust Agreement and the Trustee or the Depository Trustee has complied with all agreements and satisfied all conditions on its part to be performed or satisfied under, as applicable, the Trust Agreement and the Agreement or the Depository Trust Agreement at or prior to the Closing and (ii) no litigation is pending or threatened against the Trustee before any judicial, quasi-judicial or administrative forum (A) to restrain or enjoin the performance by the Trustee or the Depository Trustee of its obligations and duties under, as applicable, the Trust Agreement and the Agreement or the Depository Trust Agreement, (B) in any way contesting or affecting any authority for, or the validity of, the Obligations or the applications of the proceeds of the Obligations or (C) in any way contesting the existence or corporate trust powers of the Trustee or the Depository Trustee, together with evidence of the authority of the Trustee and the Depository

Trustee to execute and deliver, as applicable, the Trust Agreement, the Agreement and the Obligations and the Depository Trust Agreement and an incumbency certificate;

(13) Letters from Standard & Poor's Financial Services LLC and Fitch Ratings, Inc., confirming that the Obligations have been rated "____" and "____," respectively, which ratings shall be in effect on the date of Closing;

(14) A certificate of the Depository Trustee under the Depository Trust Agreement, to the effect that moneys sufficient to effectuate the refunding of the Obligations Being Refunded have been received and that such moneys have been deposited under the Depository Trust Agreement and

(15) Such additional opinions, letters, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to satisfy conditions to the execution and delivery of the Obligations and to evidence the truth and accuracy as of the date of the Closing, or prior to such time, of the representations, warranties and covenants of the Issuer and the due performance or satisfaction by the Issuer of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

(All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.)

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Obligations contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Section 8(c) hereof shall continue in full force and effect.

7. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Obligations if, between the date of this Purchase Contract and the Closing, the market price or marketability of the Obligations shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(i) Legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general

character of the Obligations or, with respect to State taxation, of the interest on the Obligations as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(ii) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Obligations, any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, or that the issuance, offering, or sale of obligations of the general character of the Obligations, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(iii) Any state "blue sky" or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Obligations as described herein, or issued a stop order or similar ruling relating thereto;

(iv) A general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(v) The New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Obligations or as to obligations of the general character of the Obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(vi) Any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon), or the validity or enforceability of the Issuer's pledge of any portion of the revenues from the Excise Taxes and the State Shared Revenues;

(vii) Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be

stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) There shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial condition of the Issuer;

(ix) The United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(x) Any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(xi) There shall have occurred any suspension or downgrading or any notice shall have been given of (A) any intended or potential suspension or downgrading or (B) any review or possible change that does not indicate a possible upgrade, in the ratings accorded any of the Issuer's obligations (including the ratings to be accorded the Obligations);

(xii) the debt ceiling of the United States is such that the obligations required to fund the Depository Trust Agreement are not available for delivery on the date of the delivery of the Obligations, and the Issuer has not, in the opinion of Special Counsel, successfully obtained equivalent open market securities or

(xiii) The purchase of and payment for the Obligations by the Underwriter, or the resale of the Obligations by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

8. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the obligations of the Issuer hereunder, including, but not limited to (i) the cost of preparation and printing of the Obligations, the Preliminary Official Statement, the Official Statement and the City Documents in reasonable quantities and all other documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby, (ii) the fees and disbursements of Special Counsel, counsel to the Issuer, Counsel to the Underwriter, the Trustee and the Depository Trustee; (iii) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (iv) the fees for bond ratings and of The Depository Trust Company, New York, New York and (v) reasonable miscellaneous, normally occurring, "out-of-pocket" expenses incurred by the Underwriter in connection with the sale and execution and delivery of the Obligations.

(b) The Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Obligations and (ii) all other expenses incurred by it in connection with the public offering of the Obligations.

(c) If this Purchase Contract shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Purchase Contract or if for any reason the Issuer shall be unable to perform its obligations under this Purchase Contract, the Issuer shall reimburse the Underwriter for all “out-of-pocket” expenses (including the fees and disbursements of Counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Purchase Contract or the offering contemplated hereunder.

9. Notices. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing at the address set forth on the first page of this Purchase Contract to the attention of the Finance Director, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, Suite 750, 2325 East Camelback Road, Phoenix, Arizona 85016, Attention: B. Mark Reader, Managing Director.

10. Parties in Interest. This Purchase Contract as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Purchase Contract may not be assigned by the Issuer. All of the representations, warranties and agreements of the Issuer contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Obligations pursuant to this Purchase Contract and (iii) any termination of this Purchase Contract.

11. Effectiveness. This Purchase Contract shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. Choice of Law. This Purchase Contract shall be governed by and construed in accordance with the law of the State.

13. Severability. If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

14. Business Day. For purposes of this Purchase Contract, “business day” means any day on which the New York Stock Exchange is open for trading.

15. Section Headings. Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only, and it is agreed that such section headings

are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

16. Counterparts. This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

17. Notice Concerning Cancellation of Contracts. As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section is not intended to expand or enlarge the rights of the Issuer hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Purchase Contract and covenants that it shall take no action which would result in a violation of such Section.

18. Electronic Signatures. The electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an electronic mail or internet message.

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Contract and return it to the Underwriter. This Purchase Contract shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By.....

Name: B. Mark Reader
Title: Managing Director

Accepted and agreed to atm.
this day of, 2016

CITY OF BUCKEYE, ARIZONA

By.....

Printed Name:

Title:

ATTEST:

.....
....., City Clerk

SCHEDULE

\$ _____,000
CITY OF BUCKEYE, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2016

Dated the Date of Their Initial Authentication and Delivery

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
20__	\$ _____,000	%	%
20__	_____,000		
20__	_____,000		
20__	_____,000		
20__	_____,000		
20__	_____,000		
20__	_____,000		
20__	_____,000		
20__	_____,000		
20__	_____,000		

* Yield calculated to July 1, 20__, the first optional redemption date.

Optional Redemption. The Obligations maturing on or before July 1, 20__, will not be subject to redemption prior to their stated maturity dates. The Obligations maturing on or after July 1, 20__, will be subject to redemption prior to their stated maturity dates, at the option of the Issuer, in whole or in part from maturities selected by the Issuer on July 1, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each such Obligation redeemed, plus interest accrued to the date fixed for redemption, without premium.

Mandatory Redemption. The Obligations maturing on July 1 of the following years will be redeemed from funds of the Issuer prior to the applicable maturity on the following redemption dates and in the following amounts upon not more than sixty (60) nor less than thirty (30) days prior notice, upon payment of the applicable redemption price equal to the principal amount of each such Obligation redeemed, plus interest accrued to the date fixed for redemption, without premium:

Redemption Date <u>(July 1)</u>	Principal <u>Amount</u>
Obligations Maturing in 20__	
20__	\$_____,000
20__	_____,000
20__	_____,000
20__	_____,000
Obligations Maturing in 20__	
20__	\$_____,000
20__	_____,000
20__	_____,000
20__	_____,000
20__	_____,000

EXHIBIT A

[LETTERHEAD OF GUST ROSENFELD P.L.C.]

[Date of Closing]

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Re: City of Buckeye, Arizona Excise Tax Revenue Refunding Obligations,
Series 2016

WE HAVE ACTED as Special Counsel to the City of Buckeye, Arizona (hereinafter referred to as the "City") in connection with the execution and delivery this date of the City's Excise Tax Revenue Refunding Obligations, Series 2016, in the aggregate principal amount of \$_____,000 (hereinafter referred to as the "Obligations") and otherwise as counsel to the City including for purposes relating to the execution and delivery of the "Agreement" as such term is defined in the hereinafter described Obligation Purchase Contract. The Obligations (i) are executed and delivered under a resolution authorizing execution and delivery of, and certain other matters related to, the Obligations adopted by the Mayor and Council of the City on February 2, 2016 (hereinafter referred to as the "Resolution"); (ii) are described in an Official Statement, dated _____, 2016 (hereinafter referred to as the "Official Statement"), and (iii) are being sold pursuant to an Obligation Purchase Contract, dated _____, 2016 (hereinafter referred to as the "Obligation Purchase Contract"), by and between the City and Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"). You may rely on our opinion as Special Counsel, dated of even date herewith, with regard to the Obligations as if addressed to you.

IN OUR CAPACITY as Special Counsel, and as counsel as described hereinabove to the City, we have examined and relied upon:

- (i) An executed copy of the Agreement;
- (ii) An executed copy of the Obligation Purchase Contract;
- (iii) An executed copy of the Official Statement;
- (iv) A certified copy of the Resolution (which authorized, among other matters, execution and delivery of the Obligation Purchase Contract);

(v) An executed copy of a Trust Agreement, dated as of _____ 1, 2016 (hereinafter referred to as the "Trust Agreement"), by and between the City and U.S. Bank National Association, as trustee (hereinafter referred to as the "Trustee");

(vi) An executed copy of a Depository Trust Agreement dated as of _____ 1, 2016 (hereinafter referred to as the "Depository Trust Agreement"), by and between the City and U.S. Bank National Association, as depository trustee;

(vii) An executed copy of a Continuing Disclosure Certificate, dated of even date herewith (hereinafter referred to as the "Certificate" and, collectively with the Obligation Purchase Contract, the Agreement, the Trust Agreement and the Depository Trust Agreement, as the "City Documents");

(viii) Such other agreements, certificates (including particularly, but not by way of limitation, a certificate of the Mayor, the City Clerk and the Finance Director of the City, dated of even date herewith), opinions (including particularly, but not by way of limitation, a certificate of the City Attorney, dated of even date herewith), letters and other documents, including all documents delivered or distributed at the closing of the sale of the Obligations, as we have deemed necessary or appropriate in rendering the opinions set forth herein and

(ix) Such provisions of the Constitution and laws of the State of Arizona and the United States of America as we believe necessary to enable us to render the opinions set forth herein.

IN OUR EXAMINATION, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the City in the capacities described above, we have also participated in conferences from time to time with representatives of and counsel to the City, the Underwriter and the Trustee relating to the Official Statement and the City Documents.

WE ARE OF THE OPINION, based upon the foregoing and subject to the qualifications hereinafter set forth, that under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The City is duly incorporated and validly existing as a municipal corporation and political subdivision under the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder to adopt the Resolution and to enter into and perform its covenants and agreements under the Resolution and the City Documents; to approve and authorize the use, distribution and execution, as applicable, of the Official Statement and to carry out and consummate all other transactions contemplated by the Resolution, the Official Statement and the City Documents.

2. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Obligations), is required in connection with the adoption by the City of the Resolution or the authorization, execution and delivery and performance, as applicable, by City of the City Documents and the Obligations and the consummation of the transactions contemplated by the Obligations and the City Documents, provided that we express no opinion on any action required under state securities or "blue sky" laws with respect to the Obligations and the adoption of the Resolution and the execution and delivery by the City of the City Documents and compliance with the provisions of the Resolution and of each of such instruments do not and shall not conflict with or violate any federal or Arizona constitutional or statutory provision.

3. The City has duly (a) adopted the Resolution and (b) authorized (i) the authorization, execution and delivery of, and the performance of its obligations under, the City Documents and the Obligations; (ii) the execution, use and distribution of the Preliminary Official Statement, dated _____, 2016, and the Official Statement and (iii) the taking of the actions required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Resolution, the City Documents and the Obligations. The City has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the aforesaid documents, and the Resolution is fully effective under and pursuant to the laws of the State of Arizona and is not subject to referendum.

4. The City Documents have been duly authorized, executed and delivered by the City and, assuming due and valid authorization, execution and delivery by the other party thereto, constitute legal, valid and binding obligations of the City enforceable in accordance with their terms.

5. The adoption and approval of the Resolution, the authorization, execution and delivery of the City Documents and the authorization, execution and delivery and sale of the Obligations and compliance with the respective provisions thereof under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the City a breach or default under any agreement or other instrument to which the City is a party or of any existing law, ordinance, administrative regulation, court order or consent decree to which the City is subject.

6. The information contained in the Official Statement on the cover thereof, under the headings "THE OBLIGATIONS," "PLAN OF REFUNDING," "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS," "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," "AMORTIZABLE PREMIUM," "RELATIONSHIP AMONG PARTIES" (only as it relates to us) and "CONTINUING DISCLOSURE" (excluding any information pertaining to compliance with prior undertakings) therein and in Appendix D - "SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS," APPENDIX

E - "FORM OF APPROVING LEGAL OPINION" and Appendix F - "FORM OF CONTINUING DISCLOSURE CERTIFICATE," insofar as such statements purport to summarize certain provisions of the Obligations, the Resolution, the City Documents, and federal law and the laws of the State of Arizona present a fair and accurate summary of the information which they purport to summarize. Otherwise, in connection with our participation in the transaction relating to the Obligations as Special Counsel, we have had no part in the preparation of the information appearing on the Official Statement with respect to the City. In connection with our participation in the preparation of the Official Statement, we have not undertaken to determine independently the accuracy, completeness or fairness of the information contained therein. However, on the basis of our participation as Special Counsel in the transaction relating to the Obligations, nothing has come to our attention to lead us to believe that the Official Statement (except for the financial statements and notes thereto and the schedules and other financial or statistical data included therein and in the appendices thereto, as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

7. It is not necessary in connection with the sale and execution and delivery of the Obligations to the public to register the Obligations or the Agreement under the Securities Act of 1933, as amended, or to qualify the Resolution, the Trust Agreement or the Depository Trust Agreement under the Trust Indenture Act of 1939, as amended.

8. There is no legal requirement to record, re-record, file or re-file any instrument in order to create, perfect, protect and maintain the enforceability of any pledge, lien or security interest granted or assigned by the Trust Agreement.

9. The Obligations Being Refunded (as such term is defined in the Obligation Purchase Contract) have been fully and legally discharged, satisfied and paid, and the pledge of the revenues from the Excise Taxes and the State Shared Revenues thereto has been released and satisfied.

Notwithstanding the foregoing, the enforceability of the Obligations by the Underwriter, as the owner of the Obligations, and the validity and enforceability of the Obligation Purchase Contract is subject to all applicable laws regarding conflicts of interest, and we express no opinion with respect to the impact of any such laws on the enforceability of the Obligations by the Underwriter, as owner of the Obligations or the validity or enforceability of the Obligation Purchase Contract.

Respectfully submitted,

EXHIBIT B

[Letterhead of Greenberg Traurig, LLP]

[Date of Closing]

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Re: City of Buckeye, Arizona Excise Tax Revenue Refunding Obligations,
Series 2016

This opinion is rendered pursuant to the Obligation Purchase Contract, dated _____, 2016 (the "Obligation Purchase Contract"), between you and the City of Buckeye, Arizona (the "City"), relating to your purchase of the \$_____,000 aggregate principal amount of City of Buckeye, Arizona Excise Tax Revenue Refunding Obligations, Series 2016, dated even date herewith (the "Obligations"), and as counsel to you solely for your use in connection with your purchase of the Obligations. For such purpose, we have examined the Official Statement, dated _____, 2016 (the "Official Statement"), relating to the Obligations as well as certain other documents, including certificates, opinions and records, and made certain investigations concerning applicable laws as we considered to be appropriate for the purpose of rendering this opinion. For such purpose, we have assumed the authenticity of all original documents and the conformity to original documents of all copies of documents, the accuracy and completeness of all certificates and records as to factual matters, the authenticity of all signatures on documents and the legal capacity of signers to execute the documents. In addition to reviewing the documents referenced above, we have also participated in telephone conferences with your representatives and representatives of the City and Special Counsel concerning the contents of the Official Statement and related matters. We have also relied upon certifications of the City, the certificate of Gust Rosenfeld P.L.C., as City Attorney, and the opinions of Special Counsel delivered on this date in connection with the execution and delivery of the Obligations.

While we have not undertaken to verify independently, and are not expressing any view upon, and do not assume responsibility for, the accuracy, completeness or fairness of the contents of the Official Statement, we are not aware at present of any information that came to our attention in the course of our performance of the services referred to herein that leads us to believe that the Official Statement, at its date or as of this date, contained or contains, respectively, any untrue statement of a material fact or omitted or omits, respectively, to state any material fact necessary in order to make the statements made in the Official Statement, in

light of the circumstances under which they were made, not misleading. We express no view as to (a) any information included in Appendices D or G (or any other information about The Depository Trust Company, New York, New York, therein) to the Official Statement, (b) any information under the heading "LITIGATION" in the Official Statement or (c) any financial, technical or statistical data included or incorporated by reference in the Official Statement.

We also have rendered legal advice and assistance to you as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with your review, for purposes of the Rule, of the Continuing Disclosure Certificate, dated as of the date of this opinion (the "Continuing Disclosure Undertaking"), of the City. Based upon our examination of the items referenced in this letter, including the Continuing Disclosure Undertaking and the Rule, and subject to the limitations expressed above, we are of the opinion that, under existing law, the Continuing Disclosure Undertaking satisfies paragraph (b)(5)(i) of the Rule, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Obligations to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

This opinion is furnished solely for your benefit and may not, without our prior express written consent, be relied upon by any other person or entity.

Respectfully submitted,

§ _____
CITY OF BUCKEYE
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2016

CONTINUING DISCLOSURE CERTIFICATE
CUSIP BASE NO. 118087

This Continuing Disclosure Certificate (this "*Disclosure Certificate*") is undertaken by the City of Buckeye, Arizona (the "*City*") in connection with the execution and delivery of \$_____ in aggregate principal amount of the City's Excise Tax Revenue Refunding Obligations, Series 2016 (the "*2016 Refunding Obligations*"). In consideration of the initial sale and delivery of the 2016 Refunding Obligations, the City covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is for the benefit of the Obligation Holders (as defined herein) and in order to assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein).

Section 2. Definitions. Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

"*Annual Report*" shall mean the annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Dissemination Agent*" shall mean the City, or any person designated in writing by the City as the Dissemination Agent.

"*EMMA*" shall mean the Electronic Municipal Market Access system, or any successor thereto approved by the United States Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

"*Listed Events*" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"*Obligation Holder*" shall mean any registered owner or beneficial owner of the 2016 Refunding Obligations.

"*Official Statement*" shall mean the final official statement dated _____, 2016, relating to the 2016 Refunding Obligations.

"*Participating Underwriter*" shall mean the original underwriter of the 2016 Refunding Obligations required to comply with the Rule in connection with offering of the 2016 Refunding Obligations.

"*Resolution*" shall mean the resolution authorizing the execution and delivery of the 2016 Refunding Obligations.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Special Counsel*" shall mean Gust Rosenfeld P.L.C. or such other nationally recognized bond counsel as may be selected by the City.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than February 1 of each year (the "*Filing Date*"), commencing February 1, 2017, provide electronically to EMMA an Annual Report for the fiscal year ending on the preceding June 30 which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

(b) If the City is unable or for any reason fails to provide electronically to EMMA an Annual Report or any part thereof by the Filing Date required in subsection (a) above, the City shall, in a timely manner, send a notice to EMMA in substantially the form attached as *Exhibit A* not later than such Filing Date.

(c) If the City's audited financial statements are not submitted with the Annual Report and the City fails to provide to EMMA a copy of its audited financial statements within 30 days of receipt thereof by the City, then the City shall, in a timely manner, send a notice to EMMA in substantially the form attached as *Exhibit B*.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date(s) for providing the Annual Report and audited financial statements the proper address of EMMA; and

(ii) if the Dissemination Agent is other than the City, file a report or reports with the City certifying that the Annual Report and audited financial statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided and listing where it was provided.

Section 4. Content of Annual Reports.

(a) The Annual Report may be submitted as a single document or as separate documents comprising an electronic package, and may incorporate by reference other information as provided in this Section, including the audited financial statements of the City; provided, however, that if the audited financial statements of the City are not available at the time of the filing of the Annual Report, the City shall file unaudited financial statements of the City with the Annual Report and, when the audited financial statements of the City are available, the same shall be submitted to EMMA within 30 days of receipt by the City.

(b) The City's Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Section 4(a) hereof, annual audited financial statements for the City.

(B) Annually updated financial information and operating data of the type contained in [Table 4] of the Official Statement.

(C) In the event of an amendment pursuant to Section 8 hereof not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The audited annual financial statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles currently followed in the preparation of the City's audited annual financial statements is contained in Note 1 of the audited financial statement included within the Official Statement.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices by the City of the occurrence of any of the following events with respect to the 2016 Refunding Obligations, and the City shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service (the "IRS") of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2016 Refunding Obligations, or other material events affecting the tax status of the 2016 Refunding Obligations;
- (7) Modifications to rights of Obligation Holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the 2016 Refunding Obligations, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

"Materiality" will be determined in accordance with the applicable federal securities laws.

Note to Section 5(12): For the purposes of the event identified in Section 5(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2016 Refunding Obligations. Such termination shall not terminate the obligation of the City to give notice of such defeasance or prior redemption.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the City, or the type of business conducted;

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2016 Refunding Obligations, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Obligation Holders, as determined by Special Counsel.

Notice of any amendment to the accounting principles shall be sent within 30 days to EMMA.

Section 9. Filing with EMMA. The City shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with EMMA.

Section 10. Additional Information. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Obligation Holder may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action

to compel performance and such failure shall not constitute a default under the 2016 Refunding Obligations or the resolution authorizing the 2016 Refunding Obligations.

Section 12. Compliance by City. The City hereby covenants to comply with the terms of this Disclosure Certificate. The City expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter, Special Counsel or the City's financial advisor.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Obligation Holders, and shall create no rights in any other person or entity.

Section 14. Governing Law. This Disclosure Certificate shall be governed by the law of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities law.

[Signature Page to Follow]

Date: _____, 2016.

CITY OF BUCKEYE, ARIZONA

By _____
Larry D. Price, Finance Director

**EXHIBIT A
NOTICE OF FAILURE TO FILE**

Name of Issuer: City of Buckeye, Arizona
Name of Issue: \$ _____ Excise Tax Revenue Refunding Obligations, Series 2016
Dated Date of Obligations: _____, 2016

CUSIP 118087

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Obligations as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 2016. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF BUCKEYE, ARIZONA

By _____
Its _____

**EXHIBIT B
NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS**

Name of Issuer: City of Buckeye, Arizona
Name of Issue: \$ _____ Excise Tax Revenue Refunding Obligations, Series 2016
Dated Date of Obligations: _____, 2016

CUSIP 118087

NOTICE IS HEREBY GIVEN that the City failed to provide its audited financial statements with its Annual Report or, if not available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated _____, 2016 with respect to the above-named Obligations. The City anticipates that the audited financial statements for the fiscal year ended June 30, ____ will be filed by _____, _____.

Dated: _____

CITY OF BUCKEYE, ARIZONA

By _____
Its _____

NEW ISSUE BOOK-ENTRY-ONLY

RATINGS: See "RATINGS" herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the City, as mentioned under "TAX EXEMPTION" herein, the portion of each Payment made by the City under the Agreement and denominated as and comprising interest income pursuant to the Agreement and received by the owners of the Obligations will be excludable from gross income for federal income tax purposes and will be exempt from Arizona income taxes. Such interest income will not be an item of preference to be included in the alternative minimum tax for individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations which income is subject to federal alternative taxable income. See "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "AMORTIZABLE PREMIUM" herein.

\$12,335,000*

CITY OF BUCKEYE, ARIZONA

EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2016

DRAFT
12-28-15

Dated: Date of Delivery

Due: July 1, as shown on the inside front cover page.

The Excise Tax Revenue Refunding Obligations, Series 2016 (the "Obligations") will be executed and delivered in the principal amount of \$12,335,000* for the purpose of providing funds to (i) refund in advance of maturity the Obligation Being Prepaid (as defined herein) and (ii) pay costs of execution and delivery of the Obligations.

The Obligations will be dated the date of their initial execution and delivery and will be executed and delivered as fully registered securities without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Obligations. Beneficial interests in the Obligations will be available to purchasers in amounts of \$5,000 of principal, or any integral multiple thereof, due on a specific maturity date only under the book-entry-only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. So long as any purchaser is the beneficial owner of an Obligation, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal and interest with respect to such Obligations. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM."

Use of the book-entry-only system may be discontinued at any time. Utilization of the book-entry-only system will affect the method and timing of payment of the Obligations and the method of transfer of the Obligations. So long as the book-entry-only system is in effect, a single fully registered obligation for each maturity of the Obligations will be registered in the name of Cede & Co., as nominee of DTC, through U.S. Bank National Association, as trustee (the "Trustee"). So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Obligations, all references herein (except under the headings "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" or "AMORTIZABLE PREMIUM"), to owners of the Obligations will refer to Cede & Co. and not the beneficial owners. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM."

Interest on the Obligations will be payable semiannually on July 1 and January 1 of each year, commencing on July 1, 2016*, until maturity or prior redemption and principal of the Obligations will be payable in accordance with the maturity schedule shown on the inside front cover page.

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Obligations will be subject to optional and mandatory redemption prior to maturity as described herein under "THE OBLIGATIONS – Redemption Provisions."

The Obligations will be payable from payments to be made by the City of Buckeye, Arizona (the "City") pursuant to an Agreement, to be dated as of ___ 1, 2016, between the City and the Trustee. The payments made by the City will be secured by a pledge of the revenues from the Excise Taxes and the State Shared Revenues (both as defined herein). Such pledge will be on a parity basis with the City's pledge of the revenues from the Excise Taxes and the State Shared Revenues made in connection with certain Existing Obligations and any Additional Parity Obligations (both as defined herein). See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS" herein.

THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF AND DO NOT AND WILL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WHEN COMPUTING ITS INDEBTEDNESS LIMIT IMPOSED BY CONSTITUTIONAL OR STATUTORY PROVISIONS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF NOR A LIABILITY OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF FOR PAYMENT OF THE OBLIGATIONS OTHER THAN FROM THE SOURCES PLEDGED THEREFOR.

The Obligations are offered when, as and if executed and delivered and received by the Underwriter, subject to the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, as to validity and tax exemption. Certain legal matters will be passed upon for the benefit of the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Obligations will be available for delivery on or about _____, 2016.

This cover page contains certain information for convenience of reference only. It is not a summary of material information with respect to the Obligations. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision with respect to the Obligations.

STIFEL

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction

\$12,335,000*
CITY OF BUCKEYE, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2016

MATURITY SCHEDULE*

Maturity (July 1)	Principal Amount	Interest Rate	Price/Yield	CUSIP No. (a) (Base No. 118087)
2016	\$485,000	%		
2017	420,000			
2018	425,000			
2019	435,000			
2020	440,000			
2021	460,000			
2022	475,000			
2023	485,000			
2024	505,000			
2025	525,000			
2026	545,000			
2027	565,000			
2028	595,000			
2029	625,000			
2030	655,000			
2031	690,000			
2032	725,000			
2033	760,000			
2034	800,000			
2035	840,000			
2036	880,000			

\$ _____ % Term Obligation due July 1, 20__ at a yield of ____%, CUSIP (a) _____

\$ _____ % Term Obligation due July 1, 20__ at a yield of ____%, CUSIP (a) _____

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* Preliminary, subject to change.

CITY OF BUCKEYE, ARIZONA

CITY COUNCIL

Jackie A. Meck, Mayor
Eric Orsborn, Vice Mayor
Robert Garza, Councilmember
Michelle Hess, Councilmember
Craig Heustis, Councilmember
Brian McAchran, Councilmember
Ray Strauss, Councilmember

CITY AND ADMINISTRATIVE OFFICERS

Stephen Cleveland, City Manager
Roger Klingler, Assistant City Manager
Larry Price, Finance Director
Lucinda Aja, City Clerk

SPECIAL COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

FINANCIAL ADVISOR

First Southwest Company, LLC
Phoenix, Arizona

TRUSTEE, DEPOSITORY TRUSTEE, REGISTRAR AND PAYING AGENT

U.S. Bank National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City of Buckeye, Arizona (the "City"), First Southwest Company, LLC (the "Financial Advisor") or Stifel, Nicolaus & Company, Incorporated (the "Underwriter") to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the City's Excise Tax Revenue Refunding Obligations, Series 2016 (the "Obligations") by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the City, the Arizona Department of Revenue, the Assessor and Treasurer of Maricopa County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City, the Financial Advisor or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City, the Financial Advisor or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

In connection with this offering, the Underwriter may allow concessions or discounts from the initial public offering prices to dealers and others, and the Underwriter may over allot or engage in transactions intended to stabilize the prices of the Obligations at levels above those which might otherwise prevail in the open market in order to facilitate their distribution. Such stabilization, if commenced, may be discontinued at any time.

The Obligations will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Obligations for sale.

The City will undertake to provide continuing disclosure as described in this Official Statement under the caption "CONTINUING DISCLOSURE" and in APPENDIX F - "FORM OF CONTINUING DISCLOSURE CERTIFICATE," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

The City, the Financial Advisor, the Underwriter and Special Counsel (as defined herein) are not actuaries, nor have any of them performed any actuarial or other analysis of the City's unfunded liabilities under the Arizona State Retirement System or the Arizona Public Safety Personnel Retirement System.

