



City of Avondale

City Council Online Meeting

Monday, November 15, 2021

Mayor and Council

Kenneth Weise, Mayor

Veronica Malone, Vice Mayor

Tina Conde, Council Member | Pat Dennis, Council Member

Bryan Kilgore, Council Member | Curtis Nielson, Council Member

Mike Pineda, Council Member

Administration

Charles A. Montoya, City Manager

Cherlene Penilla, Assistant City Manager

Tracy Stevens, Deputy City Manager | Lindsey Duncan, Deputy City Manager

Nicholle Harris, City Attorney | Marcella Carrillo, City Clerk

Online Meeting

Join the meeting and view presentations: <https://avondaleaz.zoom.us/j/99706985158>

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City Council Online Meeting Notice & Agenda Monday, November 15, 2021

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WORK SESSION

6:30 PM

CALL TO ORDER BY MAYOR

1. ROLL CALL BY THE CITY CLERK

2. FEDERAL LEGISLATIVE UPDATE

City Council will receive an update from Capital Edge regarding Avondale's legislative priorities, as well as an update on recently proposed federal policies. For information and discussion only.

3. PATRIOT AWARD

Patrick McDermott, on behalf of the Employer Support of the Guard and Reserve (ESGR), will present Service Member Patriot Awards to the following employees:

- Dale Nannenga, Public Safety Chief
- Albert Bates, Lieutenant
- John Filas, Sergeant

4. ADJOURNMENT

REGULAR MEETING

7:00 PM

CALL TO ORDER BY MAYOR PLEDGE OF ALLEGIANCE & MOMENT OF REFLECTION

1. ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2. UNSCHEDULED PUBLIC APPEARANCES (Time is limited per person. Please state your name.)

3. PRESENTATION ITEMS

a. PROCLAMATION - HONORING SERGEANT WILLIAM RADEMACHER, DETENTION SUPERVISOR JOHN KEENAN AND OFFICER JAMES ARCHER ON THE OCCASION OF THEIR RETIREMENT.

City Council will present a Proclamation honoring three retiring employees for years of dedicated service to the City of Avondale. This item is for discussion only.

b. INTRODUCTION OF NEW EMPLOYEES

The Development & Engineering Services Department will introduce new key employees within the department. This item is for discussion only.

4. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. RESOLUTION 1093-1121 - INTERGOVERNMENTAL AGREEMENT - CITY OF GOODYEAR - TRAINING FACILITY

City Council will consider a request to adopt Resolution 1093-1121, approving an Intergovernmental Agreement with the City of Goodyear for the use of the City of Avondale training facility and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

b. RESOLUTION 1094-1121 - CANVASS OF ELECTION, CORRECTIONS OFFICER RETIREMENT PENSION BOARD ELECTION

City Council will consider a request to adopt Resolution 1094-1121, declaring and adopting the results of the Local Board Election held on November 4, 2021, electing Allisan Vance as a Board Member to the Corrections Officer Retirement Pension Board and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

c. RESOLUTION 1095-1121 - MASTER SERVICES AGREEMENT WITH NORTHERN ARIZONA UNIVERSITY FOR GREENHOUSE GAS EMISSIONS INVENTORY UPDATE

City Council will consider a request to adopt Resolution 1095-1121, authorizing a Master Services Agreement (MSA) with Northern Arizona University to conduct an update to the Municipal Greenhouse Gas Emissions Inventory and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

d. RESOLUTION 1096-1121 - 4TH AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT WITH THE SUPERIOR COURT OF ARIZONA IN MARICOPA COUNTY FOR JURY SERVICES

City Council will consider a request to adopt Resolution 1096-1121, authorizing a 4th Amendment to the Intergovernmental Agreement (IGA) with the Maricopa County Superior Court to include two updates: (1) In section 3, the Superior Court clarifies the services expected from the Avondale City Court and (2) In section 4, the Superior Court outlines expectations for juror biographical reporting in accordance with the Arizona Supreme Court Administrative Order 2021-54 and (3) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

e. ORDINANCE 2061-1121 – AUTHORIZING THE SALE AND ISSUANCE OF CITY OF AVONDALE, ARIZONA GENERAL OBLIGATION BONDS, SERIES 2021

City Council will consider a request to adopt Ordinance 2061-1121 authorizing all matters necessary to sell and issue General Obligation Bonds and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

f. ORDINANCE 2062-1121 – AUTHORIZING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED REVENUE AND PLEDGED REVENUE REFUNDING OBLIGATIONS, IN ONE OR MORE SERIES.

City Council will consider a request to adopt Ordinance 2062-1121 approving the sale, execution and delivery of Pledged Revenue and Pledged Revenue Refunding Obligations, in one or more series; approving the form and authorizing the execution and delivery of agreements necessary for such sale; delegating authority to determine certain matters and terms with respect to the foregoing and declaring an emergency and authorizing the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

g. DEL TORO COMMERCIAL PARK - MINOR LAND DIVISION - APPLICATION PL-20-0335

City Council will consider a request by Mr. Geoff Markowski, of G-mar, LLC (on behalf of property owner Oscar Del Toro) for approval of Application PL-20-0335, Del Toro Commercial Park Minor Land Division (MLD), on 0.42 gross acres of property located at the northwest corner of Lower Buckeye Road and Central Avenue. The proposed MLD will dedicate public right-of-way along Lower Buckeye Road, and a public utility easement along both Lower Buckeye Road and Central Avenue. This MLD will facilitate the development of the site with an auto sales facility, which is under review as Site Plan and Design Review PL-20-0334. The Council will take appropriate action.

5. REGULAR AGENDA

a. PUBLIC HEARING – SHADOW RIDGE ANNEXATION – APPLICATION PL-21-0100

City Council will hold a public hearing regarding a request by Ms. Cindy Paddock of HILGARTWILSON, on behalf of property owner EIEIO LLC, to annex approximately 115.71 acres generally located at the southeast corner of Avondale Boulevard and Miami Avenue, which is south of Lower Buckeye Road, into the jurisdiction of the City of Avondale. For discussion and public hearing only; no action is required.

b. PUBLIC HEARING – CLEARSKY REHABILITATION HOSPITAL OF AVONDALE ANNEXATION – APPLICATION PL-21-0124

City Council will hold a public hearing regarding a request by Mr. Danny Banks, ClearSky Health, to annex approximately 7.11 acres located at the southwest corner of McDowell Road and the 109th Avenue alignment. For discussion and public hearing only; no action is required.

c. OMNI AVONDALE SELF-STORAGE – RE-PLAT – APPLICATION PL-21-0152

City Council will consider a request by Jason Sanks, Sanks and Associates, on behalf of the property owner Lower Buckeye and Avondale LLC, for approval of a Re-Plat. The proposed Re-Plat divides an 8.67 gross-acre subject property into three (3) parcels and dedicates an eighteen (18) inch private utility easement. The site is located approximately 323 feet north of the northeast corner of Avondale Boulevard and Lower Buckeye Road. The Council will take appropriate action.

d. PUBLIC HEARING - OMNI AVONDALE SELF-STORAGE – CONDITIONAL USE PERMIT – APPLICATION PL-21-0151

City Council will hold a public hearing and consider a request by Jason Sanks, Sanks and Associates, on behalf of the property owner Lower Buckeye and Avondale LLC, for approval of a Conditional Use Permit to allow for the operation of a mini-storage warehouse and personal storage facility in the Durango Park Planned Area Development (PAD) that allows for C-2 (Community Commercial) uses on the 8.57-acre subject property. The Council will take appropriate action.

6. ADJOURNMENT

Council Members of the City of Avondale will attend either in person or by telephone or video conference call. Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica o por video. Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

CITY COUNCIL REPORT

SUBJECT: Federal Legislative Update

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Marshall Pimentel, Intergovernmental Affairs Administrator, (623) 333-1027

THROUGH: Cherlene Penilla, Assistant City Manager, (623) 333-1015

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

PURPOSE:

City Council will receive an update from Capital Edge regarding Avondale's legislative priorities, as well as an update on recently proposed federal policies. For information and discussion only.

BACKGROUND:

In July 2015, the Avondale Council approved the City's contract with Capital Edge, Inc. for federal advocacy services. Capital Edge, a Washington, D.C. based advocacy and consulting firm, specializes in representing municipal government clients before Congress and federal agencies.

DISCUSSION:

Capital Edge's services to the city include:

- Advocating for (or opposing) legislation that may impact the City
- Identifying and promoting pertinent federal grant opportunities
- Influencing the regulatory activities of federal agencies
- Serving as a liaison between the City and the congressional delegation
- Promoting City priorities with national local government organizations

BUDGET IMPACT:

There is no budgetary impact.

RECOMMENDATION:

This item is for information and discussion.

CITY COUNCIL REPORT

SUBJECT: Patriot Award

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Marshall Pimentel, Intergovernmental Affairs Administrator, (623) 333-1027

THROUGH: Cherlene Penilla, Assistant City Manager, (623) 333-1015

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

n/a

PURPOSE:

Patrick McDermott, on behalf of the Employer Support of the Guard and Reserve (ESGR), will present Service Member Patriot Awards to the following employees:

- Dale Nannenga, Public Safety Chief
- Albert Bates, Lieutenant
- John Filas, Sergeant

BACKGROUND:

Employees who are currently serving in the National Guard or Reserve may nominate their supervisor for the "Service Member Patriot Award" through the Employer Support of the Guard and Reserve (ESGR). The Patriot Award reflects the efforts made to support employees through a wide-range of measures, including flexible schedules, time off prior to and after deployment, caring for families, and granting leaves of absence if needed.

DISCUSSION:

Dale Nannenga, Public Safety Chief; Albert Bates, Lieutenant; and John Filas, Sergeant are the recipients of a Patriot Award from the Employer Support of the Guard and Reserve (ESGR).

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

This item is for discussion only.

CITY COUNCIL REPORT

SUBJECT: Proclamation - Honoring Sergeant William Rademacher, Detention Supervisor John Keenan and Officer James Archer on the Occasion of their Retirement.

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Memo Espinosa, Chief of Police, (623) 333-7235

THROUGH: Dale Nannenga, Public Safety Chief, (623) 333-7207
Cherlene Penilla, Assistant City Manager, (623) 333-1015

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.
-

PURPOSE:

City Council will present a Proclamation honoring three retiring employees for years of dedicated service to the City of Avondale. This item is for discussion only.

BACKGROUND:

- Sergeant William Rademacher began his career with the City of Avondale on June 11, 2001. Sergeant William Rademacher has served in many areas of the Avondale Police Department to include, Patrol Officer, Detective, Tactical Team Officer, Field Training Officer, Patrol Sergeant and most recently Internal Investigations Sergeant.
- Detention Supervisor John Keenan began his career with the City of Avondale on June 28, 2010. Detention Supervisor John Keenan has served as a Detention Officer and most recently as a Detention Supervisor.
- Officer James Archer began his career with the City of Avondale on May 7, 2000. Officer James Archer has served in many areas of the Avondale Police Department to include Patrol Officer, Detective, Tactical Operations Negotiator and most recently as a Neighborhood Resource Officer.

DISCUSSION:

The City of Avondale wishes to express its appreciation for the hard work, dedication and years of service of each employee on the occasion of their retirements after years of exemplary service to the citizens of Avondale.

BUDGET IMPACT:

None

RECOMMENDATION:

This item is for discussion only.



Proclamation Honoring Officer James Archer

November 15, 2021

A proclamation of the council of the City of Avondale, Arizona, honoring Officer James Archer for his twenty years of leadership and dedicated service to the Avondale community.

WHEREAS, Officer James Archer answered the call to law enforcement, serving from May 7, 2000 to February 26, 2021.

WHEREAS, he has served in many areas of the Avondale Police Department to include, Patrol Officer, Detective, Tactical Operations Negotiator and most recently as a Neighborhood Resource Officer; and

WHEREAS, fellow employees have embraced Officer James Archer as a friend; and

WHEREAS, Officer James Archer has demonstrated integrity and professionalism to all customers and has faithfully served the City during periods of transition and growth; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, that the City of Avondale hereby wishes to express its sincere gratitude and appreciation to Officer James Archer for his twenty years of leadership and dedication to the Valley.

Mayor

Attest:

City Clerk



Proclamation Honoring Sergeant William Rademacher

November 15, 2021

A proclamation of the council of the City of Avondale, Arizona, honoring Sergeant William Rademacher for his twenty years of leadership and dedicated service to the Avondale community.

WHEREAS, Sergeant William Rademacher answered the call to law enforcement, serving from June 11, 2001 to June 10, 2021.

WHEREAS, he has served in many areas of the Avondale Police Department to include, Patrol Officer, Detective, Tactical Team Officer, Field Training Officer, Detective and Patrol Sergeant and most recently Internal Investigations Sergeant; and

WHEREAS, fellow employees have embraced Sergeant William Rademacher as a friend; and

WHEREAS, Sergeant William Rademacher has demonstrated integrity and professionalism to all customers and has faithfully served the City during periods of transition and growth; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, that the City of Avondale hereby wishes to express its sincere gratitude and appreciation to Sergeant William Rademacher for his twenty years of leadership and dedication to the Valley.

Mayor

Attest:

City Clerk



Proclamation Honoring Detention Supervisor John Keenan

November 15, 2021

A proclamation of the council of the City of Avondale, Arizona, honoring Detention Supervisor John Keenan for his eleven years of leadership and dedicated service to the Avondale community.

WHEREAS, Detention Supervisor John Keenan answered the call to law enforcement, serving from June 28, 2010 to August 22, 2021.

WHEREAS, he has served in areas of the Avondale Police Department to include, Detention Officer and most recently Detention Supervisor; and

WHEREAS, fellow employees have embraced Detention Supervisor John Keenan as a friend; and

WHEREAS, Detention Supervisor John Keenan has demonstrated integrity and professionalism to all customers and has faithfully served the City during periods of transition and growth; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, that the City of Avondale hereby wishes to express its sincere gratitude and appreciation to Detention Supervisor John Keenan for his eleven years of leadership and dedication to the Valley.

Mayor

Attest:

City Clerk

CITY COUNCIL REPORT

SUBJECT: Resolution 1093-1121 - Intergovernmental Agreement - City of Goodyear - Training Facility

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Tony Corsi, Director of Fire & Medical, (623) 333-6100

THROUGH: Dale Nannenga, Public Safety Chief, (623) 333-7207
Cherlene Penilla, Assistant City Manager, (623) 333-1015

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area: Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.

PURPOSE:

City Council will consider a request to adopt Resolution 1093-1121, approving an Intergovernmental Agreement with the City of Goodyear for the use of the City of Avondale training facility and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

On June 20, 2005 the Council approved an IGA and Memorandum of Understanding with the City of Goodyear relating to the development, operation and use of a joint fire training facility to be located at the southeast corner of Lower Buckeye and 4th Street. Avondale was to provide the land and site development and Goodyear has provided a multi-story training tower. Operation and use of the facility would be coordinated by the Avondale and Goodyear Fire Department training staff. Both departments find this facility to be crucial in the continual training of our fire crews.

DISCUSSION:

The original IGA established a term of five years with an additional five-year term at the option of the parties. A large portion of the original agreement related to the design and construction of the site, which has since been completed. Both fire departments feel that the continued use of the site will be very beneficial in supporting ongoing in-service training and the site has also been used by other city departments in supporting their training needs. It was also felt that the IGA needed to be modified to focus specifically on the operation and use of the facility and that language relating to the initial development of the site was no longer necessary.

The language relating to the initial development of the site has been removed and some minor formatting modifications have been made to the original IGA. Additional language required by changes in state statutes

has also been added. The fire department training staff have worked very well together over the past five years in coordinating use of the facility and there have been no material modifications to the operation and use of portions of the proposed agreement. After a significant amount of effort, a modular classroom facility has been added to the site (relocated from the old public works yard) and will be available for use by mid-September, which will be a significant enhancement to the site. A new five-year term has been included in the agreement with an additional five-year term at the option of the parties. All costs associated with the facility will be shared equally between the two cities.

BUDGET IMPACT:

Funds for Avondale's portion of the ongoing operation and maintenance of the joint training facility are included in the fire department operating budget and costs have averaged less than \$10,000 per year.

RECOMMENDATION:

Staff recommends City Council adopt a Resolution, approving an Intergovernmental Agreement with the City of Goodyear for the use of the City of Avondale training facility for operation and use of a joint training facility and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

RESOLUTION NO. 1093-1121

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF GOODYEAR RELATING TO USE OF THE JOINT TRAINING FACILITY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The Intergovernmental Agreement with the City of Goodyear, Arizona relating to use of the joint training facility (the “Agreement”) is hereby approved in substantially the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the City Manager, the City Clerk, and the City Attorney are hereby authorized and directed to take all steps necessary to cause the execution of the Agreement and to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona November 15, 2021.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1093-1121

[Agreement]

See following pages.

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF GOODYEAR
AND
THE CITY OF AVONDALE
FOR
JOINT TRAINING FACILITY USE

THIS INTERGOVERNMENTAL AGREEMENT FOR JOINT TRAINING FACILITY USE (this “Agreement”) is entered into as of _____, 2021, between the City of Goodyear, an Arizona municipal corporation (“Goodyear”) and the City of Avondale, an Arizona municipal corporation (“Avondale”). Goodyear and Avondale are sometimes collectively referred to in this Agreement as the “Parties” and each individually as a “Party.”

RECITALS

WHEREAS, Goodyear and Avondale are authorized to enter into this Agreement pursuant to ARIZ. REV. STAT. § 11-951;

WHEREAS, the Parties agree that it is in the best interest of their respective citizens and fire personnel to jointly operate a fire training facility; and

WHEREAS, the Parties desire to continue to operate and maintain a joint training facility.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the following mutual covenants and conditions, the Parties hereby agree as follows:

ARTICLE I
Additional Definitions

1.1 When used herein, the following terms shall have the meanings stated below:

1.1.1 “Agreement” shall mean this Intergovernmental Agreement, as amended or supplemented from time to time by mutual written agreement of the Parties.

1.1.2 “Facility” shall mean the Training Building, the Training Tower, the Property and all other infrastructure, utilities, structures, props, fixtures, furnishings, associated equipment, and other improvements and amenities associated with the operation of the fire training facility.

1.1.3 “Training Building” shall mean the temporary building, which is located on the Property and which is primarily used for the operation of the fire training facility as a classroom and for storage.

1.1.4 “Training Tower” shall mean the temporary training prop that can be disassembled and reassembled at a different location, and which is primarily used for practicing rescue techniques and structural fire suppression operations under controlled live-fire conditions using only Class A combustible materials such as wood pallets, wood cut-off material, straw, and tar paper.

1.1.5 “Property” shall mean the real property within the City of Avondale on which the fire training facility is located.

ARTICLE 2 Joint Facility Property

2.1 Ownership of the Facility; Interests of Parties.

2.1.1 Ownership of the Facility. Goodyear shall retain ownership of the Training Tower. Avondale shall retain ownership of the Property and the Training Building. No course or actions by Goodyear will entitle Goodyear to any ownership, title, or interest in any of the real property or improvements associated with the Facility except for the Training Tower, or except as otherwise provided in writing and executed by the Parties.

2.1.2 Grant of Perpetual Easements. Avondale hereby grants to Goodyear, its employees, agents, guests, customers, invitees, and licensees, a perpetual easement in, on, over, and across the Facility, for the joint use and occupancy thereof with Avondale, its employees, agents, guests, customers, invitees, and licensees, in accordance with and subject to the terms of the Agreement, specifically subsections 3.6 and 3.7

ARTICLE 3 Joint Facility Use

3.1 Use and Scheduling of the Facility. The Parties shall have equal shared use of the Facility. The assigned training officers of the Parties’ fire departments shall be responsible for jointly coordinating the sharing and scheduling of the Facility to maximize its use by either Party as needed for fire-rescue training.

3.2 Joint Users Team. A Joint Users Team shall be created and co-chaired by the training officers of both fire departments.

3.3 Scheduling, Cooperation. The Joint Users Team will work towards consensus and agree to cooperate in the scheduling of the use of the Facility as provided above. The Parties’ continuing cooperation hereunder shall include the obligation to meet on a regular basis to address the establishment and implementation of such scheduled uses and all future uses. The Parties agree to revise, update and modify the agreed-upon schedule of uses and programs for the Facility from time to time, as necessary, and to provide notice of same to each other and to each Parties’ constituents. In the event the Joint Users Team cannot achieve consensus on scheduling and

cooperation issues as provided above, Avondale reserves the right to a final decision on all matters regarding scheduling or use of the Facility.

3.4 Supervision of Training Activities. All fire-rescue training conducted at the Facility shall be supervised by an instructor holding a minimum certification of Fire Instructor I as specified by the NFPA 1401 Standard for Fire Instructor Professional Qualifications. Personnel with Fire Instructor I certifications can be provided by the Parties, if needed, and at a fee as listed in the Fee Schedule.

3.5 Live-Fire Training. All live-fire training conducted at the Facility and in the Training Tower shall be conducted in strict compliance with the NFPA 1403 Standard for Live Fire Training Evolutions. All live fire training conducted at the Facility shall be supervised by an instructor holding a minimum certification of Fire Instructor I as specified by the NFPA 1401 Standard for Fire Instructor Professional Qualifications. Personnel with Fire Instructor I certifications can be provided by the Parties, if needed, and at a fee as listed in the Fee Schedule.

3.6 Facility Use for Non-Party Affiliated Agencies. Any scheduling and/or use of the Facility for emergency services training by non-Party affiliated agencies should be scheduled and approved by both members of the Joint Users Team. Prior to any scheduled training, non-Party affiliated agencies must have all liability waiver documents properly signed, including the Facility Use Waiver, attached hereto as Exhibit A and incorporated herein by reference and will be subject to any fees listed in the Fee Schedule, attached hereto as Exhibit B and incorporated herein by reference.

3.7 Facility Use for Non-Fire-Rescue Training. Any scheduling and/or use of the Facility for emergency services training beyond the usual scope of fire-rescue training shall require advance approval by the Joint Users Team. Non-fire and rescue related training by Avondale or Goodyear agencies will not be subject to any fees. Other agencies conducting non-fire and rescue related training will be subject to the fees listed in the Fee Schedule, attached hereto as Exhibit B.

3.8 Use of Fees Collected. Fees collected by the City of Avondale will be used solely for Facility improvements or training.

ARTICLE 4 Operation, Maintenance, Repair and Capital Improvements

4.1 Facility Inspection, Repairs, and Planned Maintenance Needs. The Parties shall equally share all costs necessary for approved preventative maintenance, required maintenance, and repairs to the Facility.

4.1.1 The Joint Users Team will meet no less than quarterly, and more often as needed, to review planned maintenance, conduct inspections of the Facilities and develop

preventative maintenance plans, as well as identify any maintenance needs, repairs, and associated costs.

4.1.2 All maintenance and repairs will be approved by and coordinated through the Joint Users Team.

4.1.3 All approved work associated with any and all repairs and maintenance needs for the Facility shall be completed and/or coordinated by Avondale, through its usual and customary procurement process.

4.1.4 Avondale shall be responsible for billing Goodyear for 50% of the costs incurred for any and all approved repairs and maintenance of the Facility, which costs Goodyear shall pay Avondale within 30 days of receipt of the invoice.

4.2 Custodial Services. The Parties shall equally share all costs necessary for custodial services needed for the Facility, including, but not limited to, filter cleaning and replacement, with respect to the interior portions of the Facility.

4.3 Utilities. The Parties shall equally share all costs necessary for all utility services for the Facility including, but not limited to, electrical, gas, water, phone, cable, and information technology (IT) services.

4.4 Capital Cost. An agreement will be made between Avondale and Goodyear to approve and cost share in any and all capital improvements. Reimbursements upon mutual agreement can potentially be spread out over multiple fiscal years.

4.4.1 The Joint Users Team shall provide an estimate of the costs necessary for capital improvements of the Facility to be performed during the next fiscal year by no later than October 30th of each year. A Party has until June 30th, following the October 30th notice, to notify the Joint Users Team that the Party's share of the estimated costs for capital improvements will not be appropriated by the Party's governing body.

ARTICLE 5 Indemnification and Insurance

5.1 Indemnification. To the fullest extent permitted by law, each Party shall defend, indemnify, and hold harmless the other Party, and its agents, officers, officials, employees, and volunteers from and against all claims, damages, losses, and expenses (including, but not limited to attorney fees and court costs) arising from the acts, errors, mistakes, or omissions of the indemnifying Party, its agents, officers, officials, employees, and volunteers in the use of the Facility.

5.2 Insurance.

5.2.1 Coverage. Each Party shall provide and maintain in full force while this Agreement is in effect:

(a) Public liability and property damage insurance from a reliable insurance company authorized to transact business in Arizona in the amount of not less than \$1,000,000 per occurrence for bodily injury or death; or

(b) An adequately funded self-insurance program for such liability and damage claims which complies with all applicable laws, rules and regulations. Each Party shall, in its sole discretion, make its own decision as to whether it will maintain said insurance through an insurance company or, alternatively, whether it will maintain said self-insurance program. Each Party shall, upon request of the other Party, provide the other Party with appropriate certificates of insurance or certificates of self-insurance.

5.2.2 Notice of Claims. Notice of any possible injury, loss or damage which may involve the other Party must be given immediately by the Party aware of such an occurrence to the other Party.

ARTICLE 6 Conflict Resolution/Decision Making

6.1 General. The Parties desire to resolve any dispute between them as quickly, inexpensively, and efficiently as possible, avoiding the expense and delay of court proceedings. This applies to every potential dispute between the Parties. Consequently, the Parties agree to the following sequence of procedures to resolve such disputes:

6.1.1 Negotiation. When either Party feels a dispute has arisen, the Party shall notify the other Party in writing of the nature and details of the dispute. Within 15 days, a meeting shall be held between the Parties' Fire Chiefs, or their designees, to begin a good faith attempt to negotiate a resolution. During this procedure the Parties shall communicate directly with each other in an effort to reach an agreement which serves the interests of both Parties.

6.1.2 City Attorney Committee. If negotiation as provided in Section 6.1.1 does not resolve the dispute, the Parties shall submit the matter to a two-person committee composed of Avondale's City Attorney (or his/her designee) and Goodyear's City Attorney (or his/her designee). The role of this two-person committee shall be to facilitate further negotiation between the Parties and, if possible, to resolve the dispute upon mutual consent of the Parties.

6.1.3 City Manager Committee. If a negotiation as provided in Section 6.1.1 or Section 6.1.2 above does not resolve the dispute, the Parties shall submit the matter to a two-person committee composed of Avondale's City Manager (or his/her designee) and Goodyear's City Manager (or his/her designee). The role of this two-person committee shall be to facilitate further negotiation between the Parties and, if possible, to resolve the dispute upon mutual consent of the Parties.

6.1.4 Termination. If a negotiation as provided in Section 6.1.1, Section 6.1.2, or Section 6.1.3 above does not resolve the dispute, then this Agreement shall terminate in accordance with Section 7.2 below.

ARTICLE 7 Miscellaneous

7.1 Term. The term of this Agreement shall be five years (commencing on the date hereof), subject to the Parties' right to extend the term hereof for an additional term of five years, unless it is sooner terminated (a) in accordance with Section 7.2 below, or (b) by mutual written consent of the Parties. Each Party shall provide the other with written notice of its election to extend the initial term at least six months prior to the expiration thereof.

7.2 Termination.

7.2.1 Termination. This Agreement may be terminated by either Party in its sole discretion by providing 60-day notice to the other Party. Each Party shall have no liability or reimbursement obligation for any improvements or repairs made to the Facility.

7.2.3 Cancellation. Each Party reserves all rights that it may have to cancel this Agreement for possible conflicts of interest under ARIZ REV STAT. § 38-511 as amended.

7.2.4 Disposal of Property. Upon termination of this Agreement:

(a) The property belonging to each Party shall remain the property of such Party.

(b) Goodyear shall be responsible for removing, at its own cost and within 60 days after termination of this Agreement, the Training Tower and all other property belonging to Goodyear.

(c) Any costs associated with the removal of the Training Building or any other property belonging to Avondale, if removed by Avondale, shall be borne by Avondale alone.

(d) The easement granted in Subsection 2.1.2 shall terminate without further action of either party.

7.3 Assignment. Neither Party may assign, sublet, mortgage or encumber any right or interest under this Agreement without the prior written consent of the other Party, which consent may be withheld by the other Party in its absolute and sole discretion.

7.4 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 Avondale: City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323
Facsimile: (623) 333-0100
Attn: Charles Montoya, City Manager

With copy to: City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323
Attn: Nicholle Harris, City Attorney

If to Goodyear: City of Goodyear
PO Box 5100
Goodyear, Arizona 85338
Attn: Fire Chief

With copy to: City of Goodyear
190 North Litchfield Road
Goodyear, Arizona 85338
Attn: Roric Massey, City Attorney

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 Section. 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.

7.5 Approvals. With respect to any provision of this Agreement requiring the consent or approval of either Party as to any matter, unless specifically provided to the contrary in the particular provision requiring such consent or approval, that consent or approval shall not be unreasonably withheld or unreasonably delayed by the Party whose consent or approval is required.

7.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

7.7 Attorney's Fees. In the event of any litigation arising out of this Agreement, the substantially prevailing Party in such litigation shall be entitled to recover its attorneys' fees, expert witness fees and other costs of litigation.

7.8 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.

7.9 Entire Agreement. This Agreement contains the entire understanding between the Parties with respect to the subjects hereof and supersedes all prior negotiations and agreement.

7.10 Amendment. This Agreement may be amended only by an instrument in writing signed by the Parties.

7.11 Waiver. The waiver of any breach of this Agreement shall not be deemed to amend this Agreement and shall not constitute a waiver of any other subsequent breach.

7.12 Headings. Headings of this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

7.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

7.14 Recordation of Agreement: Effective Date. This Agreement shall be filed with the Maricopa County Recorder upon its execution. This Agreement shall be effective as of the date first set forth above or, if later, the date of filing of this Agreement as provided in this Section.

7.15 Time of Essence. Time is of the essence with respect to the performance of each and every term, condition, and obligation of this Agreement.

7.16 Further Acts. Each of the Parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

7.17 Legal Worker Requirements. As mandated by ARIZ. REV. STAT. § 41-4401, each Party is prohibited from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with ARIZ. REV. STAT. §23-214-A, which requires that “every employer, after hiring an employee, shall verify the employment eligibility of the employee through the e-verify program.” A contractor is not in material breach of this provision if it complies with the employment verification provisions prescribed by Section 274a and 274b of the federal Immigration Nationality Act and the e-verify requirements of ARIZ. REV. STAT. §23-214-A. As required by ARIZ. REV. STAT. § 41-4401, each Party offers the following to the other:

7.17.1 It warrants its compliance with all federal immigration laws and regulations that relate to its employees and its compliance with ARIZ. REV. STAT. §23-214-A.

7.17.2 A breach of that warranty shall be deemed a material breach of the contract that is subject to penalties up to and including termination of this Agreement.

7.17.3 Each Party retains the legal right to inspect the paper of the other to ensure that it is complying with the warranty specified in Section 7.17.1.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written above.

“Avondale”

City of Avondale, an Arizona
municipal corporation

Kenneth N. Weise, Mayor

Date: _____

ATTEST:

Marcella Carrillo, City Clerk

“Goodyear”

City of Goodyear, an Arizona
municipal corporation

Georgia Lord, Mayor

Date: _____

Darcie McCracken, City Clerk

In accordance with the requirements of ARIZ. REV. STAT. § 11-952(D), the undersigned attorneys acknowledge that (i) they have reviewed the above Agreement on behalf of their respective clients and (ii) as to their respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

Nicholle Harris
Avondale City Attorney

Roric Massey
Goodyear City Attorney

EXHIBIT A
TO
INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF GOODYEAR
AND
THE CITY OF AVONDALE
FOR
JOINT TRAINING FACILITY USE

[Facility Use Waiver]

See following page.



FACILITY USE WAIVER

The Cities of Avondale and Goodyear operate a fire fighter training program. The Firefighter Training Programs at the joint facility ("Facility" have been developed in accordance with the standards adopted by the Phoenix Regional Fire and Consolidated Dispatch program as well as those of the National Fire Protection Association and other agencies.

Participation in firefighter training involves risks of personal injury and/or property damage. Injuries in Firefighter Training are not uncommon but they are usually limited to sore muscles and joints due to lack of exercise. However, prudent participants will want to ensure they have coverage for major injuries, which are very rare, but possible.

Prior to participating in each training activity participants will be instructed in the proper use of any equipment and/or facility. Participants shall be responsible for following correct procedures and safety precautions. Participants will also be responsible for reporting any safety concerns to the proper facility personnel. Students may be exposed to the following situations: physical fitness training, outdoor environmental climate extremes, exposure to live fire and smoke, and physical and mental fatigue. This list is intended to give the student an idea of the rigors of Firefighter Training. However, the list is not intended to be an all-inclusive list of stressors a participant in Firefighter Training might encounter.

ASSUMPTION OF RISK AND RELEASE

In consideration for the opportunity to participate in the Firefighter Training program, the undersigned agrees to comply with all rules, regulations, procedures and safety precautions established by the facility in connection with the Firefighter Training Program and the use of the equipment facilities associated with it.

Furthermore, I acknowledge the existence of the risk associated with this program and agree to assume such risk and accept responsibility for any injuries, illness, death and/or property damage sustained by me in the course of participation in this program. I hereby agree for myself, my heirs, executors and administrators to release and consent not to sue the Cities of Avondale and Goodyear, their employees, whether full or part-time, paid or unpaid, their administrators, directors, officers and agents, and hold them harmless for any losses or injuries that may result from participation in this training program.

I acknowledge that I have read this document and understand it and I am signing voluntarily.

Signature _____ Date: _____
Last Name: _____ First: _____ Middle: _____

EXHIBIT B
TO
INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE CITY OF GOODYEAR
AND
THE CITY OF AVONDALE
FOR
JOINT TRAINING FACILITY USE

[Training Center Fee Schedule]

See following page.

Training Center Fee Schedule		
Prop/Room	Non-Affiliated Party Cost	Minimal Rental Time
Classroom	\$40/hour	2 hours
Commercial Ventilation Prop	\$50/hour	2 hours
Burn Tower (Live Fire Drills)	\$70/hour	2 hours
Burn Tower (Non-Live Fire Drills)	\$30/hour	2 hours
Vehicle Fire Prop	\$20/hour	2 hours
Flashover Chamber	\$70/hour	2 hours
Vehicle Roadways	\$20/hour	2 hours
Vehicle Extrication Training Area	\$20/hour	2 hours
Materials	Non-Affiliated Party Cost	Minimal Rental Time
OSB for Ventilation Props	Current market price	N/A
Salvage Vehicles	\$300 each	N/A
Personnel	Non-Affiliated Party Cost	Minimal Rental Time
Fire Instructor I	\$75/hour	2 hours
Live Fire Assistants	\$50/hour	2 hours

Cleaning Fee: \$500 (Waivable if Facility Clean After Use)

CITY COUNCIL REPORT

SUBJECT: Resolution 1094-1121 - Canvass of Election, Corrections Officer Retirement Pension Board Election

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Marcella Carrillo, City Clerk, (623) 333-1214

THROUGH: Tracy Stevens, Deputy City Manager, (623) 333-1014

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area: Connected Community - Avondale will work directly and closely with our communities to develop programs and infrastructure that connect residents to the city's resources, the region, and each other.

PURPOSE:

City Council will consider a request to adopt Resolution 1094-1121, declaring and adopting the results of the Local Board Election held on November 4, 2021, electing Allisan Vance as a Board Member to the Corrections Officer Retirement Pension Board and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

On September 23, 2021, a Notice of Election was sent to all eligible employees and physically posted at the Historic Old Town Sub-Station / Detention Facility. From September 23, 2021 through October 25, 2021, Notices of Interest were accepted through the City Clerk's Office. The City Clerk's Office received one filed Notice of Interest from the nine eligible employees.

DISCUSSION:

Pursuant to A.R.S. §38-893, each city or town participating in the Corrections Officer Retirement Pension must establish a five (5) person Local Board, of which two are employees elected by secret ballot by members employed by the appropriate employer. The local board elections are conducted in accordance with Administrative Policy 65 - Public Safety Board Elections for Employees. Elected member terms are staggered and elections are held in odd-numbered years.

On October 26, 2021, ballots were prepared and distributed to all eligible members of the Corrections Officer Retirement Pension local board. Completed ballots were due back to the City Clerk's Office on November 4, 2021. On November 4, 2021, ballot counts for the election were conducted and election results were tallied using a two-person tally board from the City Clerk's Office.

It is hereby found, determined and declared of record that **Allison Vance** received the majority of votes cast at the Election for the office of Corrections Officer Retirement Pension Local Board Member. The newly elected representative will receive a Certificate of Election from the City Clerk.

BUDGET IMPACT:

There is no fiscal impact related to the local board elections.

RECOMMENDATION:

Staff recommends City Council adopt a Resolution declaring and adopting the results of the Corrections Officer Retirement Pension Board Election held on November 4, 2021 and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

RESOLUTION NO. 1094-1121

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, DECLARING AND ADOPTING THE RESULTS OF THE LOCAL CORRECTIONS OFFICER RETIREMENT PENSION BOARD ELECTION HELD ON NOVEMBER 4, 2021.

WHEREAS, the City of Avondale (the “City”), Arizona, held an election on November 4, 2021 for the election of one Local Corrections Officer Retirement Pension Board Member (the “Election”); and

WHEREAS, the Election returns, which include (i) the number of votes received by each candidate and (ii) the title of the office voted for and the names of each person voted for to fill each office, are attached hereto as Exhibit A and incorporated herein by reference, and have been presented to and canvassed by the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

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

SECTION 2. The total number of eligible voters for the Election was 9; the total number of ballots cast at the Election, as shown in the Election returns, was 7; the total rate of return was 78%.

SECTION 3. The votes cast for the candidates for Board Member of the Corrections Officer Retirement Pension Local Board were as follows:

VANCE, ALLISON

7

SECTION 4. It is hereby found, determined and declared of record that Allison Vance (i) received the majority of votes cast at the Election and (ii) shall be issued a certificate of election.

SECTION 5. This Resolution shall be in full force and effect immediately upon its adoption; a certified permanent copy of which shall be filed with the City Clerk, who shall maintain it as a permanent record.

SECTION 6. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
November 15, 2021.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION 1094-1121

Election Returns

Board Member - Corrections Officer Retirement Pension Local Board

VANCE, ALLISON	7	100%
Total....	7	100.00%

CITY COUNCIL REPORT

SUBJECT: Resolution 1095-1121 - Master Services Agreement with Northern Arizona University for Greenhouse Gas Emissions Inventory Update

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Kevin Murphy, Director of Development and Engineering Services, (623) 333-4011

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

STRATEGIC OUTCOME AREA: Natural Resources and Open Spaces

- STRATEGY: Encourage resource conservation and other sustainable practices throughout municipal operations.
-

PURPOSE:

City Council will consider a request to adopt Resolution 1095-1121, authorizing a Master Services Agreement (MSA) with Northern Arizona University to conduct an update to the Municipal Greenhouse Gas Emissions Inventory and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

Understanding how Avondale's municipal operations impact the environment in terms of greenhouse gas emissions is a key component of the City's Sustainability Plans and supports the 2021 Avondale Strategic Plan. The Master Services Agreement with Northern Arizona University will meet the City's Sustainability Plan goal to update the greenhouse gas emissions inventory every two years. This project will measure progress towards the City's objective to reduce emissions and help identify new opportunities to curb emissions from current municipal operations.

DISCUSSION:

A greenhouse gas emissions inventory lists and quantifies the sources of emissions that contribute to climate change from a given sector. The City of Avondale last evaluated greenhouse gas emissions resulting from municipal operations for the years 2012 and 2014 through a Master Services Agreement with Arizona State University. Since then, the City implemented several strategies to reduce emissions and save money on operating costs. At the same time, City services were expanded to meet the demand from increased economic development and population growth. By partnering with Northern Arizona University to conduct an update to the City's emissions inventory, Avondale will be able to evaluate the impact of its strategies and determine focus areas for future emission reduction efforts. This information will be used to inform smart, data-driven

goals and strategies for the upcoming Community Sustainability Plan.

BUDGET IMPACT:

Funding for these services is appropriated in the Environmental Programs budget.

RECOMMENDATION:

Staff recommends City Council adopt a Resolution authorizing a Master Services Agreement with Northern Arizona University to conduct an update to the Municipal Greenhouse Gas Emissions Inventory and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents.

RESOLUTION NO. 1095-1121

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING A MASTER SERVICES AGREEMENT WITH THE ARIZONA BOARD OF REGENTS FOR AND ON BEHALF OF NORTHERN ARIZONA UNIVERSITY RELATING TO AN INVENTORY OF GREENHOUSE GAS EMISSIONS RESULTING FROM CITY OPERATIONS.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The Master Services Agreement with the Arizona Board of Regents for and on behalf of Northern Arizona University relating to an inventory of greenhouse gas emissions resulting from city operations (the “Agreement”) is hereby approved in substantially the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, November 15, 2021.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1095-1121

[Agreement]

See following pages.