A wide variety of information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is part of, or incorporated into, this Official Statement, except as expressly noted herein.

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OFFICIAL STATEMENT

\$12,335,000*

CITY OF BUCKEYE, ARIZONA EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2016

INTRODUCTORY STATEMENT

This Official Statement, which includes the front cover page, the inside front cover page and appendices hereto, has been prepared to provide information in connection with the execution and delivery by U.S. Bank National Association on behalf of the City of Buckeye, Arizona (the "City"), of \$12,335,000* principal amount of the Excise Tax Revenue Refunding Obligations, Series 2016 (the "Obligations"), identified on the front cover page of this Official Statement. Certain information concerning the authorization, purpose, terms, sources of payment and security for the Obligations is contained in this Official Statement. Information about the City is included in APPENDICES A – "CITY OF BUCKEYE, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and B – "CITY OF BUCKEYE, ARIZONA – FINANCIAL DATA", and the most recent audited financial statements for the City are included in APPENDIX C – "CITY OF BUCKEYE, ARIZONA – AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015."

The offering of the Obligations is made only by this Official Statement, which supersedes any other information or materials used in connection with the offering or sale of the Obligations. Accordingly, prospective purchasers of the Obligations should read this entire Official Statement before making an investment decision.

This Official Statement contains financial and other information derived from the City's records, except for information expressly attributed to other sources. The presentation of historical information, including tables of receipts from taxes and other revenues, is intended to show recent historical information and is not to be construed as a projection or indication of future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future.

The achievement of certain results or other expectations contained in "forward-looking" statements in this Official Statement involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those "forward-looking" statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

For definitions of certain words used in this Official Statement, and denoted by initial capital letters, see APPENDIX D – "SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS."

Descriptions of the authorization, purpose and terms of the Obligations and summaries of certain provisions of the Agreement and the Trust Agreement (both as defined below) are included in this Official Statement. Such descriptions and summaries are not comprehensive or definitive, and all summaries of and references to the Agreement and the Trust Agreement appearing herein are qualified by reference to the full text of such documents. References herein to the Obligations are qualified by reference to the form thereof as set forth in the Trust Agreement. Copies of the full texts of the Agreement and the Trust Agreement are available for inspection at the office of the City Clerk, 530 East Monroe Avenue, Buckeye, Arizona 85326, Attention: City Clerk.

THE OBLIGATIONS

General Provisions

The Obligations will be dated the date of their initial execution and delivery, and the principal represented thereby will bear interest from such date, at the rates, and will be payable on the dates and in the amounts, all as set forth on the inside front cover page hereof. Interest represented by the Obligations will be payable on each January 1 and July 1 (each such date is referred to herein as an "Interest Payment Date"), commencing July 1, 2016*.

* Preliminary, subject to change.

The Obligations will be registered only in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”), under the book-entry-only system described in APPENDIX G (the “Book-Entry-Only System”). Beneficial ownership interests in the Obligations may be purchased through direct and indirect participants of DTC in amounts of \$5,000 of principal payable on a specific payment date or integral multiples thereof. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM.”

Redemption Provisions*

Optional Redemption. Obligations maturing on or before July 1, 20__ will not be subject to optional redemption prior to maturity. Obligations maturing on or after July 1, 20__, will be subject to optional redemption prior to maturity on July 1, 20__, or any date thereafter, by payment of a redemption price equal to the principal amount of the Obligations or portions thereof called for redemption plus accrued interest to the date of redemption, but without premium.

Mandatory Redemption. Obligations maturing on July 1, 20__, and July 1, 20__ (the “Term Obligations”) will be redeemed prior to maturity on July 1 of the following years and in the following principal amounts at a redemption price equal to the principal amount plus accrued interest to the date of redemption, but without premium.

Term Obligations due July 1, 20__*

Prepayment Date (July 1)	Principal Amount
20__	\$
20__	
20__	
20__ (Maturity)	

Term Obligations due July 1, 20__*

Prepayment Date (July 1)	Principal Amount
20__	\$
20__	
20__	
20__ (Maturity)	

Whenever Term Obligations are purchased, prepaid (other than pursuant to mandatory prepayment) or delivered by the City to the Trustee for cancellation, the principal amount of the Term Obligations represented so retired shall satisfy and be credited against the mandatory prepayment requirements for such Term Obligations for such years as the City may direct.

Notice of Redemption. So long as the Obligations are held under the Book-Entry-Only System, notices of redemption will be sent to DTC by electronic means not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. If less than all of the Obligations are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each DTC Participant to be redeemed.

If the Book-Entry-Only System is discontinued, notice of any redemption will be given by the Trustee on behalf of the City by mailing a notice of redemption by first class mail not less than thirty (30) days nor more than sixty (60) days prior to such redemption date, to the registered owner of each Obligation to be redeemed at the address shown on the books of the Trustee or at such other address as may be furnished in writing by an Owner of an Obligation to the Trustee. Neither the failure of DTC nor any Owner of the Obligations to receive a notice of redemption nor any

* Preliminary, subject to change.

defect therein will affect the validity of the proceedings for the redemption of Obligations as to which proper notice of redemption was given.

Notice of redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system by the method required by the MSRB, no more than sixty (60) and no fewer than thirty (30) calendar days prior to the redemption date, but no defect in said further notice or record nor any failure to give all or a 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.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by the City or by a Trustee prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on or prior to 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. The notice of redemption shall describe the conditional nature of the redemption.

Effect of Call for Redemption. Notice of redemption having been given in the manner described above, the Obligations or portions thereof called for redemption will become due and payable on the redemption date and if an amount of money sufficient to redeem all the Obligations or portions thereof called for redemption is held in separate accounts by the City or by a Trustee, then the Obligations or portions thereof called for redemption will cease to bear interest from and after such redemption date.

If a conditional redemption notice has been given and money sufficient to redeem all the Obligations or portions thereof called for redemption is not held in separate accounts by the City or by a Trustee on the day set for redemption, then such redemption shall be cancelled and be of no force or effect.

Redemption of Less Than All of an Obligation. The City may redeem an amount which is included in an Obligation in the denomination in excess of, but divisible by, \$5,000. In that event, if the Book-Entry-Only System is discontinued, the registered owner shall submit the Obligation for partial redemption and the Trustee shall make such partial payment and the Trustee shall cause a new Obligation in a principal amount which reflects the redemption so made to be authenticated, issued and delivered to the registered owner thereof.

SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS

General

The Obligations will be special revenue obligations, payable solely from payments (the "Payments") to be made by the City pursuant to an Agreement, dated as of ____ 1, 2016 (the "Agreement"), between the City and the Trustee, and amounts from time to time deposited in the funds created under the hereinafter defined Trust Agreement. The Obligations are being issued for the purpose of providing funds to (1) refund in advance of maturity the Obligation Being Prepaid (as defined herein) and (2) pay the costs and expenses related to the execution and delivery of the Obligations. The Obligations will be executed and delivered pursuant to a Trust Agreement, dated as of ____ 1, 2016 (the "Trust Agreement"), between the City and the Trustee. All of the Trustee's interest under the Agreement, including, without limitation, the right to receive and collect the Payments and the right to enforce the payment of the Payments, will be held by the Trustee for the benefit of the registered owners of the Obligations. See APPENDIX D – "SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS."

Under the terms of the Trust Agreement, the Obligations are payable by the Trustee from the Payments received by the Trustee from the City under the Agreement, certain amounts from time to time deposited in the funds created under the Trust Agreement, and investment earnings on such funds (except for any investment earnings that are required to be rebated to the United States in order to continue the exclusion of the interest payable on the Obligations from gross income for federal income tax purposes).

The Payments to be made by the City under the Agreement will be payable from and secured by a lien on the revenues from the Excise Taxes and the State Shared Revenues (both as hereinafter defined). Except as limited by the State Intercept of Funds (as defined herein), this pledge will be on a parity with the City's pledge of the Excise Taxes and the State Shared Revenues in connection with (i) the Loan Repayment Agreement, dated as of May 1, 2007, between the City and the Greater Arizona Development Authority ("GADA") with an outstanding balance of \$1,750,000, (ii) payments made by the City pursuant to a purchase agreement dated as of November 1, 2010 which secures the City's Excise Tax Revenue Refunding Obligations, Series 2010 currently outstanding in the aggregate principal amount of

\$1,050,000, (iii) payments made by the City pursuant to an agreement dated as of May 1, 2015 which secures the City's Excise Tax Revenue Refunding Obligations, Series 2015 currently outstanding in the aggregate principal amount of \$5,995,000, and (iv) payments made by the City pursuant to an agreement dated as of July 1, 2015 which secures the City's Excise Tax Revenue Obligations, Series 2015 currently outstanding in the aggregate principal amount of \$51,260,000 (collectively, the "Existing Obligations"), and any additional obligations issued on a parity basis in the future ("Additional Parity Obligations" and, together with the Existing Obligations, the "Parity Obligations"). See "EXCISE TAXES AND STATE SHARED REVENUES" herein.

The Payments to be paid by the City to the Trustee pursuant to the Agreement may be paid, at the option of the City, from any other lawful revenue or source of the City. Such revenues are not pledged to the Payments, and, if commenced, such use of such revenues may be discontinued at any time by the City.

THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF AND DO NOT AND WILL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WHEN COMPUTING ITS INDEBTEDNESS LIMIT IMPOSED BY CONSTITUTIONAL OR STATUTORY PROVISIONS OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF NOR A LIABILITY OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR PAYMENT OF THE OBLIGATIONS OTHER THAN FROM THE SOURCES PLEDGED THEREFOR.

State Intercept of Funds

Under the Existing Obligation with GADA, under Arizona law, GADA may (A) in the case of nonpayment, certify to the State of Arizona (the "State" or "Arizona") treasurer and notify the Mayor and Council of the City that the City has failed to make a required payment and direct a withholding of the State Shared Revenues and deposit them in a fund and continue to withhold and deposit the monies in such fund until the default has been cured (the "State Intercept of Funds"), (B) take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable by the City under the Existing Obligation with GADA, then due, or to enforce performance and observance of any pledge, obligation, agreement, or covenant of the City under the Existing Obligation with GADA, and (C) with respect to the revenues from the Excise Taxes, without notice and without giving any bond or surety to the City or anyone claiming under the City, have a receiver pursue any other remedy at law or in equity, including the remedy of specific performance. In the event of nonpayment, GADA would exercise its remedies as described in clause (A) above and withhold the State Shared Revenues before the Trustee of the Obligations could exercise its remedies with respect to such State Shared Revenues, but with respect to the Excise Taxes, GADA's and the Trustee's remedies are on a parity with respect to the Obligations. Any other agreement for any loan from GADA in addition to the Existing Obligation with GADA or any agreement for any loan from the Water Infrastructure Finance Authority ("WIFA") which includes similar provisions for withholding of the State Shared Revenues for the benefit of WIFA ("Additional Agency/Authority Loan Agreements") may also provide that GADA or WIFA may enforce their loans with the State Intercept of Funds. For a discussion of other remedies upon a nonpayment by the City under the Existing Obligations, see APPENDIX D – "SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS."

Covenant to Maintain Debt Service Coverage

The revenues from the Excise Taxes shall be retained and maintained so that the amounts received from the revenues from the Excise Taxes and the State Shared Revenues, when combined mathematically for such purpose only, all within and for the most recently completed fiscal year, shall have been equal to at least two (2) times the total of interest and principal requirements for the current fiscal year for the Obligations, the Existing Obligations and any Additional Parity Obligations hereafter issued or incurred by the City. (The amount of the State Shared Revenues is determined by statutory formula and the City has not covenanted to, and has no power to, set or maintain rates or otherwise impose taxes to increase, replace or supplement the State Shared Revenues to provide for the payment of the amounts due on the Obligations and the Existing Obligations.) If the revenues from the Excise Taxes and the State Shared Revenues for any such fiscal year shall not have been equal to at least two (2) times the total of the interest and principal requirements for the current fiscal year for the Obligations, the Existing Obligations and any Additional Parity Obligations hereafter issued or incurred by the City or if at any time it appears that the revenues from the Excise Taxes and the State Shared Revenues will not be sufficient to meet such requirements, the City will, to the extent permitted by applicable law, impose new exactions of the type of the Excise Taxes which will be part

of the Excise Taxes or increase the rates for the Excise Taxes currently imposed in order that (a) the revenues from the Excise Taxes and the State Shared Revenues will be sufficient to meet all current requirements on the Obligations, Existing Obligations and any Additional Parity Obligations and (b) the revenues from the Excise Taxes and the State Shared Revenues will be reasonably calculated to attain the level as required above. See "EXCISE TAXES AND STATE SHARED REVENUES" herein.

Reserve Fund

The Trust Agreement will establish a reserve fund to secure payment of the Obligations (the "Reserve Fund"), but will provide that no deposits need to be made into the Reserve Fund for the Obligations if the revenues from the Excise Taxes and the State Shared Revenues collected for the prior fiscal year will be at least two (2) times the highest annual debt service requirement for the current or any future fiscal year on the Existing Obligations, the Obligations and any Additional Parity Obligations. In the event that the revenues from the Excise Taxes and the State Shared Revenues collected for the prior fiscal year are less than such amount, the City will deposit into the Reserve Fund, on each Interest Payment Date, one-tenth (1/10th) of the Reserve Fund Requirement for the Obligations and any Parity Obligations that require a reserve fund until the amount in the Reserve Fund equals the Reserve Fund Requirement. See APPENDIX D – "SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS."

Additional Parity Obligations

The revenues from the Excise Taxes and the State Shared Revenues will not be encumbered on a basis equal to the lien enjoyed by the Agreement, whether under the Trust Agreement or otherwise, unless the revenues from the Excise Taxes and the State Shared Revenues collected in the most recently completed fiscal year shall have amounted to at least two (2) times the highest combined interest and principal payments to be made for any succeeding twelve (12) months for the Obligations, the Existing Obligations and any Additional Parity Obligations then outstanding and any Additional Parity Obligations then proposed to be secured by a *pari passu* pledge of the revenues from the Excise Taxes and the State Shared Revenues.

Any Additional Parity Obligations which are Additional Agency/Authority Loan Agreements may have the benefit of the State Intercept of Funds.

PLAN OF REFUNDING

The proceeds of the Obligations (net of costs of issuance with respect to the Obligations) will be placed in a trust (the "Depository Trust") with U.S. Bank National Association, as depository trustee and used to pay the debt service and prepayment of the Loan Repayment Agreement between the City and GADA, dated as of March 2, 2006 (the "Obligation Being Prepaid"). Such proceeds will be sufficient to provide for the payment of interest on the Obligation Being Prepaid until maturity or prepayment, and to provide for payment of principal at the maturity or prepayment of the Obligation Being Prepaid as shown below.

Obligation Being Prepaid*	Maturity Date (July 1)	Principal Amount Outstanding	Amount Being Prepaid*	Prepayment Date (July 2)
2006	2016	\$ 370,000	\$ 370,000	N/A
	2017	390,000	390,000	2016
	2018	410,000	410,000	2016
	2019	430,000	430,000	2016
	2020	450,000	450,000	2016
	2021	475,000	475,000	2016
	2022	500,000	500,000	2016
	2023	525,000	525,000	2016
	2024	550,000	550,000	2016
	2025	575,000	575,000	2016
	2026	605,000	605,000	2016
	2027	630,000	630,000	2016
	2028	660,000	660,000	2016
	2029	690,000	690,000	2016
	2030	720,000	720,000	2016
	2031	755,000	755,000	2016
	2032	785,000	785,000	2016
	2033	825,000	825,000	2016
	2034	870,000	870,000	2016
	2035	910,000	910,000	2016
	2036	955,000	955,000	2016
		<u>\$13,080,000</u>	<u>\$13,080,000</u>	

EXCISE TAXES AND STATE SHARED REVENUES

Pursuant to the Agreement, the City's pledge of the revenues from the Excise Taxes and the State Shared Revenues to the payment of the Payments is from: (i) All unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the City imposes; provided that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council and which, if so restricted, will not be deemed Excise Taxes for purposes of the Trust Agreement or the Agreement (the "Excise Taxes"). Unless specifically pledged by the City to be on a basis senior to the pledge described in the City's resolution authorizing the execution and delivery of the Obligations, the City's pledge of, and first lien on, its Excise Taxes is superior to, and shall have a priority over, any other pledge, agreement or financial policy of the City. Pursuant to Ordinance Number 04-15, the City imposed an additional 3% tax upon transient lodging. The revenues generated by the additional 3% tax upon transient lodging will not be deemed Excise Taxes for purposes of the Trust Agreement or the Agreement. Revenues generated by the City from building permits and development impact fees will not be deemed Excise Taxes for purposes of the Trust Agreement or the Agreement. Revenues received by the City from vehicle license taxes charged by the State will not be deemed Excise Taxes for purposes of the Trust Agreement or the Agreement; and (ii) all amounts of excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State or any agency thereof and returned, allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes (the "State Shared Revenues"). The City has previously established and currently maintains a special and separate fund designated the "City of Buckeye Excise Tax Fund." Such fund is used by the City for receipt of all revenues from any applicable source of the City's Excise Taxes and State Shared Revenues. Monies in the City of Buckeye Excise Tax Fund are not commingled with any other funds of the City. The Finance Director of the City is authorized and directed, without further review, approval or action of the Mayor and City Council of the City, to transfer funds out of the City of Buckeye Excise Tax Fund first to the payment of the Payments and any other payments due on the

* Preliminary, subject to change.

Existing Obligations or Additional Parity Obligations, and second to the City's general fund or any other lawful use or purpose of the City. The major categories of such revenues are discussed more fully below.

City Sales Taxes

General. The unrestricted transaction privilege (sales) tax of the City (the "City Sales Tax") is levied by the City upon persons on account of their business activities within the City. The amount of tax due is calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities shown in the table below. The City Sales Taxes are collected by ADOR (as defined herein) and remitted to the City on a monthly basis.

**TABLE 1
CITY TRANSACTION PRIVILEGE (SALES) TAX RATES BY CATEGORY**

Category	Tax Rate (%)
Advertising	3.00
Amusement	3.00
Contracting - Prime	3.00
Contracting - Speculative Builders	3.00
Contracting - Owner Builder	3.00
Feed at Wholesale	3.00
Job Printing	3.00
Manufactured Buildings	3.00
Timbering and Other Extraction	3.00
Severance - Metal Mining	0.10
Sale of Sand, Rock and Gravel	3.00
Publication	3.00
Hotels (a)	6.00
Real Estate Rental, Leasing and Licensing for Use	2.00
Rental Occupancy	2.00
Personal Property Rental, Leasing and Licensing	3.00
Restaurants and Bars	3.00
Retail Sales (b)	3.00
Retail Sales Food for Home Consumption	3.00
Communications	4.00
Transporting	3.00
Utilities	3.00

(a) As of July 1, 2015, the City has imposed an additional 3% tax upon transient lodging (for an aggregate tax rate of 6%). The revenues generated by the additional 3% tax upon transient lodging shall not be pledged as Excise Taxes, and are restricted to promote tourism in the City as permitted by law.

(b) The rate on single items over \$1,999.99 decreases to 1.10%.

Source: Arizona Department Of Revenue *Transaction and Privilege and Other Tax Rate Tables* effective March 1, 2015.

Recent Legislative Changes Regarding Municipal Excise Taxes. Chapter 255, Laws of Arizona 2013 (commonly referred to by its original bill number, "HB2111"), made changes to the collection process for transaction privilege (sales) taxes, including City Sales Taxes, as well as modifying certain categories of business activity, as described below.

It is estimated that the Arizona Department of Revenue ("ADOR") will become the single point of administration for licensing, filing and payment of all State, county and municipal transaction privilege taxes during calendar year 2016.

The law requires ADOR to establish and administer a single online portal so that taxpayers can pay all State, county or municipal transaction privilege taxes online.

The law allows ADOR, subject to statutory guidelines, to disclose confidential information related to transaction privilege taxes collected by the department from any jurisdiction to any county, city or town official if it relates to a taxpayer who is subject to an ADOR audit. The law stipulates that taxpayers are subject to a single audit, eliminating possible subsequent or joint audits by cities and towns. The law also stipulates a variety of requirements for the audit, most of which generally require ADOR's active involvement.

In addition, effective January 1, 2015, HB2111 also exempts from the "prime" construction contracting classification certain service contractors and design phase and professional services and modifies provisions regarding sourcing of certain transactions involving tangible personal property by providing that the sale of a motor vehicle to a nonresident delivered and intended for use outside of Arizona is exempt from state and municipal transaction privilege taxes, and removing an exemption for personal tangible property shipped or delivered directly to a location outside of the United States that is to be used in that location.

While no specific assurance can be given, the City does not expect the changes due to HB2111 to have a significant impact on the administration, collection or enforcement of the City's transaction privilege taxes, including the Excise Taxes, or amounts to be collected therefrom as the ADOR currently collects transaction privilege (sales) taxes for the State and many political subdivisions in the State, including the City. The Arizona cities and towns affected by this legislation are working cooperatively with the ADOR to help achieve a smooth transition of tax administration. Additional information is available at https://www.azdor.gov/TPT_Simplification.aspx.

Beginning June 30, 2015, the ADOR started assessing and collecting fees to recover a portion of the administrative, program and other operating costs incurred in providing administrative and collection services to local governments. A onetime fee will be assessed to the City for the initial implementation of reform. In addition, an annual fee will be assessed to each jurisdiction, such as the City, to pay for ongoing ADOR operations and additional collection staff. This annual fee will be calculated in proportion to each jurisdiction's share of State Shared Revenues distributed in the preceding fiscal year. Local governments can pay these obligations from any revenue source and these fees are not expected to reduce the City's State Shared Revenues. The City is currently unable to determine the exact amount of these payments, but it is not expected that they will be material.

The table below sets forth the actual amounts for fiscal years 2010/11 through and including 2014/15 of City Sales Taxes collected by industry classification.

TABLE 2
CITY SALES TAX COLLECTIONS BY INDUSTRY CLASSIFICATION (a)

Industry Classification	Audited (b)				
	2014/15	2013/14	2012/13	2011/12	2010/11
Mining	\$ 27,256	\$ 29,558	\$ 28,254	\$ 23,116	\$ 27,910
Telecommunications	905,795	837,402	734,060	638,909	506,308
Utilities	1,268,954	1,171,923	1,090,388	969,451	656,102
Transportation & Warehouse	6,993	6,663	7,927	9,843	10,604
Construction	4,941,173	3,900,771	3,704,513	2,931,187	2,977,754
Retail	8,652,003	7,734,984	7,569,138	7,084,862	5,848,314
Real Estate Rentals	1,942,635	1,655,073	1,583,838	1,412,951	1,067,076
Restaurants and Bars	1,356,620	1,189,310	1,142,134	987,256	736,748
Hotels	49,247	52,166	59,707	53,227	47,669
Services, Financial, Insurance	379,308	332,258	285,153	248,639	234,262
Arts & Entertainment	147,221	132,041	143,920	180,693	159,331
	<u>\$ 19,677,204</u>	<u>\$ 17,042,149</u>	<u>\$ 16,349,032</u>	<u>\$ 14,540,134</u>	<u>\$ 12,272,078</u>

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- (a) This table has not been the subject of any separate audit procedures.
 - (b) Sales tax collections are presented on the cash basis of accounting per the ADOR Standard Industry Summary Local Taxes Collection Reports for all classifications except cable franchise. Cable franchise taxes are presented on the modified accrual basis of accounting.

Source: Finance Department of the City.

Business Licenses

The City imposes and collects fees for licenses to engage in certain activities within the City and the right to utilize certain City property. Those entities transacting more than one type of business are required to have separate business license for each activity they engage. The City has the authority and ability to set the charge for the business license at whatever rate it determines.

Permits

The City imposes and collects fees for permits to engage in certain activities within the City the right to utilize certain City property. Revenues generated by the City from building permits and development impact fees are not pledged to the City's payment of the Payments.

Parks and Recreation Fees

The City imposes and collects fees for parks and recreation to engage in certain activities within the City and the right to utilize certain City property.

Fines and Forfeitures

The City imposes and collects fines and forfeitures for violations of State laws or City ordinances relating to traffic, parking, animal control and other offenses.

State-Shared Income Taxes

Under current State law, Arizona cities and towns are preempted from imposing a local income tax. However, cities and towns are entitled by statutory formula to receive typically 15.0% of the net revenues of the State's personal and corporate income tax collections for the two fiscal years prior to the current fiscal year ("State-Shared Income Taxes"). Distribution of such funds is made monthly based on the proportion of each town or city's population to the total population of all incorporated cities and towns in the State as determined by the latest census. Reduced economic activity or reductions in the statutory formula share could adversely affect the City's revenues.

State-Shared Sales Taxes

Pursuant to statutory formula, cities and towns in Arizona receive a portion of the State-levied transaction privilege (sales) tax ("State-Shared Sales Taxes"). The State transaction privilege (sales) tax is levied against the same categories of business activity as the City's transaction privilege (sales) tax with the exception of food sales, which the State exempts from tax. As TABLE 3 indicates, the rate of taxation varies among the different types of business activities taxed, with the most common effective rate being subject to the hereinafter described distribution share being 5% of the amount or volume of business transacted.

Under current State law, the aggregate amount distributed to all Arizona cities and towns is equal to 25% of the "distribution share" of revenues attributable to each category of taxable activity. The allocation of each town and city of the revenues available to all cities and towns is based on their population relative to the aggregate population of all cities and towns as shown by the latest decennial or special census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns. Revenues received by the City from vehicle license taxes charged by the State are not pledged by the City to its payment of the Payments.

**TABLE 3
TAXABLE ACTIVITIES, TAX RATES AND DISTRIBUTION SHARE**

Taxable Activities	State Transaction Privilege (Sales) Tax Rates			
	State Tax Rate	Distribution Share	Education Tax Rate (a)	Combined Tax Rate
Transportation	5.000%	20.000%	0.600%	5.600%
Utilities	5.000%	20.000%	0.600%	5.600%
Telecommunications	5.000%	20.000%	0.600%	5.600%
Pipeline	5.000%	20.000%	0.600%	5.600%
Private Car Line	5.000%	20.000%	0.600%	5.600%
Publication	5.000%	20.000%	0.600%	5.600%
Job Printing	5.000%	20.000%	0.600%	5.600%
Prime Contracting	5.000%	20.000%	0.600%	5.600%
Amusement	5.000%	40.000%	0.600%	5.600%
Restaurant	5.000%	40.000%	0.600%	5.600%
Personal Property - Rental	5.000%	40.000%	0.600%	5.600%
Retail (Excluding Food Sales)	5.000%	40.000%	0.600%	5.600%
Transient Lodging	5.500%	50.000%	N/A	5.500%
Mining - Non-Metal, Oil/Gas	3.125%	32.000%	N/A	3.125%
Commercial Lease	0.000%	53.330%	N/A	0.000%
Severance - Metalliferous Mining	2.500%	80.000%	N/A	2.500%
Use Tax Utilities	5.000%	20.000%	0.600%	5.600%
Jet Fuel Tax	(b)	40.000%	N/A (c)	(b)

- (a) Represents the State transaction privilege (sales) tax rate approved by voters of the State in November 2000 (the "Education Tax") on certain of the categories of business activity at six-tenths of one percent (0.6%). The Education Tax collections are dedicated exclusively to education and are not distributed to the City or pledged to the payment of debt service with respect to the Obligations. The effective dates for the Education Tax are June 1, 2001 through June 30, 2021.
- (b) Does not include \$0.0305 per gallon State tax on the retail sale of jet fuel, which tax is only levied on the first ten million gallons sold to each purchaser in each calendar year.
- (c) N/A = Not applicable.

Source: Arizona Revised Statutes, ADOR, Secretary of State.

POTENTIAL ADVERSE CIRCUMSTANCES

State-Shared Sales Taxes and State-Shared Income Taxes

It should be noted that no assurances can be given that the amount of State-Shared Sales Taxes and State-Shared Income Taxes will not be reduced or eliminated by the State legislature in the future. The State Legislature may from time to time eliminate State-Shared Sales Taxes and State-Shared Income Taxes or may change the amount and timing of payment of State-Shared Sales Taxes and State-Shared Income Taxes and is under no legal obligation to maintain the amount of State-Shared Sales Taxes and State-Shared Income Taxes payable to the City at any amount or level. For example, addressing State budgetary deficiencies, adjustments that reduce the distribution of State-Shared Sales Taxes could be enacted. Accordingly, the City is unable to covenant to maintain the State Shared Revenues at any certain levels.

Furthermore, initiative measures may be circulated from time to time seeking to place on the ballot changes in Arizona law which repeal or modify State-Shared Sales Taxes and State-Shared Income Taxes.

City Sales Taxes

Initiative measures may be circulated seeking to place on the ballot changes which could repeal or modify City Sales Taxes.

Currently and from time to time, members of the City Council of the City may propose reducing the City Sales Tax rate.