**MASTER SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
NORTHERN ARIZONA UNIVERSITY**

This Master Services Agreement (“Agreement”) is entered into this ____ day of _____, 2021 (the “Effective Date”) by and between the City of Avondale (the “City”), an Arizona municipal corporation, and the Arizona Board of Regents, the governing body for Arizona’s public universities, for and on behalf of Northern Arizona University (“NAU”).

RECITALS

A. The City desires to engage NAU to perform certain services as the City may require from time to time (the “Services”), as described in each scope of work (each, a “Scope of Work”) agreed to by the parties in the form set forth on Exhibit A hereto which is incorporated herein by this reference.

B. NAU has the capability, facilities and equipment to provide the Services to the City.

C. The performance of the Services is consistent, compatible, and beneficial to the role and mission of NAU to provide educational experiences for students and to encourage and support research and related educational activities.

AGREEMENT

1. **Scope of Work.** NAU shall use reasonable efforts to provide the Services requested by the City from time to time. The Services shall be provided under the direction and supervision of the NAU contact named in the Scope of Work. The parties agree that NAU shall have discretion to involve its students in the conduct and performance of the Services. To the extent there are any conflicts between the provisions of any Scope of Work and this Agreement, the terms of this Agreement shall control. NAU’s performance of the Services and its obligations under this Agreement are subject to and governed by the regulations and policies of the Arizona Board of Regents.

2. **Scheduling Services.** The scheduling of the Services shall be arranged to avoid conflict with NAU’s educational and research programs. NAU shall control the scheduling of such Services but shall try to meet the timelines established by the City.

3. **Term and Termination.**

3.1 The term of this Agreement shall be one (1) year commencing on the Effective Date and shall terminate as provided herein. The parties may modify or extend this Agreement at any time by mutual written consent.

3.2 Either party may terminate this Agreement at any time by giving the other party not less than thirty (30) days prior written notice. If this Agreement is terminated by the City, the City

shall remain responsible for payment to NAU for all Services performed through the date of termination and for reimbursement to NAU of all non-cancelable commitments incurred in the performance of the Services. Upon termination, property purchased in furtherance of this Agreement shall remain the property of the purchasing party, unless expressly specified otherwise.

4. **Compensation and Invoicing.**

4.1 The City shall pay NAU for the Services performed under this Agreement in accordance with the rate schedule set forth in the applicable Scope of Work. The City acknowledges and agrees that rates are subject to change from time to time but that rates set forth on a Scope of Work shall not change while work thereunder is in progress. The City shall remit the amount due for Services rendered under this Agreement upon receipt of invoices from NAU issued monthly for the duration of the period of performance. Invoices are due and payable within 30 days. NAU shall send invoices to the City contact identified in the Scope of Work or communicated to NAU by the City. The City shall send payment to the payment address set forth in the Scope of Work or as otherwise communicated by NAU to the City. Questions regarding invoices should be directed to the NAU contact identified in the Scope of Work.

4.2 NAU reserves the right to subject invoices not paid within thirty (30) days of the invoice date to a 4% per month late fee on the unpaid balance for any amounts not in dispute. NAU reserves the right to discontinue the Services if the City fails to make payments when due. In the event of non-payment, NAU may terminate all further work on the Services and seek full payment from the City for all work performed and all expenses incurred including allocable costs, pursuant to the termination clause of this Agreement including the collection of payment.

5. **No Warranty.** NAU neither makes nor shall be deemed to have made any representation or warranty whatsoever (express or implied) regarding any outcome obtained or deliverable delivered hereunder including any outcome desired by the City. Any decision regarding safety, applicability, marketability, effectiveness for any purpose, or other use or disposition of said outcome shall be the sole responsibility of the City and/or its permitted assigns and licensees.

6. **No University Endorsements.** In no event shall the City (or its successors, employees, agents and contractors) state or imply in any publication, advertisement or other medium that NAU has approved, endorsed or tested any product or service. In no event shall NAU's performance of any Services hereunder be considered a test of the effectiveness or the basis for any endorsement of a product or service.

7. **Use of Names or Logos.** Neither party shall use any names, service marks, trademarks, trade names, logos or other identifying names, domain names or identifying marks of the other party ("Marks"), or the name of any representative or employee of the other party in any sales promotion work or advertising, or any form of publicity, without the prior written permission of the party that owns the Marks in each instance. Use of any party's Marks must comply with the owning party's requirements, including using the "®" indication of a registered trademark where applicable.

8. **Similar Research.** Nothing in this Agreement shall be construed to limit the freedom of NAU or of its researchers from engaging in similar services made under other grants, contracts or

agreements with parties other than the City.

9. **Export Controls.** The City shall notify NAU in writing if any technological information or data provided to NAU under this Agreement is subject to export controls under U.S. law or if technological information or data that the City is requesting NAU to produce during the course of work under this Agreement is expected to be subject to such controls. The City shall notify NAU of the applicable export controls (for example, Commerce Control List designations, reasons for control, countries for which an export license is required). NAU shall have the right to decline export-controlled information or tasks requiring production of such information.

10. **Independent Contractor.** Each party is an independent contractor and is independent of the other party. Under no circumstances shall any employees of one party be deemed the employees of the other party for any purpose. This Agreement does not create a partnership, joint venture or agency relationship between the parties of any kind or nature. This Agreement does not create any fiduciary or other obligation between the parties, except for those obligations expressly and specifically set forth herein. Neither party shall have any right, power, or authority under this Agreement to act as a legal representative of the other party, and neither party shall have any power to obligate or bind the other or to make any representations, express or implied, on behalf of or in the name of the other in any manner or for any purpose whatsoever contrary to the provisions of this Agreement. Each party acknowledges that the relationship of the parties hereunder is non-exclusive.

11. **Notices.** All notices, requests, demands and other communications hereunder shall be deemed to have been duly given if the same shall be in writing and be delivered (a) personally, (b) by registered or certified mail, postage prepaid, (c) by facsimile transmission, with a copy by regular mail or (d) by overnight delivery service and addressed to the recipient's address set forth in the Scope of Work.

Either party may change its address for notices or other contact details by giving written notice to the other party in accordance with this Section. The parties agree to acknowledge in writing the receipt of any written demand, notice, report, request or other communication under this Section that is delivered in person.

12. **Force Majeure.**

12.1 No liability shall result from the delay in performance or nonperformance caused by force majeure or circumstances beyond the reasonable control of the party affected, including, but not limited to, acts of God, fire, flood, substantial snowstorm, war, terrorism, embargo, any United States or foreign government regulation, direction or request, accident, strike or other labor dispute or labor trouble, or any failure or delay of any transportation, power or communications system or any other or similar cause beyond that party's reasonable control.

12.2 The party which is so prevented from performing shall give prompt notice to the other party of the occurrence of such event of force majeure, the expected duration of such condition and the steps which it is taking to correct such condition. This Agreement may be terminated by either party by written notice upon the occurrence of such event of force majeure which results in a delay of performance hereunder exceeding thirty (30) days.

13. **Applicable Law.** Any dispute regarding or arising under this Agreement, or the interpretation of this Agreement, shall be subject to and resolved in accordance with the laws of the State of Arizona, without regard to its conflicts of laws principles.
14. **Dispute Resolution.** In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall use their reasonable efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. In the event of litigation, as required by ARIZ. REV. STAT. §12-1518, the parties agree to make use of arbitration in all contracts that are subject to mandatory arbitration pursuant to rules adopted under ARIZ. REV. STAT. §12-133.
15. **Assignment.** Neither party shall assign or transfer any interest in this Agreement without the prior written approval of the other party. Any attempted assignment in violation of this provision shall be null and void. Subject to the foregoing, this Agreement shall be binding upon the permitted successors and permitted assigns or other permitted transferees of the parties.
16. **Recitals and Exhibits.** All recitals herein, and all exhibits attached hereto (including each Scope of Work hereunder) and referred to herein, are integral and material parts of this Agreement.
17. **Severability.** If any provision of this Agreement shall for any reason be found invalid, illegal, unenforceable, or in conflict with any valid controlling law: (a) such provision shall be separated from this Agreement; (b) such invalidity, illegality, unenforceability, or conflict shall not affect any other provision hereof; and (c) this Agreement shall be interpreted and construed as if such provision, to the extent the same shall have been held invalid, illegal, unenforceable, or in conflict, had never been contained herein.
18. **Waiver.** The waiver of a breach hereunder may be effected only by a writing signed by the waiving party and shall not constitute, or be held to be, a waiver of any other or subsequent breach or to affect in any way the effectiveness or enforceability of the provision in question.
19. **Modification.** Any modification or amendment of this Agreement or any Scope of Work hereunder shall be effective only if made in writing and signed by both parties.
20. **No Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any person or entity, other than the parties and their respective successors and assigns permitted by this Agreement, any right, remedy or claim under or by reason of this Agreement.
21. **Merger and Integration.** This Agreement contains the entire understanding between the parties concerning the subject matter of this Agreement and supersedes any and all prior understandings, agreements, representations, and warranties, express or implied, written or oral, between the parties concerning the subject matter of this Agreement.
22. **Nondiscrimination.** The parties agree to 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 shall 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.**

23. **Conflict of Interest.** In accordance with ARIZ. REV. STAT. § 38-511, NAU and The City may cancel this Agreement within three years after the execution of this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of either party, at any time while this Agreement or any extension thereof is in effect, is an employee or agent of any other party to this Agreement in any capacity or a consultant to any other party with respect to the subject matter of this Agreement.

24. **Failure of Legislature to appropriate.** In accordance with ARIZ. REV. STAT. § 35-154, if NAU'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 NAU may provide written notice of this to the City and cancel this Agreement without further obligation of NAU. Appropriation is a legislative act and is beyond the control of NAU.

The City is obligated only to pay its obligations set forth in the Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during The City's then current fiscal year. The City's obligations under this Agreement are current expenses subject to the "budget law" and unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should The City elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Agreement. The parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which the Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The City shall keep NAU informed as to the availability of funds for this Agreement. The obligation of the City to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the City. NAU hereby waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Agreement pursuant to this section

25. **Liability.** To the fullest extent permitted by law, each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnatee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/ derivative

liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

26. **Insurance.** NAU, as an Arizona public enterprise, is self-insured through the Arizona Department of Administration, Risk Management Section's self-insurance program. The State of Arizona maintains for all of its departments, agencies, boards, commissions, and employees insurance and self-insurance in accordance with ARIZ. REV. STAT. §§ 41-621 and 41-622. Coverage includes commercial general liability, commercial automobile liability, NAU owned or leased property and workers' compensation for NAU employees acting in the course and scope of their employment or authorization. The City agrees to secure and maintain insurance coverage for any and all risks that may arise out of the terms, obligations, operations and actions as set forth in this Agreement, including but not limited to public entity insurance. The acquisition of insurance or the maintenance and operation of a self-insurance program may fulfill the insurance requirement.

27. **Confidential Information.**

27.1 The City and NAU may choose, from time to time, in connection with the Services contemplated under this Agreement, to disclose confidential information to each other ("Confidential Information"). All such disclosures must be in writing and marked as Confidential Information. Each party shall use reasonable efforts to prevent the disclosure to unauthorized third parties of any Confidential Information of the other party and shall use such information only for the purposes of this Agreement. All obligations under this Section shall expire three (3) years after the Effective Date.

27.2 NAU is a public institution and, as such, is subject to ARIZ. REV. STAT. §§ 39-121 through 39-127 regarding public records. Accordingly, notwithstanding any other provision of this Agreement to the contrary, any provision regarding confidentiality is limited to the extent necessary to comply with the provisions of Arizona law.

28. **E-Verify.** To the extent applicable under ARIZ. REV. STAT. § 41-4401, NAU 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 ARIZ. REV. STAT. § 23-214(A). NAU'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.

29. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument, and photocopy, facsimile, electronic and other copies shall have the same effect for all purposes as an ink-signed original.

[SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the respective dates entered below.

THE CITY OF AVONDALE

**THE ARIZONA BOARD OF REGENTS
FOR AND ON BEHALF OF
NORTHERN ARIZONA UNIVERSITY**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

In accordance with A.R.S. §11-952 (D), this Agreement has been reviewed by the undersigned who determined that it is in appropriate form and is within the powers and authority of the respective parties.

**THE ARIZONA BOARD OF REGENTS
FOR AND ON BEHALF OF
NORTHERN ARIZONA UNIVERSITY**

By: _____

Name: _____

Title: _____

Date: _____

THE CITY OF AVONDALE

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

**MASTER SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
NORTHERN ARIZONA UNIVERSITY**

(Form of Scope of Work)

**SCOPE OF WORK
BETWEEN
THE CITY OF AVONDALE
AND
NORTHERN ARIZONA UNIVERSITY**

This Scope of Work, dated _____, _____, is issued pursuant to, made part of, and governed by the Master Services Agreement, dated _____, 2021 (“Master Agreement”), by and between City of Avondale (“The City”) an Arizona municipal corporation, and the Arizona Board of Regents, the governing body for Arizona’s public universities, for and on behalf of Northern Arizona University (“NAU”).

Contact Details.

<u>NAU:</u> <u>Technical Contact:</u> Northern Arizona University College of Engineering, Informatics, and Applied Sciences PO Box 15650 Flagstaff, AZ 86011 Attn: Richard Rushforth, Asst. Research Professor <u>Administrative Contact:</u> Northern Arizona University Office of Sponsored Projects PO Box 4130 Flagstaff, AZ 86011-4130 Email: NAU-OSP@nau.edu Attn: Tulasi Fowler and Samaneh Sedeh	<u>City of Avondale:</u> <u>Technical Contact:</u> City of Avondale City Development & Engineering Services 11465 W Civic Center Drive, #110 Avondale, AZ 85323 Phone: (623) 333-4021 Attn: Danae Presler, Sustainability Officer <u>Administrative Contact:</u> City of Avondale 11465 West Civic Center Drive Avondale, Arizona 85323 Attn: Charles Montoya, City Manager With a copy to: City of Avondale 11465 West Civic Center Drive Avondale, Arizona 85323 Attn: Nicholle Harris, City Attorney
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Scope of Work.

1.0 Project Strategic Plan

Northern Arizona University shall conduct a comprehensive greenhouse gas (GHG) inventory of the emissions resulting from local government operations for the City of Avondale (Avondale). The resulting data product shall provide Avondale managers a complete picture of the GHG emissions arising from all activities conducted by Avondale. The inventory shall provide actionable information for Avondale city managers to reduce the GHG emissions resulting from government operations and to develop a climate action plan.

Goal: Provide a comprehensive greenhouse gas emissions inventory founded on widely accepted industry standards and measurements.

Metrics: The project shall utilize methods and tools for greenhouse gas emissions data collection and analysis as outlined in the Local Government Operation Protocol (LGOP) established by ICLEI Local Governments for Sustainability.

Impacts: The primary impact of the project shall be to provide objective and current greenhouse gas emissions analysis for the purpose of decision making.

Deliverables: GHG Inventory Reports and Workbooks.

2.0 Scope of Work

The emissions inventory shall categorize emissions into three Scope designations (Figure 1). Scope 1 emissions are from sources that are directly owned by Avondale, such as fleet fuel consumption, natural gas combustion, water and wastewater treatment, and fugitive emissions from refrigerant use. Scope 2 are indirect emissions from the generation of electricity, heat or steam purchased by the Avondale for municipal operations. Finally, Scope 3 emissions are all other GHG emissions from sources not owned by Avondale. Common examples of Scope 3 emissions include commuting, transmission and distribution loss in the electricity grid, business travel, and private sector contracted solid waste disposal and wastewater treatment. The consumption-based inventory and the expanded transportation emissions inventory provide more robust accounting of Scope 3 emissions and strengthens the community GHG emissions inventory.

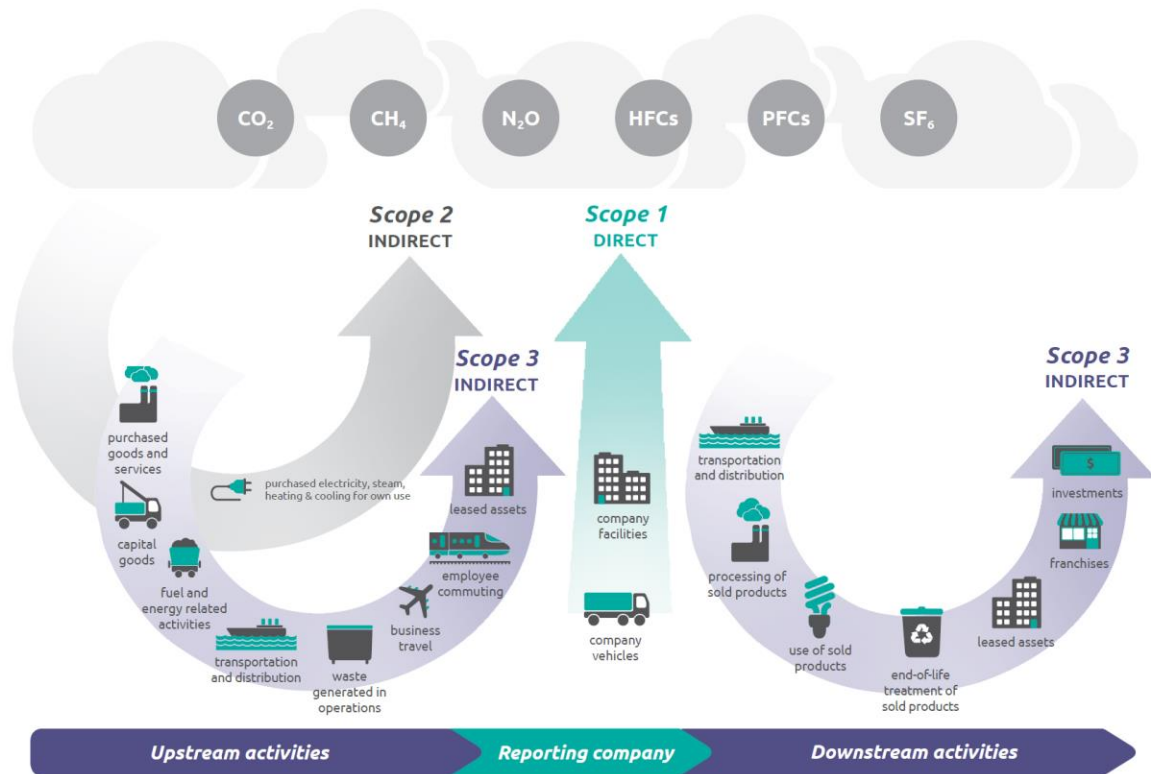


Figure 1: Emissions Scopes for Greenhouse Gas Inventories (Source: Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011)

3.0 Project Management

Task 1: Local Government Operations Emissions Inventory

NAU shall perform a GHG inventory for Avondale based on the most current methodology for local government operations. These emissions arise from the day-to-day activities of municipal governments to provide services for their residents. To inventory GHG emissions from Avondale's municipal operations, NAU shall follow established protocols for local government operations. The most commonly used protocol is the Local Government Operation Protocol (LGOP) established by ICLEI Local Governments for Sustainability. This protocol has been used by Valley cities, such as the city of Phoenix, to conduct municipal operations emissions inventories.

NAU shall meet with Avondale to set the boundaries of the emissions inventory—geographic, financial, operational, or a combination of all three to accurately reflect the Avondale's operations. At the boundary setting meeting Avondale and NAU shall determine Avondale-specific boundaries for buildings and other facilities; streetlights and traffic signals; water delivery facilities; airport facilities; vehicle fleet; transit fleet; power generation facilities (if applicable); solid waste facilities; wastewater facilities; and commuting. The reporting years shall be 2018 and 2020.

After the boundary setting, NAU shall help Avondale identify key data for the calculation of emissions. Data processing shall commence as soon as Avondale has data to share with NAU. Data processing shall consist of organizing the data provided by Avondale into a searchable workbook that shall provide the inputs into the LGOP Emissions Inventory Model developed by NAU. NAU shall also perform QA/QC on all data provided by Avondale to ensure that emissions totals calculated by the LGOP model shall be accurate and verifiable. Data requirements are in [Appendix A](#).

Once NAU has processed the data provided by Avondale it shall create a custom LGOP emissions model workbook. The model shall be a searchable workbook with graph and table outputs. The model results shall provide the basis of a comprehensive report.

Deliverable 1: Municipal Operations GHG Emissions Inventory Report

Deliverable 2: Municipal Operations GHG Emissions Inventory Workbook

Project Plan

The proposed project be the municipal operations GHG emissions inventory. NAU estimates that this project shall take 3 months to complete.

4.0 Project Cost and Terms

The total reimbursement to the NAU for the project is **\$15,000**. Specific breakdown of payment terms as follows:

DESCRIPTION	AMOUNT	DUE DATE
Phase I (\$15,000 total) Municipal GHG	\$7,500	Upon execution by both parties of the Agreement and submitted invoice
	\$7,500	Upon completion of the project and submitted invoice

Invoices are due and payable within 30 days. Questions regarding invoices should be directed to the person identified below. NAU shall mail invoices to the City contact identified.

Avondale shall consent, upon successful completion of the project, to development and publication of a short (1- to 2-page) “case brief” explaining the challenge, project approach, solution and impacts of the project. Such consent would be dependent on the Avondale’s satisfaction with the results. The case brief may be posted on the NAU websites and used as the basis for public relations, marketing and NAU student education. Avondale shall also consider co-creating one or more in-depth case studies of the project that might be published in academic and/or industry journals. In both cases, NAU recognizes that confidentiality considerations may result in the delay of publication of the above documents for an extended period of time.

Appendix A: Data Requirements for Comprehensive GHG Emissions Inventory of Municipal Operations

A list of data required to complete a municipal operations GHG emissions inventory for Avondale is provided below. The list is separated by emissions sectors and the type of data required to calculate the emissions. **Preferred or required data are bolded**, while *ancillary data is italicized*.

- Buildings and other facilities
 - **Electricity Consumption**
 - **Natural Gas Consumption**
 - *Refrigerant Usage*
- Streetlights and traffic signals
 - **Electricity Consumption**
- Water delivery facilities
 - **Electricity Consumption**
 - **Natural Gas Consumption**
- Airport facilities
 - **Fuel Consumption by Fuel Type**
- Vehicle fleet
 - **Fuel Consumption by Fuel Type**
 - *Fleet vehicle MPG and miles driven*
 - *Money Spent on Fuel and average gas prices*
- Transit fleet
 - **Fuel Consumption by Fuel Type**
 - *Fleet vehicle MPG and miles driven*
 - *Money Spent on Fuel and average gas prices*
- Power generation facilities (if applicable)
 - **Electricity Produced**
 - **Renewable Energy Generated**
- Solid waste facilities
 - **Methane Flaring from Solid Waste facilities**
 - *Waste Characterization and Tonnage Hauled*
- Wastewater facilities
 - **Methane Flaring data from Anaerobic Digester Facilities**
 - **Total Nitrogen (TN) discharges from WWTP outfalls**
 - *Population Served by Avondale WWTPs and type of WWTP. E.g., anaerobic digestion, treatment lagoons, septic systems*
- Commuting
 - **Maricopa County Trip Reduction Program Data**
 - *Number of employees, we can then make a commuting model based on County-wide commuting patterns.*

The following Sections shall apply in the event the City and its employees are present on the NAU campus or use NAU equipment.

Required Training. The City understands that a person must be certified to use NAU equipment. Training of any employee or agent of the City who does not meet certification requirements may be arranged through the College of Engineering, Informatics, and Applied Sciences. NAU reserves the right to charge an additional fee for training services.

Data Processing. The City shall be given access to data processing facilities and reasonable amounts of data processing may be carried out by NAU personnel. The City shall be provided with network access to data processing facility including workstations and full use of legally accessible software. Remote operation may be arranged for some projects allowing the results to be delivered by e-mail. Personalized instruction in advanced characterization techniques can be made available for a fee at NAU and, in some cases, at the City's site. Project reports can be made available on request.

CITY COUNCIL REPORT

SUBJECT: Resolution 1096-1121 - 4th Amendment to the Intergovernmental Agreement with the Superior Court of Arizona in Maricopa County for Jury Services

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Abril Ruiz-Ortega, Court Administrator, (623) 333-5822

THROUGH: Craig L. Jennings, City Judge, (623) 333-5813

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

- Public Health and Safety - Avondale is a city where all people feel safe and secure, relying on trusted public and community-based resources.
-

PURPOSE:

City Council will consider a request to adopt Resolution 1096-1121, authorizing a 4th Amendment to the Intergovernmental Agreement (IGA) with the Maricopa County Superior Court to include two updates: (1) In section 3, the Superior Court clarifies the services expected from the Avondale City Court and (2) In section 4, the Superior Court outlines expectations for juror biographical reporting in accordance with the Arizona Supreme Court Administrative Order 2021-54 and (3) authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

On June 2, 2014, Council approved a Resolution Authorizing an Intergovernmental Agreement between the City of Avondale and the Superior Court of Arizona in Maricopa for Jury Services.

The City currently pays a \$25 cost for the creation of a source file of names taken from the General Election Voter Registration Lists and the Department of Transportation.

Per the term of the IGA, the Agreement is renewable for two-year terms through June 2024. The current renewal expires on June 30, 2022.

DISCUSSION:

The Superior Court notified the Avondale City Court of the following amendments to the standard Amendment:

1. In section 3, the Superior Court would like to clarify the services expected from the Avondale City Court.
2. In section 4, the Superior Court is outlining expectations for juror biographical reporting. This is in accordance with the Arizona Supreme Court Administrative Order 2021-54; Collection of Juror Biographical

Information.

BUDGET IMPACT:

Courts may continue to purchase an updated file every year and pay a \$25.00 cost for each 100 potential jurors listed in the creation of a source file as established in the agreement. These costs are currently included in the budget, and continuing this IGA will not result in increased costs for the city.

RECOMMENDATION:

Staff is requesting that the City Council adopt a Resolution authorizing a 4th Amendment to the Intergovernmental Agreement (IGA) with the Maricopa County Superior Court to include two updates: 1. In section 3, the Superior Court clarifies the services expected from the Avondale City Court and 2. In section 4, the Superior Court outlines the expectations for juror biographical reporting in accordance with the Arizona Supreme Court Administrative Order 2021-54. All other provisions in the IGA shall remain in their entirety.

RESOLUTION NO. 1096-1121

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING A FOURTH AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT WITH THE SUPERIOR COURT OF ARIZONA IN MARICOPA COUNTY RELATING TO JURY SERVICES IN THE AVONDALE CITY COURT.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The Fourth Amendment to the Intergovernmental Agreement between the City of Avondale and the Superior Court of Arizona in Maricopa County, relating to jury services in the Avondale City Court (the “Amendment”) is hereby approved in substantially the form and substance attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to cause the execution of the Amendment and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, November 15, 2021.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A
TO
RESOLUTION NO. 1096-1121

[Fourth Amendment]

See following pages.

**FOURTH AMENDMENT TO EXTEND THE
INTERGOVERNMENTAL AGREEMENT**

BETWEEN

THE SUPERIOR COURT OF ARIZONA IN MARICOPA COUNTY

and

AVONDALE CITY COURT

FOR JURY SERVICES

It is mutually agreed that the Intergovernmental Agreement dated June 20, 2014 ("IGA") between the parties for jury services is amended as follows:

1. In accordance with Paragraph 4 of the IGA, "Term and Renewal; Termination," the IGA is renewed for two additional years. The IGA shall remain effective after June 30, 2022 and shall expire June 30, 2024.

2. Also in accordance with Paragraph 4 of the IGA, the Superior Court will maintain the cost per summons at the time of renewal. Effective July 1, 2020, the cost per summons increased to \$2.90. All other costs remained the same.

3. New subparagraph 5.D is hereby added to the IGA to read as follows:

D. Expectations of the Superior Court of Arizona in Maricopa County. Please select from the list below any/all services that apply:

- | | | | | |
|---|---------------|-----|---------------|----|
| i. Summons List Required: | <u> X </u> | Yes | <u> </u> | No |
| ii. Summoning done by Superior Court: | <u> </u> | Yes | <u> X </u> | No |
| iii. Fees & Mileage paid by Superior Court: | <u> </u> | Yes | <u> X </u> | No |

4. New subparagraph 5.E is hereby added to the IGA to read as follows:

E. Expectations for reporting juror biographical information:

- i. The Superior Court will annually report all Lower Jurisdiction (LJ) Courts biographical data (i.e., Justice Courts data will be combined and reported in aggregate. Data for Municipal Courts will be submitted per court).
- ii. Information collected will encompass who appeared either physically or virtually *and* completed a questionnaire.
- iii. LJ Courts *with* access to the Clearview Jury application will be responsible for entering their juror's biographical information into the Clearview Jury application. Data must be entered within 3 days of juror release.

- iv. LJ Courts *without* access to the Clearview Jury application will be required to send the biographical worksheets to the Superior Court Jury Office by the 10th of the following month.

*To ensure everyone is keeping up, Superior Court will be reporting internally on a quarterly basis starting 10/1/2021.

5. All other provisions of the IGA shall remain in their entirety.

In witness whereof, the parties hereto have executed this Amendment on the last date written below:

Honorable Joseph Welty
Presiding Judge
Superior Court of Arizona
in Maricopa County

Date

Presiding Judge
Avondale City Court

Date

Arizona Attorney General's Office

Avondale City Attorney's Office

Assistant Attorney General

City Attorney

Date

Date

CITY COUNCIL REPORT

SUBJECT: Ordinance 2061-1121 – Authorizing the Sale and Issuance of City of Avondale, Arizona General Obligation Bonds, Series 2021

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Keith Fallstrom, Interim Finance & Budget Director, (623) 333-2016

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government. Aligning resources for capital projects ensures the city has the capacity to provide innovative program and service delivery to Avondale residents, businesses, and visitors.

PURPOSE:

City Council will consider a request to adopt Ordinance 2061-1121 authorizing all matters necessary to sell and issue General Obligation Bonds and authorize the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

To assist with funding capital projects, staff is recommending the City of Avondale issue approximately \$16.2 million in General Obligation Bonds, Series 2021. The City has remaining voter authorization to issue General Obligation Bonds from both the September 8, 1998 election and the May 15, 2007 election. Of this remaining authorization, \$8.7 million is designated for Public Safety Facilities and Equipment and \$7.5 million is designated for General Government Facilities.

Staff have identified two projects, the Police Detention Center and Fire Station 171 Relocation/Reconstruction project and the Avondale Visitor and Conference Center project to use the proceeds of the General Obligation Bonds, Series 2021.

These projects will be funded by a combination of bond proceeds, Public Safety Dedicated Sales Tax revenues, and General Fund operating funds as follows:

Police Detention Center and Fire Station 171 Relocation/Reconstruction - approximately \$8.7 million of the bond proceeds will be used for this project. The budget for this project is \$25.3 million with the remaining portion being funded by the Public Safety Dedicated Sales Tax fund and the General Fund.

Avondale Visitor and Conference Center - approximately \$7.5 million of the bond proceeds will be used for

this project. The budget for this project is \$13.3 million with the remaining portion funded by the General Fund.

Staff will meet with Moody's and Fitch Ratings during November to assign General Obligation Bond credit ratings to the City. Currently, the City's ratings for General Obligation Bonds are Aa2 and AAA, respectively.

DISCUSSION:

The proposed Ordinance will authorize the sale and issuance of City of Avondale, Arizona General Obligation Bonds, Series 2021, execution of necessary agreements and documents, and annual levy of property tax for the payment of the bonds. The Ordinance also prescribes certain terms and conditions, including the delegation to the Mayor, City Manager, and the Finance and Budget Director, or their designees, the authority to:

- Designate the final principal and payment amounts, maturities and payment dates, and interest rates and yields.
- Appoint a Bond Registrar and Paying Agent and approve the form of the contract.
- Accept a proposal from the Underwriter for the purchase of the General Obligation Bonds, Series 2021, and approve the form of the contract.
- Approve the form of the Preliminary Official Statement and Official Statement.
- Ratify all actions taken with respect to the preparation and distribution of the Preliminary Official Statement.
- Approve the continuing disclosure undertaking.
- Authorize and ratify all actions taken to further this Ordinance.

The Finance and Budget Director will appoint the Bond Registrar and Paying Agent based on a competitive process.

The Preliminary Official Statement will provide information necessary to the prospective buyers of the General Obligation Bonds, Series 2021, including detailed information on the bonds, debt service requirements, sources and uses of funds, audited financial statements, and legal documents and disclosures.

BUDGET IMPACT:

The \$16.2 million General Obligation Bonds will be a 20-year financing, with an estimated interest rate of 2.38%. The cost of interest is estimated at \$6.6 million over the 20-year term. Average principal and interest payments for these bonds are estimated to be \$1.055 million per year over 20 years. The additional debt service will be paid through secondary property tax. The combined primary and secondary property tax rate is projected to remain below the rate of \$2.00 per \$100 of assessed valuation limit included in the city's adopted financial policies.

RECOMMENDATION:

Staff recommends that City Council adopt an Ordinance approving the sale and issuance of City of Avondale, Arizona General Obligation Bonds, Series 2021, to help finance various capital projects and pay the cost of issuance; approving the form and authorizing the execution and delivery of agreements and documents necessary for the sale; delegating authority to determine certain matters and terms with respect to the foregoing; and authorizing all actions necessary to further this Ordinance; and authorize staff to transfer the necessary appropriation authority to the General Obligation Debt Fund.

BOND PURCHASE AGREEMENT

**\$(PAR)
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2021**

_____, 2021

City of Avondale, Arizona
c/o The Honorable Mayor and Council
11465 West Civic Center Drive
Avondale, Arizona 85323

The undersigned, on behalf of Hilltop Securities Inc. (the “Underwriter”), acting on its own behalf, offers to enter into this Bond Purchase Agreement (this “Agreement”) with City of Avondale, Arizona (the “Issuer”), which, upon written acceptance of this offer by the Issuer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer’s written acceptance hereof on or before 5:00 p.m., Arizona time, on the date hereof, and, if not so accepted, will 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 Agreement shall have the same meanings set forth in the Bond Ordinance or in the Official Statement (both defined herein).

1. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to issue, sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s General Obligation Bonds, Series 2021 (the “Bonds”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm’s-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and 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); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (iv) the Issuer has consulted its own legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

The dated date and first interest payment date, the maturities, the interest rates per annum and resulting yields and the redemption provisions for the Bonds are set forth in the Schedule hereto. The Bonds shall be as described in, and shall be issued and secured under and

pursuant to the provisions of, the ordinance adopted by the City Council of the Issuer (the “City Council”) at a meeting duly called, noticed and held on November 15, 2021 (the “Bond Ordinance”).

The purchase price for the Bonds shall be \$ _____, which represents the aggregate principal amount of \$[PAR].00 [plus][less] [net] original issue [premium][discount] of \$ _____, less an underwriting discount of \$ _____.

1. *Public Offering.* The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not in excess of the offering prices or yields not less than the yields set forth on the cover page of the Official Statement and may subsequently change such offering prices or yields without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields stated on the inside cover page of the Official Statement.

2. *Establishment of Issue Price.*

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) [Except as otherwise set forth in Schedule [II] attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel.] For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the “initial offering price”),

or at the corresponding yield or yields, set forth in Schedule [II] attached hereto, except as otherwise set forth therein. Schedule [II] also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) The close of the fifth (5th) business day after the sale date; or
- (2) The date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.].

(d) [The Underwriter confirms that

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(i) (a) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (b) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(ii) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(iii) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.]

(e) [The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.]

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds

to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) [“sale date” means the date of execution of this Agreement by all parties.]

3. *The Official Statement.*

(a) The Preliminary Official Statement dated _____, 2021 (including the cover page and Appendices thereto, the “Preliminary Official Statement”), of the Issuer relating to the Bonds, as revised to reflect the changes resulting from the sale of the Bonds and including amendments or supplements thereto, is hereinafter called the “Official Statement.”

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby deems the Preliminary Official Statement “final” as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”).

(c) The Issuer represents that appropriate officials of the Issuer have reviewed and approved the information in the Official Statement and that the City Council has authorized the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer’s acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer’s acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in

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 Municipal Securities Rulemaking Board (the “MSRB”).

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the “end of the underwriting period” for the Bonds), the Issuer becomes aware of any fact or event 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 or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, or the Issuer, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer’s own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented 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 notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the hereinafter defined Closing Date.

4. *Representations, Warranties, and Covenants 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 duly organized and validly existing as a municipal corporation under the laws of the State of Arizona (the “State”) with powers required for the purposes of this Agreement, specifically Title 35, Chapter 3, Article 3, Arizona Revised Statutes (the “Act”), and has now, and at the Closing Date will have, full legal right, power and authority under the Act, and at the Closing Date will have full legal right, power and authority under the Act and the Bond Ordinance (i) to enter into, execute and deliver this Agreement, the Bond Ordinance, the Bond Registrar and Paying Agent Contract, dated as of _____ 1, 2021 by and between the Issuer and _____, as bond registrar and paying agent (the “Bond Registrar and Paying Agent”) and an Undertaking of the Issuer which satisfies the requirements of Section (b)(5)(i) of the Rule (the “Undertaking”) and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this

Agreement, the Bond Ordinance, such Bond Registrar and Paying Agent Contract, the Undertaking and the other documents referred to in this clause (i) hereinafter referred to as the "Issuer Documents"), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer 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 Bond Ordinance and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement and the Issuer 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 Issuer Documents 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 and, in the case of the Undertaking, annual appropriation of amounts to pay for compliance therewith, and the Bonds, when issued, delivered and paid for, in accordance with the Bond Ordinance and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Ordinance 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 all actions necessary to create a legal, valid and binding levy on all of the taxable property in the Issuer of a direct, annual, ad valorem tax, unlimited as to rate or amount, sufficient to pay all the principal of and interest on the Bonds as the same become due, shall have been or shall be taken to the extent such action may be taken at or prior to the Closing;

(d) 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, and 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; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Bond Ordinance, and compliance with the provisions on the Issuer's part contained therein, will 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;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, and the Bonds 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 Bonds;

(f) The Bonds and the Bond Ordinance conform to the descriptions thereof contained in the Official Statement under the caption “THE BONDS”; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the caption “THE BONDS – Authorization and Use of Funds”; and the Undertaking conforms to the description thereof contained in the Official Statement under the caption “CONTINUING DISCLOSURE”;

(g) 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, to the best knowledge of the Issuer after due inquiry, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the levying, assessment or collection of property taxes for the payment of the Bonds pursuant to the Bond Ordinance or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did 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 the light of the circumstances under which they were made, not misleading;

(i) At the date of the Issuer’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement does not and will 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;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement as so supplemented or amended will 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 made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or State income tax purposes of the interest on the Bonds;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Bonds 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 (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will 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 will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding, the Issuer in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth in accordance with generally accepted governmental accounting principles as applicable to governmental units and have been prepared in accordance with generally accepted governmental accounting principles consistently applied throughout the periods concerned (except as otherwise disclosed in the Official Statement or financial statements);

(n) Except as otherwise disclosed in the Official Statement, since June 30, 2020, 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 are not described in the Official Statement, whether or not arising from transactions in the ordinary course of business;

(o) 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 other than as described in the Official Statement and the Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided

adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(p) 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, in each case payable from the same source as the Bonds, without the prior approval of the Underwriter;

(q) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein;

(r) The Issuer has fully submitted the information required with respect to previous issuances of bonds, securities and lease-purchase agreements of the Issuer pursuant to Section 35-501(B), Arizona Revised Statutes, and will file the information relating to the Bonds required to be submitted pursuant thereto within 60 days of the Closing Date and

(s) Except as otherwise indicated in the Official Statement, the Issuer has been and is in full compliance in all material respects during the last five years with the terms of all continuing disclosure undertakings previously executed by the Issuer pursuant to the Rule.