From time to time, bills such as HB 2111 may be introduced in the Arizona Legislature to make changes to the collection process, categories subject to taxation or other factors relating to City Sales Taxes.

HISTORICAL AND BUDGETED COLLECTIONS

TABLE 4 sets forth the revenues from the Excise Taxes and the State Shared Revenues for fiscal year 2010/11 through and including 2014/15, and the budgeted collections for fiscal year 2015/16.

**TABLE 4
HISTORICAL AND BUDGETED EXCISE TAX
AND STATE SHARED REVENUE COLLECTIONS (a)**

Revenue Source	Budgeted		Audited (b)			
	2015/16 (c)	2014/15	2013/14	2012/13	2011/12	2010/11
City Privilege (Sales) Tax	\$22,008,200	\$19,677,204	\$17,042,149	\$16,349,032	\$14,540,134	\$12,272,078
Licenses and Permits	211,000	201,625	164,316	150,140	157,400	162,280
Franchise Fees	2,970,689	2,716,880	2,558,045	2,384,979	2,262,280	2,412,675
Parks and Recreation Fees	1,835,585	1,936,104	1,922,890	1,807,391	1,138,931	1,077,072
State-Shared Income Taxes	6,125,464	6,158,854	5,670,776	5,196,874	4,293,972(d)	2,472,836
State-Shared Sales Tax	4,860,342	4,649,494	4,428,388	4,164,294	3,975,466 (d)	2,112,351
Fines and Forfeitures	500,000	511,582	388,949	353,660	435,179	446,595
Total	38,511,280	35,851,743	32,175,513	30,406,370	26,803,362	20,955,887

- (a) This table has not been the subject of any separate audit procedures.
- (b) Audited figures are presented on the cash basis of accounting per the ADOR Standard Industry Summary Local Taxes Collection Reports for all classifications except cable franchise. Cable franchise taxes that are presented on the modified accrual basis of accounting.
- (c) **Budgeted figures are “forward-looking” statements and should be analyzed with an abundance of caution and are not intended as statements or representations of fact or certainty; no representation is made as to the correctness of such figures or that they will be realized.** Actual figures may vary significantly from budgeted figures shown here.
- (d) The increase in these categories over the prior year was based on increased distributions based on the 2010 census by the U.S. Census Bureau.

Source: Finance Department of the City.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount of the Obligations	\$	*
[Net] Original Issue [Premium/Discount]		
Total Sources of Funds	<u>\$</u>	

Uses of Funds

Costs of Issuance (a)	\$	
Deposit to Depository Trust		
Total Uses of Funds	<u>\$</u>	

(a) Includes Underwriter's compensation and costs of the Underwriter as defined herein.

* Preliminary, subject to change.

ESTIMATED DEBT SERVICE REQUIREMENTS AND COVERAGE

The following table sets forth (i) the combined outstanding debt service on the Existing Obligations; (ii) the estimated debt service on the Obligations; (iii) the combined estimated debt service following issuance of the Obligations; and (iv) the estimated combined annual debt service coverage. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."

TABLE 6
ESTIMATED DEBT SERVICE REQUIREMENTS AND COVERAGE (a)*

Fiscal Year Ending (6-30)	Excise Tax Obligations Outstanding (b)		The Obligations *		Estimated Combined Annual Debt Service	Estimated Combined Annual Debt Service Coverage (d)
	Principal	Interest	Principal	Interest (c)		
2016	\$ 845,000	\$3,051,855	\$ 485,000	\$123,195	\$4,505,050	7.96x
2017	875,000	2,798,706	420,000	506,000	4,599,706	
2018	900,000	2,771,656	425,000	497,600	4,594,256	
2019	925,000	2,747,056	435,000	489,100	4,596,156	
2020	965,000	2,702,956	440,000	480,400	4,588,356	
2021	1,855,000	2,663,456	460,000	467,200	5,445,656	
2022	1,950,000	2,570,706	475,000	453,400	5,449,106	6.58x
2023	2,050,000	2,473,206	485,000	439,150	5,447,356	
2024	2,140,000	2,376,663	505,000	419,750	5,441,413	
2025	1,435,000	2,279,563	525,000	399,550	4,639,113	
2026	1,505,000	2,207,813	545,000	378,550	4,636,363	
2027	1,580,000	2,132,563	565,000	356,750	4,634,313	
2028	1,665,000	2,053,563	595,000	328,500	4,642,063	
2029	1,745,000	1,971,156	625,000	298,750	4,639,906	
2030	1,830,000	1,884,781	655,000	267,500	4,637,281	
2031	1,895,000	1,819,463	690,000	234,750	4,639,213	
2032	1,830,000	1,725,650	725,000	200,250	4,480,900	
2033	1,925,000	1,634,150	760,000	164,000	4,483,150	
2034	2,020,000	1,537,900	800,000	126,000	4,483,900	
2035	2,120,000	1,436,900	840,000	86,000	4,482,900	
2036	2,225,000	1,330,900	880,000	44,000	4,479,900	
2037	2,335,000	1,219,650			3,554,650	
2038	2,455,000	1,102,900			3,557,900	
2039	2,575,000	980,150			3,555,150	
2040	2,705,000	851,400			3,556,400	
2041	2,840,000	716,150			3,556,150	
2042	2,985,000	574,150			3,559,150	
2043	3,130,000	424,900			3,554,900	
2044	3,290,000	268,400			3,558,400	
2045	3,420,000	136,800			3,556,800	
	<u>\$60,015,000</u>		<u>\$12,335,000</u>			

(a) Prepared by First Southwest Company, LLC (the "Financial Advisor").

(b) Represents all outstanding Existing Obligations, net of the Obligation Being Prepaid.

(c) The first interest payment on the Obligations is due on July 1, 2016*, representing interest from the initial execution and delivery of the Obligations. Thereafter, interest payments will be made semiannually on January 1 and July 1, until maturity or prior redemption. Interest is estimated at ___%.

* Preliminary, subject to change.

- (d) Combined Annual Debt Service Coverage is computed using the Excise Taxes and State Shared Revenues of \$35,851,743 for Fiscal Year 2014/15. See TABLE 4 – “HISTORICAL AND BUDGETED EXCISE TAX AND STATE SHARED REVENUE COLLECTIONS” herein.

LITIGATION

Representatives of the City will certify that no litigation or administrative action or proceeding is pending or, to the best of their knowledge, threatened, restraining or enjoining, or seeking to restrain or enjoin, the authorization, sale or execution and delivery of the Obligations or contesting or questioning the proceedings and authority under which the Obligations have been authorized and are to be secured, sold, executed or delivered, or the validity of the Obligations.

RATINGS

Standard & Poor’s Financial Services LLC (“S&P”) and Fitch Ratings, Inc. (“Fitch”) have assigned credit ratings of “_” and “_”, respectively, to the Obligations. Such ratings reflect only the views of S&P and Fitch. An explanation of the significance of a rating assigned by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of a rating assigned by Fitch may be obtained at 33 Whitehall Street, New York, New York 10004. Such ratings may subsequently be revised upward, downward or withdrawn entirely by S&P or Fitch, if, in their judgment, circumstances so warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Obligations. The City will covenant in its continuing disclosure certificate (see “CONTINUING DISCLOSURE” below) that it will cause notices to be filed with the Municipal Securities Rulemaking Board of any formal change in the ratings relating to the Obligations.

LEGAL MATTERS

Legal matters incident to the authorization, sale and execution and delivery by the City of the Obligations and with regard to the tax-exempt status of the interest thereon will be prepared by Gust Rosenfeld P.L.C., Phoenix, Arizona (“Special Counsel”). A signed copy of that opinion, dated and speaking only as of the date of delivery of the Obligations, will be delivered to the City at the time of original execution and delivery of the Obligations.

The proposed text of the legal opinion is set forth as APPENDIX E hereto. The legal opinion to be delivered may vary from the text of APPENDIX E if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to the Obligations subsequent to the original delivery of the Obligations.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, counsel to the Underwriter (“Counsel to the Underwriter”), excluding any financial or statistical statements.

The various legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

In the opinion of Special Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming compliance with certain restrictions, conditions and requirements by the City as described below, the portion of each Payment made by the City under the Agreement and denominated as and comprising interest income pursuant to the Agreement and received by the owners of the Obligations as interest income on the Obligations will be excludable from gross income of the owners for federal income tax purposes, and will be exempt from State income taxes. The opinion of Special Counsel will be dated as of the date of initial delivery of the Obligations. Special Counsel will express no opinion regarding any other tax consequences with respect to the Obligations. The form of such opinion is included as APPENDIX E – “FORM OF APPROVING LEGAL OPINION” attached hereto.

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Agreement from gross income for federal

income tax purposes, including a requirement that the City rebate to the federal government certain of its investment earnings with respect to the Agreement. The City has covenanted to comply with the provisions of the Code relating to such matters. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Agreement being included as gross income for federal income tax purposes, under certain circumstances, from the date of initial issuance. The Obligations do not provide for an adjustment in the interest rate in the event of taxability and the event of taxability does not cause an acceleration of the maturity dates of the Obligations. The opinion of Special Counsel assumes continuing compliance with such restrictions, conditions and requirements.

The Code also imposes an "alternative minimum tax" upon certain corporations and individuals. A taxpayer's "alternative minimum taxable income" ("AMTI") is its taxable income with certain adjustments. The portion of each Payment made by the City under the Agreement and denominated as and comprising interest income pursuant to the Agreement and received by the owners of the Obligations is not an item of tax preference to be included in the AMTI of individuals or corporations.

Notwithstanding the preceding sentence, one of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess (if any) of the corporation's "adjusted current earnings" over the corporation's AMTI for the taxable year (determined without regard to such adjustment for excess book income and the alternative tax net operating loss deduction). A corporation's "adjusted current earnings" includes all tax-exempt interest, including the portion of each Payment made by the City under the Agreement and denominated as and comprising interest income pursuant to the Agreement and received by the owners of the Obligations for federal income tax purposes.

Although Special Counsel will render an opinion that, as of the delivery of the Obligations, interest income on the Agreement will be excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Agreement may otherwise affect a Beneficial Owner's (as such term is defined in APPENDIX G) federal tax liability. Certain Beneficial Owners may experience other tax consequences. Beneficial Owners who are, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations should consult their tax consultants as to the applicability of such tax consequences with respect to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner's particular tax status and the Beneficial Owner's other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

The Agreement and the Obligations are not "private activity bonds" within the meaning of Section 141 of the Code.

Under existing federal tax law, if the Obligations are determined to be invalid for failure to comply with a substantive or procedural requirement of local law, the Obligations will be deemed not to be an obligation of the City and interest on the Agreement will not be excludable from gross income for federal income tax purposes.

Currently and from time to time, there are legislative proposals in Congress which, if enacted could alter or amend the federal tax matters referred to above or adversely affect the market value of the Obligations. Any such change that occurs before initial delivery of the Obligations could cause Special Counsel to deliver an opinion substantially different from the form of opinion in APPENDIX E. The extent of change in Special Counsel's opinion cannot be determined at this time. It cannot be predicted whether, or in what form, any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Obligations) issued prior to enactment or effective date.

ORIGINAL ISSUE DISCOUNT

The initial offering prices of the Obligations maturing on July 1, 20__ and July 1, 20__ (collectively, the "Original Discount Obligations"), are less than the respective stated principal amounts thereof. As a result, the Original Discount Obligations will be considered to be issued with original issue discount. The difference between the initial public offering price (the "Issue Price") of the Original Discount Obligations, and the amount payable at maturity of the Original Discount Obligations will be treated as "original issue discount." With respect to a Beneficial Owner who purchases an Original Discount Obligation in the initial public offering at the Issue Price and who holds the Original Discount Obligation to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Original Discount Obligation for federal income tax

purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Original Discount Obligation at maturity.

The original issue discount on each of the Original Discount Obligations is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Original Discount Obligation on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner's tax basis for the Original Discount Obligation. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Original Discount Obligation. An initial Beneficial Owner of an Original Discount Obligation who disposes of the Original Discount Obligation prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accreted over the period held and the amount of taxable gain or loss upon the sale or disposition of the Original Discount Obligation prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Original Discount Obligations. Beneficial Owners who do not purchase the Original Discount Obligations in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of the ownership of Original Discount Obligations.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of an Original Discount Obligation may result in certain collateral federal income tax consequences.

Beneficial Owners of Original Discount Obligations in states other than Arizona should consult their own tax advisors with respect to the state and local taxes.

AMORTIZABLE PREMIUM

The initial public offering prices of the Obligations maturing on July 1, 20__ through and including July 1, 20__, (collectively, the "Premium Obligations"), are greater than the amounts payable on such Obligations at maturity. An amount equal to the difference between the initial public offering price of a Premium Obligation (assuming that a substantial amount of the Premium Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Obligations. The basis for federal income tax purposes of a Premium Obligation in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Obligation. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Obligations.

UNDERWRITING

The Obligations will be purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") at the aggregate purchase price of \$_____, pursuant to an "Obligation Purchase Contract" entered into between the City and the Underwriter. If the Obligations are sold to produce the yields shown on the inside front cover page hereof, the compensation of the Underwriter will be \$_____. The Obligation Purchase Contract provides that the Underwriter will purchase all of the Obligations so offered if any are purchased. The Underwriter may offer and sell the Obligations to certain dealers (including dealers depositing Obligations into unit investment trusts) and others at yields lower or prices higher than the public offering yields or prices stated on the inside front cover page hereof. The initial offering yields or prices set forth on the inside front cover page hereof may be changed, from time to time, by the Underwriter.

RELATIONSHIP AMONG PARTIES

Special Counsel also serves as the City's Attorney and provides general legal services to the City on most civil law matters.

Special Counsel has and continues to represent the Underwriter with respect to financings other than for the City and will continue to do so if requested in the future. Special Counsel has also previously acted as bond counsel with respect to other obligations underwritten by the Underwriter and will continue to do so if requested in the future. Counsel to the Underwriter has represented the Underwriter with respect to the financings other than for the City and will continue to do so if requested in the future. Counsel to the Underwriter acts as bond counsel for various municipal entities for which the Underwriter or Financial Advisor may provide financial advisor or consulting services or act as underwriter.

FINANCIAL ADVISOR

First Southwest Company, LLC is Financial Advisor (the "Financial Advisor") to the City in connection with the issuance of the Obligations. The Financial Advisor has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

CONTINUING DISCLOSURE

The City, as the "obligated person" with respect to the Obligations, will covenant for the benefit of the owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2017 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices"). Such covenants will be made in order to assist the Underwriter in complying with the S.E.C. Rule 15c2-12 (the "Rule"). The form of the undertaking which describes the content of the Annual Reports and the Notices and method of their dissemination is included as APPENDIX F hereto. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Absence of continuing disclosure could adversely affect the Obligations and their market price and transferability.

The City previously entered into continuing disclosure undertakings (the "Prior Undertakings") with respect to certain previously issued obligations of the City which require the filing on or before January 1 or February 1, as applicable, of each year of Annual Reports (the "Prior Annual Reports"). The City filed its Prior Annual Report for the fiscal year ending June 30, 2011, approximately eleven months late. On April 20, 2015, the City filed certain operating data (two statistical information tables) that was not included in some of the City's Prior Annual Reports. The City has implemented procedures to facilitate compliance with all future undertakings and Prior Undertakings in all material respects.

AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements of the City for the fiscal year ended June 30, 2015, a copy of which is included in APPENDIX C of this Official Statement, have been audited by Eide Bailly LLP, certified public accountants, to the extent and for the period indicated in their report thereon. The City is not aware of any facts that would make such Audited Financial Statements misleading. The Audited Financial Statements are for the fiscal year ending June 30, 2015 and are not current and may not represent the current financial condition of the City. The City neither requested nor obtained the consent of Eide Bailly LLP to include the report, and Eide Bailly LLP has performed no procedures subsequent to rendering its opinion on the financial statements.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations or fact of certainty and no representation is made that any of these statements have been or will be realized. Information set forth in this Official Statement has been derived from the records of the City and from certain other sources, as referenced, and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as a part of a contract with the original purchasers or subsequent owners of the Obligations.

This Official Statement has been prepared on behalf of the City and executed for and on behalf of the City by its Finance Director.

CITY OF BUCKEYE, ARIZONA

By: /s/ _____

Finance Director

**CITY OF BUCKEYE, ARIZONA
GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

The following information regarding the City is provided for background information only. No representation is made as to the relevance of the data to the repayment of the Obligations. The Obligations are payable solely from Payments to be paid by the City under the Agreement which are secured by the Excise Taxes and the Stated Shared Revenues as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."

General

The City is located approximately 30 miles from downtown Phoenix, Arizona ("Phoenix"). The original City site was located approximately four miles south of Interstate 10 on State Route 85 where the Gila and Hassayampa Rivers converge. The City was founded in 1888 and incorporated in 1929. The City's municipal boundaries encompass approximately 650 square miles and sits at an elevation above sea level of 888 feet. Not all property within the perimeter boundaries of the City has been annexed into the City. However, over 200 square miles have been annexed into the City.

The following table illustrates respective population statistics for the City, Maricopa County (the "County") and the State.

POPULATION STATISTICS

Year	City of Buckeye	Maricopa County	State of Arizona
2015 Estimate (a)			
2010 Census	50,876	3,817,117	6,392,017
2000 Census	8,497	3,072,149	5,130,632
1990 Census	4,436	2,122,101	3,665,228

(a) Estimate as of July 1, 2015 [published December 2015].

Source: U.S. Census Bureau, Population Division – *Annual Estimates of the Resident Population* and U.S. Census Bureau - Decennial Census.

Municipal Government and Organization

The government of the City is directed by a six-member City Council, Mayor and City Manager. The City provides law enforcement and firefighting services to its residents. The Mayor and City Council members are elected at-large to four-year terms. The City Council appoints a City Manager who has full responsibility for carrying out City Council policies and administrative operations.

Employment and Employers

Employment for the City's residents is provided by agricultural activities services, education, government and the nearby Palo Verde Nuclear Plant. The Palo Verde Nuclear Plant is located outside the boundaries of the City approximately 20 miles west. The close proximity of the City to the greater Phoenix metropolitan area also provides employment.

See below for a list of the major employers located in and within close proximity to the City.

**MAJOR EMPLOYERS
City of Buckeye, Arizona**

Employer	Number of Employees
Wal-Mart Distribution Center	650
Buckeye Elementary School District No. 33	600
City of Buckeye	420
Buckeye Union High School District No. 201	400
Litchfield Elementary School District No. 79	332
Liberty Elementary School District	225
The Odyssey Preparatory Academy	212
Duncan & Son Lines, Inc.	175
Lowe's Home Improvement	150
Agua Fria Union High School District No. 216	130
Smith Food Drug Stores	112
Hickman's Egg Ranch Inc.	100

Source: Hoovers, Inc., a D&B Company – data extracted as of December 2015.

The table below illustrates the unemployment rates for the City, the County, the State and the United States.

UNEMPLOYMENT RATES

Year	United States	State of Arizona	Maricopa County	City of Buckeye
2015(b)	__._%	__._%	__._%	__._%
2014	6.2	6.9	5.9	7.4
2013	7.4	7.8	6.6	8.5
2012	8.1	8.4	7.3	8.9
2011	8.9	9.5	8.6	10.2
2010	9.6	10.4	9.5	9.8

(b) Data is not seasonally adjusted, is preliminary and is an average through ___ 2015 for City, County and State data and through December 2015 for the National Unemployment Rate.

Source: U.S. Department of Labor, Bureau of Labor Statistics – *Local Area Unemployment Statistics* and *National Labor Force Statistics*.

Construction

The following chart sets forth a building permit summary for new housing starts for the City.

**New Housing Starts
City of Buckeye, Arizona**

<u>Year</u>	<u>Total New Housing Starts</u>
2015	—
2014	748
2013	773
2012	699
2011	507

Retail

The following table sets forth a recent record of retail sales tax collection activity within the City.

**Privilege (Sales) Tax Collections
City of Buckeye, Arizona**

<u>Fiscal Year</u>	<u>City Sales Tax Collections</u>
2014/15	\$19,677,204
2013/14	17,042,149
2012/13	16,349,032
2011/12	14,540,134
2010/11	12,272,078

Transportation

The City is readily accessible via ground and air transportation. Highway access is provided by County Highway 85 and Interstate 10. Other freeways, designated as Loop 101, Loop 303, Interstate 17 and Interstate 8 are only minutes away for the City. The City is approximately 25 minutes from Phoenix Sky Harbor International Airport, which offers service from major airlines, commuter airlines and charter companies. The Phoenix-Buckeye Airport, located within the City is classified as a reliever airport to Phoenix Sky Harbor International Airport. The airport has a 5,500-foot lighted and paved runway and offers various airport related facilities. The City is also served by the major bus companies and rail service is provided by the Union Pacific Railroad.

**CITY OF BUCKEYE, ARIZONA
FINANCIAL DATA**

Current Year Statistics (For Fiscal Year 2015/16)**City of Buckeye, Arizona**

Total General Obligation Bonds Outstanding	None	
Total Water and Sewer Revenue Obligations Outstanding	\$19,117,602	(a)
Total Excise Tax-Secured and GADA Obligations Outstanding and to be Outstanding	71,630,000	*(b)
Total Improvement District Obligations Outstanding	1,480,000	(c)
Net Limited Property Assessed Valuation	320,169,039	(d)
Estimated Net Full Cash Value	3,502,336,500	(e)

- (a) See "Water and Sewer Revenue Obligations Outstanding" in this appendix.
- (b) See "Excise Tax-Secured and GADA Obligations Outstanding and to be Outstanding" in this appendix.
- (c) See "Improvement District Obligations Outstanding" in this appendix.
- (d) Net of property exempt from taxation and reflects application of applicable assessment ratios.
- (e) Estimated net full cash value is the total market value of the property less unsecured personal property and less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes.

Source: Maricopa County Finance Department and the Finance Department of the City.

**Water and Sewer Revenue Obligations Outstanding
City of Buckeye, Arizona**

Series	Issue Description	Original Amount	Maturity Dates	Principal Outstanding
2010	WIFA Loan Agreement	\$12,000,000		\$ _____
2013A	WIFA Loan Agreement	3,617,450		_____
2013B	WIFA Loan Agreement	7,370,000		_____
2013C	WIFA Loan Agreement	5,065,000		_____
2015	WIFA Loan Agreement	761,000		_____
2015	Water and Sewer Systems Senior Revenue Bonds	250,000	7-1-44	250,000
Total Water and Sewer Revenue Obligations Outstanding				<u>\$19,117,602</u>

* Preliminary, subject to change.

**Excise Tax–Secured and GADA Obligations Outstanding and to be Outstanding
City of Buckeye, Arizona**

Series	Issue Description	Original Amount	Maturity Dates	Principal Outstanding
2006	Greater Arizona Development Authority Loan	\$14,730,000	7-1-07/36	\$13,080,000
2007	Greater Arizona Development Authority Loan	2,200,000	7-1-09/31	1,750,000
2010	Excise Tax Revenue Refunding	1,795,000	7-1-12/20	1,050,000
2015	Excise Tax Revenue Refunding	6,565,000	7-1-15/24	5,955,000
2015	Excise Tax Revenue	51,260,000	7-1-21/45	51,260,000
Total Excise Tax-Secured and GADA Obligations Outstanding				\$73,095,000
Less: Prepayment of Obligation Being Prepaid				(13,080,000)
Plus: the Obligations				12,335,000*
Total Obligations to be Outstanding				<u>\$71,630,000</u>

**Improvement District Obligations Outstanding
City of Buckeye, Arizona**

Series	Issue Description	Original Amount	Maturity Dates	Principal Outstanding
2009	Jackrabbit Trail Sanitary Sewer Improvement District	\$2,545,000	1-1-11/29	\$1,480,000
Total Improvement District Obligations Outstanding				<u>\$1,480,000</u>

RETIREMENT SYSTEM

Retirement Benefits

General. The City contributes to the three plans described below. Benefits are established by State statute and generally provide retirement, death, long-term disability, survivor and health insurance premium supplement benefits.

The Arizona State Retirement System (“ASRS”), a cost-sharing, multiple agency defined benefit plan in which the City participates, has reported slight decreases in its overall unfunded liabilities. The most recent annual reports for the ASRS may be accessed at: <https://www.azasrs.gov/content/annual-reports>. The board for the ASRS has adopted contribution rates for fiscal year 2014/15 and 2015/16. For the fiscal year ending June 30, 2015, active plan members are required by statute to contribute at the actuarially determined rate of 11.60% (11.48% retirement and 0.12% long-term disability) of the members’ annual covered payroll. The ASRS adopted contribution rate for Fiscal Year 2015/16 is 11.47% (11.35% retirement and 0.12% long-term disability) of the members’ annual covered payroll.

Additionally, enacted State legislation makes changes to how the ASRS operates, which included, effective July 1, 2011, requiring employers to pay an alternative contribution rate for retired ASRS employees that return to work, changing the age at which an employee can retire without penalty based upon years of service, limiting permanent increases in retirement benefits and establishing a Defined Contribution and Retirement Study Committee (as defined in the legislation) that will review the feasibility and cost to changing the current defined benefit plan to a defined contribution plan.

As stated previously, ASRS has reported a decrease in its overall unfunded liabilities. The decrease in ASRS’s unfunded liabilities is expected to result in a gradual decrease in contributions by all participating agencies including the City and its employees; however the specific effects cannot be determined at this time. The City’s contributions to the ASRS for fiscal years 2014/15 and 2013/14 were \$ _____ and \$1,580,794, respectively, both of which were equal to the required contributions for the year.

The Arizona Public Safety Personnel Retirement System (“PSPRS”) has reported increases in its unfunded liabilities. The most recent annual reports for the PSPRS may be accessed at <http://www.psprs.com/sys>

[psprs/AnnualReports/cato annual rpts psprs.htm](#). The effect of the increase in the PSPRS's unfunded liabilities is expected to result in significantly increased contributions by all of the participating agencies including the City and its employees; however the specific impact on the City, or on the City and its employees' future annual contributions to the PSPRS, cannot be determined at this time. The City's contribution to the PSPRS for Fiscal years 2014/15 and 2013/14 were \$_____ and \$_____, respectively.

The City also contributes to the Volunteer Firefighters' Relief and Pension Fund (the "VFRPF"), a defined contribution plan which provides pensions to volunteer firefighters only. According to State statute, a volunteer firefighter who has served for 25 years or more or who has reached 60 years of age and has served 20 years or more shall be eligible to receive a monthly retirement not to exceed \$150 per month, as determined by the board of trustees of the VFRPF (the "Board"). Such pension, if paid, may be increased or decreased in amount, or discontinued at the discretion of the Board. Pension and relief benefits may only be paid from the income of the trust fund. However, a firefighter who leaves the service without being eligible for retirement benefits is entitled to all previous deductions from his salary plus interest at a rate determined by the Board. As established by State statute, in lieu of another acceptable pension plan, all volunteer firefighters must participate in the pension plan from the date they enter service. Arizona is required by statute to contribute a portion of the annual tax received on fire insurance premiums. During the fiscal year ended June 30, 2015, there were [no contributions made].

Additional Reporting Requirements. Government Accounting Standards Board adopted Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires employers to report their plan's net pension liability and pension expense in their government-wide financial statements and pension expense. [The new reporting requirements imposed by GASB 68 will change the financial statements of the City, but the specific impact is unknown at this time].

Other Post-Employment Retirement Benefits

Beginning with the fiscal year that commenced on July 1, 2008, the City was required to implement Government Accounting Standards Board Statement Number 45, *Accounting by Employers for Post-Employment Benefits Other than Pensions* ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, GASB 45 will require the reporting of such costs as a financial statement liability.

The City does not offer OPEBs. The City employees, their spouses and survivors may, however, be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all the City employees that reach normal or early retirement age while working for the City will become eligible for such benefits. Currently, such retirees may obtain the health care benefits offered by the State by paying the applicable health care insurance premium; such plan is available to all participants, whether retired or not, in the State's health care program. It is not the responsibility of the City to fund such costs.

CITY OF BUCKEYE, ARIZONA
AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2015

The following audited Financial Statements are for the fiscal year ended June 30, 2015 have been audited by Eide Bailly LLP, certified public accountants, to the extent and for the period indicated thereon. The City has neither requested nor obtained the consent of Eide Bailly LLP to include its report and Eide Bailly LLP has performed no procedures subsequent to sending its report on the financial statements.

These are the most recent audited financial statements available to the City. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITIONS OF THE CITY.

SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS

The following is a summary of certain provisions of the Agreement and the Trust Agreement that are not described elsewhere in this Official Statement. These summaries do not purport to be comprehensive and reference should be made to the Agreement and the Trust Agreement for a full and complete statement of their provisions. All capitalized terms not defined in this Official Statement shall have the meaning set forth in the Trust Agreement.

DEFINITIONS

For the purpose of the following summaries of the Agreement and the Trust Agreement, these words and phrases have the following meanings:

"Additional Agency/Authority Loan Agreements" means any additional loan from GADA or any loan from the Water Infrastructure Finance Authority of Arizona subject to Section 49-1225(F) or 49-1245(F), Arizona Revised Statutes, as amended.

"Annual Current Principal Requirement" means for any Fiscal Year the amount of principal coming due during such Fiscal Year on the Obligations and any Parity Obligations.

"Annual Debt Service Requirement" means for any Fiscal Year, the aggregate of the Annual Mandatory Sinking Fund Redemption Requirement plus the Annual Current Principal Requirement for that Fiscal Year and the amount required to be deposited to pay interest on any Parity Obligations and the Obligations in that Fiscal Year. For the purpose of compliance with the requirements of the Agreement with respect to the proposed issuance of additional Parity Obligations, such proposed Parity Obligations shall be treated as Outstanding for the determination of Annual Debt Service Requirement. For the computation of Annual Debt Service Requirement, (i) debt service on Credit Enhanced Indebtedness shall be deemed to include any periodic fees payable to the issuer of any liquidity or credit facility as a condition to such issuer's commitment to purchase such obligations upon tender or to provide moneys necessary for payment of principal of and interest on such obligations when due, and (ii) debt service on Credit Enhanced Indebtedness shall not be based upon the terms of any reimbursement obligation to the issuer of any liquidity or credit facility except to the extent and for periods during which payments are required to be made pursuant to such reimbursement obligation as a result of the issuer's unreimbursed advances of funds thereunder.

"Authorizing Resolution" means Resolution No. ___-16, passed, adopted and approved by Mayor and Council of the City on February 2, 2016.

"Business Day" means a day of the year other than Saturday, Sunday or a day on which banks in the State of Arizona are authorized by law or executive order to close or on which the New York Stock Exchange is closed.

"City" means the City of Buckeye, Arizona.

"City Representative" means the City Manager or Finance Director or any other person authorized by the City Manager or Finance Director or the City Council of the City to act on behalf of the City.

"Depository Trustee" means any bank or trust company, which may include the Trustee, meeting the requirements of, and designated to act as, Depository Trustee pursuant to the Trust Agreement.

"Event of Default" means an event of default under the Agreement or under any Parity Obligations.

"Excise Tax Fund" means that certain special and separate fund previously established and currently maintained by the City designated the "City of Buckeye Excise Tax Fund." Such fund is used by the City for receipt of all revenues from any applicable source of the City's Excise Taxes and State Shared Revenues. Monies in the Excise Tax Fund are not commingled with any other funds of the City. The Finance Director of the City is authorized and directed, without further review, approval or action of the Mayor and City Council of the City, to transfer funds out of the Excise Tax Fund first to the payment of the Payments and any other payments due under Parity Obligations, and second to the City's general fund or any other lawful use or purpose of the City.

"Excise Taxes" means all unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the City imposes and State Shared Revenues; provided that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council and which, if so restricted, will not be deemed Excise Taxes for purposes of the Trust Agreement, the Agreement or the Existing Obligations. Unless specifically pledged by the city to be on a basis senior to the pledge described in the Authorizing Resolution, the City's pledge of, and first lien on, its Excise Taxes granted and conveyed by the Authorizing Resolution is superior to, and shall have a priority over, any other pledge, agreement or financial policy of the City, including any designation or allocation made under Ordinance Numbers 23-10, 26-10 or 28-10. The revenues generated by the 3% tax upon transient lodging will not be deemed Excise Taxes for purposes of the Trust Agreement and the Agreement. Revenues generated by the City from building permits and development impact fees will not be deemed Excise Taxes for purposes of the Trust Agreement and the Agreement. Revenues received by the City from vehicle license taxes charged by the State will not be deemed Excise Taxes for purposes of the Trust Agreement and the Agreement.

"Existing Obligations" means the amounts Outstanding of the Obligation Being Prepaid, 2007 GADA Loan and the payments made by the City in connection with the 2010 Refunding Obligations, the 2015 Refunding Obligations and the 2015 Obligations on a parity with the Obligations as to their lien on Excise Taxes. It is anticipated that upon the issuance, execution and delivery of the Obligations, the Obligation Being Prepaid shall no longer be included as an Existing Obligation.

"Fiscal Year" means the period commencing each July 1 and ending June 30 of the succeeding calendar year, unless otherwise determined and designated by City, and which serves as the basis on which the Excise Taxes shall be accounted.

"GADA" means the Greater Arizona Development Authority.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of City or Trustee.

"Interest Payment Date" means each of the dates specified in the Trust Agreement on which interest is due and payable with respect to the Obligations.

"Market Value" or **"Value at Market"** means the indicated bid value of the investment or investments to be valued as shown in The Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by Trustee and generally accepted as a source of valuation.

"Maximum Annual Debt Service Requirement" means the greatest Annual Debt Service Requirement required to be paid in any Fiscal Year ending then or thereafter on or under the Outstanding Parity Obligations and the Obligations.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by City by notice to Trustee.

"Obligations" means the City's Excise Tax Revenue Refunding Obligations, Series 2016.

"Outstanding", when used as of any particular time with respect to Obligations, means all Obligations theretofore executed and delivered by Trustee, except:

- (1) Obligations theretofore cancelled by Trustee or surrendered to Trustee for cancellation;
- (2) Obligations for the payment of which funds or noncallable United States Obligations in the necessary amount shall have theretofore been deposited with a Depository Trustee; and
- (3) Obligations in lieu of or in exchange for which other Obligations shall have been executed and delivered by Trustee.

When used with respect to Parity Obligations, Outstanding means all such Parity Obligations except: those which have been cancelled or surrendered for cancellation; those for which payment or redemption has been irrevocably

provided for with funds or noncallable United States Obligations in the necessary amount and all other actions have been taken as required under the authorizing documents for the payment thereof; and those in lieu of Or in exchange for which other Parity Obligations shall have been executed and delivered pursuant to the authorizing documents.

"Owner" or any similar term, when used with respect to a Parity Obligation or Obligation, means the person or entity in whose name such Parity Obligation or Obligation shall be registered.

"Parity Obligations" means and includes the Existing Obligations, any Additional Agency/Authority Loan Agreements and any bonds, lease purchase agreements, purchase agreements or other obligations authorized on a parity with the Obligations as to their lien on Excise Taxes in accordance with the Trust Agreement.

"Payee" means Trustee in its trust capacity as Payee under the Agreement.

"Payments" means all payments required to be paid by the City pursuant to the Agreement.

"Payment Date" means any date on which a Payment is due from City as designated in the Agreement.

"Payment Fund" means that special fund designated "City of Buckeye 2015 Payment Fund" established by the Trustee pursuant to the Trust Agreement.

"Permitted Investments" means investments that are permitted under Arizona Revised Statutes §§ 35-323 and 35-324:

1. Certificates of deposit in eligible depositories.
2. Deposits in one or more federally insured banks or savings and loan associations placed in accordance with the procedures prescribed in Arizona Revised Statutes § 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this State whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible Depository to the same extent and in the same manner as required under Arizona Revised Statutes Title 35, Article 2.1.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.
5. The pooled investment funds established by the State treasurer pursuant to Arizona Revised Statutes § 35-326.
6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
7. Bonds, notes or other evidences of indebtedness of this State or any of its counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants that shall bear interest pursuant to Arizona Revised Statutes § 11-635.
8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district of any state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.
9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:
 - (a) The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the Bonds

or the assessments for the payment of principal and interest on the Bonds are liens inferior only to the liens for general ad valorem taxes.

- (b) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.

11. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.

12. Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association.

13. Securities of or any other interests in any open-end or closed-end management type investment company or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by state law, registered under the investment company act of 1940 (54 Stat. 789; 15 United States Code sections 80a-1 through 80a-64), as amended.

14. Fixed income securities of corporations organized and doing business in any state of the United States or the District of Columbia which carry one of the two highest ratings of Moody's and S&P or their successors. If only one of the above mentioned services rates the security, it must carry the highest rating of that service. If a rating change occurs after purchase, it is not mandatory to sell the security.

15. Investments in money-market funds rated "AAAm" or "AAAm-G" by S&P and, if rated by Moody's, rated "AAA", "AA-1" or "AA-2".

"Reserve Fund" means the fund of that name established and, if funded, held by Trustee pursuant to the Trust Agreement for the Obligations and all Parity Obligations, which require a reserve fund.

"Reserve Fund Guarantor" shall mean the issuer of the Reserve Fund Guaranty.

"Reserve Fund Guaranty" shall mean a letter of credit, surety bond or similar arrangement representing the irrevocable obligation of Reserve Fund Guarantor to pay to Trustee upon request made by Trustee up to an amount stated therein for application as provided in the Trust Agreement.

"Reserve Fund Guaranty Agreement" shall mean the reimbursement agreement, loan agreement or similar agreement between City and a Reserve Fund Guarantor with respect to repayment of amounts advanced under the Reserve Fund Guaranty.

"Reserve Fund Guaranty Coverage" shall mean the amount available at any particular time to be paid to Trustee under the terms of the Reserve Fund Guaranty.

"Reserve Fund Requirement" means, if the Reserve Fund is required to be funded, an amount equal to the least of (1) ten percent (10%) of the stated principal amount of the then Outstanding Obligations, provided, however, that the incremental increase of the Reserve Fund Requirement with respect to an issue of Parity Obligations does not exceed ten percent (10%) of the stated principal amount of such issue, (2) the Maximum Annual Debt Service Requirement or (3) one hundred twenty-five percent (125%) of the average Annual Debt Service Requirement. During the 5-year build up of the Reserve Fund, if funding of the Reserve Fund is required, the Reserve Fund Requirement on any date shall be that portion of the Reserve Fund Requirement which was required to have been deposited by such date. If the Reserve Fund is not required to be funded, the Reserve Fund Requirement is \$0.00.

"Reserve Fund Value" means the aggregate of the Reserve Fund Guaranty Coverage and the value of moneys and investments credited to the Reserve Fund, the value of investments to be the Value at Market.

"**S&P**" means Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by City by notice to Trustee.

"**State**" means the State of Arizona.

"**State Shared Revenues**" means all amounts of excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State or any agency thereof and returned, allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes. Revenues received by the City from vehicle license taxes charged by the State are not deemed State Shared Revenues for purposes of the Trust Agreement or the Agreement.

"**Trustee**" means U.S. Bank National Association or any successor thereto acting as Trustee pursuant to the Trust Agreement and in its capacity as Payee under the Agreement.

"**United States Obligations**" means any bonds or other obligations which are direct obligations of or fully guaranteed as to timely payment of principal, interest and any premium by the United States of America (including Refcorp Strips).

"**2007 GADA Loan**" means that certain Loan Repayment Agreement, dated as of May 1, 2007, by and between the City and GADA.

"**2010 Refunding Obligations**" means the City's Excise Tax Revenue Refunding Obligations, Series 2010.

"**2015 Obligations**" means the City's Excise Tax Revenue Obligations, Series 2015.

"**2015 Refunding Obligations**" means the City's Excise Tax Revenue Refunding Obligations, Series 2015.

AGREEMENT

Term and Payments. For the purpose of the prepayment and refinancing the Obligation Being Prepaid, the City agrees to make the Payments to the Payee, and the Payee agrees to accept the Payments from the City.

City agrees to make the Payments to Payee three Business Days in advance of the Payment Dates set forth, and in the amounts set forth in the Agreement. The City's obligation to make such Payments shall be limited to revenues from Excise Taxes and State Shared Revenues pledged to the payment thereof by City. The City will transfer funds from its Excise Tax Fund. The obligations of City to make the payments from the sources described and to perform and observe the other agreements shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment. Until such time as all of the Payments have been made and any payments that are due and owing under the Obligations, the Agreement may not be terminated by City for any reason whatsoever.

Pledge of Excise Taxes and State Shared Revenues; Limited Obligations.

The City irrevocably pledges and grants a first lien on all Excise Taxes and State Shared Revenues (as used in the Agreement and as defined in the Trust Agreement, "Excise Taxes" is inclusive of State Shared Revenues) as security for the Payments and other amounts to come due under the Agreement and under the Trust Agreement. The City intends that this pledge shall be a first lien pledge upon such amounts of said Excise Taxes as will be sufficient to make the Payments when due, and on parity with respect to amounts due pursuant to the Parity Obligations heretofore or hereafter issued. The City agrees and covenants to make said Payments from the revenues from said Excise Taxes, except to the extent it chooses to make the Payments from other funds. Said pledge of, and said lien on, the revenues from the Excise Taxes is irrevocably made and created for the prompt and punctual payment of the Payments. All of the Payments are coequal as to the pledge of and lien on the revenues from the Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from the revenues from the Excise Taxes or security therefor. Except as limited in the Agreement and by the corresponding sections in any Additional Agency/Authority Loan Agreements, the rights of the Owners of the Obligations to the Payments from the Excise Taxes are on a parity with the rights to payment from the Excise Taxes of the Existing Obligations and any other Parity Obligations hereafter issued pursuant to the Trust Agreement and the Agreement. The City's pledge of, and first lien on, its Excise Taxes granted and conveyed by the Authorizing Resolution and

memorialized by the Agreement is superior to, and shall have a priority over, any designation or allocation made under the City Ordinance Numbers 23-10, 26-10 or 28-10.

The City shall remit to Trustee from the Excise Taxes on deposit in the City's special fund designated as the Excise Tax Fund all amounts due under the Agreement in the amounts and at the times and for the purposes as required in the Agreement. The City's obligation to make payments of any amounts due under the Agreement, including amounts due after default or termination thereof, is limited to payment from the Excise Taxes and shall in no circumstances constitute a general obligation of, or a pledge of the full faith and credit of, the City, the State, or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem taxes.

Prepayment Permitted; Providing for Payment.

(a) City may prepay any Payments in order to cause the redemption or purchase of the Obligations as provided in the Trust Agreement.

(b) City may provide for the payment of any Payment in one or more of the following ways:

- (1) by paying the Payment as and when due at its scheduled due date;
- (2) by depositing, in trust, at or before maturity, money which, together with the amounts then on deposit with Payee and available for such payment is fully sufficient to make, or cause to be made, the Payment; or
- (3) by depositing, in trust, any noncallable United States Obligations, in such amount as shall be certified by a national firm of certified public accountants acceptable to both Trustee and City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with Trustee and available for such payment, to make, or cause to be made, such payment as and when the same becomes due and payable at maturity.

Defaults and Remedies.

(a) (i) Upon (A) the nonpayment of the whole or any part of any Payment or other amount due at the time when the same is to be paid on the Obligations or Parity Obligations, (B) the violation by the City of any other covenant or provision of the Agreement, Trust Agreement or the Parity Obligations, (C) the occurrence of an event of default with respect the Obligations and Parity Obligations heretofore or hereafter issued or incurred by the City, or (D) the insolvency or bankruptcy of the City as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of the City or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any payment of principal and interest due on the Obligations or Parity Obligations on the due date, or the nonpayment of principal and interest on the Obligations or any Parity Obligations heretofore or hereafter issued or incurred by the City on their due dates; (B) in the case of nonpayment of the certain amount due to the federal government as rebate of earnings from proceeds of the Obligations on the due date; (C) in the case of the breach of any other covenant or provision of the Agreement or Trust Agreement or the Parity Obligations not cured within sixty (60) days after notice in writing of such default from Payee to City, or from GADA to City in the case of certain of the Existing Obligations with GADA; and (D) in the case of any other default under any Outstanding Obligations and any Parity Obligations heretofore or hereafter issued or incurred by the City after any notice and passage of time provided for under the proceedings under which such Obligations and any Parity Obligations were issued then:

- (1) GADA, solely with respect to any Parity Obligations owned by GADA, may in the case of nonpayment, certify to the State treasurer and notify the Mayor and Council of the City that the City has failed to make a required payment and direct a withholding of State Shared Revenues as provided by Arizona state law (the "**State Intercept of Funds**");

- (2) Payee may, subject to the action of GADA described in subsection (1) above, take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable by the City under the Obligations and Parity Obligations, then due, or to enforce performance and observance of any pledge, obligation, agreement, or covenant of the City under the Agreement, Trust Agreement or any Parity Obligations; and
- (3) Payee may, subject to the action of GADA described in subsection (1) above, with respect to the revenues from the Excise Taxes, without notice and without giving any bond or surety to the City or anyone claiming under the City, have a receiver pursue any other remedy at law or in equity, including the remedy of specific performance.

In the event of nonpayment, GADA would exercise its remedies as described in subsection (1) above and withhold the State Shared Revenues before the Payee could exercise its remedies with respect to such State Shared Revenues, but with respect to the Excise Taxes, GADA's and the Payee's remedies are on a parity with the Obligations.

- (b) The City's obligations under the Agreement, Trust Agreement and Parity Obligations, including, without limitation, its obligation to make the required Payments described in the Agreement, shall survive any remedies exercised as provided in the Agreement, and the City shall continue to pay the principal and interest due under the Agreement and perform all other obligations provided in the Agreement, Trust Agreement and Parity Obligations; provided, however, that the City shall be credited with any amount received by GADA pursuant to exercise of remedies under the Agreement.

State Intercept of Funds. The City acknowledges that a failure to pay principal of and interest on certain of the Existing Obligations with GADA and any Additional Agency/Authority Loan Agreements with GADA, when due, shall result in the withholding of certain State Shared Revenues otherwise due to the City, as required by Arizona state law.

Assignment. Without the prior written consent of Payee, City shall not assign, transfer, pledge or hypothecate or otherwise dispose of the Agreement, or any interest therein,

Tax Covenants. City will 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 Agreement or the Obligations to become subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the Agreement or such laws as they may be modified or amended or tax laws later adopted.

Conflict of Interest. A.R.S. Section 38-511 provides that City may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City from any other party to the contract arising as a result of the contract.

TRUST AGREEMENT

Providing for Redemption of the Obligation Being Prepaid. The Trustee shall transfer to the Depository Trustee the amount necessary to provide for the prepayment of the Obligation Being Prepaid.

Payment Fund. Trustee shall establish the Payment Fund. So long as any Obligations are Outstanding, City shall have no beneficial right or interest in the Payment Fund or the moneys deposited therein, except only as provided in the Trust Agreement. There shall be deposited in the Payment Fund all Payments received by the Trustee. All amounts in the Payment Fund shall be used and withdrawn solely for the purpose of paying the principal of and interest with respect to the Obligations.

Reserve Fund. So long as the aggregate amount of Excise Taxes pledged and received by or on behalf of the City during the prior Fiscal Year is at least 200% of the highest aggregate Annual Debt Service Requirement for the current or any future Fiscal Year for the Obligations and any Parity Obligations that require a reserve fund, then the City is

not obligated to fund the Reserve Fund. If such Excise Taxes are less than 200% of such Annual Debt Service Requirement, City shall, in addition to the Payments provided for under the Agreement, calculate the Reserve Fund Requirement and provide written notice to the Trustee and pay to the Trustee for deposit into the Reserve Fund, on each Interest Payment Date, one-tenth of the Reserve Fund Requirement on the Obligations and any Parity Obligations that require a reserve fund until the amount in the Reserve Fund equals the Reserve Fund Requirement.

The Reserve Fund, if funded, shall be an integrated and indivisible common Reserve Fund established and required hereunder for the Obligations and all Parity Obligations except to the extent that the City establishes a separate reserve fund for the Parity Obligations or certain Parity Obligations are specifically not entitled to share in the Reserve Fund.

Amounts in the Reserve Fund shall be used by the Trustee to make payment of principal and interest on the Obligations, and on any Parity Obligations, in the event that amounts in the Payment Fund or other funds held for payment of principal and interest on such Obligations or Parity Obligations are insufficient.

In the event that, after funding the Reserve Fund, the Reserve Fund Value is less than the Reserve Fund Requirement, the City shall, in addition to the Payments provided under the Agreement, immediately pay to Trustee an amount sufficient to cause the Reserve Fund Value to equal the Reserve Fund Requirement.

In lieu of funding with cash payments, the City may deliver to Trustee a Reserve Fund Guaranty. The Trustee is authorized and directed to execute (if necessary), deliver and comply with all of the terms and conditions of (i) any Reserve Fund Guaranty and Reserve Fund Guaranty Agreements and related restrictions or directions in connection with the Obligations and any Parity Obligations.

In connection with the issuance of any additional Parity Obligations, the Reserve Fund shall be funded in an amount equal to the Reserve Fund Requirement which applies after the issuance of such Parity Obligations or City shall deliver to Trustee a Reserve Fund Guaranty complying with the requirements of the Trust Agreement, or a combination of the foregoing. Notwithstanding the foregoing, City may establish a separate reserve fund for any or all issues of Parity Obligations which may, in lieu of the Reserve Fund created in the Trust Agreement, be funded (if the above conditions for funding the Reserve Fund occur) with the Reserve Fund Requirement applicable to such issue or covered by a Reserve Fund Guaranty or a combination thereof, provided that amounts to be paid into any such separate reserve fund or to pay the Reserve Fund Guarantor, other than from proceeds of such issue, shall be made on a parity with payments into the Reserve Fund and shall not exceed, in any Fiscal Year, the proportionate deficit payment allocable to such separate reserve fund. For the purposes hereof, "proportionate deficit payment" means an amount which bears the same proportion to the deficit in a given separate reserve fund that the amount available to remedy deficits in the Reserve Fund and all separate reserve funds bears to the aggregate deficit or deficits in the Reserve Fund and all separate reserve funds.

With respect to the Obligations or any Parity Obligations with respect to which a Reserve Fund Guaranty is then in effect, if on the Business Day preceding any day on which Payments or other debt service is due on the Obligations or Parity Obligations there are not to the knowledge of Trustee on deposit in the applicable payment fund and the Reserve Fund sufficient moneys to pay all Payments or debt service to become due on such date, Trustee shall immediately notify the Reserve Fund Guarantor of such deficiency and shall do all things necessary under the terms of the Reserve Fund Guaranty to realize and receive on or before such date or as soon thereafter as is practicable moneys in the amount of such deficiency. All amounts received by Trustee as payments under the Reserve Fund Guaranty shall be deposited to the Reserve Fund.

To the extent any moneys have been withdrawn from the Reserve Fund, no portion of the Excise Taxes shall be considered surplus revenues or available to City until such Excise Taxes, or other available moneys, have first been applied to the extent required to reimburse the Reserve Fund for any such withdrawal or to increase the Reserve Fund Value to the Reserve Fund Requirement. If a Reserve Fund Guaranty is in effect with respect to any obligations, reimbursements to the Reserve Fund for such obligations shall be applied, first, to the extent a Reserve Fund Guaranty Agreement so requires, to pay to the Reserve Fund Guarantor any amounts owed to it pursuant to the Reserve Fund Guaranty Agreement and then to the Reserve Fund.

If the Reserve Fund Value exceeds the Reserve Fund Requirement, such excess shall be transferred to the Payment Fund or other applicable payment fund in proportion to the amounts next to come due on the Obligations and any Parity Obligations for which a separate reserve fund is not established except, with respect to the Obligations or any

issue of Parity Obligations with respect to which a Reserve Fund Guaranty is in effect, as may otherwise be provided in the Reserve Fund Guaranty Agreement.

Reserve Fund Guaranty. If at any time City shall deliver to Trustee (i) a Reserve Fund Guaranty, (ii) an opinion of bond counsel stating that the delivery of such Reserve Fund Guaranty to Trustee is authorized under the Trust Agreement and complies with the terms of the Trust Agreement and the Reserve Fund Guaranty, (iii) evidence that the Reserve Fund Guarantor is rated "AA" or better by S&P, and (iv) evidence satisfactory to Trustee that Moody's, if the Agreement is rated by Moody's, or S&P, if the Agreement is rated by S&P, or both Moody's and S&P, if such Agreement is rated by both Moody's and S&P, has reviewed the proposed Reserve Fund Guaranty and that (x) the issuance of the Reserve Fund Guaranty to Trustee and (y) if a Reserve Fund Guaranty is then in effect with respect to the Reserve Fund, the substitution of the proposed Reserve Fund Guaranty for the Reserve Fund Guaranty then in effect, will not, by itself, result in a reduction or withdrawal of its rating on the Agreement, and if such rating shall be in effect on the date of such issuance and, if applicable, substitution, then Trustee shall accept such Reserve Fund Guaranty and promptly surrender the previously held Reserve Fund Guaranty, if any, to the issuer thereof for cancellation.

Protection of Lien. Trustee and City agree not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien upon the interests granted by the Trust Agreement or any part thereof. Trustee and City agree that no obligations the payment of which is secured by a superior or equal claim on or interest in property or revenues pledged under the Trust Agreement will be issued by either except in lieu of, or upon transfer of registration or exchange of, any Obligation as provided in the Trust Agreement except for Parity Obligations.

Investments Authorized. Moneys held by Trustee shall be invested and reinvested to the maximum extent practicable in Permitted Investments having the highest yield reasonably obtainable. Permitted Investments credited to any fund shall be valued at Market Value.

Arbitrage Covenant. City will make no use of the proceeds of the Obligations or other moneys which would cause the obligations of City under the Agreement to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Internal Revenue Code of 1986, as amended.

Tax Covenants. City will 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 Agreement or the Obligations to become subject to inclusion in gross income for federal income tax purposes.

In the event there are insufficient moneys to make a payment when due to the federal government as rebate of earnings from proceeds of the Obligations, City shall pay to Trustee from Excise Taxes or other money lawfully available therefor the amount necessary to provide Trustee with an amount sufficient to make such payment when due.

Liability and Protection of Trustee. The recitals of facts, covenants and agreements in the Trust Agreement and in the Obligations contained shall be taken as statements, covenants and agreements of City, and Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Trust Agreement or of the Obligations nor shall Trustee incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or Obligations assigned to or imposed upon them, respectively. Prior to the occurrence of an Event of Default under the Trust Agreement, or after the timely cure of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in the Trust Agreement. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent indenture trustee would exercise under the circumstances in the conduct of the Trustee's affairs.

Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, and Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. Trustee shall not be bound to recognize any person as an Owner of any Obligation or to take any action at his request unless such Obligation shall be deposited with Trustee and satisfactory evidence of the ownership of such

Obligation shall be furnished to Trustee. Trustee may consult with counsel, who may be counsel to City with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith in accordance therewith.

Whenever Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action, such matter (unless other evidence in respect thereof be specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of City Representative and such certificate shall be full warranty to Trustee for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Trustee may become the Owner of the Obligations with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of City with the same rights it would have if it were not Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The Trustee may execute any of the trusts or powers in the Trust Agreement and perform the duties required of it thereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty thereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Trust Agreement or for anything whatever in connection with the funds and accounts established thereunder, except only for its own willful misconduct or negligence.

No provision in the Trust Agreement shall require Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties.

Trustee shall not be deemed to have notice of any default, except a payment default, unless Trustee has actual notice thereof or is specifically notified in writing of such default by City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then Outstanding.

Removal of Trustee. City (but only if no Event of Default has occurred and is continuing) or the owners of a majority in aggregate principal amount of all Obligations Outstanding, by written directive, at any time and for any reason, may remove Trustee and any successor thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of Arizona, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by Federal or State authority.

Trustee may resign by giving written notice to City. Upon receiving such notice of resignation, City shall promptly appoint a successor trustee. In the event that City does not appoint a successor trustee within 30 days, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee.

Amendments Permitted.

- (a) The Trust Agreement and the Agreement may be modified or amended upon written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of Obligations disqualified. Obligations owned or held by or for the account of City or by any person directly or indirectly controlled by, or under direct or indirect common control with City (except any Obligations held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations, and shall not be entitled to vote upon, consent to, or take any other action provided for in the Trust Agreement. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Obligation or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of the Agreement, or (3) modify any of the rights or obligations of Trustee without its written assent thereto.
- (b) The Trust Agreement and the Agreement may be modified or amended, without the consent of any such Owners, but only to (1) add to the covenants and agreements of any party, other covenants to be observed,

or to surrender any right or power reserved to Trustee or City, (2) to cure, correct or supplement any ambiguous or defective provision contained therein, (3) to facilitate the issuance of additional Parity Obligations, (4) in connection with rating matters or (5) in regard to questions arising thereunder, as the parties thereto may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the Obligations. The Trustee may rely upon an opinion of nationally recognized bond counsel as conclusive evidence that any such supplemental agreement complies with the Trust Agreement.

Procedure for Amendment. A copy of the supplemental agreement requiring consent of Obligation Owners, together with a request to the Obligation Owners for their consent thereto, shall be mailed by Trustee to each Owner of an Obligation at his address as set forth on the Obligation registration books, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in the Trust Agreement.

Such supplemental agreement shall not become effective except upon written consent of the Owners of a majority in principal amount of the Obligations then Outstanding (exclusive of Obligations disqualified) and notice shall have been mailed. The consent of an Owner of an Obligation shall be effective only if accompanied by proof of ownership of the Obligations for which such consent is given. Any such consent shall be binding upon the Owner of the Obligation giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with Trustee prior to the date when the notice has been mailed.