5. *Closing.*

(a) Before 10:00 a.m., Arizona time, on _____, 2021 (the “Closing Date”) or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by a wire transfer payable in immediately available funds to the order of the Issuer (the “Closing”). Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made through the facilities of The Depository Trust Company (“DTC”), or, in the case of a “Fast Automated Securities Transfer” with the bond registrar, transfer agent and paying agent or by such other means as shall have been mutually agreed upon by the Issuer and the Underwriter. The Bonds shall be prepared in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Ordinance, 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 Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance

upon the representations, warranties 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 Closing Date. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds 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 contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Counsel to the Underwriter to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Bond Ordinance shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the registrar for the Bonds shall have duly authenticated the Bonds;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, 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, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(h) 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 issuance of the Bonds, executed and certified, as necessary, by appropriate officials of the Issuer, including each of the following documents:

(1) the Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by the Mayor of the Issuer or such other official as may be agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) the Bond Ordinance with such supplements or amendments as may have been agreed to by the Underwriter;

(3) the Issuer Documents;

(4) the approving opinion of Bond Counsel, dated the Closing Date, with respect to the Bonds, in substantially the form attached to the Official Statement along with a reliance letter with respect thereto, dated the Closing Date and addressed to the Underwriter;

(5) a supplemental opinion or opinions of Bond Counsel, dated the Closing Date, addressed to the Underwriter, substantially to the effect that:

(i) the Issuer is duly organized and validly existing as a municipal corporation under the laws of the State with powers required for the purpose of this Agreement, specifically the Act, and has full legal right, power and authority under the Act to adopt the Ordinance and under the Act and the Bond Ordinance (A) to enter into, execute and deliver the Issuer Documents and all documents required hereunder and thereunder to be executed and delivered by the Issuer, (B) to sell, issue and deliver the Bonds to the Underwriter as provided herein, (C) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement and (D) the Issuer has complied in all respects with the terms of the Act;

(ii) 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 (A) the adoption of the Bond Ordinance and the issuance and sale of the Bonds, (B) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents, and (C) the consummation by it of all other transactions contemplated by the Official Statement and the Issuer Documents;

(iii) the Bond Ordinance was duly and validly adopted by the Issuer and is in full force and effect and the Bond Ordinance has been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the Issuer and in compliance with the Constitution and laws of the State, including the Act;

(iv) the Issuer Documents have been duly authorized, executed and delivered by the Issuer, and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights;

(v) the distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the Issuer;

(vi) all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been obtained;

(vii) the Bonds are exempted securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Bond Ordinance under the Trust Indenture Act and

(viii) the information contained (but not incorporated by reference) in the Preliminary Official Statement and the Official Statement in the tax caption on the cover page thereof, under the captions "THE BONDS" (except the information included under the subheading "Coronavirus Disease 2019 ("COVID-19")), "SECURITY AND SOURCES OF PAYMENT OF THE BONDS" "TAX EXEMPTION," and "CONTINUING DISCLOSURE" (except the information with respect to the compliance by the Issuer with prior undertakings as to which we express no opinion) therein, in Appendices "C" and "D" thereto and in the tax caption paragraph at the top of the cover page thereof is an accurate summary of the information which it purports to summarize; provided, however, that such information does not purport to summarize all the provisions of, and is qualified in its entirety by, the complete laws and documents that are summarized, and, based solely on our participation in the transaction as Bond Counsel, nothing has come to their attention that would lead them to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of the date hereof and as of the date of Closing, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in

order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that they express no view as to the financial statements of the City, any other financial forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Official Statement regarding DTC. They have not undertaken to review or determine independently, and assume no responsibility for, the accuracy or completeness of the information in the Preliminary Official Statement or the Official Statement except to the extent indicated hereinabove;

(6) An opinion of Counsel to the Underwriter, dated the Closing Date, addressed to the Underwriter, substantially to the effect that:

(i) the Bonds are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act and the Bond Ordinance need not be qualified under the Trust Indenture Act;

(ii) the Undertaking meets the requirements of paragraph (b)(5)(i) of the Rule and

(iii) based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as Counsel to the Underwriter and their participation at conferences at which the Preliminary Official Statement and the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of the date hereof and as of the date of the Closing, Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except for any information regarding the tax status of the Bonds or any financial, forecast, technical and statistical data included in the Preliminary Official Statement and the Official Statement and except for information regarding DTC and its book-entry system, in each case as to which no view need be expressed);

(7) An opinion of the City Attorney's Office, dated the Closing Date, addressed to the Underwriter, to the effect that:

(i) except as disclosed in the Official Statement, 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, to the best knowledge of the Issuer after due inquiry threatened against the Issuer, affecting the corporate existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the levy, assessment or collection or property taxes pursuant to the Bond Ordinance or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents or have a material, adverse effect on the financial condition of the Issuer;

(ii) the execution and delivery of the Issuer Documents and compliance by the Issuer with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Issuer a material breach of or a default under any agreement or instrument to which the Issuer is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Issuer is subject;

(iii) the information contained in the Preliminary Official Statement and the Official Statement under the caption "LITIGATION" is true and correct in all material respects and

(iv) based solely on the examination which such counsel has caused to be made and its participation at conferences at which the Preliminary Official Statement and the Official Statement were discussed and except as described in subparagraph (iii) of this subsection, such counsel has no reason to believe that the Official Statement as of its date and as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except for any financial forecast, technical and statistical data included in the Official Statement as to which no view need be expressed);

(8) A certificate, dated the Closing Date, of an appropriate official of the Issuer substantially to the effect that:

(v) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date;

(vi) no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and levying, assessing and collecting the property taxes from which the Bonds are payable pursuant to the Bond Ordinance, nor, to the best of such representatives' knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially, adversely affect the validity or enforceability of the Bonds or the Issuer Documents or have a material, adverse effect on the financial condition of the Issuer;

(vii) the Bond Ordinance has been duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed;

(viii) the financial statements of the Issuer included in the Official Statement were true, correct and complete as of June 30, 2020, and are true, correct and complete as of the date of such certificate, and that any other financial statements and statistical data included in the Official Statement are true and correct as of the date of such certificate;

(ix) subsequent to June 30, 2020, 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 are not described in the Official Statement, whether or not arising from transactions in the ordinary course of business and

(x) to the best of such official's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any

respect as of the Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the Closing 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 made therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(9) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (i) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (ii) certifying that to the best of the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(10) Any other certificates and opinions required by the Bond Ordinance for the issuance thereunder of the Bonds;

(11) Evidence satisfactory to the Underwriter that the Bonds have been rated “___” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and that such rating is in effect as of the Closing Date;

(12) The filing copy of the Information Return Form 8038-G (IRS) for the Bonds;

(13) The filing copy of the Report of Bond and Security Issuance pursuant to Section 35-501(B), Arizona Revised Statutes, as amended and

(14) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing, of the Issuer’s representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement 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 Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement 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 Sections 5 and 9(c) hereof shall continue in full force and effect.

7. *Termination.* The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) 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 income of the general character to be derived by the Issuer pursuant to the Bond Ordinance, or upon interest received on obligations of the general character of the Bonds or, with respect to State taxation, of the interest on the Bonds 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;

(b) 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 Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, 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;

(c) 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 Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) 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, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, 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;

(f) 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);

(g) 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;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer;

(i) 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;

(j) 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 Preliminary Official Statement or the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations (including the rating to be accorded the Bonds);

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; and

(m) additional events or announcements related to the COVID-19 virus and its impact result in cancelation of orders from investors or the inability of investors to proceed with the purchase of their Bonds in an amount that the Underwriter deems to have an adverse material impact on the sale of and market for the Bonds.

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 Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds and preparation and printing or posting of the Preliminary Official Statement and the Official Statement; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of the Bond Registrar and Paying Agent; (iv) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer and (v) the fees for the bond rating. The Issuer shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Agreement and the issuance of the Bonds, including any miscellaneous closing costs.

(b) Except as provided for above, the Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds, (ii) [the fees and disbursements of counsel to the Underwriter], and (iii) all other expenses incurred by it in connection with the public offering of the Bonds.

(c) If this Agreement 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 Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriter for all "out-of-pocket" expenses reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

(d) The Issuer acknowledges that it has had an opportunity to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

9. *Notices.* Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to the address set forth on the first page of this Agreement, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to Hilltop Securities Inc., 2398 East Camelback Road, Suite 340, Phoenix, AZ 85016, Attention: Janelle Gold.

10. *Parties in Interest.* This Agreement 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 Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement 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 Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

11. *Effectiveness.* This Agreement 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 Agreement shall be governed by and construed in accordance with the law of the State.

13. *Severability.* If any provision of this Agreement 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 Agreement invalid, inoperative or unenforceable to any extent whatever.

14. *Business Day.* For purposes of this Agreement, “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 Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. *Notice Concerning Cancellation of Contracts.* To the extent applicable by provision of law, this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein.

17. *Counterparts; Electronic Signature.* This Agreement 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. 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 email or internet message.

[Signature page follows.]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement 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,

HILLTOP SECURITIES INC.

By _____
Name: _____
Title: _____

Accepted and agreed at m.,
MST, this of, 2021

CITY OF AVONDALE, ARIZONA

By _____
Name: _____
Title: _____

[Signature page to Bond Purchase Agreement – City of Avondale, Arizona General Obligation
Bonds, Series 2021]

SCHEDULE I

**\$(PAR)
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2021**

DATED DATE: CLOSING DATE

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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[*Yield calculated to first optional redemption date, July 1, 20__.]

First Interest Payment Date is: July 1, 20[22].

Optional Redemption. The Bonds maturing on or prior to July 1, 20__ will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 20__, will be subject to call for redemption on any date on or after July 1, 20__, at the election of the Issuer, in whole or in part from maturities selected by the Issuer and within any maturity by lot, by the payment of a redemption price equal to the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption, without premium.

[Mandatory Sinking Fund Redemption]. The Bonds maturing on July 1, 20__ (the “Term Bond”), are subject to mandatory redemption and shall be redeemed on July 1 in the respective years set forth below, in the amounts set forth below, by payment of a redemption price equal to the principal amount of such Term Bond called for redemption plus the interest accrued to the date fixed for redemption, but without premium.

Term Bond Maturing July 1, 20__

YEAR

SINKING FUND REQUIREMENT

*Maturity]

[SCHEDULE II

Maturities for which the 10% test has been met

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u> \$	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %
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Maturities for which the 10% test has not been met

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u> \$	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %
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[*Yield calculated to first optional redemption date, July 1, 20__.]
]

EXHIBIT A

FORM OF UNDERWRITER'S CERTIFICATE

**\$[PAR]
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2021**

Hilltop Securities Inc. ("Hilltop"), as Underwriter for the General Obligation Bonds, Series 2021 (the "Bonds") issued by the City of Avondale, Arizona (the "Issuer"), based on its knowledge regarding the sale of the Bonds, certifies as of this date as follows:

[If the issue price is determined using only the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):

(A) As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A (the "Sale Price" as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is \$[_____] (the "Issue Price").]

[If the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii):

(A) As of the date of this certificate, for each Maturity listed on Schedule A as the "General Rule Maturities," the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A (the "Sale Price" as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, Hilltop offered the Maturities listed on Schedule A as the "Hold-the-Offering-Price Maturities" to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices" as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(C) As set forth in the Bond Purchase Agreement, dated _____, 2021, between the Issuer and Hilltop, Hilltop has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, Hilltop has not offered or sold any Maturity of the Hold-the-Offering-Price

Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$[_____] (the “Issue Price”).]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

(A) Hilltop offered, on or before the Sale Date, each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B. The aggregate of the Initial Offering Prices of each Maturity is \$[_____] (the “Issue Price”).

(B) As set forth in the Bond Purchase Agreement, dated _____, 2021, between Hilltop and the Issuer, Hilltop has agreed in writing that, (i) for each Maturity of the Bond, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, Hilltop has not offered or sold any Maturity of the Bond at a price that is higher than the respective Initial Offering Price for that Maturity of the Bond during the Holding Period.]

[(B),(E), or (C)] Definitions. [NOTE: If issue price is determined using only the general rule (actual sales of 10%), delete the definitions of “Holding Period” and “Sale Date.”]

[“Holding Period” means, for each Hold-the-Offering-Price Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Hilltop has sold at least 10% of such Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price for such Maturity.]

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

[“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Issue is [DATE].]

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

All capitalized terms not defined in this certificate have the meaning set forth in Issuer’s Certificate Regarding Federal Tax Matters.

The signer is an officer of Hilltop and duly authorized to execute and deliver this Certificate of Hilltop. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Hilltop's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate Regarding Federal Tax Matters and with respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig LLP., as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2021

HILLTOP SECURITIES INC.

By: _____

Title: _____

[Signature Page to Underwriter's Certificate – City of Avondale, Arizona General Obligation Bonds,
Series 2021]

SCHEDULE A

Actual Sales Information as of Closing Date

<u>Maturity (July 1)</u>	<u>Coupon</u> %	<u>Date Sold</u>	<u>Par Amount</u> \$	<u>Sale Price</u>
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[*Price calculated to July 1, 20__, the first optional redemption date.]

****Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date**

<u>Maturity (July 1)</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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**]

[SCHEDULE B

[Actual Sales for Undersold Maturities as of the Closing Date

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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**]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]

(Attached)]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances 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.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2021

NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS: See “RATINGS” herein.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is exempt from income taxation under the laws of the State of Arizona. Further, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. See “TAX EXEMPTION” herein for a description of the certain other federal tax consequences of ownership of the Bonds.

\$14,075,000*
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2021

DRAFT II
11-2-21

Dated: Date of Initial Authentication and Delivery

Due: July 1, as shown on the inside front cover page

The General Obligation Bonds, Series 2021 (the “Bonds”) of the City of Avondale, Arizona (the “City”), will be issued in the form of fully-registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. The Bonds will mature on the dates and in the principal amounts and will bear interest from their date of delivery to their maturity or prior redemption as set forth on the inside front cover page. Interest on the Bonds will accrue from the date of initial authentication and delivery and will be payable semiannually on January 1 and July 1 of each year commencing on July 1, 2022*, until maturity or prior redemption.

The Bonds are being issued for the purpose of financing the Projects (as defined herein) and paying costs relating to the issuance of the Bonds.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The City will initially utilize DTC’s “book-entry-only system,” although the City and DTC each reserve the right to discontinue the book-entry-only system at any time. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. So long as the book-entry-only system is in effect, a single fully-registered Bond, for each maturity of the Bonds, will be registered in the name of Cede & Co., as nominee of DTC, on the registration books maintained by [BRPA], the initial bond registrar and paying agent for the Bonds. DTC will be responsible for distributing the principal and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the beneficial owners of the Bonds (the “Beneficial Owners”). So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Bonds, all references herein (except under the heading “TAX EXEMPTION”) to owners of the Bonds will refer to Cede & Co. and not the Beneficial Owners. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM” herein.

The Bonds will be subject to optional redemption prior to their stated maturity dates as described under the heading “THE BONDS – Redemption Provisions” herein*.

The Bonds will be payable as to principal and interest from a continuing, direct, annual, ad valorem tax levied against all of the taxable property located within the boundaries of the City as more fully described herein. The Bonds will be payable from such tax without limit as to rate or amount. See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS” herein.

The Bonds will be offered when, as and if issued by the City and received by the underwriter identified below (the “Underwriter”), subject to the legal opinion of Greenberg Traurig, LLP, Bond Counsel, as to validity and tax exemption. Certain legal matters will be passed on for the Underwriter by Squire Patton Boggs (US) LLP, Phoenix, Arizona. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December __, 2021*.

This cover page contains certain information with respect to the Bonds for convenience of reference only. It is not a summary of the issue of which the Bonds are a part. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

HilltopSecurities

* Subject to change.

\$14,075,000*
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2021

MATURITY SCHEDULE*
Base CUSIP®⁽¹⁾ No. 054314

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP®⁽¹⁾ No. 054314</u>
2023	\$ 510,000	%	%	
2024	530,000			
2025	550,000			
2026	570,000			
2027	595,000			
2028	620,000			
2029	645,000			
2030	670,000			
2031	695,000			
2032	725,000			
2033	755,000			
2034	785,000			
2035	815,000			
2036	845,000			
2037	880,000			
2038	915,000			
2039	950,000			
2040	990,000			
2041	1,030,000			

* Subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2021 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, Bond Counsel, Financial Advisor, Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

CITY OF AVONDALE, ARIZONA

CITY COUNCIL

Kenneth Weise, *Mayor*

Veronica Malone, *Vice Mayor*

Pat Dennis, *Council Member*

Bryan Kilgore, *Council Member*

Tina Conde, *Council Member*

Mike Pineda, *Council Member*

Curtis Nielson, *Council Member*

CITY ADMINISTRATIVE OFFICIALS

Charles A. Montoya, *City Manager*

Lindsey Duncan, *Deputy City Manager*

Keith Fallstrom, *Interim Finance and Budget Director*

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

[BRPA]

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City of Avondale, Arizona (the “City”), Stifel, Nicolaus & Company, Incorporated (the “Financial Advisor”) or Hilltop Securities Inc. (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 General Obligation Bonds, Series 2021 (the “Bonds”) 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, Office of Budget and Finance 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 has not been independently confirmed or verified by the City, the Financial Advisor or the Underwriter, 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 pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

None of the City, the Financial Advisor, the Underwriter, Bond Counsel or counsel to the Underwriter are actuaries. None of them have performed any actuarial or other analysis of the City’s share of the unfunded liabilities of the Arizona State Retirement System, the Arizona Public Safety Personnel Retirement System, the Corrections Officers Retirement Plan or the Elected Officials Retirement Plan.

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.

The Bonds 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 Bonds for sale.

References to website addresses presented herein are for information purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The City will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

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 a part of, or incorporated into, this Official Statement, except as expressly noted herein.

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 OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS 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.

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OFFICIAL STATEMENT

\$14,075,000*

CITY OF AVONDALE, ARIZONA GENERAL OBLIGATION BONDS, SERIES 2021

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page and Appendices hereto, sets forth information concerning the offering by the City of Avondale, Arizona (the “City”) of its General Obligation Bonds, Series 2021 in the aggregate principal amount of \$14,075,000* (the “Bonds”). See APPENDIX A – “CITY OF AVONDALE, ARIZONA – GENERAL AND DEMOGRAPHIC INFORMATION”, APPENDIX B – “CITY OF AVONDALE, ARIZONA – FINANCIAL INFORMATION” and APPENDIX E – “CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020” for certain information regarding the City.

Reference to provisions of State of Arizona (the “State” or “Arizona”) law, whether codified in the Arizona Revised Statutes or uncoded, or of the Arizona Constitution, are references to those current provisions. The provisions may be amended, repealed or supplemented.

THE BONDS

Authorization and Use of Funds

The Bonds are being issued by the City pursuant to Title 35, Chapter 3, Article 3, of the Arizona Revised Statutes, and an ordinance adopted by the Mayor and Council of the City on November 15, 2021 (the “Ordinance”). The Bonds will constitute a portion of the bonds authorized by the voters at the special bond elections held in the City on September 8, 1998 (the “1998 Election”) and May 15, 2007 (the “2007 Election” and, together with the 1998 Election, the “Elections”), and will be issued to construct (i) a police detention center; (ii) a fire station; and (iii) a visitor and conference center (collectively, the “Projects”) and pay costs of issuance of the Bonds.

After the sale and delivery of the Bonds, the City will have \$28,695,000* principal amount of authorized but unissued general obligation bonds (as shown below). The City has general obligation bonds currently outstanding, and additional general obligation bonds may be authorized at future special bond elections. See TABLE 14A – Direct General Obligation Bonded Debt Outstanding and to be Outstanding in APPENDIX B – “CITY OF AVONDALE, ARIZONA – FINANCIAL INFORMATION.”

Authorized but Unissued General Obligation Bonds Remaining After Issuance of the Bonds

- | | | |
|-----|--------------|--|
| (1) | \$ 3,570,000 | Water improvements |
| (2) | 7,000,000 | Water and sewer system improvements |
| (3) | 5,000,000 | Water and wastewater system improvements |
| (4) | 9,250,000 | Street and highway improvements |
| (5) | 3,875,000 | Loan Agreements with the Water Infrastructure Financing Authority of Arizona |

* Subject to change. See footnote (b) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds for State voter authorization purposes.

Terms of the Bonds - Generally

The Bonds will be dated the date of delivery, and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), under the book-entry-only system described herein (the “Book-Entry-Only System”). See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.” The Bonds will mature on the dates and in the principal amounts and will bear interest from their dated date at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing July 1, 2022* (each an “Interest Payment Date”), until maturity or prior redemption. The City has chosen the fifteenth day of the month preceding an Interest Payment Date as the “Record Date” for the Bonds.

See “TAX EXEMPTION” herein for a discussion of the treatment of interest income on the Bonds for federal or State income tax purposes.

Bond Registrar and Paying Agent

[BRPA] will serve as the initial bond registrar, transfer agent and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The City may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Optional Redemption. The Bonds maturing before and on July 1, 20__ will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on and after July 1, 20__ will be subject to optional redemption prior to their stated maturity dates, at the direction of the City, in whole or in part in denominations of \$5,000 or integral multiples thereof from maturities selected by the City, on July 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of Bonds being redeemed plus accrued interest to the date fixed for redemption, without premium.

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.” If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” 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 the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on 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.

* Subject to change.

Coronavirus Disease 2019 (“COVID-19”)

The COVID-19 global pandemic continues to affect the nation and the State with ongoing concerns related to health and safety, appropriate preventative protocols, fiscal and economic issues, and student learning loss. At present, government and business operations in the State, following the rescindment of numerous COVID-19-related Executive Orders by Arizona Governor Doug Ducey, essentially function without government-imposed restrictions relating to the pandemic.

While the City does not currently anticipate the collection of ad valorem taxes, which is the security and source of payment of principal and interest due on the Bonds, will be materially adversely affected by the continued existence of COVID-19, should adverse economic conditions reduce the ability of property tax payers to pay amounts levied, it could have an adverse effect on the collection of ad valorem taxes.

The City, however, cannot predict how the spread of COVID-19 or the various governmental or private actions taken in response to COVID-19 will affect City finances or the collection of ad valorem taxes, which is the security and source of payment of principal and interest due on the Bonds. The full financial effect of COVID-19 on the City could change significantly as circumstances and events evolve. The City will monitor events as they occur, particularly those that may have a material adverse effect on the City’s budget and finances.

SECURITY AND SOURCES OF PAYMENT OF THE BONDS

General

The Bonds will be payable as to principal and interest from ad valorem taxes to be levied on all taxable property within the City without limitation as to rate or amount. Such taxes are to be levied, assessed and collected as other taxes of the City, in an amount sufficient to pay the interest on all the Bonds then outstanding and installments of the principal of the Bonds becoming due and payable in the ensuing year.

General obligation bonds heretofore and hereafter issued by the City have and will have an equal claim with the Bonds upon the proceeds of taxes levied for debt service on the Bonds. See TABLE 14A – Direct General Obligation Bonded Debt Outstanding and to be Outstanding in APPENDIX B – “CITY OF AVONDALE, ARIZONA – FINANCIAL INFORMATION.”

Defeasance

Pursuant to the Ordinance, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Ordinance or payable from ad valorem taxes on taxable property in the City, and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount	\$14,075,000.00*
Net Original Issue Premium (a)	
Total Sources of Funds	

Uses of Funds

Cost of Projects	
Payment of Costs of Issuance (b)	
Total Uses of Funds	

* Subject to change.

- (a) Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.
- (b) Will include compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates the (i) annual debt service on the outstanding general obligation bonds of the City, (ii) estimated annual debt service on the Bonds and (iii) total estimated annual debt service on all general obligation bonds of the City outstanding after issuance of the Bonds.

TABLE 1

Schedule of Estimated Annual Debt Service Requirements (a)
City of Avondale

Fiscal Year	General Obligation Bonds Outstanding		The Bonds		Total Estimated Annual Debt Service Requirements*
	Principal	Interest	Principal*	Interest (b)	
2021/22	\$ 2,335,000	\$ 1,451,400		\$ 326,853(c)	\$ 4,113,253
2022/23	2,460,000	1,351,000	\$ 510,000	563,000	4,884,000
2023/24	2,590,000	1,245,250	530,000	542,600	4,907,850
2024/25	2,725,000	1,133,900	550,000	521,400	4,930,300
2025/26	2,860,000	1,016,750	570,000	499,400	4,946,150
2026/27	3,020,000	873,750	595,000	476,600	4,965,350
2027/28	3,195,000	722,750	620,000	452,800	4,990,550
2028/29	1,370,000	563,000	645,000	428,000	3,006,000
2029/30	1,040,000	498,300	670,000	402,200	2,610,500
2030/31	1,090,000	446,300	695,000	375,400	2,606,700
2031/32	1,135,000	402,700	725,000	347,600	2,610,300
2032/33	1,180,000	357,300	755,000	318,600	2,610,900
2033/34	1,225,000	310,100	785,000	288,400	2,608,500
2034/35	1,275,000	261,100	815,000	257,000	2,608,100
2035/36	1,340,000	197,350	845,000	224,400	2,606,750
2036/37	1,390,000	143,750	880,000	190,600	2,604,350
2037/38	1,435,000	102,050	915,000	155,400	2,607,450
2038/39	1,475,000	59,000	950,000	118,800	2,602,800
2039/40			990,000	80,800	1,070,800
2040/41			1,030,000	41,200	1,071,200
	<u>\$ 33,140,000</u>		<u>\$ 14,075,000</u>		

* Subject to change.

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor").

(b) Interest on the Bonds is estimated.

(c) The first interest payment on the Bonds will be due on July 1, 2022*. Thereafter, interest payments will be made semiannually on each January 1 and July 1 until maturity or prior redemption.

LITIGATION

To the knowledge of the City, no litigation or administrative action or proceeding is pending, restraining or enjoining, or seeking to restrain or enjoin, the issuance or delivery of the Bonds or the levy, collection or receipt of ad valorem property taxes to pay the debt service on the Bonds, contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. An authorized City representative will deliver a certificate to the same effect at the time of the original delivery of the Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, sale and issuance by the City of the Bonds and with regard to the tax-exempt status thereof will be passed upon by Greenberg Traurig, LLP, Phoenix, Arizona, as Bond Counsel whose services have been retained by the City. The signed legal opinion of Bond Counsel, dated and premised on the law in effect as of the date of the Bonds, will be delivered to the Underwriter at the time of original delivery of the Bonds. The form of that opinion is included as APPENDIX C - "FORM OF APPROVING LEGAL OPINION" hereto. The legal opinion to be delivered may vary from the text of APPENDIX C - "FORM OF APPROVING LEGAL OPINION" if necessary to reflect the facts and law existing 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 Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Certain legal matters will be passed upon for the Underwriter by Squire Patton Boggs (US) LLP, Phoenix, Arizona, counsel to the Underwriter.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material impact on the City and could adversely affect the secondary market value or marketability of the Bonds. 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 Bonds) issued prior to enactment.

The legal opinions to be delivered concurrently with the delivery of the Bonds will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein dated and speaking only as of the date of delivery of the Bonds. 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

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The City's failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The City has covenanted in the Bond Ordinance to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal

alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that the interest on the Bonds is exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Bonds will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (for purposes of this section, "Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Bonds (for purposes of this section, "Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that

Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings, Inc. ("Fitch") have assigned ratings of "___" and "___," respectively, to the Bonds. Such ratings reflect only the views of Moody's and Fitch. An explanation of the significance of a rating assigned by Moody's may be obtained at One Front Street, Suite 1900, San Francisco, CA 94111. An explanation of the significance of a rating assigned by Fitch may be obtained at One State Street Plaza, New York, New York 10004. Such ratings may be revised downward or withdrawn entirely at any time by Moody's or Fitch if, in their respective judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Bonds. The City will covenant in its continuing disclosure undertaking with respect to the Bonds that it will file notice of any formal change in any ratings relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

UNDERWRITING

The Bonds will be purchased by Hilltop Securities Inc. (the “Underwriter”) at an aggregate purchase price of \$_____, pursuant to a bond purchase agreement (the “Purchase Contract”) entered into by and between the City and the Underwriter. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter without amendment of the Official Statement.

RELATIONSHIP AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriter and the Financial Advisor, and is currently representing the Financial Advisor, with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and the Financial Advisor and may do so in the future. Bond Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the City territorially overlaps. Counsel to the Underwriter has previously acted as bond counsel with respect to other bonds underwritten by the Underwriter and the Financial Advisor and may continue to do so in the future if requested.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2022 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the City as such will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access System (“EMMA”), each as described in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12(b)(5) (the “Rule”). 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 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the City to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the City not comply with such covenants due to a failure to appropriate for such purpose, the City has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds and specifically their market price and transferability.

The City previously entered into continuing disclosure undertakings with respect to the City's previously issued obligations, which require, among other things, the filing of certain financial information and operating data ("Operating Data") related to the City. The City failed to file certain of the Operating Data for the fiscal year ending June 30, 2016. All such Operating Data has subsequently been filed on EMMA by or before September 15, 2017. The City did not timely file certain Operating Data for the fiscal year ending June 30, 2017, but the Operating Data was filed on February 28, 2018. ***[To be updated as needed upon receipt and review of third-party Lumesis Continuing Disclosure look-back report.]***

FINANCIAL ADVISOR

The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance of the Bonds. The Financial Advisor participated in the preparation of the Official Statement but 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 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: "The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City, but the Financial Advisor does not guarantee the accuracy or completeness of such information."

FINANCIAL STATEMENTS

The financial statements of the City as of June 30, 2020 and for its fiscal year then ended, which are included as APPENDIX E of this Official Statement, have been audited by CliftonLarsonAllen LLP, as stated in its opinion which appears in APPENDIX E – "CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020." The City neither requested nor obtained the consent of CliftonLarsonAllen LLP to include its report and CliftonLarsonAllen 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 of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources 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 statement that may have been or that may be made orally or in writing is to be construed as part of a contract with the original purchasers or subsequent owners of the Bonds.

CITY OF AVONDALE, ARIZONA

By: _____
Mayor

**CITY OF AVONDALE, ARIZONA –
GENERAL AND DEMOGRAPHIC INFORMATION**

General

The City is located approximately 15 miles west of downtown Phoenix, Arizona (“Phoenix”) in the southwestern portion of the metropolitan Phoenix area and in the central portion of Maricopa County, Arizona (the “County”), contiguous to the communities of Litchfield Park, Arizona to the north, Phoenix to the north and east, Tolleson, Arizona to the east and Goodyear, Arizona to the north and west. Unique to the City is the convergence of the Gila, Salt and Agua Fria rivers within the City. The City was incorporated in 1946 and is considered one of the fastest growing residential areas in the County.

TABLE 2

**POPULATION STATISTICS
City of Avondale, Arizona**

	<u>City of Avondale</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2020 Census	89,334	4,420,568	7,151,502
2010 Census	76,238	3,817,117	6,392,017
2000 Census	35,883	3,072,149	5,130,632
1990 Census	16,169	2,122,101	3,665,339
1980 Census	8,168	1,509,175	2,716,546

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

Municipal Government and Utilities

The City operates under a Council-Manager form of government in accordance with its Charter. The Mayor is elected for a four-year term and six council members are elected at large on a non-partisan basis for four-year, staggered terms. The City Council appoints the City Manager who has full responsibility for carrying out Council policy and administering operations for the City. The City Manager in turn appoints department heads.

The City provides its residents with sanitation, water and sewer services. Electricity is provided by both Arizona Public Service Company and Salt River Project. Natural gas is supplied by Southwest Gas Corporation.

Economy

The City is developing from an agriculturally based community into a location of commerce and light industry. The City's economy is a mix of services, retail and manufacturing. The City has two employment corridors that are able to access a labor pool of more than half a million employees within a 30-minute commute. The I-10 Corridor and the Avondale Boulevard Corridor serve the 66-acre Avondale Civic Center and includes a 16,000 square foot Hilton Garden Inn complex.

TABLE 3
MAJOR EMPLOYERS
City of Avondale, Arizona

Employer	Description	Approximate Number of Employees
City of Avondale	Government	559
Frys Food Stores	Retail	460
Avondale Elementary School District No. 44	Education	450
Littleton Elementary School District No. 65	Education	428
Akos Medical Campus	Health Care	400
Walmart	Retail	370
Tolleson Union High School District No. 214	Education	350
Earnhardt Auto Center	Retail	330
Costco Wholesale	Retail	310
Agua Fria Union High School District No. 216	Education	290

Source: Maricopa Association of Governments Employer Database (retrieved October 2021).

The following table illustrates the unemployment rate averages for the City, the County, the State and the United States of America.

TABLE 4
UNEMPLOYMENT RATE AVERAGES

Calendar Year	City of Avondale (a)	Maricopa County	State of Arizona	United States
2021 (b)	7.2%	6.1%	6.6%	5.7%
2020	7.6	7.4	7.9	8.1
2019	4.4	4.2	4.9	3.7
2018	4.5	4.1	4.8	3.9
2017	4.5	4.2	4.9	4.4
2016	4.9	4.7	5.5	4.9

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through August 2021.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates the past five years of sales tax collections.

TABLE 5

SALES TAX COLLECTIONS
City of Avondale, Arizona
(\$000s omitted)

<u>Fiscal Year</u>	<u>Amount</u>
2019/20	\$55,268
2018/19	51,427
2017/18	48,865
2016/17	45,872
2015/16	42,136

Source: The Comprehensive Annual Financial Reports for the City.

**CITY OF AVONDALE, ARIZONA –
FINANCIAL INFORMATION**

PROPERTY TAXES

As described under the heading “SECURITY AND SOURCES OF PAYMENT OF THE BONDS,” the City will be required by law to levy or to cause to be levied on all the taxable property in the City a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due. The State’s *ad valorem* property tax levy and collection procedures are summarized under this heading “PROPERTY TAXES.”

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “the value determined as prescribed by statute” or if a statutory method is not prescribed it is “synonymous with market value which means the estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than fifteen percent of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the City.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes. See “Primary Taxes” and “Secondary Taxes” below.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the “Limited Assessed Property Value” and the “Full Cash Assessed Value,” respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 6

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2017	2018	2019	2020	2021
Mining, utilities, commercial and industrial	18%	18%	18%	18%	18%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (b)	15	14	15	15	15

- (a) *Additional classes of property exist, but seldom amount to a significant portion of a municipal body’s total valuation.*
- (b) *The assessment ratio for this property classification will decrease to 17.5% for tax year 2022, 17% for tax year 2023, 16.5% for tax year 2024 and 16% for each tax year thereafter.*
- (c) *This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Primary Taxes

Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are “primary taxes.” Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). “Net Limited Assessed Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year’s levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes

Per State statute, taxes levied for payment of bonds like the Bonds, voter-approved budget overrides, the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, water conservation and career technical education districts, and taxes levied by school districts for qualified desegregation expenditures are "secondary taxes." Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments.

Calculating Debt Limitations

Net Full Cash Assessed Value is determined by excluding the value of property exempt from taxation from Full Cash Assessed Value of both locally assessed and centrally valued property and combining the resulting two amounts. Net Full Cash Assessed Value is the basis for determining bonded debt limitations for certain political subdivisions in Arizona, including the District.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed the assessment roll by December 15th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year).

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the City for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 7

Property Taxes Levied and Collected (a)
City of Avondale, Arizona

Fiscal Year	Combined Primary and Secondary Tax Rates	Adopted City Tax Levy	Adjusted City Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted City Tax Levy as of 9/30/2021	Cumulative Collections to September 30, 2021	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2021/22	\$ 1.4224	\$ 6,995,317	\$6,940,836	(b)	(b)	\$ 6,995,064	\$ 325,696	4.66%
2020/21	1.4242	6,579,129	6,566,644	\$ 6,414,655	97.69%	6,520,694	6,462,993	99.12
2019/20	1.6543	7,162,807	7,156,361	6,989,449	97.67	7,112,023	7,109,577	99.97
2018/19	1.7619	7,049,735	7,040,684	6,960,919	98.87	7,001,300	6,999,453	99.97
2017/18	1.6000	5,941,343	5,923,946	5,858,479	98.89	5,922,970	5,921,634	99.98
2016/17	1.6952	5,913,568	5,898,543	5,825,124	98.76	5,891,962	5,890,792	99.98

(a) *Taxes are collected by the Treasurer of the County. Taxes are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *2021/22 taxes in course of collection:
First installment due 10-01-21, delinquent 11-01-21;
Second installment due 03-01-22, delinquent 05-01-22.*

Source: Office of Budget and Finance of the County.

SRP In Lieu Contribution

SPECIAL NOTE: The assessed value of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed value of the City in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the Full Cash Value of the portion of the SRP Electric Plant located within the City and the in lieu contribution amount is determined in the same manner as the Full Cash Value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If SRP elected not to make such contributions, the City would be required to contribute funds from other sources or levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Bonds. If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer and the City have no recourse against the property of SRP and there may be a delay in the payment of that portion of the debt service on the Bonds that would have been paid by SRP's in lieu contribution.

Since 1964, when the in lieu contribution was originally authorized by the Arizona Revised Statutes, SRP has always elected to make the in lieu contribution. [The fiscal year 2020/21 Net Limited Assessed Value equivalent of SRP within the City is \$6,427,474, which represents approximately 1.37% of the combined fiscal year 2020/21 Net Limited Assessed Property Value in the City. The estimated fiscal year 2021/22 Net Limited Assessed Property Value equivalent of SRP within the City is \$7,046,000, which represents approximately 1.41% of the estimated fiscal

year 2021/22 Net Limited Assessed Property Value of the City.] [To be updated with final 2021/22 value upon release of data, which is anticipated in November 2021.]

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the City, the Financial Advisor, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

ASSESSED VALUATIONS AND TAX RATES

TABLE 8

Direct and Overlapping Net Limited Assessed Property Values and Tax Rates (a)
Per \$100 Net Limited Assessed Property Value

Overlapping Jurisdiction	2021/22 Net Limited Assessed Property Value	2021/22 Combined Primary and Secondary Tax Rates Per \$100 Net Limited Assessed Property Value
State of Arizona	\$ 74,200,360,570	None
Maricopa County	48,724,126,672	\$1.7722 (b)
Maricopa County Community College District	48,724,126,672	1.2257
Maricopa County Fire District Assistance Tax	48,724,126,672	0.0086
Maricopa County Special Health Care District	48,724,126,672	0.2970
Maricopa County Library District	48,724,126,672	0.0556
Maricopa County Flood Control District (c)	44,882,715,452	0.1792
Central Arizona Water Conservation District (d)	48,724,126,672	0.1400
Tolleson Elementary School District No. 17	238,881,927	4.3783
Liberty Elementary School District No. 25	340,654,928	4.1205
Avondale Elementary School District No. 44	531,806,142	4.2440
Littleton Elementary School District No. 65	310,115,890	5.4659
Litchfield Elementary School District No. 79	1,101,917,815	3.4950
Pendergast Elementary School District No. 92	406,256,852	5.8129
Agua Fria Union High School District No. 216	1,633,723,788	3.2998
Buckeye Union High School District No. 201	885,537,591	3.0759
Tolleson Union High School District No. 214	1,471,718,800	4.7335
Western Maricopa Education Center District No. 402	18,085,233,843	0.1579
Alamar Community Facilities District	443,214	4.1500
City of Avondale	493,207,192	1.4224

(a) The following overlapping jurisdictions are taxed as follows:

Overlapping Jurisdiction	Tax Rate Per Acre
Buckeye Water Conservation District	\$7.8103 /acre
McMicken Irrigation District	1.1366 /acre
Roosevelt Irrigation District	29.8100 /acre
St. John's Irrigation District	82.1642 /acre

(b) Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at \$0.4263 per \$100 Net Limited Assessed Property Value for fiscal year 2021/22. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.

- (c) *The assessed value of the Maricopa County Flood Control District does not include the personal property assessed valuation of the County.*
- (d) *Value shown for the Central Arizona Water Conservation District covers only the County portion of such District. (See footnote (b) to TABLE 16.)*

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and Office of Budget and Finance of the County.

Total Tax Rates Per \$100 Net Limited Assessed Property Value

The total overlapping property tax rate for property owners within the City (exclusive of those described in footnote (a) to TABLE 8) ranges from \$12.0534 to \$19.6080 per \$100 Net Limited Assessed Property Value, depending upon the specific jurisdictions which overlap the property.

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, the Arizona Department of Revenue and the Finance Department and Treasurer of the County.

TABLE 9

Net Limited Assessed Property Value by Property Classification (a) City of Avondale, Arizona

Class	2021/22	2020/21	2019/20	2018/19	2017/18
Commercial, Industrial, Utilities & Mines	\$ 160,729,805	\$ 148,296,026	\$ 141,158,509	\$ 126,875,220	\$ 116,071,672
Agricultural and Vacant	18,673,793	17,360,322	14,771,820	13,766,283	13,443,493
Residential (owner occupied)	200,081,720	187,913,902	175,040,571	163,390,668	149,096,112
Residential (rental)	113,343,669	108,152,473	102,750,767	93,855,337	91,364,163
Railroad	322,535	309,352	322,790	319,883.00	900,915
Certain Government					
Property Improvements	55,670	53,020	50,495	81,557	45,801
Totals (b)	<u>\$ 493,207,192</u>	<u>\$ 462,085,095</u>	<u>\$ 434,094,952</u>	<u>\$ 398,288,948</u>	<u>\$ 370,922,156</u>

- (a) *Totals may not add up due to rounding.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

TABLE 10**Net Limited Assessed Property Value of Major Taxpayers
City of Avondale, Arizona**

Major Taxpayer (a)	2021/22 Net Limited Assessed Property Value	As % of 2021/22 Net Limited Assessed Property Value
J & J Coldwater LLC	\$ 8,317,383	1.69%
Phoenix Speedway Corp.	8,313,304	1.69
Inland Western Avondale Mcdowell LLC	5,559,555	1.13
Arizona Public Service Company	4,771,790	0.97
Avalon TIC Two LLC/Avalon TIC One LLC	4,557,000	0.92
PR 101 Logistics Park Building 2 LLC	4,404,650	0.89
Universal Technical Institute of Arizona LLC	3,799,010	0.77
Avondale Commerce LLC	3,770,537	0.76
Gateway Crossing SC LLC	3,683,608	0.75
MREI IV Mirabella LLC	3,595,037	0.73
	<u>\$ 50,771,874</u>	<u>10.29%</u>

- (a) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at <http://www.sec.gov>. No representative of the City, the Financial Advisor, the Underwriter, Bond Counsel, or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.