If Owners of the required percentage of Obligations file their consents to such supplemental agreement, Trustee shall mail a notice to the Owners stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Obligations and will be effective (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto).

Covenants. City will perform all obligations and duties imposed on it under the Agreement.

City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default under the Agreement. City will observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by City, including its right to exist and carry on business as a political subdivision.

Limitation of Liability. Except for the payment of Payments from Excise Taxes when due in accordance with the Agreement and the performance of the other covenants and agreements of City contained in the Agreement, City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the Trust Agreement, or the terms, execution, delivery or transfer of the Obligations, or the distribution of Payments to the Owners by Trustee.

City shall have no obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the performance by Trustee.

If it does so in good faith, Trustee shall be absolutely protected in relying upon an opinion of independent counsel which shall be made available to other parties on request or on a verified certificate of any party.

Remedy on Default.

Upon an Event of Default, during the continuance of the Event of Default, the Trustee may and, upon request of Owners of twenty-five percent in aggregate amount of Obligations, and indemnified to its satisfaction shall exercise one or more of the following remedies:

- (i) Proceed to protect and enforce its rights and the rights of holders of the Obligations by a suit or suits in equity or law;
- (ii) Upon bringing suit to enforce any of its rights (a) have a receiver appointed and (b) seek and obtain injunctive relief.

Notwithstanding anything in the Trust Agreement or in the Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Obligations nor to declare any Payment not then past due to be immediately due and payable.

Application of Funds. All moneys received by Trustee pursuant to any right given or action taken upon default shall be applied by Trustee in the order following upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of Trustee and of the Obligation Owners in declaring such Event of Default; and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations for principal and interest, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest, without preference or priority of any installment of interest over any other installment of interest, or any interest over any other principal or principal over interest, ratably to the aggregate of such principal and interest.

Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of the Owners of Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained in the Trust Agreement.

Power of Trustee to Control Proceedings. In the event that Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of, any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Obligations Outstanding.

Limitation on Obligation Owner's Right to Sue. No Owner of any Obligation shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Trust Agreement, unless (a) such Owner shall have previously given to Trustee written notice of the occurrence of an Event of Default; (b) the Owners of at least a majority in aggregate principal amount of all the Obligations then Outstanding shall have made written request upon Trustee to exercise its powers or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to Trustee reasonable indemnity; and (d) Trustee shall have refused or omitted to comply with such request for a period of 60 days.

Defeasance. If and when all outstanding Obligations shall be paid and discharged in anyone or more of the following ways:

- (a) by payment of the principal of and interest with respect to all Obligations Outstanding, as and when the same become due and payable;
- (b) by depositing, in trust, at or before maturity, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to payor cause to be paid all Obligations Outstanding, including all principal and interest;
- (c) by depositing, in trust, any noncallable United States Obligations in such amount as shall be certified by a national firm of certified public accountants acceptable to both Trustee and City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge all Obligations (including all principal and interest) at their respective maturity dates; notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of Trustee and City with respect to all outstanding Obligations shall cease and terminate, except only the obligation of Trustee to payor cause to be paid, from funds deposited pursuant to paragraphs (b) and (c) above and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect e thereto, and in the event of deposits

pursuant to paragraphs (b) or (c), the Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such Payments.

Conflict of Interest. A.R.S. Section 38-511 provides that City may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City from any other party to the contract arising as a result of the contract.

Governing Law. The Trust Agreement shall be construed and governed in accordance with the laws of the State of Arizona.

FORM OF APPROVING LEGAL OPINION

_____, 2016

U.S. Bank National Association
Phoenix, Arizona 85003

Ladies and Gentlemen:

We have examined the proceedings relating to the execution and delivery by U.S. Bank National Association (the "Trustee") of \$ _____ principal amount of Excise Tax Revenue Refunding Obligations, Series 2016 (the "Obligations"), dated _____, 2016 pursuant to a Trust Agreement dated as of _____ 1, 2016 (the "Trust Agreement"), between the Trustee and the City of Buckeye, Arizona (the "City"). The Obligations evidence a proportionate, undivided interest in an Agreement, dated as of _____ 1, 2016 (the "Agreement"), between the Trustee, as payee, and the City, including certain payments (the "Payments") and all other amounts due and payable by the City pursuant to the Agreement over the period from the date hereof to July 1, 20____. The Payments are secured by certain excise tax revenues and state shared revenues pledged pursuant to the Agreement. All of the right, title and interest of the Trustee, as payee under the Agreement, in and to the Agreement and the Payments are pledged in trust to the Trustee to secure the payment of principal of and interest on the Obligations. We have also examined a form of the Obligations.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Obligations, Trust Agreement and Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

2. The obligations of the City under the Agreement are payable from and are secured by a pledge of and lien on the Excise Taxes and State Shared Revenues (both as defined in the Trust Agreement), as provided in the Agreement. Pursuant to the Trust Agreement, the payment of principal of and interest on the Obligations and the payment other amounts due and payable is secured by the Trustee's right, title and interest in and to the Agreement and the Payments. The Agreement and the Trust Agreement create the lien they purport to for such purpose. The Agreement is executed and delivered on a parity with certain outstanding obligations of the City with respect to payments due from and the lien on Excise Taxes and State Shared Revenues. Additional obligations may be issued in the future on a parity with the Agreement with respect to payments due from and the lien on Excise Taxes and State Shared Revenues.

3. Under existing laws, regulations, rulings and judicial decisions, the portion of each Payment made by the City under the Agreement and denominated as and comprising interest pursuant to the Agreement and received by the owners of the Obligations is excluded from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Agreement is not an item of tax preference to be included in computing alternative minimum tax of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income. Neither the Agreement nor the Obligations are private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). We express no opinion regarding other federal tax consequences arising with respect to either the Agreement or the Obligations.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Agreement from gross income for federal income tax purposes, including a requirement that the City rebate to the federal government certain of the investment earnings with respect to the Agreement. Failure to comply with such restrictions, conditions and requirements could cause the Agreement or Obligations to be "arbitrage bonds" within the meaning of the Code or otherwise result in the interest income on the Agreement received by the owners of the Obligations being included as gross income for federal income tax purposes from the date of issuance of the Obligations. The City has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the interest income on the Agreement received by the owners of the Obligations. For purposes of this opinion, we have assumed continuing compliance by the City with such restrictions, conditions and requirements.

We express no other opinion on the treatment of the portion of each Payment made by the City under the Agreement and denominated and comprising interest pursuant to the Agreement and received by the owner of on the Obligations for federal income taxes.

As to questions of fact material to our opinion, we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certificates, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Obligations to be and remain excluded from gross income for federal income tax purposes.

GUST ROSENFELD P.L.C.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

§ _____
 CITY OF BUCKEYE
 EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
 SERIES 2016

CONTINUING DISCLOSURE CERTIFICATE
 CUSIP BASE NO. 118087

This Continuing Disclosure Certificate (this "*Disclosure Certificate*") is undertaken by the City of Buckeye, Arizona (the "*City*") in connection with the execution and delivery of \$ _____ in aggregate principal amount of the City's Excise Tax Revenue Refunding Obligations, Series 2016 (the "*2016 Refunding Obligations*"). In consideration of the initial sale and delivery of the 2016 Refunding Obligations, the City covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is for the benefit of the Obligation Holders (as defined herein) and in order to assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein).

Section 2. Definitions. Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

"*Annual Report*" shall mean the annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Dissemination Agent*" shall mean the City, or any person designated in writing by the City as the Dissemination Agent.

"*EMMA*" shall mean the Electronic Municipal Market Access system, or any successor thereto approved by the United States Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

"*Listed Events*" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"*Obligation Holder*" shall mean any registered owner or beneficial owner of the 2016 Refunding Obligations.

"*Official Statement*" shall mean the final official statement dated _____, 2016, relating to the 2016 Refunding Obligations.

"*Participating Underwriter*" shall mean the original underwriter of the 2016 Refunding Obligations required to comply with the Rule in connection with offering of the 2016 Refunding Obligations.

"*Resolution*" shall mean the resolution authorizing the execution and delivery of the 2016 Refunding Obligations.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Special Counsel*" shall mean Gust Rosenfeld P.L.C. or such other nationally recognized bond counsel as may be selected by the City.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than February 1 of each year (the "Filing Date"), commencing February 1, 2017, provide electronically to EMMA an Annual Report for the fiscal year ending on the preceding June 30 which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

(b) If the City is unable or for any reason fails to provide electronically to EMMA an Annual Report or any part thereof by the Filing Date required in subsection (a) above, the City shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit A not later than such Filing Date.

(c) If the City's audited financial statements are not submitted with the Annual Report and the City fails to provide to EMMA a copy of its audited financial statements within 30 days of receipt thereof by the City, then the City shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date(s) for providing the Annual Report and audited financial statements the proper address of EMMA; and

(ii) if the Dissemination Agent is other than the City, file a report or reports with the City certifying that the Annual Report and audited financial statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided and listing where it was provided.

Section 4. Content of Annual Reports.

(a) The Annual Report may be submitted as a single document or as separate documents comprising an electronic package, and may incorporate by reference other information as provided in this Section, including the audited financial statements of the City; provided, however, that if the audited financial statements of the City are not available at the time of the filing of the Annual Report, the City shall file unaudited financial statements of the City with the Annual Report and, when the audited financial statements of the City are available, the same shall be submitted to EMMA within 30 days of receipt by the City.

(b) The City's Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Section 4(a) hereof, annual audited financial statements for the City.

(B) Annually updated financial information and operating data of the type contained in [Table 4] of the Official Statement.

(C) In the event of an amendment pursuant to Section 8 hereof not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The audited annual financial statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles

currently followed in the preparation of the City's audited annual financial statements is contained in Note 1 of the audited financial statement included within the Official Statement.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices by the City of the occurrence of any of the following events with respect to the 2016 Refunding Obligations, and the City shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service (the "IRS") of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2016 Refunding Obligations, or other material events affecting the tax status of the 2016 Refunding Obligations;
- (7) Modifications to rights of Obligation Holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the 2016 Refunding Obligations, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

"Materiality" will be determined in accordance with the applicable federal securities laws.

Note to Section 5(12): For the purposes of the event identified in Section 5(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2016 Refunding Obligations. Such termination shall not terminate the obligation of the City to give notice of such defeasance or prior redemption.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the City, or the type of business conducted;

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2016 Refunding Obligations, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Obligation Holders, as determined by Special Counsel.

Notice of any amendment to the accounting principles shall be sent within 30 days to EMMA.

Section 9. Filing with EMMA. The City shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with EMMA.

Section 10. Additional Information. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Obligation Holder may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the 2016 Refunding Obligations or the resolution authorizing the 2016 Refunding Obligations.

Section 12. Compliance by City. The City hereby covenants to comply with the terms of this Disclosure Certificate. The City expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter, Special Counsel or the City's financial advisor.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Obligation Holders, and shall create no rights in any other person or entity.

Section 14. Governing Law. This Disclosure Certificate shall be governed by the law of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities law.

[Signature Page to Follow]

Date: _____, 2016.

CITY OF BUCKEYE, ARIZONA

By _____
Larry D. Price, Finance Director

**EXHIBIT A
NOTICE OF FAILURE TO FILE**

Name of Issuer: City of Buckeye, Arizona
Name of Issue: \$ _____ Excise Tax Revenue Refunding Obligations, Series 2016
Dated Date of Obligations: _____, 2016

CUSIP 118087

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Obligations as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 2016. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF BUCKEYE, ARIZONA

By _____
Its _____

**EXHIBIT B
NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS**

Name of Issuer: City of Buckeye, Arizona
Name of Issue: \$ _____ Excise Tax Revenue Refunding Obligations, Series 2016
Dated Date of Obligations: _____, 2016
CUSIP 118087

NOTICE IS HEREBY GIVEN that the City failed to provide its audited financial statements with its Annual Report or, if not available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated _____, 2016 with respect to the above-named Obligations. The City anticipates that the audited financial statements for the fiscal year ended June 30, ____ will be filed by _____, _____.

Dated: _____

CITY OF BUCKEYE, ARIZONA

By _____
Its _____

BOOK-ENTRY-ONLY SYSTEM

This information concerning DTC and DTC's book-entry system has been obtained from DTC and the City takes no responsibility for the accuracy thereof. The Beneficial Owners (defined below) should confirm this information with DTC or the DTC participants.

DTC will act as securities depository for the Obligations. The Obligations will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligations certificate will be executed and delivered for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). DTC has a rating of "AA+" from Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered through its Participant to the Trustee, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interests in the Obligations, on DTC's records, to the Trustee. The requirement for physical delivery of Obligations in connection with an optional tender or mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

NONE OF THE CITY, THE UNDERWRITER, THE TRUSTEE OR THE FINANCIAL ADVISOR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, TO DIRECT PARTICIPANTS, OR TO INDIRECT PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE OBLIGATIONS UNDER THE AUTHORIZING RESOLUTION OR THE TRUST AGREEMENT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST OR PAYMENT AMOUNT DUE WITH RESPECT TO THE PRINCIPAL OR INTEREST OR PAYMENT AMOUNT

DUE WITH RESPECT TO THE OBLIGATIONS; (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE OBLIGATIONS; OR (5) ANY OTHER MATTERS.

CITY OF BUCKEYE COUNCIL ACTION REPORT

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE: February 2, 2016	AGENDA ITEM: 7C
DATE PREPARED: December 22, 2015	DISTRICT NO.: ALL
STAFF LIAISON: Chris Williams/ Dave Nigh	DIRECTOR APPROVAL: CW/DN
DEPARTMENT: Construction & Contracting Division/ Water Resources	FINANCE APPROVAL: LP

Will not be added without both approvals

ACTION TITLE: Award Contract #2015-027 to Carollo Engineers to Update Water Resources 2011 Water Master Plan

WORKSHOP
 SPECIAL
 CONSENT
 NON-CONSENT
 TABLED
 PUBLIC HEARING

RECOMMENDATIONS:

Council to award Contract #2015-027 to Carollo Engineers for \$660,000.00 to update the Water Resource Water Master Plan

RELEVANT COUNCIL GOAL:

GOAL 2: Enhanced Economic Well-Being and Vitality

GOAL 4: Adequate, Well-Maintained and Well-Planned Public Infrastructure

SUMMARY

PROJECT DESCRIPTION:

Water Resources is requesting approval to begin an update to the current 2011 Water Master Plan. The update will include a new integrated plan to look at all relevant water related issues to include future Water Resources, Wastewater and Reclaim Systems in addition to the Water System. The result will be a results oriented plan with defined projects to improve and enhance the City's ability to deliver reliable utility services to encourage economic growth.

The Construction and Contracting Division issued a Request for Qualifications (RFQ) on June 1, 2015 and a Pre-Proposal Conference was held on June 11, 2015 with five (5) firms attending the meeting. The RFQ closed on July 2, 2015 with two (2) firms submitting qualifications: Carollo Engineers and GHD, Inc. An Evaluation Committee (consisting of City staff) met and reviewed the submittals and chose Carollo Engineers as the most highly qualified firm.

BENEFITS:

The benefit is the creation of a robust and reliable Water and Wastewater system to encourage economic growth. The goal of the Integrated Water Master Plan is to provide the City with a condition assessment of the current overall utility infrastructure and develop a plan to integrate the recently acquired Global system as well as look at the needs to improve infrastructure in the economic corridors of I-10 and SR 85.

FUTURE ACTION: (Council and Staff)

The intent of the Integrated Water Master Plan is to identify critical system needs and develop projects to address those needs. The department will return to council over the next several Fiscal Years through the budget process to seek approval of projects identified in the Integrated Water Master Plan.

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*

Scope and Contract

FINANCIAL NARRATIVE:

The department has a budget of \$700,000 to complete the work. This is funded entirely out of the Water and Wastewater Enterprise funds and requires no additional support from the General Fund. The value of the contract is \$660,000.00 and an additional \$40,000.00 will be available as a contract contingency.

CURRENT FISCAL YEAR TOTAL COST

\$700,000.00

BUDGETED
 UNBUDGETED FISCAL YEAR BUDGET (check one)

F/Y: 2016/2017

FUND / DEPARTMENT (GL#): [Click here to enter text.](#)

**PROFESSIONAL SERVICES CONTRACT
BETWEEN
CITY OF BUCKEYE
AND
CAROLLO ENGINEERS**

Contract No: 2015-027

THIS CONTRACT, made and entered into this by and between the City of Buckeye, an Arizona municipal corporation, hereafter called the "CITY", and CAROLLO ENGINEERS, hereafter called "CONSULTANT".

RECITALS

The City of Buckeye, Arizona, is authorized and empowered by the City Code to execute contracts for professional services.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, The City and Consultant agree as follows:

This Contract shall be in full force and effect only when it has been approved as required by the City Code and executed by the duly authorized City officials.

1.0 SCOPE OF SERVICES

The Consultant shall perform professional services to the satisfaction of the City and in accordance with the degree of care and skill that a registered professional in Arizona would exercise under similar conditions.

General scope requirements and standards related to service performed under this contract are more fully described in Exhibit A, which is attached hereto.

2.0 FEES AND PAYMENTS

2.1 FEE SCHEDULE

Consultant shall be paid according to the schedule set forth in Exhibit B, and in no event shall the total amount paid to Consultant under this Contract exceed Six Hundred Sixty Thousand Dollars (**\$660,000.00**).

2.2 PAYMENT APPROVAL

The time spent for each task shall be recorded and submitted to the Contract Administrator. Consultant shall maintain all books, papers, documents, accounting records and other evidence pertaining to time billed and to costs incurred and make such materials available at all reasonable times during the contract period.

Monthly payments shall be made to the Consultant on the basis of a progress report prepared and submitted by the Consultant for work completed through the last day of the preceding calendar month. Each task shall be subject to review and approval by the Contract Administrator to determine acceptable completion.

The Contract Administrator reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis.

All charges must be approved by the Contract Administrator prior to payment.

3.0 GENERAL TERMS AND CONDITIONS

3.1 CONTRACT ADMINISTRATOR

The Contract Administrator for the City shall be the Construction and Contracting Division or designee. The Contract Administrator shall oversee the performance of this Contract, assist the Consultant in contacting members of the City, audit billings, and approve payments. The Consultant shall submit all reports and special requests through the Contract Administrator.

3.2 TERM OF CONTRACT

This Agreement shall be effective as of the date set forth above and shall remain in full force and effect until such time as the Scope of Services is completed and approved by the City, or unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement.

3.3 TERMINATION OF CONTRACT

The City has the right to terminate this Contract or abandon any portion of the project, which has not been performed by the Consultant.

Termination for Convenience: City and Consultant reserve the right to terminate this contract or any part hereof for its sole convenience with thirty (30) days written notice. In the event of such termination, Consultant shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and Subcontractors to cease such work. As compensation in full for services performed to the date of such termination, the Consultant shall receive a fee for the percentage of services actually completed. This fee shall be in the amount to be mutually agreed upon by the Consultant and the City, based on the agreed Scope of Work and the value to the City of the services completed. If there is no mutual agreement, the Contract Administrator shall determine the percentage of completion of each task detailed in the Scope of Work and the Consultant's compensation shall be based upon such determination. The City shall make this final payment within sixty (60) days after the Consultant has delivered the last of the partially completed items. Consultant shall not be paid for any work done after receipt

of the notice of termination, or for any costs incurred by Consultant's suppliers or Subcontractors, which Consultant could reasonably have avoided.

Termination for Cause: City may also terminate this contract or any part hereof with seven (7) days written notice for cause in the event of any default by the Consultant, or if the Consultant fails to comply with any of the material terms and conditions of this contract. By way of example and not limitation, unsatisfactory performance as judged by the Contract Administrator, and failure to provide City, upon written request, with adequate assurances of future performance shall all be causes allowing City to terminate this contract for cause. In the event of termination for cause, City shall not be liable to Consultant for any amount after the issuance of written notice, and Consultant shall be liable to City for any and all damages sustained by reason of the default that gave rise to the termination.

In the event Consultant is in violation of any Federal, State, County or City law, regulation or ordinance, the City may terminate this contract immediately upon giving written notice to the Consultant.

In the event the City shall terminate this Contract or any part of the services as herein provided, the City shall notify the Consultant in writing, and immediately upon receiving such written notice, the Consultant shall discontinue advancing the work under this Contract and proceed to close said operations.

Upon such termination or abandonment, the Consultant shall deliver to the City all drawings, special provisions, field survey notes, reports, and estimates, entirely or partially completed, in any format, including but not limited to written or electronic media, together with all unused materials supplied by the City.

The Consultant shall appraise the work it has completed and submit its appraisal to the City for evaluation.

If through any cause, the Consultant shall fail to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this Contract, the City may withhold any payments to the Consultant for the purpose of setoff until such time as the exact amount of damages due the City from the Consultant is determined.

3.4 FUNDS APPROPRIATION

If the City Council does not appropriate funds to continue this Contract and pay for charges hereunder, the City may terminate this Contract at the end of the current fiscal period, or at the time that funds are no longer available to meet the City's payment obligations hereunder. The City agrees to give written notice of termination to the Consultant at least thirty (30) days prior to any termination for a lack of funds and will pay to the Consultant all approved charges incurred prior to Consultant's receipt of such notice, subject to the availability of funds therefore.

3.5 *AUDIT*

The City may audit all of the Consultant's records, calculations, and working documents pertaining to this work at a mutually agreeable time and place.

Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the City to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by City's authorized representative to the extent necessary to permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The City's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

Consultant shall require all Subcontractors, to comply with the provisions of this article by insertion of the requirements hereof in a written contract agreement between Consultant and payee. Such requirements will also apply to any and all Subcontractors.

If an audit in accordance with this article, discloses overcharges, of any nature, by the Consultant to the City in excess of five percent (5%) of the total contract billings, the actual cost of the City's audit shall be reimbursed to the City by the Consultant. Any adjustments and/or payments, which must be made as a result of any, such audit or inspection of the Consultant's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of City's findings to Consultant.

3.6 *OWNERSHIP OF PROJECT DOCUMENTS*

All documents, including but not limited to, field notes, design notes, tracings, data compilations, studies, and reports in any format, including but not limited to, written or electronic media, which are prepared in the performance of this Contract will become and are the property of City, including all intellectual property rights and interest.

3.7 *COMPLETENESS AND ACCURACY*

The Consultant shall be responsible for the accuracy of its work, including but not limited to, survey work, reports, supporting data, and drawings, sketches, etc. prepared or compiled pursuant to this Contract and shall correct, at its expense, all negligent errors or omissions therein which may be disclosed. The cost necessary to correct those errors attributable to the engineering errors shall be chargeable to the Consultant. Additional construction added to the project shall not be considered the responsibility of the Consultant unless the need for same was created solely by any negligent error, omission, or negligent act of the Consultant and does not result in a betterment to the City. The

fact that the City has accepted or approved the Consultant's work shall in no way relieve the Consultant of any of its responsibilities.

3.8 ATTORNEY'S FEES

In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, the prevailing shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which shall be deemed to have accrued from the commencement of such action.

3.9 SUCCESSORS AND ASSIGNS

This Contract shall extend to and be binding upon the Consultant, its successors and assigns, including any individual, company, partnership, or other entity with or into which the Consultant shall merge, consolidate, or be liquidated, or any person, corporation, partnership, or other entity to which the Consultant shall sell its assets.

3.10 ASSIGNMENT

Services covered by this Contract shall not be assigned or subcontracted in whole or in part without the prior written consent of the Contract Administrator.

3.11 SUBCONTRACTORS

During the performance of the Contract, the Consultant may engage such additional Subcontractors as may be required for the timely completion of this Contract. The addition of any Subcontractors shall be subject to the prior approval of the City. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Consultant.

3.12 ALTERATIONS OR ADDITIONS TO SCOPE OF SERVICES

The total scope of Services to be performed in accordance with this Contract is set forth herein. Services, which are not included in this Contract, will be considered Additional Services. The Consultant shall not perform these Additional Services without written authorization in the form of an approved Change Order from the City.

3.13 MODIFICATIONS

Any amendment, modification or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract.

3.14 CONFLICT OF INTEREST

This Contract is subject to cancellation pursuant to the provisions of A.R.S. 38-511.

3.15 FORCE MAJEURE

Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.

3.16 TAXES

The fee listed in this Contract includes any and all taxes applicable to the activities hereunder. The City shall have no obligation to pay additional amounts for taxes of any type.

3.17 ADVERTISING

No advertising or publicity concerning the City using the Consultant's services shall be undertaken without prior written approval of such advertising or publicity by the Contract Administrator.

3.18 COUNTERPARTS

This Contract may be executed in one or more counterparts, and each executed duplicate counterpart of this Contract shall be deemed to possess the full force and effect of the original.

3.19 ENTIRE AGREEMENT

This Contract constitutes the entire understanding of the parties and no representations or agreements, oral or written, made prior to its execution shall vary or modify the terms herein.

3.20 ARIZONA LAW

This Contract shall be governed and interpreted according to the laws of the State of Arizona.

3.21 EQUAL EMPLOYMENT OPPORTUNITY

The Consultant shall comply with Executive Order No. 11245, entitled "Equal Employment Opportunity", as amended by Executive Order No. 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60).

3.22 NOTICES

All notices or demands required to be given, pursuant to the terms of this Contract, shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

On behalf of the Consultant: Guy W. Carpenter, Principal-in-Charge
CAROLLO ENGINEERS
4600 East Washington Street
Suite 500
Phoenix, AZ 85034
P: (602) 263-9500
F: (602) 265-1422

On behalf of the City: Christopher Williams, Manager
Construction & Contracting Division
City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326
P: (623) 349-6225
F: (623) 349-6221

With a copy to: Gust Rosenfeld, P.L.C.
201 E. Washington, Suite 800
Phoenix, AZ 85004-2327
Attention: Scott Ruby
P: (602) 257-7993
F: (602) 254-4878

Notices shall be deemed received on date delivered if delivered by hand and on the delivery date indicated on receipt if delivered by certified or registered mail.

3.24 INDEPENDENT CONTRACTOR

The services Contractor provides under the terms of this Contract to the City are that of an Independent Contractor, not an employee, or agent of the City. The City will report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

City shall not withhold income tax as a deduction from contractual payments. As a result of this, Contractor may be subject to I.R.S. provisions for payment of estimated income tax. Contractor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

3.25 INDEMNIFICATION

To the fullest extent permitted by law, the Consultant, its successors, assigns and guarantors, shall indemnify and hold harmless City of Buckeye, its agents, representatives, officers, directors, officials and employees for, from and against all damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, to the extent caused by or resulting from any negligent act or omission of Consultant in work or services performed under this Contract, including but not limited to, the negligent acts or omissions of any Subcontractor or anyone directly or indirectly employed by any Subcontractor for whose acts Subcontractor may be liable including any injury or damages claimed by any of Consultant's and Subcontractor's employees.

Any settlement of claims shall fully release and discharge the indemnified parties from any further liability for those claims. The release and discharge shall be in writing and shall be subject to approval by the City, which approval shall not be unreasonably withheld or delayed.

It is agreed that the Consultant's indemnity obligations under this agreement are triggered only if Consultant has notice of the allegations, demands, proceedings, suits, actions, claims, damages, losses or expenses contemplated above.

Insurance provisions set forth in this agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

3.26 E-VERIFY REQUIREMENTS

To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subconsultants warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). The Consultant or subconsultant's breach of the above-mentioned warranty shall be deemed a material breach of the Contract and may result in the termination of the Contract by the City of Buckeye. The City of Buckeye retains the legal right to randomly inspect the papers and records of the Consultant or subconsultant employee who work on the Contract to ensure that the Consultant and its subconsultants are complying with the above-mentioned warranty.

The Consultant and its subcontractors warrant to keep the papers and records open for random inspection during normal business hours by the City. The Contractor and its subcontractors shall cooperate with City's random inspections including granting the City's entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

4.0 INSURANCE

A Standard Accord Certificate of Insurance is acceptable provided it contains the additional language and deleted language as required in this contract. Failure to provide a Certificate of Insurance with the appropriate verbiage as required by this contract will result in rejection of the Certificate and delay contract execution.

Additionally, Certificates of Insurance submitted without referencing a Contract number will be subject to rejection and returned or discarded.

4.1 Insurance Representations and Requirements

4.1.1 General: Consultant agrees to comply with all City ordinances and state and federal laws and regulations.

Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to City of Buckeye. Failure to maintain insurance as specified may result in termination of this Contract at City of Buckeye's option.

4.1.2 No Representation of Coverage Adequacy: By requiring insurance herein, City of Buckeye does not represent that coverage and limits will be adequate to protect Consultant. City of Buckeye reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

4.1.3 Additional Insured: All insurance coverage and self insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, City of Buckeye, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this agreement.

4.1.4 Coverage Term: All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of subject contract is satisfactorily performed, completed and formally accepted by the City of Buckeye, unless specified otherwise in this Contract.

- 4.1.5 Primary Insurance: Consultant's insurance shall be primary insurance as respects performance of subject contract and in the protection of City of Buckeye as an Additional Insured.
- 4.1.6 Claims Made: In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the work or services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.
- 4.1.7 Waiver: All policies, except Professional Liability insurance, shall contain a waiver of rights of recovery (subrogation) against City of Buckeye, its agents, representatives, officials, directors, officers, and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.
- 4.1.8 Policy Deductibles and or Self Insured Retentions: The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to City of Buckeye. Consultant shall be solely responsible for any such deductible or self insured retention amount. City of Buckeye, at its option and cost, may require Consultant to secure payment of such deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.
- 4.1.9 Use of Subcontractors: If any work under this agreement is subcontracted in any way, Consultant shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting City of Buckeye and Consultant. Consultant shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.
- 4.1.10 Evidence of Insurance: Prior to commencing any work or services under this Contract, Consultant shall furnish City of Buckeye with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Consultant's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage(s), conditions, and limits of coverage specified in this Contract and that such coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, City of Buckeye shall reasonably rely upon the Certificate of Insurance as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this agreement. Such certificates shall identify the Contract work number and be sent to the designated City of Buckeye Contract Administrator. If any of the above cited policies expire during the life of this Contract, it shall be Consultant's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the

aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

1. City of Buckeye, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:
 - a) Commercial General Liability - Under ISO Form CG 20 10 11 85 or equivalent.
 - b) Auto Liability - Under ISO Form CA 20 48 or equivalent.
 - c) Excess Liability - Follow Form to underlying insurance.
2. Consultant's insurance shall be primary insurance as respects performance of subject contract.
3. All policies, except Professional Liability, waive rights of recovery (subrogation) against City of Buckeye, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by Consultant under this contract.
4. Certificate shall cite a 30 day advance notice cancellation provision. If ACORD Certificate of Insurance form used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted. .

4.2 Required Coverage

- 4.2.1 Commercial General Liability: Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent Consultants, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insureds clause. To the fullest extent allowed by law, for claims arising out of the performance of this contract, the City of Buckeye, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under Insurance Service Offices, Inc. Commercial General Liability Additional Insured Endorsement form CG 20 10 11 85, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

- 4.2.2 Professional Liability: If the Contract is the subject of any professional services or work, or if Consultant engages in any professional services or work adjunct or residual to performing the work under this Contract, Consultant shall maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by Consultant, or anyone employed by Consultant, or anyone for whose acts, mistakes, errors and omissions Consultant is legally liable, with liability insurance limit of \$1,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three (3) years past completion and acceptance of the work or services, and Consultant shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.
- 4.2.3 Vehicle Liability: Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Consultant's owned, hired, and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Contract. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this contract, the City of Buckeye, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under Insurance Service Offices, Inc. Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
- 4.2.4 Worker's Compensation Insurance: Consultant shall maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant's employees engaged in the performance of work or services under this Contract and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.
- 4.2.5 Umbrella/Excess Liability: Umbrella/Excess Liability insurance with a limit of not less than \$2,000,000 per occurrence combined limit Bodily Injury and Property Damage, that "follows form" and applies in excess of the Commercial General Liability, Automobile Liability, and Employer's Liability, as required above.

5.0 SOFTWARE LICENSES

As to all software licenses provided to the City as part of Consultant's obligations under this Contract, the following provisions apply:

5.1 *SOURCE CODE AVAILABILITY*

5.1.1 Consultant shall furnish City, without charge, a single copy of the Source Code for the Software immediately upon the occurrence of any of the following:

1. Consultant becomes insolvent; or
2. Consultant ceases to conduct business; or
3. Consultant makes a general assignment for the benefit of creditors; or
4. A petition is filed in Bankruptcy by or against Consultant.

5.1.2 Use of the Source Code shall be subject to the same restrictions as to which the Software itself is subject.

5.1.3 City shall have the right to modify Source Code in any manner it deems appropriate, provided that the Source Code as modified shall remain subject to the restrictions set forth in 5.1.2 immediately above.

5.2 *PROPRIETARY PROTECTION*

5.2.1 City acknowledges that to the extent Consultant advises the City that the Software is confidential information or is a trade secret property of the Consultant, the Software is thereby disclosed on a confidential basis under this Contract and is to be used only pursuant to the terms and conditions set forth herein.

5.2.2 Consultant shall not use or disclose any knowledge, data or proprietary information relating to City obtained in any manner whatsoever.

5.2.3 To the extent permitted by Arizona Law, the parties agree, both during the term of this Contract and for a period of seven (7) years after termination of this Contract and of all licenses granted hereunder, to hold each others' confidential information in confidence. The parties agree, unless required by government regulations or order of court, not to make each others' confidential information available in any form to any third party or to use each other's confidential information for any purposes other than the implementation of this Contract provided, however, that if Consultant's confidential information is requested to be divulged under the provisions of the Arizona Public Records Act, A.R.S., Title 39, Consultant shall reimburse to City the full cost of City's refusal to release the information, including costs of litigation, City's attorney fees, fines, penalties or assessments of opposing party's attorney fees. Each party agrees to take all reasonable steps to ensure that confidential information is not disclosed or distributed by its employees or agents in violation of the provisions of this Contract.

5.3 *NON-INFRINGEMENT*

Consultant warrants that the Software provided hereunder does not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary or property right of any person or entity. In the event of a claim against City asserting or involving such an allegation, Consultant will defend, at Consultant's expense, and will indemnify City and hold City harmless against any loss, cost, expense (including attorney fees) or liability arising out of such claim, whether or not such claim is successful. In the event an injunction or order should be obtained against use of the Software by reason of the allegations, or if in Consultant's opinion the Software is likely to become the subject of such a claim of infringement, Consultant will, at its option and its expense: (i) procure for the City the right to continue using the Software; or (ii) replace or modify the same so that it becomes non-infringing (such modification or replacement shall be functionally equivalent to the original); or (iii) if neither (i) nor (ii) is practicable, repurchase the Software on a depreciated basis utilizing a straight line five (5) year period, commencing on the date of acceptance.

5.4 *THIRD PARTY LICENSE*

Consultant shall sublicense to City any and all third party Software required in the execution of this Contract. City reserves the right to accept or reject third party license terms. If City rejects the terms of a third party license, it shall be Consultant's responsibility to negotiate acceptable terms or to supply Software from another source with terms acceptable to City. City's acceptance of the third party license terms shall not be unreasonably withheld.

6.0 **SEVERABILITY AND AUTHORITY**

6.1 *SEVERABILITY*

If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

6.2 *AUTHORITY*

Each party hereby warrants and represents that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each party has been properly authorized and empowered to enter this Contract. Each party further acknowledges that it has read, understands, and agrees to be bound by the terms and conditions of this Contract.

[Signature page follows]

IN WITNESS WHEREOF, the City of Buckeye by its Mayor and City Clerk have hereunto subscribed their names this ____ day of _____, 2016.

CITY
THE CITY OF BUCKEYE, ARIZONA
an Arizona Municipal corporation

By: _____
Jackie A. Meck, Mayor

ATTEST:

Lucinda Aja, City Clerk

RECOMMENDED:

Christopher A. Williams, Manager
Construction & Contracting Division

APPROVED AS TO FORM:

Scott W. Ruby, City Attorney

CONSULTANT
CAROLLO ENGINEERS

By: _____
Its: _____

**EXHIBIT A
TO
PROFESSIONAL SERVICES CONTRACT
BETWEEN
CITY OF BUCKEYE
AND
CAROLLO ENGINEERS**

Scope of Services
[See following pages]

**EXHIBIT B
TO
PROFESSIONAL SERVICES CONTRACT
BETWEEN
CITY OF BUCKEYE
AND
CAROLLO ENGINEERS**

Fee Schedule
[See following pages]

**CITY OF BUCKEYE
COUNCIL ACTION REPORT**

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	7D
DATE PREPARED:	January 11, 2016	DISTRICT NO.:	ALL
STAFF LIAISON:	Chris Williams	DIRECTOR APPROVAL:	GF
DEPARTMENT:	Construction & Contracting	FINANCE APPROVAL:	LP

Will not be added without both approvals

ACTION TITLE: Award Contract # 2015-044 to TischlerBise, Inc. to update the Infrastructure Improvement Plan with new requirements of ARS 9-463.05 per SB 1525.

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Council to award Contract # 2015-044 to TischlerBise, Inc. to update the Infrastructure Improvement Plan

RELEVANT COUNCIL GOAL:

GOAL 2: Enhanced Economic Well-Being and Vitality

GOAL 4: Adequate, Well-Maintained and Well-Planned Public Infrastructure

SUMMARY

PROJECT DESCRIPTION:

The Consultant will review and update annual projections of population, employment, housing, commercial, industrial and other nonresidential square footage data for a minimum of fifteen (15) years for utilities and ten (10) years for all other impact fee categories. The Scope of Work includes development fees for Wastewater, Water, Reclaimed Water, Water Resources, Streets, Parks, Police, Fire and Libraries.

BENEFITS:

The work plan will assist the City in being responsive to the new requirements of ARS 9-463.05 per SB 1525. The Consultant will focus on the Capital Improvement Plan (CIP) and will review various studies and relevant data to determine long-range capital needs. The Consultant will prepare a ten-year cash flow analysis. This calculation will allow the City to better understand the revenue potential of development fees and the amount which would be needed if the fees were discounted. Additionally, the costs for necessary public Services required to serve new Development and maintain existing developments.

FUTURE ACTION: (Council and Staff)

Meetings with City Staff in development and approval of methodologies presented in each Task identified in the Scope of Work.

ATTACHMENTS: **ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK

Professional Services Contract

The Scope of Work presented by TischlerBise Inc. has a not to exceed dollar amount of \$144,740.00.



CURRENT FISCAL YEAR TOTAL COST

\$144,740.00

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) F/Y:

15/16

FUND / DEPARTMENT (GL#):

010-82-1197

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF BUCKEYE
AND
TISCHLERBISE, INC.**

CONTRACT# 2015-044

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into by and between the City of Buckeye, an Arizona municipal corporation (the "City") and TISCHLERBISE, INC., A Maryland Subchapter (S) Corporation. (the "Consultant").

RECITALS

The City of Buckeye, Arizona, is authorized and empowered by the City Code to execute contracts for professional services.

The Consultant submitted a proposal (the "Proposal"), attached hereto as Exhibit A and incorporated herein by reference, and the City desires to enter into an Agreement with the Consultant to assist the City with an Infrastructure Improvement Plan (the "Services").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Consultant hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date set forth on the Signature Page (pg. 14) and shall remain in full force until such time as the scope of services is completed and approved by the City, or unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement.
2. Scope of Work. The Consultant shall provide the Services as set forth in the Scope of Work, attached hereto as Exhibit A and incorporated herein by reference.
3. Compensation. The City shall pay Consultant in the amounts not to exceed **One Hundred Forty Four Thousand Seven Hundred Forty Dollars and Zero Cents (\$144,740.00)** at the rates as set forth in the Scope of Work, attached hereto as Exhibit A and incorporated herein by reference.
4. Payments. The City shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. The invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Documents. All documents prepared and submitted to the City pursuant to this Agreement shall be the property of the City.
6. Consultant Personnel. The Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Consultant agrees to assign specific individuals to key positions. The Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, The Consultant shall immediately notify the City of same and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.
7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during the Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the City.
8. Licenses; Materials. The Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The City has no obligation to provide the Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The City has no obligation to provide tools, equipment or material to the Consultant.
9. Performance Warranty. The Consultant warrants that the Services rendered will conform to the requirements of this Agreement and to the highest professional standards in the field.
10. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of the Consultant, the Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect the Consultant. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but have no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve the Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage Parts of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.

E. Primary Insurance. The Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the City as an Additional Insured.

F. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of the Consultant. The Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

G. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the

policy limits provided to the City. The Consultant shall be solely responsible for any such deductible or self-insured retention amount.

H. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, the Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the City and the Consultant. The Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

I. Evidence of Insurance. Prior to commencing any work or services under this Agreement, the Consultant will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by the Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. In the event any insurance policy required by this Agreement is written on a "claims made" basis, coverage shall extend for two years past completion of the Services and the City's acceptance of the Consultant's work or services and as evidenced by annual certificates of insurance. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be the Consultant's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title of this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability - Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

- (b) Auto Liability - Under ISO Form CA 20 48 or equivalent.
- (c) Excess Liability - Follow Form to underlying insurance.
- (2) The Consultant's insurance shall be primary insurance as respects performance of the Agreement.
- (3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against the City, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by the Consultant under this Agreement.
- (4) A 30-day advance notice cancellation provision. If ACORD certificate of insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

11.2 Required Insurance Coverage.

A. Commercial General Liability. The Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent consultants, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. The Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on the Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess

insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Services, and the Consultant shall be required to submit certificates of insurance and a copy of the declaration page(s) of the insurance policies evidencing proper coverage is in effect as required above.

D. Workers' Compensation Insurance. The Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over the Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or materially change without 30 days' prior written notice to the City.

12. Applicable Law; Venue. In the performance of this Agreement, the Consultant shall abide by and conform to any and all laws of the United States, State of Arizona and the City of Buckeye, including but not limited to, federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this Agreement. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in the State of Arizona.

13. Termination; Cancellation.

13.1 For City's Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by the Consultant of written notice by the City. Upon termination for convenience, the Consultant shall be paid for all undisputed services performed to the termination date.

13.2 For Cause. This Agreement may be terminated by either party upon 30 days' written notice should the other party fail to substantially perform in accordance with this Agreement's terms, through no fault of the party initiating the termination.

13.3 Due to Work Stoppage. This Agreement may be terminated by the City upon 30 days' written notice to the Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.4 Conflict of Interest. This Agreement is subject to the provisions of Ariz. Rev. Stat. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of its departments or agencies is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement.

13.5 Gratuities. The City may, by written notice to the Consultant, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Consultant an amount equal to 150% of the gratuity.

13.6 Agreement Subject to Appropriation. The provisions of this Agreement for payment of funds by the City shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The City shall be the sole judge and authority in determining the availability of funds under this Agreement and the City shall keep the Consultant fully informed as to the availability of funds for the Agreement. The obligation of the City to make any payment pursuant to this Agreement is a current expense of the City, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the City. If the City Council fails to appropriate money sufficient to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the City and the Consultant shall be relieved of any subsequent obligation under this Agreement.

14. Miscellaneous.

14.1 Independent Contractor. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the City. The Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of the Consultant, its employees or subcontractors. The

Consultant, and not the City, shall determine the time of its performance of the services provided under this Agreement so long as the Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above. The Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. The City and the Consultant do not intend to nor will they combine business operations under this Agreement.

14.2 Laws and Regulations. The Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible remains in compliance with all rules, regulations, ordinances, statutes or laws affecting the Services, including the following: (A) existing and future City and County ordinances and regulations, (B) existing and future state and federal laws and (C) existing and future Occupational Safety and Health Administration ("OSHA") standards in the State of Arizona.

14.3 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Consultant.

14.4 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement will promptly be physically amended to make such insertion or correction.

14.5 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Agreement which may remain in effect without the invalid provision or application.

14.6 Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and the Consultant agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Agreement.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to

its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment. No right or interest in this Agreement shall be assigned by the Consultant without prior, written permission of the City signed by the City Manager and no delegation of any duty of the Consultant shall be made without prior, written permission of the City signed by the City Manager. Any attempted assignment or delegation by the Consultant in violation of this provision shall be a breach of this Agreement by the Consultant.

14.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the City. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Consultant any amounts the Consultant owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Consultant any amounts the Consultant owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

14.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (C) given to a recognized and reputable overnight delivery service, to the address set forth below or (D) delivered by facsimile transmission to the number set forth below:

If to the City:

City of Buckeye

ATTN: Chris Williams, Manager

Construction & Contracting Division

530 East Monroe Avenue

Buckeye, Arizona 85326

Facsimile: (623) 349-6221

Email: CWilliams@Buckeyeaz.gov

If to Consultant:

TISCHLERBISE, INC.,

ATTN: L. Carson Bise, AICP, President

4701 Sangamore Road S240

Bethesda, MD 20816

Phone: 301-320-6900 Ext. 12

Cell: 240-401-4031

Email: Carson@tischlerbise.com

Or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or

(D) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

14.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Consultant's duties under this Agreement. Persons requesting such information should be referred to the City. The Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Consultant as needed for the performance of duties under this Agreement.

14.16 Information Technology.

A. Limited Access. If necessary for the fulfillment of the Agreement, the City may provide the Consultant with non-exclusive, limited access to the City's information technology infrastructure. The Consultant understands and agrees to abide by all the City policies, standards, regulations and restrictions regarding access and usage of the City's information technology infrastructure. The Consultant shall enforce all such policies, standards, regulations and restrictions with all the Consultant's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement.

B. Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Consultant in connection with this Agreement is confidential, proprietary information owned by the City. Except as specifically provided in this Agreement, the Consultant shall not disclose data generated in the performance of the service to any third person without the prior, written consent of the City Manager or authorized designee.

C. Data Security. Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, the Consultant must encrypt and/or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed or reconstructed.

E. Compromised Security. In the event that data collected or obtained by the Consultant in connection with this Agreement is believed to have been compromised, the Consultant shall notify the City Manager, or authorized designee, immediately. The Consultant agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach.

F. Permitted Access. The Consultant's employees, agents and subcontractors must receive prior, written approval from the City before being granted access to the City's information technology infrastructure and data and the City, in its sole determination, shall determine accessibility and limitations thereto. The Consultant agrees that the requirements of this Section shall be incorporated into all subcontractor/subconsultant agreements entered into by the Consultant. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

G. Survival. The obligations of the Consultant under this Section shall survive the termination of this Agreement.

14.17 Records and Audit Rights. The Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any consultant and its subcontractors' employees who perform any work or Services pursuant to this Agreement to ensure that the Consultant and its subcontractors are complying with the warranty under subsection 14.18 below (all the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on the Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.18 below. To the extent necessary for the City to audit Records as set forth in this subsection, the Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the City to the Consultant pursuant to this Agreement. The Consultant and its subcontractors shall provide the City with adequate and appropriate workspace so that the City can conduct audits in compliance with the provisions of this subsection. The City shall give the Consultant or its subcontractors reasonable advance notice of intended audits. The Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.18 E-verify Requirements. To the extent applicable under Ariz. Rev. Stat. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under Ariz. Rev. Stat. § 23-214(A). The Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the City.

14.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of the Agreement, the Scope of Work, the Fee Proposal, the RFP and the Consultant's Proposal, the documents shall govern in the order listed herein.

14.20 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.

14.21 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s) ") are permitted to utilize procurement agreements developed by the City, at their discretion and with the agreement of the awarded Consultant. Consultant may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All Cooperative procurements under this Agreement shall be transacted solely between the requesting of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by Eligible Procurement Unit shall be the exclusive obligation of such unit. The City assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The City shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURE PAGE TO FOLLOW]

CONTRACT NO. 2015-044

THEREFORE, the City of Buckeye by its Mayor and City Clerk have hereunto subscribed their names this ____ day of _____, 2016.

CITY:
THE CITY OF BUCKEYE, ARIZONA
an Arizona Municipal corporation

By: _____
Jackie A. Meck, Mayor

ATTEST:

Lucinda Aja, City Clerk

RECOMMENDED:

Christopher A. Williams, Manager
Construction & Contracting

APPROVED AS TO FORM:

Scott W. Ruby, City Attorney

CONTRACTOR:
TischlerBise, Inc.

By: _____

Its: _____

**EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF BUCKEYE
AND
TISCHLERBISE, INC.**

[Consultant's Proposal]

SCOPE OF WORK AND TASK SCHEDULE

The following is the Scope of Work for this assignment. We have designed this work plan to be responsive to the City's needs and the new requirements of ARS 9-463.05 per SB 1525. The following Scope of Work includes development fees for Wastewater, Water, Reclaimed Water, Water Resources, Streets, Parks, Police, Fire and Libraries. The scope also includes up to 10 GoToMeeting conferences throughout the various Tasks on an as needed basis.

TASK 1: DEVELOP LAND USE ASSUMPTIONS

Description: The Consultant will review and update annual projections of population, employment, housing, commercial, industrial and other nonresidential square footage data for at least fifteen (15) years for utilities and ten (10) year for all other impact fee categories. This will be based on discussions with City staff and review of published information, including that from the regional planning association, the Maricopa Association of Governments (www.azmag.gov). The Consultant will prepare a memorandum discussing the recommended land use projections (Land Use Assumptions Document) that will serve as the basis for the IIP and development impact fee schedule.

Meetings: One (1) meetings with City staff.

Deliverables: TischlerBise will produce a Land Use Assumptions Document for review and approval for the City.

TASK 2: ASCERTAIN DEMAND FACTORS AND LEVELS-OF-SERVICE FOR "NECESSARY PUBLIC SERVICES"

Description: Communities in Arizona may assess development fees for "necessary public services" which have a useful life of more than three years and that are owned and operated on behalf of the City and within the incorporated boundary.

There are several important subtasks that are outlined below:

- 1) **Proportionate Share** – Determine the proportionate share of the cost of "necessary public services," based on service units needed to provide such services to new development.
- 2) **Determine Existing Levels-of-Service** – The costs for the "necessary public services" required to serve new development are based on the same level-of-service being provided to existing development in the service area. We will determine the existing level-of-service by conducting onsite interviews, evaluating the appropriate studies, and analyzing relevant local data. These onsite interviews will also include discussions about and defining of the infrastructure components to be included in the IIP and development fees.
- 3) **Determine Service Areas** – Specify the area(s) within the City's boundaries in which development will be served by the "necessary public services" or facility expansions and that a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the IIP. For example,

the current utility fee structure splits Zone 3 into three separate service areas. With the acquisition of Global Water, these assumptions need to be revisited.

The above subtasks will enable us to ensure that three important development fee requirements are met, collectively referred to as rational nexus requirements: demonstration of impact, benefit, and proportionality.

Meetings: Two (2) meetings with City staff. These meetings will also serve as an opportunity to interact with the development community.

Deliverables: Technical Memorandum Discussing Recommended Service Areas by Fee Category.

TASK 3: IDENTIFY CAPITAL NEEDS AND COSTS

Description: This task will determine the relevant capital needs and costs due to growth.

- 1) **Long-Range Capital Need** – TischlerBise will focus primarily on the Capital Improvement Plan (CIP) and will review various studies and other relevant data to determine long-range capital needs. Discussions will aim not only to understand the specific costs, but also to assess the size and scope of projects and whether capital facility needs are due to normal replacement, catch-up, or new demand.
- 2) **Service Units** – TischlerBise will define the standardized measures of consumption, use, or generation attributable to an individual unit of development for each category of “necessary public services” or facility expansions.
- 3) **Review Cost Estimates** – TischlerBise will review the costs of infrastructure improvements, real property, financing, engineering, and architectural services associated with the “necessary public services” to be included in the IIP and development fees.
- 4) **Financing Costs** – TischlerBise will identify projected interest charges and other financial costs which are to be used for repayment of principal and interest of debt used to finance construction of “necessary public services” identified in the IIP.
- 5) **Identify Ineligible Costs** – TischlerBise will identify costs that are not eligible for inclusion in the IIP and development fees. Ineligible costs include projects not included in the IIP; repair, maintenance, or operation of existing facilities; projects which serve existing development in order to meet stricter regulatory requirements; projects which provide a higher level-of-service to existing development; and administrative, maintenance, and operating costs.

As part of calculating the fee, costs for infrastructure improvements, real property, financing, engineering, and architectural services will be considered. TischlerBise will consider all of these components in developing an equitable allocation of costs.

Meetings: Two (2) meetings with City staff. These meetings will also serve as an opportunity to interact with the development community.

Deliverables: For Tasks 2 - 6, TischlerBise will prepare a “story board” for staff review and comment detailing proposed levels-of-service, cost estimates, service areas, credits and recommended calculation methodologies.

TASK 4: EVALUATE DIFFERENT ALLOCATION METHODOLOGIES

Description: The requirement that development fees be based on an IIP does not equate to a requirement that only the plan-based methodology can be used in the calculations. The IIP can reflect the past capacity investments in infrastructure that will be repaid by new development with development fee revenue. Likewise, the City can plan to provide new development the same level-of-service being currently provided to existing development.

TischlerBise will evaluate different allocation methodologies for each IIP and development fee component to determine which methodology is the most appropriate measure of the demand created by new development. These methodologies include:

Buy-in Methodology – This methodology is best suited for infrastructure which has already been built and has excess capacity available to be utilized for new development.

Incremental Expansion Methodology – Under this approach, new development will receive the current level-of-service being provided to existing development by the existing inventory of infrastructure.

Plan-Based Methodology – This methodology primarily evaluates the CIP for new development's proportionate share of planned capital projects. It is important to note, however, that CIP's are often fiscally constrained and may not reflect the true requirements of new development. TischlerBise will therefore also evaluate master plans for different categories of infrastructure.

This comprehensive approach and consideration of alternative methodologies will allow maximization of the development fees.

Meetings: One (1) meeting with City staff.

Deliverables: For Tasks 2 - 6, TischlerBise will prepare a "story board" for staff review and comment detailing proposed levels-of-service, cost estimates, service areas, credits and recommended calculation methodologies.

TASK 5: DETERMINE THE NEED FOR "CREDITS"

Description: There are two types of "credits," each with specific and distinct characteristics, which should be considered as part of this analysis. The first is a credit due to possible "double-payment" situations. These could occur when future contributions are made by the property owner toward the capital costs of the public facility covered by the development fee. Per state law, TischlerBise will forecast revenues other than development fees generated by new service units, such as state-shared revenue, highway user revenue, federal revenue, ad valorem property taxes, construction contracting, or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions.

The second is a credit toward the payment of a development fee for the required dedication of public sites and improvements provided by the developer and for which the development fee is imposed. Both types of credits will be addressed in the calculation of development fees.

Meetings: Conference calls as necessary.

Deliverables: For Tasks 2 - 6, TischlerBise will prepare a "story board" for staff review and comment detailing proposed levels-of-service, cost estimates, service areas, credits and recommended calculation methodologies.

TASK 6: DISCUSS PRELIMINARY METHODOLOGIES AND POLICY OPTIONS

Description: The completion of the previous tasks will allow TischlerBise to prepare draft levels-of-service tables and methodology recommendations for each infrastructure category and component. We will discuss this information with City staff to ensure understanding and acceptance. Policy alternatives will be discussed as appropriate. This should help ensure "sign-off" and prevent time delays in finalizing the analysis.

Meetings: One (1) meeting with City staff and elected officials (if desired) to discuss and explain the preliminary findings, assumptions, and results.

Deliverable: For Tasks 2 - 6, TischlerBise will prepare a "story board" for staff review and comment detailing proposed levels-of-service, cost estimates, service areas, credits and recommended calculation methodologies.

TASK 7: PREPARE INFRASTRUCTURE IMPROVEMENT PLAN (IIP)

Description: In this task, TischlerBise's qualified professionals will prepare an IIP using generally accepted engineering and planning practices for each "necessary public service" for which a development fee can be assessed. Development of the IIP will include the following subtasks:

- 1) **Reserve Capacity** – The IIP will identify infrastructure capacity to be reserved to serve future development.
- 2) **Description of Existing Necessary Public Services in the Service Area(s)** – The IIP will include a description of the existing "necessary public services" in the service area(s) and the costs to upgrade, update, improve, expand, correct, or replace those services to meet existing needs and usage and stricter safety, efficiency, environmental, and regulatory standards.
- 3) **Analysis of Total Capacity** – The IIP will identify the current usage and commitments for usage of capacity of the existing "necessary public services."
- 4) **Description of "Necessary Public Services" Attributable to New Development** – The IIP will describe all parts of the "necessary public services" of facility expansions and their costs necessitated by and attributable to development in the service area(s) based on the approved land use assumptions. Cost forecasts will include the costs of

infrastructure costs for new development. The cash flow analysis will indicate whether additional funds might be needed or whether the IIP might need to be altered. This could also affect the total credits calculated in the previous task. Therefore, it is likely that a number of iterations will be conducted in order to refine the cash flow analysis reflecting the capital improvement needs. Development fee revenues can only be spent on capital projects that add capacity. Operating and maintenance costs associated with these capital improvements will have to be funded from other revenue sources, mostly likely from the General Fund. To estimate the annual operational and maintenance costs of the projected infrastructure, TischlerBise will utilize several data sources, including:

- Most recently adopted operating budget.
- Most recently adopted CIP.
- Capital project/program submittal sheets from departments.

Meetings: None.

Deliverables: Draft IIP and Development Fee Report

TASK 10: PREPARE IIP AND DEVELOPMENT FEE REPORT AND PRESENTATIONS

Description: TischlerBise will prepare a written report for the City that summarizes the need for development fees for the “necessary public services” category and the relevant methodologies employed, as well as documentation for all assumptions and cost factors. The report will include at a minimum the following information:

- Executive Summary.
- A detailed description of the methodologies used during the study.
- A detailed description of all level-of-service standards and cost factors used and accompanying rationale.
- An IIP spanning a maximum ten-year planning horizon, listing projects, costs, timing, and financing.
- A detailed schedule of all proposed fees listed by land use type and activity.
- Other information which adequately explains and justifies the resulting recommended fee schedule.
- A ten-year cash flow analysis of development fees and estimate of operating costs.