Source: The Assessor of the County.

TABLE 11**Comparative Net Limited Assessed Property Values**

Fiscal Year	City of Avondale	Maricopa County	State of Arizona
2021/22	\$ 493,207,192	\$ 48,724,126,672	\$ 74,200,360,750
2020/21	462,085,095	45,704,969,813	69,914,763,468
2019/20	434,094,952	43,194,326,395	66,157,223,639
2018/19	398,288,948	40,423,232,423	62,328,439,592
2017/18	370,922,156	38,251,891,249	59,404,007,785

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Property Tax Rates & Assessed Values, Arizona Tax Research Association.

TABLE 12

**Estimated Net Full Cash Value History
City of Avondale, Arizona**

<u>Fiscal Year</u>	<u>Estimated Net Full Cash Valuation (a)</u>
2021/22	\$6,477,548,277
2020/21	5,889,268,183
2019/20	5,238,398,192
2018/19	4,728,955,005
2017/18	4,202,837,020

(a) *Estimated Net Full Cash Value is the total market value of the property within the City less the estimated Full Cash Value of property exempt from taxation within the City.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue.*

DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

TABLE 13

**Current Year Statistics (For Fiscal Year 2021/22)
City of Avondale, Arizona**

Total General Obligation Bonds Outstanding and to be Outstanding	\$ 47,215,000*(a)
Total Water and Sewer Revenue Obligations Outstanding	6,550,000
Total Excise Tax Revenue Obligations Outstanding	14,562,000
Net Limited Assessed Property Value	493,207,192
Net Full Cash Assessed Value	781,605,665
Estimated Net Full Cash Value	6,477,548,277

* *Subject to change.*

(a) *Includes the Bonds. See footnotes (b) and (c) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds and other general obligation bonds of the City for State debt limit purposes.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Office of Budget and Finance of the County.*

TABLE 14A**Direct General Obligation Bonded Debt Outstanding and to be Outstanding
City of Avondale, Arizona**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding	Balance Outstanding and to be Outstanding*
2017A	\$ 14,740,000	Refunding	2029	\$13,850,000	\$ 13,850,000
2019	21,390,000	Construction and improvements	2039	19,290,000	19,290,000
Total General Obligation Bonded Debt Outstanding					\$ 33,140,000
Plus: The Bonds					14,075,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding					<u>\$ 47,215,000(a)*</u>

* *Subject to change.*

(a) *See footnotes (b) and (c) to TABLE 15 for a description of the treatment of certain proceeds of the Bonds and other general obligation bonds of the City for State debt limit purposes.*

TABLE 14B**Water and Sewer Revenue Obligations Outstanding
City of Avondale, Arizona**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2016	\$ 8,110,000	Wastewater treatment plant improvements	2036	\$ 6,550,000
Total Water and Sewer System Revenue Obligations Outstanding				<u>\$ 6,550,000</u>

TABLE 14C

Excise Tax Revenue Obligations Outstanding (a)
City of Avondale, Arizona

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2016	\$24,125,000	Refunding	2024	\$5,780,000
2019	10,096,000	Water system design and construction	2031	8,782,000
Total Excise Tax Revenue Obligations Outstanding				<u>\$ 14,562,000</u>

- (a) Does not include planned execution and delivery of excise tax revenue obligations in an approximate principal amount of \$23,000,000 prior to the end of the City's current fiscal year for financing the construction of an aquatic center and refunding the outstanding 2019 excise tax revenue obligations described above.

Direct Bonded Debt, Legal Limitation and Unused Borrowing Capacity
City of Avondale, Arizona

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks and open space, transportation and public safety purposes may not exceed 20% of a city's Net Full Cash Assessed Value, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's Net Full Cash Assessed Value.

TABLE 15

General Municipal Purpose Bonds		Water, Light, Sewer, Open Space, Public Safety, Law Enforcement, Fire and Emergency Services, Park, Street and Transportation Facilities Bonds	
Total 6% General Obligation Bonding Capacity	\$ 46,896,339	Total 20% General Obligation Bonding Capacity	\$ 156,321,133
Less: 6% General Obligation Bonds Outstanding	(7,572,521) (a)	Less: 20% General Obligation Bonds Outstanding	(39,642,479) (a)
Less: Original Issue Premium of the Bonds	-	Less: Original Issue Premium of the Bonds	(2,125,000) (b)
Less: Unamortized Original Issue Premium of the Bonds	(994,801)	Less: Unamortized Original Issue Premium of the Bonds	(1,539,323)
Net 6% General Obligation Bonding Capacity	<u>\$ 38,329,017 *</u>	Net 20% General Obligation Bonding Capacity	<u>\$ 113,014,331 *</u>
Total Capacity	<u>\$151,343,348</u>		

* Subject to change.

- (a) Includes the Bonds.

- (b) This amount reduces in equal amount the borrowing capacity of the City under State statutes and the Arizona Constitution (as described under the heading "THE BONDS – Authorization and Use of Funds"). In the case of the Bonds, the principal amount authorized at the Election will be reduced by \$16,200,000*. The City's borrowing capacity, but not authorization, will be recaptured as premium is amortized.

TABLE 16

**Direct and Overlapping General Obligation Bonded Debt
City of Avondale, Arizona**

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion Applicable to the City (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	0.66 %	None
Maricopa County	None	1.01	None
Maricopa County Community College District	\$ 184,715,000	1.01	\$ 1,869,767
Maricopa County Special Health Care District	640,695,000	1.01	6,485,399
Tolleson Elementary School District No. 17	22,705,000	11.04	2,507,288
Avondale Elementary School District No. 44	30,915,000	12.37	3,825,429
Littleton Elementary School District No. 65	35,305,000	58.83	20,769,831
Litchfield Elementary School District No. 79	43,385,000	8.64	3,747,978
Pendergast Elementary School District No. 92	47,180,000	30.33	14,310,345
Agua Fria Union High School District No. 216	123,255,000	9.85	12,146,455
Tolleson Union High School District No. 214	217,315,000	22.56	49,029,706
Western Maricopa Education Center District No. 402	144,220,000	2.73	3,933,062
City of Avondale	47,215,000	100.00	<u>47,215,000</u>
Net Direct and Overlapping General Obligation Bonded Debt			<u><u>\$ 165,840,259</u></u>

* Subject to change.

- (a) Proportion applicable to the City is computed on the ratio of Net Limited Assessed Property Value for 2021/22.
- (b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement districts.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

<u>Overlapping Jurisdiction</u>	<u>General Obligation Bonds Authorized but Unissued</u>
Avondale Elementary School District No. 44	\$9,365,000
Liberty Elementary School District No. 25	12,610,000
Littleton Elementary School District No. 65	[15,000,000]
Pendergast Elementary School District No. 92	995,000
Alamar Community Facillites District	69,984,021
City of Avondale (c)	28,695,000*

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

(c) Reflects reduction in authorization from the Elections in connection with the issuance of the Bonds.

Source: The various entities, State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the Assessor of the County.

* Subject to change.

TABLE 17

**Direct and Overlapping General Obligation Bonded Debt Ratios
City of Avondale, Arizona**

	Per Capita Bonded Debt Population Estimated @ 89,334	As % of City's 2021/22 Net Limited Assessed Property Value	As % of City's 2021/22 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt*(a)	\$528.52	9.57%	0.73%
Net Direct and Overlapping General Obligation Debt*(a)	1,880.30	34.06	2.59

* *Subject to change.*

(a) *Includes the Bonds.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue, the Arizona Office of Economic Opportunity, and the City.

**Other Obligations
City of Avondale, Arizona**

Item	Approximate Payment Amount	Payments
LED streetlights	\$107,000.00	Semi-annually through June 2028
Chiller plant	50,000.00	Quarterly through January 2034

CITY EMPLOYEE RETIREMENT SYSTEM

Retirement Benefits

The City contributes to the retirement plans described below and as referenced in Note 10 in APPENDIX E – “CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020.” Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the City and each covered employee contribute in the case of each. The City participates in the Corrections Officers Retirement Plan (“CORP”) and the Elected Officials Retirement Plan (“EORP”). [The City’s CORP and EORP plans are considered to be immaterial to the financial operations of the City and as such are not included in the audited financial statements of the City included as APPENDIX E or in this section of the Official Statement.]

Each of the plans has reported increases in its unfunded liabilities. The increases in unfunded liabilities is expected to result in increased future annual contributions by the City and its employees; however the specific impact on the City’s and its employees’ future contributions cannot be determined at this time.

The Governmental Accounting Standards Board (“GASB”) adopted Statement No. 68, Accounting and Financial Reporting for Pensions, which requires that cost-sharing employers report their “proportionate share” of a plan’s net pension liability in their government-wide financial statements and that the cost-sharing employer’s pension expense component include its proportionate share of the system’s pension expense, the net effect of annual changes in the employer’s proportionate share and the annual differences between the employer’s actual contributions and its proportionate share. GASB’s Statement No. 67, Financial Reporting for Pensions, is designed to improve financial reporting by state and local governmental pension plans.

Starting on page 80 in APPENDIX C – “CITY OF AVONDALE, ARIZONA AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020” is information about the plans based on GASB’s Statements Nos. 67 and 68. Please refer to APPENDIX C for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX C, the latter supersedes the former.

The Arizona State Retirement System. ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2020, the unfunded liability for ASRS was \$15.6 billion with a funding ratio of 72.3% and an assumed earning rate of 7.5%. As of June 30, 2020, the City reported a liability of \$33,554,983 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the City) and active members of ASRS are equal. For Fiscal Year 2020/21, the actuarially determined contribution rate for the City and active members of ASRS is 12.22% (12.04% for retirement and health insurance and 0.18% for long-term disability).

The table below shows recent actuarially determined contribution rates that the active ASRS members and the City are/were required to contribute, the plan’s funded status and the pension contributions under ASRS for the current and past four Fiscal Years.

Fiscal year ended	Retirement and Health Insurance Premiums	Long-term Disability	Total Contribution Rate	Funded Status	Pension Contributions
June 30, 2022	12.22%	0.19%	12.41%	unavailable	unavailable
June 30, 2021	12.04	0.18	12.22	unavailable	unavailable
June 30, 2020	11.94	0.17	12.11	72.8%	\$2,922,778
June 30, 2019	11.64	0.16	11.80	72.3	2,718,912
June 30, 2018	11.34	0.16	11.50	71.2	2,414,489

The Public Safety Personnel Retirement System. PSPRS is an agent multiple-employer defined benefit pension plan and an agent multiple employer defined benefit health insurance premium benefit plan that covers public safety personnel who are regularly assigned to hazardous duties for which the Arizona State Legislature establishes active plan members' contribution rates and member benefits. This is not a "pooled" system – a separate account exists for the police and fire employees of each participating political subdivision. In total, there are 258 individual plans in PSPRS. Each plan has its own financial condition, funding status, etc. which varies greatly across the system.

A 2016 amendment to the State constitution ("Prop 124") created an exception to the prohibition in the Constitution against diminishing or impairing public retirement system benefits by allowing for certain adjustments to PSPRS and preserved the State's legislature ability to modify public retirement benefits. Prop 124 allowed for, among other things, the replacement of permanent benefit increases then required by law with COLA (defined below) provisions tied to the regional consumer price indexes.

PSPRS active membership is comprised of three separate "tiers" based on date of hire which are shown in the following table.

<u>"Tier 1" Members</u>	<u>"Tier 2" Members</u>	<u>"Tier 3" Members</u>
Hired into PSPRS position before January 1, 2012	Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017	Hired into PSPRS position on or after July 1, 2017

The different tiers have different types of plans. Tier 1 members have a defined benefit plan, Tier 2 members have a defined benefit or defined benefit hybrid plan and Tier 3 members have a defined contribution, defined benefit or defined benefit hybrid plan. (The hybrid plan is a pension with an additional defined contribution tax-deferred retirement savings account for Tier 2 and Tier 3 members who do not contribute to Social Security). For Tier 1 and Tier 2 members, the type of plan is determined automatically. For Tier 3 members the type of plan is an irrevocable career choice with a default to a defined benefit plan after 90 days. The actuarially determined employer contribution rate varies among the different tiers and the different types of plans as shown in the tables below.

As of June 30, 2020, the unfunded liability for Tiers 1 and 2 of PSPRS was \$9.8 billion with a funding ratio of 48.0%. When calculating, an assumed earning rate of 7.3% was used and an assumed rate of 1.75% was used for increases in the cost of living allowance ("COLA").

The following tables show the actuarially determined annual contribution rates, funded status and total audited contribution amounts for PSPRS.

Fire

	<u>Fiscal Year Ended</u>				
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<u>Contribution Rates*</u>					
Tier 1 Defined Benefit Employer	31.30%	29.88%	28.17%	28.01%	25.74%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	31.30%	29.88%	28.17%	28.01%	25.74%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	25.80%	24.02%	22.16%	21.72%	20.13%
Tier 3 Defined Benefit Employee (a)	9.94%	9.94%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	25.74%	24.49%	22.73%	22.29%	20.74%
Tier 3 Defined Contribution Employee	9.88%	10.41%	10.51%	10.51%	10.55%
Pension Funded Status	N/A	N/A	71.6%	71.4%	70.80%
Health Funded Status	N/A	N/A	109.5%	108.9%	90.40%
Total City (Employer) Pension and Health Contribution	N/A	N/A	\$1,692,750	\$1,858,991	\$591,810

Police

	Fiscal Year Ended				
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Contribution Rates*					
Tier 1 Defined Benefit Employer	32.73%	31.69%	30.03%	29.44%	27.45%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	32.73%	31.69%	30.03%	29.44%	27.45%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	28.52%	26.43%	25.00%	24.44%	22.50%
Tier 3 Defined Benefit Employee (a)	9.94%	9.94%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	28.46%	26.90%	25.57%	25.01%	23.11%
Tier 3 Defined Contribution Employee	9.88%	10.41%	10.51%	10.51%	10.55%
Pension Funded Status	N/A	N/A	61.2%	61.6%	60.30%
Health Funded Status	N/A	N/A	109.6%	103.0%	94.00%
Total City (Employer) Pension and Health Contribution	N/A	N/A	\$2,925,098	\$2,832,186	\$1,508,019

* Sum of the Pension and Health insurance premium benefit contribution rates.

- (a) Does not include additional contribution percentage of 3% associated with defined benefit (“DB”) members additionally participating in the defined contribution (“DC”) plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual’s membership date.
- (b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.
- (c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

Statutory Changes and Court Decisions Regarding the PSPRS, CORP and EORP

PSPRS, CORP and EORP are all operated under the umbrella of the Public Safety Personnel Retirement System and the Public Safety Personnel Retirement System Board of Trustees. Since 2011 there have been various modifications designed to mitigate increasing unfunded liabilities in the programs. Some of these modifications were enacted by the Arizona Legislature; some changes resulted from successful court challenges to those statutory changes; and other changes were implemented by voter approved amendments to the State Constitution. Substantively, the modifications have included changes to contribution rates, retirement criteria, funding horizons, retirement benefits and post-retirement benefit increase calculations.

Potential Future State Legislation Affecting ASRS and PSPRS

Bills are frequently introduced at sessions of the State Legislature that, if enacted, could impact the administration of the ASRS and PSPRS and the eligibility, timing and payment of benefits from such plans. The City is unable to determine whether any such bills will be enacted into legislation or in what form such legislation may be enacted and what the impact of any such legislation may be.

Other Post-Employment Retirement Benefits

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”). The City is required to report 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 75 addresses reporting by governments that provide

OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan. Please refer to APPENDIX C of the Official Statement which includes the City's audited financial statements and specifically "Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

The City does not offer any OPEB. The City's employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the State. The benefits are available to all retired participants in the State's health care program. The City does not make payments for OPEB costs for such retirees.

REVENUES AND EXPENDITURES

State law requires that the City's financial books and records be audited by the State Auditor General or independent certified public accountants on an annual basis. The audited financial statements of the City are presented in APPENDIX E – "CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

The table below summarizes audited Revenues, Expenses and Changes in Fund Balance for the fiscal years 2015/16 through 2019/20, estimated actual figures for fiscal year 2020/21, and budgeted figures for fiscal year 2021/22. The information contained in the summary should be read in conjunction with the financial statements and accompanying notes in APPENDIX E of this Official Statement.

The Bonds will be payable solely from the source described under the heading "SECURITY AND SOURCES OF PAYMENT OF THE BONDS." The information provided in the following table is for reference only.

	Audited					Est. Actual	Budgeted
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (a)	2021/22 (a)
FUND BALANCE AT BEGINNING OF YEAR	\$ 36,325,536	\$ 41,788,227	\$ 50,765,264	\$ 48,072,714	\$ 57,494,165	\$ 59,341,181	\$ 86,369,581
REVENUES							
Taxes	\$ 33,290,011	\$ 35,480,700	\$ 37,581,378	\$ 39,274,382	\$ 41,761,104	\$ 49,834,241	\$ 45,678,000
Licenses and permits	1,422,437	2,141,129	2,696,687	2,453,941	2,829,160	6,322,897	5,708,000
Intergovernmental	20,244,361	20,981,986	22,104,403	22,907,122	23,950,676	27,719,101	27,930,100
Charges for services	1,151,276	1,605,554	2,061,757	1,433,962	1,644,706	1,933,457	4,323,500
Fines, forfeitures, and penalties	1,255,197	1,059,626	1,275,599	1,257,723	1,094,797	1,034,520	868,000
Interest income	184,273	256,839	464,003	819,031	907,552	693,608	322,000
Net increase/decrease in the fair value of investments	62,948	(93,350)	(206,532)	548,085	772,038	(647,404)	21,000
Contributions	46,685	23,620	20,672	14,890	17,017	19,703	1,360,900
Miscellaneous	1,421,200	1,577,419	1,588,285	1,839,092	1,647,124	1,405,559	-
TOTAL REVENUES	\$ 59,078,388	\$ 63,033,523	\$ 67,586,252	\$ 70,548,228	\$ 74,624,174	\$ 88,315,682	\$ 86,211,500
ADJUSTMENTS							
Sale of capital assets	\$ 248,878	\$ 9,618	\$ 7,974	\$ 1,182,553	\$ 2,368	\$ 2,102,177	\$ 6,799,000
Capital leases	-	304,326	2,677,308	-	-	-	-
Transfers in	-	-	-	-	-	-	947,000
Transfers out	(7,928,010)	(7,761,509)	(19,183,060)	(8,573,300)	(21,661,430)	(2,599,193)	(3,799,100)
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 87,724,792	\$ 97,374,185	\$ 101,853,738	\$ 111,230,195	\$ 110,459,277	\$ 147,159,847	\$ 176,527,981
EXPENDITURES							
Current:							
General government	\$ 12,131,308	\$ 11,712,818	\$ 13,851,178	\$ 12,075,667	\$ 14,397,361	\$ 17,350,436	\$ 22,053,900
Public safety	23,499,335	24,664,820	26,873,354	27,811,344	21,781,594	27,256,048	36,822,700
Health and welfare	1,562,800	1,381,735	1,489,684	1,589,091	1,704,056	2,014,705	-
Economic and community development	4,233,192	4,232,016	4,311,951	4,391,411	5,251,857	6,710,405	-
Culture and recreation	3,702,739	3,766,480	4,116,553	4,264,220	4,592,362	5,196,555	-
Community & economic development	-	-	-	-	-	-	9,090,200
Community services	-	-	-	-	-	-	8,225,450
Streets and transportation	-	-	-	-	-	-	2,018,775
Utilities	-	-	-	-	-	-	75,000
Debt service:							
Principal	-	31,226	-	31,525	121,275	104,970	119,000
Interest and other charges	-	14,774	-	90,694	70,405	67,369	65,000
Capital outlay	807,191	805,052	3,138,304	3,482,078	3,199,186	2,089,778	61,438,800
TOTAL EXPENDITURES	\$ 45,936,565	\$ 46,608,921	\$ 53,781,024	\$ 53,736,030	\$ 51,118,096	\$ 60,790,266	\$ 139,908,825
FUND BALANCE AT END OF YEAR	\$ 41,788,227	\$ 50,765,264	\$ 48,072,714	\$ 57,494,165	\$ 59,341,181	\$ 86,369,581	\$ 36,619,156

- (a) Reflects the City's budgeted figures for fiscal year 2021/22 which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.
- (b) The change in transfers out between fiscal years 2016/17 and 2017/18 resulted primarily from a one-time funding of capital projects.