Meetings: Three (3) presentations/worksessions with the City Council to present and discuss final and Use Assumptions, Development Fee Report and IIP as part of the legislatively required adoption process.

Deliverable: Final IIP and Development Fee Report.

TASK 11: PREPARE GIS LAYERS FOR DEVELOPMENT FEE SUBAREAS AND CATEGORIES

Description: TischlerBise will create the necessary GIS layers to aid in the administration of the City’s development fee program. This will include layers for each development fee category,

infrastructure improvements, real property, financing, engineering, and architectural services.

- 5) **Equivalency/Conversion Table** – The IIP will include a table establishing the specific level or quantity of use, consumption, or generation of a service unit for each category of “necessary public services” or facility expansions. The table will include the ratio of a service unit to various types of residential, commercial, and industrial land uses.
- 6) **Projected Service Units** – The IIP will include the total number of projected service units necessitated by and attributable to new development in the service area(s), based on the approved land use assumptions.
- 7) **Projected Demand for Necessary Public Services** – The IIP will include a ten-year projection of the demand for “necessary public services” or facility expansions required by new service units.
- 8) **Forecast of Non-Development Fee Revenues from New Service Units** – The IIP will forecast revenues other than development fees generated by new service units, such as state-shared revenue, highway user revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes, and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions. This subtask will include a plan to include these contributions in determining the extent of the burden created by new development.

These subtasks will result in a written plan that identifies each “necessary public service” or facility expansion that is to be the subject of a development fee and complies with the requirements of State law.

Meetings: None.

Deliverables: Draft Infrastructure Improvement Plan.

TASK 8: COMPLETE DEVELOPMENT FEE METHODOLOGY AND CALCULATIONS

Description: The completion of the previous task will enable the development fee methodology and calculations to be finalized. TischlerBise will calculate the maximum justifiable fee for commercial, residential, and industrial development that can be charged and conform to fee requirements.

Meetings: None.

Deliverables: Draft IIP and Development Fee Report

TASK 9: CONDUCT FUNDING AND CASH FLOW ANALYSIS; ESTIMATE ANNUAL OPERATING COSTS

Description: In order to prepare a meaningful IIP, it is important to evaluate the anticipated funding sources. In this task, TischlerBise will prepare a ten-year cash flow analysis. This calculation will allow the City to better understand the revenue potential of the development fees and the amount which would be needed if the fees were discounted. It will also provide a good understanding of the cash flow needed to cover the

reflecting the impact of individual development agreements and Community Facilities Districts on the impact fee payable for each parcel.

Deliverable: ArcView GIS layers for each development fee category.

The following table presents our proposed task schedule for this assignment. TischlerBise will devote the time and resources required to meet this schedule.

Town of Buckeye, AZ - Update of Impact Fees, IIP, and Associated Documents				
Task Schedule and Deliverables				
Task	Timeframe	Meetings	Deliverable/Milestone	
Task 1:	Develop Land Use Assumptions	January-February, 2016	1	Land Use Assumptions Document
Task 2:	Ascertain Demand Factors and Levels-of-Service for "Necessary Public Services"	January-March, 2016	2	Technical Memorandum Discussing Recommended Service Areas by Fee Category
Task 3:	Identify Capital Needs and Costs	February-March, 2016	2	"Story Board" Outlining Proposed Allocation Methodologies by Fee Category (See Task 6)
Task 4:	Evaluate Different Allocation Methodologies	March, 2016	1	"Story Board" Outlining Proposed Allocation Methodologies by Fee Category (See Task 6)
Task 5:	Determine the Need for "Credits"	March, 2016	0	"Story Board" Outlining Proposed Allocation Methodologies by Fee Category (See Task 6)
Task 6:	Discuss Preliminary Methodologies and Policy Options	April, 2016	1	"Story Board" Outlining Proposed Allocation Methodologies by Fee Category
Task 7:	Prepare Infrastructure Improvement Plan (IIP)	March-April, 2016	0	Draft Infrastructure Improvement Plan
Task 8:	Complete Development Fee Methodology and	April, 2016	0	Draft Development Fee Report and IIP
Task 9:	Conduct Funding and Cash Flow Analysis	April, 2016	0	Draft Development Fee Report and IIP
Task 10:	Prepare IIP, Development Fee Report, and	May-October, 2016	3	Final Development Fee Report and IIP
Task 11:	Prepare GIS Layers for Development Fee Subareas and	May-June, 2016	0	Development Fee Shapefile Layers
			10	

The table below represents our proposed fee for this project. Our total proposed not-to-exceed fee is **\$140,540**. This includes hours, billing classification, and hourly rate for each member of our consultant team for each work plan task, and reimbursement levels for direct expenses.

BUCKEYE, AZ - UPDATE OF DEVELOPMENT FEES AND IIP						
		TischlerBise				
	Project Team Member:	Bise	Griffin	Guthrie	Total	
	Hourly Rate*	\$205	\$175	\$185	Hours	Cost
TASK:						
Task 1:	Develop Land Use Assumptions	8	16	36	60	\$11,100
Task 2:	Ascertain Demand Factors and Levels-of-Service for "Necessary Public Services"	16	8	40	64	\$12,080
Task 3:	Identify Capital Needs and Costs	16	24	60	100	\$18,580
Task 4:	Evaluate Different Allocation Methodologies	8	16	40	64	\$11,840
Task 5:	Determine the Need for "Credits"	2	0	20	22	\$4,110
Task 6:	Discuss Preliminary Methodologies and Policy Options	12	8	36	56	\$10,520
Task 7:	Prepare Infrastructure Improvement Plan (IIP)	8	24	60	92	\$16,940
Task 8:	Complete Development Fee Methodology and Calculations	2	8	24	34	\$6,250
Task 9:	Conduct Funding and Cash Flow Analysis	4	8	16	28	\$5,180
Task 10:	Prepare IIP, Development Fee Report, and Presentations	24	26	82	132	\$24,640
Task 11:	Prepare GIS Layers for Development Fee Subareas and Categories	4	48	8	60	\$10,700
Total:		104	186	422	712	\$131,940
Project Expenses:						\$12,800
TOTAL COST:						\$144,740

CITY OF BUCKEYE COUNCIL ACTION REPORT

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	7E
DATE PREPARED:	January 20, 2016	DISTRICT NO.:	
STAFF LIAISON:	Dave Nigh	DIRECTOR APPROVAL:	DN
DEPARTMENT:	Water Resources Department	FINANCE APPROVAL:	LP

Will not be added without both approvals

ACTION TITLE: Motion to (i) authorize the City of Buckeye's purchase of 611 gallons per minute (gpm) of water capacity in the North Airport Road Water Campus for a purchase price not to exceed \$4.2 million and (ii) authorize the City to apply for a Water Infrastructure Financing Authority loan to finance such purchase, if necessary, and (iii) authorize the City Manager or designee to execute and deliver all documents necessary to effectuate such purchase or loan application.

WORKSHOP
 SPECIAL
 CONSENT
 NON-CONSENT
 TABLED
 PUBLIC HEARING

RECOMMENDATIONS:

Council to approve the motion to (i) authorize the City of Buckeye's purchase of 611 gpm of water capacity in the North Airport Road Water Campus for a purchase price not to exceed \$4.2 million and (ii) authorize the City to apply for a Water Infrastructure Financing Authority loan to finance such purchase, if necessary, and (iii) authorize the City Manager or designee to execute and deliver all documents necessary to effectuate such purchase or loan application.

RELEVANT COUNCIL GOAL:

GOAL 3: A Well-Planned Urban Community

GOAL 4: Adequate, Well-Maintained and Well-Planned Public Infrastructure

SUMMARY

PROJECT DESCRIPTION:

The Water Resources Department has the opportunity to purchase 611 gpm of excess water capacity from the landowners that constructed the North Airport Water Campus (NARWC) infrastructure. The purchase price is \$6,355.58 per gpm which, for purchasing the 611 gpm of water capacity, totals \$3,883,259.38 for the purchase price. Staff will evaluate the option of applying for a Water Infrastructure Financing Authority (WIFA) loan to purchase the water capacity in the NARWC and if that option is beneficial to the City, there will be additional cost involved such as closing costs. These additional costs are the basis of the difference between the \$3,883,259.38 for an outright purchase of the water capacity and financing the purchase through a WIFA loan, thus the not to exceed amount of \$4.2 million.

This purchase can provide the City with up to 321,141,600 million gallons of water annually without having to spend any funds on well, tanks, or other additional infrastructure. The cost to the City to drill and equip a well or wells, and the cost of infrastructure to store this amount of water, would be significantly more than the cost to purchase the 611 gpm of excess water capacity.

Having this water immediately available would allow the City to attract more commercial and industrial economic development projects and be more competitive.

BENEFITS:

Immediate availability of additional water to blend with current customers or attract economic development prospects. The purchase price for the 611 gpm of water capacity is significantly less than drilling and equipping a well and constructing related infrastructure to produce and store the water.

FUTURE ACTION: (Council and Staff)

City Manager, or designee, will execute purchase documents or, if determined by staff to be more beneficial to the City, apply for a WIFA loan to finance the purchase.

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*

None

FINANCIAL NARRATIVE:

0T

CURRENT FISCAL YEAR TOTAL COST

0T

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) F/Y: 2015/2016

FUND / DEPARTMENT (GL#): 0T

CFD Agenda

CFD Agenda

CFD Agenda

CFD Agenda

CFD Agenda



PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES. THANK YOU.

NOTICE OF POSSIBLE QUORUM OF THE CITY OF BUCKEYE PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD: PLEASE NOTE THAT THERE MAY BE A QUORUM PRESENT BUT THERE WILL BE NO VOTING TAKING PLACE BY THE CITY PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD AT THIS MEETING.

**JOINT MEETING OF THE
COMMUNITY FACILITIES DISTRICTS CITY OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1
ARIZONA REVISED STATUTES, AS AMENDED**

**ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT
ELIANTO COMMUNITY FACILITIES DISTRICT
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
MIRIELLE COMMUNITY FACILITIES DISTRICT
SUNDANCE COMMUNITY FACILITIES DISTRICT
TARTESSO WEST COMMUNITY FACILITIES DISTRICT
TRILLIUM COMMUNITY FACILITIES DISTRICT
VERRADO DISTRICT 1 COMMUNITY FACILITIES DISTRICT
VERRADO WESTERN OVERLAY COMMUNITY FACILITIES DISTRICT
WATSON ROAD COMMUNITY FACILITIES DISTRICT
WESTPARK COMMUNITY FACILITIES DISTRICT**

**FEBRUARY 2, 2016
AGENDA**

**City Council Chambers
530 E. Monroe Avenue
Buckeye, AZ 85326
Immediately following the 6:00 p.m. Regular Council Meeting**

1. Call to Order/Roll Call

Board Action: None.

2. Board to Approve the Minutes of the January 5, 2016 Watson Road Community Facilities District Meeting.

Board Action: Motion to approve.

- 3. Action Resolution No. 01-16 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Approving the Assessment and Proceedings for the Festival Ranch Community Facilities District, Determining the Work has been Completed in Accordance with the Plans and Specifications, and Ordering the Collection of the Amount Assessed
Liaison: Woody Scoutten, District Engineer
District No. 4**

Board to adopt Resolution No. 01-16 (Festival Ranch) approving the assessment and the proceedings heretofore had and taken for the Festival Ranch Community Facilities District (City of Buckeye, Arizona), determining the work has been completed in accordance with the plans and specifications, and ordering the collection of the amount assessed.

Board Action: Motion to approve.

- 4. Action Resolution No. 02-16 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Authorizing the Issuance of its Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (Private Placement), in the Aggregate Principal Amount of Not to Exceed \$200,000; Approving the Form and Authorizing the Execution and Delivery of a Placement Agent Agreement Relating to the Bonds, a Registrar, Transfer Agent and Paying Agent Contract and Certain Other Documents Securing the Payment of or Relating to the Bonds; Awarding the Bonds to the Original Purchasers Thereof; Taking Other Actions Securing the Payment of and Relating to the Bonds**
Liaison: Woody Scoutten, District Engineer
District No. 4

Board to adopt Resolution No. 02-16 (Festival Ranch) authorizing the issuance of its Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (Private Placement), in the aggregate principal amount of not to exceed \$200,000; approving the form and authorizing the execution and delivery of a Placement Agent Agreement relating to the bonds, a Registrar, Transfer Agent and Paying Agent Contract and certain other documents securing the payment of or relating to the bonds; awarding the bonds to the original purchasers thereof; and taking other actions securing the payment of and relating to the bonds.
Board Action: Motion to approve.

- 5. Citizen Input/Appearances from the Floor**
Board Action: None.

- 6. Adjournment**
Board Action: Motion to adjourn.

CFPD Minutes

CFPD Minutes

CFPD Minutes

CFPD Minutes

CFPD Minutes



**WATSON ROAD COMMUNITY FACILITIES DISTRICT MEETING
JANUARY 5, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Avenue
Buckeye, AZ 85326
Immediately following the 6:00 p.m. Regular Council Meeting**

1. Call to Order/Roll Call

Chairman Meck called the meeting to order at 6:52 p.m.

Members Present: Board Member Garza, Board Member Strauss, Board Member Orsborn, Board Member McAchran, Board Member Heustis, Vice Chairman Hess, and Chairman Meck.

Members Absent: None.

Departments Present: District Manager Stephen Cleveland, Assistant District Manager Roger Klingler, District Attorney Shiela Schmidt, District Clerk Lucinda Aja, Deputy District Clerk Summer Stewart, Assistant to Board Carol Conley, Public Works Director Scott Lowe, Finance Director Larry Price, Information Technology Director Greg Platacz, and Government Relations Manager George Diaz.

**2. Board of Directors of Watson Road Community Facilities District (City of Buckeye, Arizona) to Approve Pavement Maintenance of Watson Estates Phase 1
Liaison: Scott Lowe, Public Works Director
District No. 3**

Mr. Lowe provided a brief overview of the request to approve pavement maintenance and displayed an aerial map of the site. A motion was made by Vice Chairman Hess and seconded by Board Member Orsborn to authorize the District Manager to award Job Order Contract(s) for the installation of Modified Tire Rubber, Rubber Modified Surface Sealant for pavement treatment, and Rubberized Crack Seal for Watson Estates Phase 1, in accordance with the City of Buckeye Streets Maintenance Pavement Plan, in an amount not to exceed \$65,000. Motion passed unanimously.

3. Citizen Input/Apearances from the Floor – None.

4. Adjournment

A motion was made by Vice Chairman Hess and seconded by Board Member Orsborn to adjourn the meeting at 6:56 p.m. Motion passed unanimously.

Jackie A. Meck, Chairman

ATTEST:

Lucinda J. Aja, District Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Watson Road Community Facilities District Meeting held on the 5th day of January, 2016. I further certify that a quorum was present.

Lucinda J. Aja, District Clerk

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**CITY OF BUCKEYE
COMMUNITY FACILITY DISTRICT
BOARD ACTION REPORT**

MEETING DATE:	February 2, 2016	AGENDA ITEM:	3.
DATE PREPARED:	January 13, 2016	DISTRICT NO.:	Choose an item 4.
STAFF LIAISON:	Woody Scoutten	DIRECTOR APPROVAL:	LDP
DEPARTMENT:	District Engineer	FINANCE APPROVAL:	LDP

Will not be added without both approvals

ACTION TITLE: Resolution of the Board of Directors of Festival Ranch Community Facilities District (City of Buckeye, Arizona) approving the assessment and the proceedings heretofore had and taken for the Festival Ranch Community Facilities District (City of Buckeye, Arizona), determining the work has been completed in accordance with the plans and specifications, and ordering the collection of the amount assessed.

ITEM PUBLIC HEARING

RECOMMENDATIONS:

Board to adopt Resolution No. 01-16, approving the assessment, determining the work has been completed and ordering the collection of the amount assessed.

SUMMARY

PROJECT DESCRIPTION:

Acquire approximately 4,284 linear feet of public streets benefitting approximately 100 lots for single family homes located within the Festival Ranch Community Facilities District.

BENEFITS:

This financing allows the developer, Pulte Home Corporation, to be reimbursed for a portion of the cost of the public infrastructure, while causing the eventual homeowner to be responsible for their respective share of the cost in the form of a special assessment in the amount of \$2,000. Homeowners may pay the assessment in full on any date or may pay over a period of time in the form of debt service on the District's special assessment revenue bonds.

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*
Resolution No. 01-16

FINANCIAL NARRATIVE:

CURRENT FISCAL YEAR TOTAL COST (as reflected in motion) [Click here to enter text.](#)

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) FY: [Click here to enter text.](#)

FUND / DEPARTMENT (GL#): [Click here to enter text.](#)

RESOLUTION NO. 01-16 (FESTIVAL RANCH)

RESOLUTION OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) APPROVING THE ASSESSMENT AND THE PROCEEDINGS HERETOFORE HAD AND TAKEN FOR THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), DETERMINING THE WORK HAS BEEN COMPLETED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS, AND ORDERING THE COLLECTION OF THE AMOUNT ASSESSED.

WHEREAS, the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), initiated (i) the establishment of Assessment District No. 10 (the "*Assessment District*"); (ii) the acquisition and/or construction of certain public infrastructure improvements and purposes (the "*Project*"), and (iii) the financing of said Project and necessary Incidental Expenses (as defined in the Resolution of Intention) with the District's special assessment revenue bonds, and (iv) ordered the design, acquisition and construction of such Project by the adoption of its Resolution No. 15-15 (Festival Ranch) (the "*Resolution of Intention*") on January 19, 2016; and

WHEREAS, pursuant to a Festival Ranch Community Facilities District Waiver and Development Agreement Pertaining to Assessment District No. 10, the owners of all of the real property within the Assessment District consented to the inclusion of all of the real property in the Assessment District, subject to later deletions of real property relating to non-developable and publicly owned land and other modifications, and acknowledged the levy of an assessment, as provided by law, in an amount not to exceed \$200,000 for the purpose of financing the Project and Incidental Expenses; and

WHEREAS, an assessment in the amount of \$200,000 was prepared, which resulted in a total assessment certified to bond in the amount of \$200,000 (the "*Assessment*") and warrant has been prepared as provided by law and Special Assessment Revenue Bonds, Series 2016, in the amount of \$200,000, have been or shall be issued and sold; and

WHEREAS, the District Engineer (as defined in the Resolution of Intention) has reported to the Board of Directors that all work relating to the Project has been completed in accordance with the approved plans and specifications; and

WHEREAS, a hearing was set for the consideration of the Assessment and notice of such hearing on the Assessment has been given to all persons owning real property in the Assessment District as the names appear upon the tax roll and such hearing has been held; and

WHEREAS, no objections to the District Engineer's determination that all work relating to the Project has been completed in accordance with the plans and specifications have been filed or presented at the hearing; and

WHEREAS, the District Engineer has caused to be prepared an estimate of all costs anticipated to be incurred in connection with the acquisition and construction of the Project and the costs of certain Incidental Expenses related thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) AS FOLLOWS:

Section 1. The work relating to the Project as described in the Resolution of Intention has been completed in accordance with the plans and specifications and is hereby accepted as complete.

Section 2. Any and all objections to the Assessment, the legality of the Assessment and the legality of all proceedings related to the Assessment District are hereby overruled. The Assessment in the amount of \$200,000 as so made is hereby fully and finally confirmed and approved.

Section 3. All acts of the District Clerk, the Superintendent of Streets and any person acting for such officials in setting the date for the hearing on the Assessment and causing notice thereof to be mailed is hereby ratified and confirmed.

Section 4. The Superintendent of Streets is hereby directed to request the Treasurer of the District to collect the Assessment that has been levied against the real property in the Assessment District for an amount not greater than the grand total of costs set forth in the Assessment.

Section 5. With respect to any Assessment that bonds are issued against, the Treasurer of the District shall cause the Assessment to be billed and collected in installment payments sufficient to pay the amounts due on any bonds that are secured by such Assessment. The Assessment shall be collected and, if necessary, foreclosed in accordance with Arizona Revised Statutes § 48-601, et seq., as amended, and in accordance with the Festival Ranch Community Facilities District Waiver and Development Agreement Pertaining to Assessment District No. 10, recorded on _____, 2016 at Docket 2016-_____.

Section 6. All acts of the District Clerk, the Treasurer of the District, the District Manager, the District Engineer and the Superintendent of Streets, and any person acting for such officials in furtherance of this resolution or in the collection of the Assessment are hereby approved, ratified and confirmed.

PASSED AND ADOPTED by the Board of Directors of Festival Ranch Community Facilities District (City of Buckeye, Arizona) on February 2, 2016.

District Chairman

ATTEST:

District Clerk

APPROVED AS TO FORM

Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution No. 01-16 (Festival Ranch) was duly passed by the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on February 2, 2016, and that a quorum was present thereat and that the vote thereon was _____ ayes and _____ nays; _____ did not vote or were absent.

District Clerk

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**CITY OF BUCKEYE
COMMUNITY FACILITY DISTRICT
BOARD ACTION REPORT**

(You may add additional text by double clicking next to the text box or drop down menu)

MEETING DATE:	February 2, 2016	AGENDA ITEM:	4.
DATE PREPARED:	January 13, 2016	DISTRICT NO.:	Choose an item. 4.
STAFF LIAISON:	Larry D. Price	DIRECTOR APPROVAL:	LDP
DEPARTMENT:	Finance	FINANCE APPROVAL:	LDP

Will not be added without both approvals

ACTION TITLE: A RESOLUTION OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) AUTHORIZING THE ISSUANCE OF ITS ASSESSMENT DISTRICT NO. 10 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$200,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF OR RELATING TO THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; AND TAKING OTHER ACTION SECURING THE PAYMENT OF AND RELATING TO THE BONDS.

ITEM PUBLIC HEARING

RECOMMENDATIONS:

Board to Choose an item. Adopt Resolution No. 02-16, authorizing the issuance of the District's Special Assessment Revenue Bonds in the amount not to exceed \$200,000, approving form and authorizing execution and delivery of related documents; awarding the bonds to the purchaser thereof.

SUMMARY

PROJECT DESCRIPTION:

Acquire approximately 4,284 linear feet of public streets benefitting approximately 100 lots for single family homes located within the Festival Ranch Community Facilities District.

BENEFITS:

This financing allows the developer, Pulte Home Corporation, to be reimbursed for a portion of the cost of the public infrastructure, while causing the eventual homeowner to be responsible for their respective share of the cost in the form of a special assessment in the amount of \$2,000. Homeowners may pay the assessment in full on any date or may pay over a period of time in the form of debt service on the District's special assessment bonds.

FUTURE ACTION: (Board and Staff)

Finalize the closing documents and issue the Bonds on or around February 29, 2016.

ATTACHMENTS: ***ADDITIONAL INFORMATION AVAILABLE IN THE OFFICE OF THE CITY CLERK*
Resolution 02-16

FINANCIAL NARRATIVE:

[Click here to enter text.](#)

CURRENT FISCAL YEAR TOTAL COST

[Click here to enter text.](#)

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) F/Y:

[Click here to enter text.](#)

FUND / DEPARTMENT (GL#):

[Click here to enter text.](#)

RESOLUTION NO. 02-16 (Festival Ranch)

A RESOLUTION OF THE DISTRICT BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) AUTHORIZING THE ISSUANCE OF ITS ASSESSMENT DISTRICT NO. 10 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016 (PRIVATE PLACEMENT), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$200,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PLACEMENT AGENT AGREEMENT RELATING TO THE BONDS, A REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF OR RELATING TO THE BONDS; AWARDING THE BONDS TO THE ORIGINAL PURCHASERS THEREOF; AND TAKING OTHER ACTIONS SECURING THE PAYMENT OF AND RELATING TO THE BONDS.

BE IT RESOLVED BY THE DISTRICT BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), AS FOLLOWS:

WHEREAS, this Board of Directors (the "*District Board*") of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") hereby finds:

(a) Pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, as amended (the "*Enabling Act*"), the Waiver Agreement (as defined herein) and Resolution No. 15-15 adopted on January 19, 2016 (the "*Resolution of Intention*"), the District Board has formed Assessment District No. 10 (the "*Assessment District*") and declared its intention to: (i) acquire certain public infrastructure and to pay costs and expenses related thereto (the "*Project*"); (ii) assess the costs and expenses of the Project upon certain benefited real property within the boundaries of the District as described in the Resolution of Intention; and (iii) issue the District's special assessment revenue bonds (the "*Bonds*") to finance the costs and expenses of the Project.

(b) Pursuant to the terms and provisions of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Waiver and Development Agreement Pertaining to Assessment District No. 10 recorded with the Maricopa County, Arizona, Recorder at Docket 2016-_____ (the "*Waiver Agreement*"), the owners and the persons who have an interest in all the real property to be assessed have waived, among other things, certain requirements relating to the notices, protests and hearings relating to, among other things, the formation of the Assessment District, levying of the assessments, and the time period for cash payments.

(c) The District Board has caused a report of the feasibility and benefits of the Project to be prepared, such report included a description of certain public infrastructure to be acquired and all other information useful to understand the Project, a map showing, in general, the location of the Project, an estimate of the cost to construct, acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Project, and a plan for financing the Project (the "*Report*"). A public hearing on the Report was held January 19, 2016, as provided by law, and, pursuant to the

Enabling Act and the Resolution of Intention, the Report was ratified and approved in all respects.

(d) Pursuant to and in reliance upon the Waiver Agreement, the District Board adopted Resolution No. 16-15 on January 19, 2016, ordering the public infrastructure projects performed as described in the Resolution of Intention.

(e) Pursuant to and in reliance upon the Waiver Agreement, the District Board adopted Resolution No. 17-15 on January 19, 2016, approving the assessment diagram and the levying of an assessment against the real property in the Assessment District.

(f) Pursuant to the Enabling Act, the Waiver Agreement and Resolution No. 17-15, an assessment in the amount of \$200,000 was authorized to be levied against the real property in the Assessment District and recorded in the Office of the Superintendent of Streets. Pursuant to the Waiver Agreement and other agreements by the property owners and interested parties, the property owners waived the requirement for notices of cash demands, the opportunity to make cash payments and requested the unpaid assessments go to bond.

(g) Pursuant to the terms and provisions of the Waiver Agreement, the owners and beneficial owners of the assessed real property, among other things, approved the: (i) proceedings relating to the assessment and the Bonds, (ii) assessment and assessment diagram, (iii) assessment methodology, (iv) method of collection and foreclosure of assessments and (v) terms of the Bonds.

(h) The District Board has determined to authorize the issuance of the Bonds described in this resolution (this "*Bond Resolution*") to provide funds for the Project and any and all of the public infrastructure purposes provided for in the Enabling Act and the General Plan of the District.

(i) Pursuant to the Enabling Act, the District has also determined to enter into a Bond Registrar, Transfer Agent and Paying Agent Contract, to be dated as of February 1, 2016 or any later date (the "*Registrar Contract*"), by and between the District and Zions Bank, a division of ZB, National Association, as registrar (the "*Registrar*"), to process the issuance, registration, transfer and payment of the Bonds. The District Board has determined by this Resolution to authorize the issuance of the Bonds and, in order to provide terms for, to privately place, and to provide for authentication and delivery of the Bonds by the Registrar, to authorize the execution and delivery of the Registrar Contract. The District Board hereby determines that the Bonds shall be privately placed with one or more Qualified Investors as such term is defined herein. (The original purchasers of the Bonds shall be referred to collectively as the "*Original Purchaser*.")

(j) There has been placed on file with the District Clerk, and presented in connection herewith, the proposed form of Registrar Contract.

(k) The District Board hereby finds and determines that: (i) the amount of indebtedness evidenced by the Bonds does not exceed the estimated cost of the Project plus all costs connected with the public infrastructure purposes and issuance and sale of the Bonds to be financed therewith (collectively the "*Costs*"); (ii) the total Costs are less than or

equal to the benefits derived from the Project; and (iii) based upon representations of Pulte Home Corporation ("*Pulte*"), the value of each of the assessed parcels comprising the Assessment District is at least four (4) times the principal amount of the Bonds allocated to each such assessed parcel.

WHEREAS, this District Board has by resolution levied and approved, and the Superintendent of Streets has prepared and recorded, an assessment for the Project, and the Superintendent of Streets has executed, and the Chairman of the District Board has countersigned, a warrant to collect the several assessments; and

WHEREAS, the warrant and assessment have been returned; and

WHEREAS, Section 48-721, Arizona Revised Statutes, provides that the District Board may direct that the Bonds may be issued in an amount which shall not exceed the amount of unpaid assessments as may be shown on the certified list of unpaid assessments; and

WHEREAS, such certified list has been filed with the Clerk by the Superintendent of Streets and the District Board may cause the Bonds to be issued; and

WHEREAS, the District Board intends to sell the Bonds and will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the placement agent (hereinafter referred to as 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 Bonds should be placed by the Placement Agent and pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-007-1213; and

WHEREAS, the Placement Agent will submit such proposal to place the Bonds with the Original Purchaser as outlined in the attached Certificate of Qualified Investor, which includes officers of the Placement Agent, pursuant to a standard form of Placement Agent Agreement, to be dated the date of placement of the Bonds (hereinafter referred to as the "*Placement Contract*"), by and between the District and the Placement Agent, on such terms as may hereafter be approved by the District Treasurer and recommended by First Southwest Company, LLC, the District's financial advisor; and

WHEREAS, by this Bond Resolution the District Board desires to (i) authorize the issuance of the Bonds payable from unpaid special assessments levied against lots or parcels of land benefiting from the Project; (ii) provide for issuance and delivery of the Bonds to the Original Purchaser; (iii) establish the method of collecting unpaid special assessments; (iv) authorize the Registrar to open books to register ownership of the Bonds; (v) award the sale of the Bonds to the Original Purchaser in accordance with the Placement Contract; and (vi) ratify and confirm all prior acts of this District Board, of the District Engineer, of the Superintendent of Streets and of the District Clerk with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), that:

Section 1. Authorization. Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (Private Placement) (the "*Bonds*") are hereby authorized to be issued, in an aggregate principal amount of not to exceed \$200,000 pursuant to the Enabling Act. The proceeds of the Bonds shall be used to finance the acquisition of the Project, pay all Incidental Expenses and fund a Debt Service Reserve Fund (each as defined in the Resolution of Intention).

Section 2. Bond Terms. The Bonds shall be in denominations of \$25,000 each or any integral multiple of \$1,000 in excess thereof, shall mature on July 1 in some or all of the years 2018 to 2035, inclusive, shall be dated their date of initial delivery, and shall bear interest from their date to their maturity or prior redemption at the rate of not to exceed 7.50% per annum. If necessary to accommodate a Special Redemption pursuant to Section 3.A hereof, the Bonds may be in denominations of \$1,000 each or any integral multiple of \$1,000. Interest on the Bonds (computed on the basis of a 360-day year of twelve 30-day months) is payable semiannually on January 1 and July 1 of each year (each such date shall be referred to as an "*Interest Payment Date*") beginning July 1, 2016, or such later date as set forth in the Placement Contract.

The principal of and premium, if any, on the Bonds shall be payable upon surrender thereof at the designated office of the Paying Agent (as hereinafter defined). Interest due on the Bonds on each Interest Payment Date shall be payable by check mailed to the persons (the "*Owners*") in whose names the Bonds are registered by the Registrar at the close of business on the fifteenth (15th) day of the calendar month next preceding the applicable Interest Payment Date or, if such day is not a business day, the previous business day (the "*Record Date*").

In the event that interest is not paid on an Interest Payment Date, the Registrar shall establish a special record date for the payment of such interest, if and when funds for the payment of such interest have been received. Notice of the special record date and of the scheduled payment date of the past due interest will be sent at least ten (10) days prior to the special record date, to the address of each Owner appearing on the Register (as such term is hereafter defined).

Section 3. Redemption. The Bonds are subject to special, optional and mandatory redemption prior to maturity in accordance with this Section

A. **Special Redemption.** All Bonds are subject to special redemption prior to their stated maturity, at random, in whole or in part, at the option of the District, on any Interest Payment Date, from proceeds received by the District from: (i) the prepayment of any assessment by the owner of any assessed real property or (ii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an assessment installment. Such proceeds shall be deposited with the Registrar at least two business days prior to the date of special redemption. The special redemption shall be at a redemption price of par plus interest accrued to the date of redemption, without premium.

B. **Optional Redemption.** The Bonds will also be subject to optional redemption on or after July 1, 2025, or such other date theretofore or thereafter as may be approved by the District Manager or District Treasurer in the Placement Contract, at the option of the District prior to the applicable maturity in whole or in part on any Interest

Payment Date as randomly determined by the District Treasurer within the applicable maturity, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium.

C. Mandatory Redemption. The Bonds may be subject to mandatory redemption prior to their stated maturity, pursuant to such terms as may be approved by the District Manager or District Treasurer in the Placement Contract.

D. Selection of Bonds to Be Redeemed. The District shall give notice to the Registrar of its intention to make any optional redemption or special redemption not less than 35 days prior to the date of such redemption. Such notice shall specify the type of redemption, the principal amount to be redeemed and the mandatory redemption requirements against which such redemption shall be credited. If less than all of the Bonds are to be redeemed, the Registrar shall select the Bonds or portions thereof to be redeemed in the amounts of \$1,000, by lot, by any reasonable method acceptable to the Registrar.

E. Notice and Effect of Redemption. Notice of redemption shall be mailed by the Registrar not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the Register on the date the Bonds to be redeemed are selected. Failure to properly give notice of redemption shall not affect the redemption of any Bond for which notice was properly given.

If on the date of redemption of Bonds sufficient moneys for payment of the redemption price and accrued interest are held by the Registrar, interest on the Bonds so called for redemption will cease to accrue and such Bonds will cease to be entitled to any benefit or security under this Bond Resolution except the right to receive payment from the moneys held for such Bonds.

Section 4. Form of Bonds. The Bonds shall be in substantially the form of Exhibit A attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval. If the book-entry-only system is discontinued, the Bonds shall be reissued in forms and authorized denominations that 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 show both the date of the issue and the date of such Bond's authentication and registration.

Section 5. Collection of Assessment Installments.

A. Collection. All assessments that are not paid in full shall remain collectible by the District Treasurer of the District, or by the Maricopa County Treasurer on behalf of the District pursuant to the terms of an agreement between the District and the County (the "*Collections Agreement*"), in installments of principal and interest. Installments of principal shall be paid on or before June 1st and December 1st of each year. Not less than thirty (30) days

prior to the date any installment of principal or interest is due the District shall cause a notice of a request for payment to be mailed or distributed to the owners, as they may be known, of the assessed parcels and lots. On the day succeeding the date on which the installment becomes due, such unpaid installment shall become delinquent, and the District Treasurer for the District shall certify such fact in the records of the District and mark each installment delinquent and add five percent to the amount of each such installment, such amount to be paid to the District.

B. Nonpayment. In the event of nonpayment of any installment of any assessment the corresponding parcel or lot shall be subject to the procedures for collection and sale of such assessment and the parcels and lots corresponding to such delinquent assessment, as provided in Arizona Revised Statutes Sections 48-601 through 48-607, as amended from time to time, inclusive, except that neither the District nor the City of Buckeye, Arizona shall be required under any circumstances to purchase, or make any payment for the purchase of, the delinquent assessment and corresponding assessed parcel or lot.

Section 6. Bond Registrar, Transfer and Paying Agent. The District shall maintain an office or agent where or through whom the Bonds may be presented for registration and transfer of the Bonds, and an office or agent for payment of principal and interest. So long as any Bonds are outstanding, the District will cause to be maintained by the Registrar a bond register for the registration and transfer of Bonds (the "*Register*"). The person in whose name any Bond is registered will be deemed and regarded as the absolute owner of the Bond for all purposes. The District may appoint one or more successor bond registrars or one or more additional paying agents. Each bond registrar and paying agent, successor registrar or additional paying agent, shall be required to agree in writing that the paying agent will hold in trust for the benefit of the Owners of the Bonds all money held by the paying agent for the payment of principal and interest on the Bonds. The Registrar may make reasonable rules and set reasonable requirements for its functions with respect to the Owners of the Bonds.

The Registrar is directed to open the Register. The Register shall be the sole and only evidence of ownership of the Bonds.

The District Manager, District Treasurer, Clerk or other appropriate officer are hereby authorized to execute and deliver the Registrar Contract containing terms and in such form as the person executing such document shall deem appropriate.

The fees and costs of the Registrar to be paid by the District are deemed interest on the Bonds for purposes of collecting such amounts as interest on the assessments against the land in the District.

Each Bond will be transferable by the owner thereof in person or by such person's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or such holder's duly authorized attorney accompanied by a certificate in the form included with *Exhibit A* hereto. The restrictions on transfer of the Bonds will not be applicable after receipt by the Registrar of written approval of the District to the deletion of such transfer restrictions.

Any Bond upon surrender thereof to the Registrar, together with written instructions satisfactory to the Registrar and a Certificate of Qualified Investor in the form

included with Exhibit A hereto, duly executed by the registered holder or such holder's attorney duly authorized in writing, may, at the option of the registered holder thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations.

In connection with any such exchange or transfer of Bonds, the holder requesting such exchange or transfer must remit to the Registrar an amount sufficient to pay any tax or other charges required to be paid with respect to such exchange or transfer.

Neither the District nor the Registrar shall be required (1) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) thereafter to transfer or exchange any Bond to be redeemed in whole or in part pursuant to such notice.

Section 7. Mutilated, Destroyed, Lost and Stolen Bonds. If (i) any mutilated Bond is surrendered to the Registrar, or the Registrar receives evidence to its satisfaction of the destruction or loss of any Bond, and (ii) there is delivered to the Registrar such security or indemnity as may be required by the Registrar to hold the Registrar and the District harmless, then, in the absence of notice to the Registrar that such Bond has been acquired by a *bona fide* purchaser and upon the holder paying the reasonable expenses of the District and the Registrar, the District will cause to be executed and the Registrar will authenticate and deliver, in exchange for such mutilated Bond or in lieu of such destroyed, lost or stolen Bond, a new Bond of like principal amount, date and tenor. In case any such Bond has become or is about to become due and payable, the District or the Registrar may pay such Bond instead of issuing a new Bond.

Section 8. Execution of Bonds and Other Documents.

The Bonds shall be executed by the Chairman and attested by the Clerk by their facsimile signatures. 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. Such signature shall be conclusive evidence that the Bond has been authenticated and issued under this resolution.

The District Treasurer is hereby authorized and directed to cause the Bonds to be delivered to or upon the order of the Original Purchaser upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of this Bond Resolution.

The Chairman, any member of the District Board, District Manager or District Treasurer is each hereby authorized and directed to execute and deliver such agreements, certificates and instruments with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing such agreements on behalf of the District in order to consummate the issuance, sale and delivery of the Bonds as contemplated hereby. The Clerk is authorized and directed to attest such signatures. Where applicable, any of the foregoing officers may affix their signatures by manual, mechanical or photographic means.

Section 9. Creation of Funds and Accounts. The following funds and accounts are hereby created and shall be held by the District:

(a) Festival Ranch Community Facilities District (City Of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (Private Placement), Bond Fund, which shall include:

1. Principal Account
2. Interest Account

- (b) The Acquisition Fund
- (c) Debt Service Reserve Fund
- (d) Issuance and Expenses Fund.

Section 10. Flow of Funds.

A. Bond Fund. The moneys in the Bond Fund shall be held by the District Treasurer and paid over to the Registrar within three (3) business days of each principal or Interest Payment Date. The District Treasurer shall make such arrangements as are necessary to insure proper payment to the Registrar.

B. Investment of Bond Fund. All moneys directed by this Resolution to be placed in the Bond Fund shall be invested pending payments to the Registrar in "Investment Securities," which are hereby defined as any securities in which sinking funds of the State of Arizona may be invested.

C. Deposits to Proper Accounts. All moneys received by the District Treasurer from the collections of the installments of principal and interest on the assessments shall be allocated as to principal and interest and deposited to the proper account of the Bond Fund. The Bonds shall be payable from and secured by the amounts held in the Bond Fund.

D. Acquisition Fund.

(a) The District shall deposit to the Acquisition Fund an amount of Bond proceeds as determined by the District Treasurer.

(b) The date of completion of the Project (the "*Completion Date*") shall be evidenced to the District by a certificate signed by the property owner and interested parties stating that:

- (i) The Project has been completed in accordance with the plans and specifications therefor (such certification can rely upon the opinion of an inspector or consultant retained by the property owner) and all labor, services, materials and supplies used in the Project has been paid for and

acknowledgments of such payments have been obtained from all contractors and suppliers; and

- (ii) All other facilities necessary in connection with the Project have been constructed, acquired and installed in accordance with the plans and specifications therefor (such certification can rely upon the opinion of an inspector or consultant retained by the property owner), and all costs of acquisition of the Project have been paid.

Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Within ten (10) days following the Completion Date, the District shall transfer any balance in the Acquisition Fund (except moneys retained for expenses not yet due and payable) into the Principal and Interest Accounts in the Bond Fund for application to the redemption of Bonds.

Notwithstanding anything contained in this Section 10, on June 1, 2018, any amounts remaining in the Acquisition Fund shall be transferred to the Principal and Interest Accounts of the Bond Fund and applied to the redemption of Bonds.

E. Debt Service Reserve Fund.

(a) The District shall deposit to the Debt Service Reserve Fund Bond proceeds in an amount equal to the lesser of: (i) ten percent (10%) of the outstanding principal amount of the Bonds; (ii) an amount equal to at the time of computation, the greatest annual payment of principal and interest of the Bonds occurring in the then-current, or any subsequent, fiscal year (the "*Maximum Annual Debt Service*"); or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds outstanding, or such amount as required by the Internal Revenue Code of 1986, as amended, to obtain or maintain the exclusion of interest from gross income for federal income tax purposes for the Bonds, pursuant to an opinion of bond counsel (the "*Reserve Fund Requirement*"). Moneys deposited to the Debt Service Reserve Fund shall be invested in Investment Securities.

(b) On, or, if either day is not a Business Day, before June 29, 2016 and December 30, 2016 and each year thereafter, the District shall, to the extent the moneys in the Debt Service Reserve Fund exceed the Reserve Fund Requirement, transfer from the Debt Service Reserve Fund to the Principal and Interest Accounts of the Bond Fund the difference between the amount in the Bond Fund on such date and the amount necessary to pay the principal of and interest, respectively, on the Bonds on the next succeeding July 1 or January 1, as the case may be.

(c) If at any time it appears to the District Treasurer that the collection of installments of assessments will not raise money sufficient to pay the then forthcoming principal or interest payment on the Bonds, the District Treasurer is authorized to liquidate any or all investments in the Debt Service Reserve Fund and transfer such amounts to the Principal or Interest Accounts as is necessary to make timely payments of principal or interest or both on the

Bonds. The District Treasurer shall reimburse the Debt Service Reserve Fund from either: (i) the proceeds from the sale of delinquent assessment which sales are conducted pursuant to Arizona Revised Statutes Sections 48-601 inclusive, provided Section 48-607 is hereby revised to require the District Treasurer to apply sales proceeds to the Debt Service Reserve Fund or (ii) from all future installments on the assessments, provided, however, only to the extent that such portion of such installment payment is not required for the timely payment of debt service on the Bonds.

(d) If, after a Debt Service Reserve Fund withdrawal, the Debt Service Reserve Fund is less than the Reserve Fund Requirement, the District shall reimburse the Debt Service Reserve Fund, to the extent moneys are realized, from either: (i) the proceeds from the sale of delinquent Assessments, which sales are conducted in the manner described in Arizona Revised Statutes, Sections 48-601 through 48-607, inclusive, as amended from time to time, provided, however, Section 48-607 is revised to require the sales proceeds to be deposited to the Debt Service Reserve Fund and neither the District nor the City of Buckeye, Arizona (the "City") shall be required under any circumstances to purchase, or make any payment for the purchase of the delinquent Assessment and corresponding assessed parcel or lot; or (ii) from all future installment payments on the Assessments, provided, however, only to the extent that such portion of such installment payment is not required for the timely payment of debt service on the Bonds.

(e) Any investment profits realized from the investment of moneys in the Debt Service Reserve Fund shall remain in and be part of the Debt Service Reserve Fund; provided, however, if moneys in the Debt Service Reserve Fund are in excess of the Reserve Fund Requirement, such excess amount attributed to investment earnings shall be transferred to the Interest Account of the Bond Fund and applied from time to time pursuant to Section 10.E(b) hereof.

(f) If the amount held in the Debt Service Reserve Fund together with the amount held in the Bond Fund is sufficient to pay the principal amount of all outstanding Bonds on a redemption date, together with the interest accrued on such Bonds as of such redemption date, the moneys shall be transferred to the Principal and Interest Accounts of the Bond Fund and thereafter used to redeem all Bonds as of such redemption date.

(g) On the final maturity date of the Bonds, the District Treasurer shall use any moneys remaining in the Debt Service Reserve Fund to pay the final maturities of principal and interest on the Bonds.

F. Issuance and Expenses Fund. The money deposited to the Issuance and Expenses Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the District. The District shall deposit to the Issuance and Expenses Fund Bond proceeds and a contribution from Pulte in the amounts provided in the Tax Certificate of the District executed and delivered by the District in connection with the issuance of the Bonds. Upon a request for disbursement, amounts on deposit in the Issuance and Expenses Fund shall be applied to pay all costs of the issuance and sale of the Bonds identified in a request signed by either the Chairman of the District Board, the District Manager or the District Treasurer. On

July 1, 2016, the District shall transfer any moneys in the Issuance and Expenses Fund to the Acquisition Fund.

Section 11. Use of Proceeds. The amounts received from the sale of the Bonds shall be deposited to the Funds and Accounts created in Section 9 hereof in the manner provided in this Bond Resolution. This Bond Resolution shall be construed as consent of this District Board to invest such funds, pending use, in any Investment Securities.

Section 12. Resolution a Contract. This resolution shall constitute a contract between the District and the Owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding. The performance by the District Board of the obligations in this resolution, in the Bonds and the other agreements listed in Section 8 hereof is hereby authorized and approved.

Section 13. Cancellation of Agreement. The District hereby gives notice to the Registrar and the Original Purchaser that Section 38-511, Arizona Revised Statutes, as amended, provides that, within three years after execution of any agreement, the District may cancel such agreement without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the District or any of its departments or agencies is at any time while the agreement or any extension of the agreement is in effect an employee or agent of the Registrar or the Original Purchaser in any capacity or a consultant to the Registrar or the Original Purchaser with respect to the subject matter of the agreement.

Section 14. Exclusion of Interest from Gross Income. In consideration of the purchase and acceptance of the Bonds by the owners thereof and, as authorized by Arizona Revised Statutes, Title 35, Chapter 3, Article 7, in consideration of retaining the exclusion of interest income on the Bonds from gross income for purposes of calculating federal income tax the District 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 on the Bonds becoming included as gross income for purposes of calculating federal income taxes under laws existing on the date of issuance of the Bonds.

Without limiting the generality of the foregoing, the District agrees that it will comply with such requirements as in the opinion of Gust Rosenfeld P.L.C. are necessary to prevent interest on the Bonds becoming included as gross income for purposes of calculating federal income taxes. 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; paying 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.

Section 15. Requirements for Unrestricted Transfer. Prior to consent of this District Board otherwise, the Bonds will be transferable to and registered in the name of Qualified Investors (as hereinafter defined) and the Registrar shall not transfer any Bond to a

person other than a Qualified Investor. Prior to consent of this District Board otherwise, the Registrar shall transfer the Bonds only upon receipt from the transferee of a Certificate of Qualified Investor in the form included with Exhibit A hereto. The initial Qualified Investors (the Original Purchaser) have acknowledged that no disclosure documents were prepared and that they have obtained all information necessary to make an investment in the Bonds. For purposes of this resolution, "*Qualified Investor*" means a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor as defined in Rule 501 of Regulation D of the United States Securities Exchange Commission, who executes the Certificate of Qualified Investor included with Exhibit A hereto.

Section 16. No Obligation of City. Nothing contained in this Bond Resolution or any other document or instrument shall be construed as obligating the City or the State of Arizona (the "*State*") or any political subdivision of either (other than the District) or as incurring a charge upon the general credit of the City and the State nor shall the breach of any agreement contained herein, the Registrar Contract or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the City and the State.

Section 17. Actions Authorized and Ratified. All actions taken by the District with respect to the Project, the levying and collection of the assessment and the issuance and sale of the Bonds are hereby ratified and confirmed. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Bond Resolution.

PASSED AND ADOPTED by the District Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) on February 2, 2016.

Jackie A. Meck, District Chairman

ATTEST:

District Clerk

APPROVED AS TO FORM:

Gust Rosenfeld P.L.C.
Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution was duly passed by the District Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on February 2, 2016, and that a quorum was present thereat and that the vote thereon was _____ ayes and _____ nays; _____ did not vote or were absent.

Clerk

EXHIBIT A

[FORM OF BOND]

No. R-_____

\$_____

UNLESS THE PROVISIONS OF THE HEREINAFTER DESCRIBED INDENTURE PROVIDE OTHERWISE, BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS ARE ONLY TRANSFERABLE IN CONNECTION WITH A SALE TO OR THROUGH A BROKER-DEALER IN MINIMUM AUTHORIZED DENOMINATIONS OF \$25,000 OR MORE TO A "QUALIFIED INVESTOR" UPON RECEIPT BY THE TRUSTEE OF THE "CERTIFICATE OF QUALIFIED INVESTOR" IN THE FORM INCLUDED IN THIS BOND. THE TERM "QUALIFIED INVESTOR" SHALL HAVE THE MEANINGS SET FORTH IN THE FORM OF CERTIFICATE INCLUDED IN THIS BOND.

UNITED STATES OF AMERICA
STATE OF ARIZONA

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2016**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP No.</u>
_____%	July 1, 20__	_____, 2016	315599 ____

REGISTERED OWNER: [NAME OF PURCHASER]

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS (\$_____)

Festival Ranch Community Facilities District, a community facilities district formed by the City of Buckeye, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Issuer*"), for value received, hereby promises to pay to the "Registered Owner" specified above or registered assigns (herein referred to as the "*Holder*"), on the "*Maturity Date*" specified above, the "*Principal Amount*" specified above and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid portion thereof from the "*Original Issue Date*" specified above, or from the most recent "*Interest Payment Date*" (as such term is hereinafter defined) to which interest has been paid or duly provided for, until paid or the payment thereof is duly provided for at maturity, semiannually on each January 1 and July 1, commencing July 1, 2016 (each an "*Interest Payment Date*"), at the per annum "*Interest Rate*" specified above.

As provided in the Bond Resolution (as defined herein), the interest, principal and Redemption Price (as defined in the Bond Resolution) payable on the Bonds shall be paid to the Registered Owner in same-day funds in accordance with then existing arrangements between the Issuer and the Registered Owner.

If the specified date for any such payment shall not be a Business Day, then such payment may be made on the next succeeding day which is a Business Day without additional interest and with the same force and effect as if made on the specified date for such payment, except

that in the event of a moratorium for banking institutions generally in the city where the principal corporate trust office of the Paying Agent is located, such payment may be made on such next succeeding day except that the Bonds on which such payment is due shall continue to accrue interest until such payment is made or duly provided for.

Words with initial capitals shall have such meanings set forth in the Bond Resolution, unless otherwise defined herein.

Neither the full faith and credit nor the general taxing power of the Issuer, the City of Buckeye, Arizona, Maricopa County, Arizona or the State of Arizona or any political subdivision thereof is pledged to the payment of the Bonds.

Unless the Certificate of Authentication hereon has been executed by the Registrar, by manual signature, this Bond shall not be entitled to any benefit under the Bond Resolution or be valid or obligatory for any purpose.

This Bond is one of a duly authorized issue of special assessment revenue bonds of the Issuer having the designation specified in its title (herein referred to as the "*Bonds*"), issued in one series, with the limitations described herein. Pursuant to Resolution No. 02-16, adopted on February 2, 2016 (herein referred to as the "*Bond Resolution*"), the District Board of the Issuer authorized the issuance and sale of not to exceed \$200,000 aggregate principal amount of Bonds for the purpose of financing the costs of acquiring certain public infrastructure, including particularly the acquisition by the Issuer of the improvements and public infrastructure purposes (the "*Improvements*") described in Resolution No. 15-15 which was adopted by the District Board of the Issuer on January 19, 2016. Reference is hereby made to the Bond Resolution for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the Registered Owner and the Issuer, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which the Registered Owner hereby consents. All Bonds issued under the Bond Resolution are equally and ratably secured by the amounts thereby pledged and assigned.

The Bonds are limited obligations of the Issuer payable only out of the special fund to be collected from special assessments (the "*Assessments*") levied only against the lots or parcels of land fronting on or benefited by the Improvements (the "*Assessed Property*") and from amounts held by the Issuer in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund*") under the Bond Resolution. The Assessed Property represents approximately 100 residential lots within Assessment District No. 10 within the District. Said special fund is set apart in accordance with the laws of the state and pursuant to the Bond Resolution for the payment of the Bonds and can be used for no other purpose.

The amount required to be held in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund Requirement*") may be reduced from time to time. Any amount held in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement may be transferred to the Bond Fund and used to make payment of principal and interest on the Bonds either at maturity or prior redemption.

Investment earnings on the Debt Service Reserve Fund, to the extent not needed to return the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, to pay debt service on the Bonds, or to pay rebate to the United States, will be deposited into the Bond Fund.

Notwithstanding any provision hereof or of the Bond Resolution, however, the Bond Resolution may be released and the obligation of the Issuer to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Governmental Obligations sufficient for such purpose as described in the Bond Resolution.

The Bonds are issuable as fully registered bonds only in the denominations of \$25,000 and any \$1,000 multiple in excess thereof. If necessary to accommodate a prior redemption of Bonds, the Bonds may be in denominations of \$1,000 each and integral multiples of \$1,000.

All Bonds are subject to special optional redemption prior to their stated maturity, at random, at the option of the Issuer, on any Interest Payment Date, from proceeds received by the Issuer from: (i) the prepayment of any assessment by the owner of any assessed real property or (ii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an assessment installment. Such proceeds shall be deposited with the Bond Registrar and Paying Agent at least two business days prior to the date of redemption. The special optional redemption shall be at a redemption price of par plus interest accrued to the date of redemption, without premium.

The Bonds will also be redeemable on or after July 1, 2025, or such other date theretofore or thereafter as may be approved by the District Manager or the District Treasurer, at the option of the Issuer prior to the applicable maturity in whole on any date or from time to time in part on any Interest Payment Date as randomly determined by the District Treasurer within the applicable maturity, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium.

The Bonds are subject to mandatory redemption prior to their stated maturity, at random, at a redemption price of par plus interest accrued to the date of redemption, but without premium on the following dates and in the following principal amounts:

<u>Redemption Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>
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Whenever Bonds which are subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or are delivered by the Issuer to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against any mandatory redemption requirements for the Bonds for such years as the Issuer may direct.

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner to be redeemed, at the address appearing in the Bond Register.

As provided in the Bond Resolution and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the designated corporate office and duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of authorized denominations and for the same aggregate principal amount shall be issued to the designated transferee or transferees. Notwithstanding any other provision of this Bond to the contrary, this Bond or any beneficial interest herein is nontransferable unless the transferee or transferees are Qualified Investors and, if Qualified Investors, such Qualified Investors provide the Registrar a completed Certificate of Qualified Investor in the form included in this Bond.

As provided in the Bond Resolution and subject to certain limitations therein set forth, Bonds are exchangeable for a like aggregate principal amount of Bonds in authorized denominations, as requested by the Holder, upon surrender of the Bonds to be exchanged to the Paying Agent at the designated corporate office of the Paying Agent. The Paying Agent may require payment of a sum sufficient to cover any tax or other charges payable in connection therewith.

The Issuer, the Paying Agent and any agent of either of them may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Paying Agent and any such agent shall be affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the Assessments from which said Bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This Bond shall be construed in accordance with and governed by the laws of the State of Arizona.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA)**

By _____
Jackie A. Meck, District Chairman

ATTEST:

District Clerk

Dated: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Bond Resolution.

**Zions Bank, a division of ZB, National
Association, as Registrar and Paying Agent**

By _____
Authorized Representative

DATE: _____

**The following abbreviations, when used in the inscription on the face of the
within 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 _____
(Cust.)
Custodian for _____ (Minor)
Under Uniform Gifts/Transfers to Minors Act of
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:)

(Print or typewrite Social Security or other identifying number of transferee: _____) the
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (Print or
typewrite name of attorney) _____, attorney, to transfer the within Bond on the books kept
for registration thereof, with full power of substitution in the premises.

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

NOTICE: The signature(s) on this assignment must
correspond with the name(s) of the registered owner(s)
appearing on the face of the within Bond in every
particular

["CERTIFICATE OF QUALIFIED INVESTOR"]

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$_____. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.

(2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.

(3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

(5) The Purchaser acknowledges that no offering document, such as an official statement, was prepared by the District and the Purchaser agrees it has obtained all information necessary to make an investment in the Bonds. Neither the District nor the City, nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with investment of the Bonds.

[PURCHASER]

By: _____
Printed Name: _____
Title: _____

[END OF "CERTIFICATE OF QUALIFIED INVESTOR"]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Bond Resolution.

**Zions Bank, a division of ZB, National
Association, as Registrar and Paying Agent**

By _____
Authorized Representative

DATE: _____