FORM OF APPROVING LEGAL OPINION

[Closing Date]

Mayor and Council of the
City of Avondale, Arizona

Re: City of Avondale, Arizona General Obligation Bonds, Series 2021

We have examined copies of the proceedings of the Mayor and Council of the City of Avondale, Arizona (the “City”), and other proofs submitted to us relative to the issuance of the captioned Bonds (the “Bonds”). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinion rendered herein below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force and that the Bonds are valid and legally binding obligations of the City, all of the taxable property within which is subject to the levy of a tax without limitation as to rate or amount to pay the principal of and interest on the Bonds.

Based on the representations and covenants of the City and subject to the assumption stated in the last sentence of this paragraph, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and the interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We express no opinion regarding other tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds. The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Mayor and Council of the City have resolved in Ordinance No. ____, adopted by the Mayor and Council of the City on November 15, 2021, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. (Subject to the same limitations in the penultimate paragraph hereof with respect to such covenants, the City has full legal power and authority to comply with such covenants.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

\$14,075,000*

CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2021

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered by the City of Avondale, Arizona (the “City”), in connection with the sale and issuance of \$14,075,000* principal amount of City of Avondale, Arizona General Obligation Bonds, Series 2021 (the “Bonds”). The Bonds are being issued pursuant to an ordinance adopted by the Mayor and Council of the City on November 15, 2021 (the “Ordinance”). The City covenants and agrees as follows:

1. **Definitions.** In addition to those defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires:

“*Annual Financial Information*” means the financial information and operating data set forth in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Final Official Statement*” means the Final Official Statement relating to the Bonds, dated _____, 2021.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*GAAP*” means generally accepted accounting principles, as applied to governmental units as modified by the laws of the State.

“*Listed Event*” means the events set forth in Exhibit II.

“*Listed Events Disclosure*” means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

“*MSRB*” means the Municipal Securities Rulemaking Board.

* Subject to change.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act.

“State” means the State of Arizona.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule. The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after such delivery of the Bonds.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

CUSIP No. (Base 054314)	Maturity Date
----------------------------	---------------

4. Annual Financial Information Disclosure. Subject to annual appropriation to cover the costs of preparation and mailing thereof and Section 8 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), through EMMA.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to annual appropriation to cover the costs of preparation and mailing thereof and Section 8 of this Undertaking, the City shall disseminate in a timely manner, but not more than ten (10) business days after the occurrence of the event, Listed Events Disclosure through EMMA. Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Bond Ordinance, and the sole remedy available to such owners of the Bonds under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City or by approving vote of the owners of the Bonds at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying an accounting principle to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the fiscal year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

8. Non-Appropriation. The performance by the City of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the City to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the City covenants to provide prompt notice of such fact to the MSRB through EMMA, in a format prescribed by the MSRB.

9. Termination of Undertaking. This Undertaking shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance.

10. 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 Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is

specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

DATED: [Closing Date]

CITY OF AVONDALE, ARIZONA

By.....
Mayor

ATTEST:

.....
City Clerk

APPROVED AS TO FORM:

.....
City Attorney

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data of the type contained in the Final Official Statement in Table Nos. 7, 9, 10, 13, and 15 (in each case, actual results for most recently completed fiscal year only).

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available from the MSRB. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2022. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the City.

Audited Financial Statements will be prepared according to GAAP.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

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 of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the rights of security holders, if material.
8. Bond calls, if material, or tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the City, being if 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 of 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.
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.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

APPENDIX E

**CITY OF AVONDALE, ARIZONA –
AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued 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 Bond will be issued for each maturity of the Bonds, 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 Securities 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 the Direct Participants, the “Participants”). DTC has Standard & Poor’s rating of: “AA+.” 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect 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 or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct 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 the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond 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 Bond Registrar and Paying Agent, 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 Bond Registrar and Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Bond Registrar and Paying Agent, 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 and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

ORDINANCE NO. 2061-1121

ORDINANCE (1) PROVIDING FOR THE SALE AND ISSUANCE OF CITY OF AVONDALE, ARIZONA GENERAL OBLIGATION BONDS, SERIES 2021 AND FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; (2) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE AND ISSUANCE OF THE BONDS; (3) DELEGATING AUTHORITY TO THE MAYOR, THE MANAGER AND THE FINANCE AND BUDGET DIRECTOR OF THE CITY TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; AND (4) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE AND RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS ORDINANCE.

WHEREAS, at a special bond election held in and for the City of Avondale, Arizona (the “City”), on September 8, 1998 (the “1998 Election”), there was submitted to the qualified electors thereof, among others, the following question:

QUESTION NO. 4

PURPOSE: PUBLIC SAFETY FACILITIES
AMOUNT: \$3,200,000

Shall the City of Avondale, Arizona (the “City”), be authorized to incur indebtedness by the issuance of bonds of the City in the principal amount of \$3,200,000 for the purpose of providing funds to design, construct, and equip additional fire substations, to acquire fire fighting and rescue equipment, to furnish and equip the fire substations so constructed, to design, construct, expand and equip existing and additional police facilities, to furnish and equip the police facilities so constructed or expanded, to design, construct, expand and equip existing and additional court facilities, to furnish and equip the court facilities so constructed or expanded, to acquire land for fire substations, a medic station, police facilities and court facilities by purchase, exercise of the power of eminent domain and any other method of acquisition, and to improve the grounds of the facilities so constructed or expanded, and to pay all expenses incidental thereto and to the issuance and sale of such bonds, such bonds, or any series thereof, to be issued as general obligation bonds of the City, payable from ad valorem taxes levied upon all taxable property in the City; such bonds, or any series thereof, to be in the denomination of \$5,000

each or whole multiples thereof, to mature not more than 20 years from their date and to bear interest at a rate or rates not to exceed 9% per annum, payable semiannually; provided that each bond may be evidenced by one instrument or a succession of instruments and the interest may be payable more frequently, and at a variable rate or rates, none of which shall exceed 9% per annum?

; and

WHEREAS, at a special bond election held in and for the City of Avondale, Arizona (the “City”), on May 15, 2007 (the “2007 Election” and, together with the 1998 Election, the “Elections”), there was submitted to the qualified electors thereof, among others, the following questions:

QUESTION 4

PURPOSE: PUBLIC SAFETY FACILITIES
AMOUNT: \$13,000,000

Shall the City of Avondale, Arizona (the “City”), be authorized to incur indebtedness by the issuance of general obligation bonds of the City, payable from ad valorem taxes levied upon all of the taxable property in the City, in the principal amount of \$13,000,000 for the purpose of providing funds to design, construct, equip, furnish and provide necessary appurtenances for courts, police, fire and other public safety facilities, to acquire land therefor by purchase, exercise of the power of eminent domain or any other method of acquisition, and to pay all expenses incidental thereto and to the sale and issuance of such bonds; such bonds to be in the denomination of \$5,000 each or whole multiples thereof, to mature not more than 30 years from their date and to bear interest at a rate or rates not to exceed 12% per annum, payable semiannually; provided that each bond may be evidenced by one instrument or a succession of instruments and the interest thereon may be payable more frequently, and at a variable rate or rates, none of which shall exceed 12% per annum?

The issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds.

QUESTION 5

PURPOSE: GENERAL GOVERNMENT FACILITIES
AMOUNT: \$17,000,000

Shall the City of Avondale, Arizona (the “City”), be authorized to incur indebtedness by the issuance of general obligation bonds of the City, payable from ad valorem taxes levied upon all of the taxable property in the City, in the principal amount of \$17,000,000 for the purpose of providing funds to design, construct, equip, furnish and provide necessary appurtenances for general governmental facilities, including the expansion of the civic center of the City, to acquire land therefor by purchase, exercise of the power of eminent domain or any other method

of acquisition, and to pay all expenses incidental thereto and to the sale and issuance of such bonds; such bonds to be in the denomination of \$5,000 each or whole multiples thereof, to mature not more than 30 years from their date and to bear interest at a rate or rates not to exceed 12% per annum, payable semiannually; provided that each bond may be evidenced by one instrument or a succession of instruments and the interest thereon may be payable more frequently, and at a variable rate or rates, none of which shall exceed 12% per annum?

The issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds.

; and

WHEREAS, the returns of the Elections were duly canvassed by the Mayor and Council of the City (the “Council”), and certificates disclosing the purposes of the Elections, the total number of votes cast thereat, the total number of votes for and against the issuance of the bonds, and stating that the creation of the indebtedness by the issuance of the bonds in accordance with the foregoing questions was ordered, have been filed and recorded in the office of the County Recorder of Maricopa County, Arizona; and

WHEREAS, a majority of the qualified electors of the City, voting at the Elections voted “For the Bonds,” in answer to the foregoing questions; and

WHEREAS, the Council has determined to sell and issue all or a portion of the authorized amount of such bonds (the “Bonds”) as general obligation bonds for the purposes granted at the Elections; and

WHEREAS, the Council will receive a proposal from Hilltop Securities Inc. (the “Underwriter”) and has determined that the Bonds should be sold through negotiation to the Underwriter; and

WHEREAS, the City has retained Stifel, Nicolaus & Company, Incorporated as financial advisor to the City pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-005-1718; and

WHEREAS, all things required to be done preliminary to the authorization, sale and issuance of the Bonds have been duly done and performed in the manner required by law, and the Council is now empowered to proceed with the sale and issuance of the Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA as follows:

SECTION 1. Authorization and Terms.

(a) (1) The Bonds, to provide funds for the purposes set forth in the above-mentioned forms of ballot questions submitted to the qualified electors of the City at the Elections, are hereby authorized to be issued and sold as a series of bonds of the City to be designated “City

of Avondale, Arizona General Obligation Bonds, Series 2021” in accordance with this Ordinance and applicable law.

(2) The Bonds are authorized by the provisions of ARIZ. REV. STAT. § 35-451 through ARIZ. REV. STAT. § 35-462, and constitute (i) the fourth series of bonds of a total authorized amount of not to exceed \$31,000,000 principal amount of bonds of the City approved by the qualified electors of the City at the 1998 Election; and (ii) the third series of bonds of a total authorized amount of not to exceed \$70,000,000 principal amount of bonds of the City approved by the qualified electors of the City at the 2007 Election.

(3) The proceeds from the sale of the Bonds shall be credited against the total principal amount of bonds and the specific amount of bonds so authorized by the qualified electors of the City at the Elections and for each respective purpose and project as set forth in the applicable question on the official form of ballot and the proceeds of the Bonds shall be applied to each respective purpose and project as determined by the Finance and Budget Director of the City or her designee on behalf of the City.

(b) The Mayor, the Manager, the Finance and Budget Director of the City or the designees of any of them (collectively, the “Authorized Representatives”) are hereby authorized and directed to determine on behalf of the City: (1) the total principal amount of the Bonds (but not to exceed \$16,300,000 aggregate principal amount) and the amounts to be allocated to each of the purposes authorized by the Elections; (2) the final principal and maturity schedule of the Bonds (but none of the Bonds to mature later than July 1, 2046); (3) the interest rates with respect to the Bonds and the dates for payment of such interest (the “interest payment dates”); (4) the provisions for redemption in advance of maturity of the Bonds; (5) the sales date, sales price and other sales terms of the Bonds (including provision for underwriter’s compensation, original issue discount and original issue premium); and (6) the provision for credit enhancement, if any, for the Bonds; provided, however, that such determinations must result in a yield for federal income tax purposes with respect to the Bonds of not to exceed four percent (4%).

(c) (1) The Bonds shall be dated the date of their initial authentication and delivery and issued in the denomination of \$5,000 of principal amount each or integral multiples thereof and only in fully registered form.

(2) The principal of and premium, if any, on the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the designated corporate trust of the Bond Registrar and Paying Agent (as defined herein).

(3) Interest on the Bonds shall be payable by check, dated as of the interest payment date, mailed to the registered owners thereof and at the addresses appearing on the registration books maintained by the Bond Registrar and Paying Agent at the close of business on the fifteenth (15th) day of the month next preceding that interest payment date (the “regular record date”). Any such interest on a Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor Bonds) as of the regular record date and shall be payable to the registered owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed

by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of Bonds not less than ten (10) days prior thereto.

(4) The principal of and premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

SECTION 2. Prior Redemption of the Bonds.

(a) Notice of redemption of any Bond shall be mailed by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption to the registered owner of the Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to properly give such notice of redemption shall not affect the redemption of any Bond for which notice was properly given. Such notice may provide that the redemption is conditional upon moneys for payment of the redemption price being held in separate accounts by the Bond Registrar and Paying Agent.

(b) On the date designated for redemption by notice given as herein provided, the Bonds or portions thereof to be redeemed shall become and be due and payable at the redemption price for such Bonds or such portions thereof on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such Bonds or such portions thereof shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security hereunder, the registered owners of such Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such Bonds or such portions thereof shall be deemed paid and no longer outstanding.

(c) The City may redeem any amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, the registered owner shall submit the Bond for partial redemption and the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

SECTION 3. Security; Defeasance.

(a) After the Bonds are issued, the Council shall enter on its minutes a record of the Bonds sold and their numbers and dates. For the purpose of paying the principal of, interest on and costs of administration of the registration and payment of the Bonds, there shall be levied on all the taxable property in the City a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on the Bonds as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes of the City are levied, assessed and collected. The tax shall be extended and collected for the City, and the officials of the City and Maricopa County, Arizona, charged with the annual extension and collection of taxes, without further instructions from the Council, shall extend and collect the tax upon issuance of the Bonds. All moneys collected through such tax shall be paid into the treasury of the City, to the credit of a "Debt Service Fund" of the City for the Bonds, from which fund the

Bonds shall be payable, which tax moneys shall be held in subfunds to be known as the “Interest Fund” and the “Redemption Fund,” which funds shall be kept separate and apart from and not commingled with any other funds or moneys and which shall be used solely for, respectively, payment of interest on and principal of, and premium, if any, on the Bonds.

(b) Any Bond or portion thereof in authorized denominations shall be deemed paid and defeased and thereafter shall have no claim on ad valorem taxes levied on taxable property in the City (i) if there is deposited with a bank or comparable financial institution, in trust, moneys or obligations issued by or guaranteed by the United States government (“Defeasance Obligations”) or both which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay the principal of and interest and any premium on such Bond or portion thereof as the same matures, comes due or becomes payable upon prior redemption and (ii) if such defeased Bond or portion thereof is to be redeemed, notice of such redemption has been given in accordance with provisions hereof or the City has submitted to the Bond Registrar and Paying Agent instructions expressed to be irrevocable as to the date upon which such Bond or portion thereof is to be redeemed and as to the giving of notice of such redemption. Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed payable or outstanding hereunder and thereafter such Bonds shall be entitled to payment only from the moneys or Defeasance Obligations deposited to provide for the payment of such Bonds.

SECTION 4. Use of Proceeds.

Proceeds of the sale of the Bonds shall be deposited in the treasury of the City to the credit of the “General Obligation Bonds Series 2021 Construction Fund” in the amounts determined as provided in Section 1(a)(3) hereof. The City will use appropriate project fund accounting to track the separate projects and to ensure proceeds are used solely for the purposes specified in the aforementioned ballot questions submitted to the qualified electors of the City at the Elections; provided, however, that (i) such proceeds may be invested in the manner and under the circumstances allowed by law, and (ii) any moneys remaining in any subfund after such purposes shall have been accomplished shall be transferred to the applicable “Interest Fund” and “Redemption Fund” in the same fashion as taxes.

SECTION 5. Form of Bonds.

(a) The Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in the Exhibit A attached hereto. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

(b) 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 authentication and registration of each Bond.

(c) The Bonds are prohibited from being converted to coupon or bearer bonds without the consent of the Council and approval of bond counsel to the City.

SECTION 6. Execution and Delivery of Bonds.

(a) The Bonds shall be executed for and on behalf of the City by the Mayor of the City and attested by the Clerk of the City. Such signatures may be by mechanical reproduction; however, such officers shall manually sign a certificate adopting as and for such signatures on the Bonds the respective mechanically reproduced signatures affixed to the Bonds.

(b) If an officer whose signature is on a Bond no longer holds that office at the time such Bond is authenticated and registered, the Bond shall nevertheless be valid and binding so long as such Bond would otherwise be valid and binding.

(c) A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the Bond Registrar and Paying Agent shall be conclusive evidence that the Bond has been authenticated and issued pursuant to this Ordinance.

SECTION 7. Mutilated, Lost or Destroyed Bonds.

In case any Bond becomes mutilated or destroyed or lost, the City shall cause to be executed and delivered a new Bond of like type, date, maturity date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the City in connection therewith and, in the case of a Bond destroyed or lost, filing with the Bond Registrar and Paying Agent by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent that such Bond was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to ARIZ. REV. STAT. § 47-8405.

SECTION 8. Acceptance of Proposal.

(a) Subject to the discretion delegated by Section 1(b) hereof, the Authorized Representatives are hereby authorized to accept a proposal of the Underwriter for the purchase of the Bonds which satisfies the terms and conditions of this Ordinance on behalf of the Council, and the Bonds are hereby ordered to be sold to the Underwriter in accordance with the terms of the Bond Purchase Agreement presented to the Council at the meeting at which this Ordinance was adopted (the "Purchase Agreement") and which is hereby approved. The Authorized Representatives are hereby authorized to execute the Purchase Agreement, for and on behalf of the Council, in substantially the form submitted to the Council at the meeting at which this Ordinance was adopted and in a final form satisfactory to the Authorized Representatives, and such execution and delivery by the Authorized Representatives shall indicate the approval thereof on behalf of the Council by the Authorized Representatives.

(b) The Finance and Budget Director of the City is hereby requested to cause the Bonds to be delivered to the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale provided in the Purchase Agreement.

SECTION 9. Official Statement and Continuing Disclosure.

(a) (1) The preparation, distribution and use of the Preliminary Official Statement relating to the Bonds in substantially the form presented to the Council at the meeting at which this Ordinance was adopted is in all respects hereby ratified, approved and confirmed, and the Authorized Representatives are hereby authorized to certify or otherwise represent that the Preliminary Official Statement, in original or revised form, is a “deemed final” official statement (except for permitted omissions) of the City as of particular date for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

(2) The Underwriter is authorized to prepare or cause to be prepared, and the Authorized Representatives are authorized and directed to approve, on behalf of the Council, and to execute and deliver, a final Official Statement in substantially the form of the Preliminary Official Statement, modified to reflect matters related to the sale of the Bonds, for distribution and use in connection with the offering and sale of the Bonds. The execution and delivery of such final Official Statement by the Authorized Representatives shall be conclusively deemed to evidence the approval of the status, form and contents thereof by the Council.

(b) Subject to annual appropriation to cover the costs of preparing and mailing as necessary therefor, the City shall comply with and carry out all of the provisions of a Continuing Disclosure Undertaking, to be dated the date of issuance of the Bonds (the “Undertaking”) with respect to the Bonds which the Mayor or, in the absence thereof, Vice Mayor of the City is hereby authorized, for and on behalf of the Council, to execute, and the Clerk of the City is hereby authorized to attest and deliver, in substantially the form submitted to the Council at the meeting at which this Ordinance was adopted, with such additions, deletions and modifications as shall be approved by the Mayor or, in the absence thereof, Vice Mayor of the City, and such execution and delivery shall constitute evidence of the approval of such officer of any departures from the form submitted to the Council at the time of adoption of this Ordinance. Notwithstanding any other provision of this Ordinance, failure of the City (if obligated pursuant to the Undertaking) to comply with the Undertaking shall not be considered an event of default; however, any Beneficial Owner (as defined herein) may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

SECTION 10. Bond Registrar and Paying Agent.

(a) The Authorized Representatives are hereby authorized to appoint the initial authenticating agent, bond registrar, transfer agent and paying agent with respect to the Bonds (the “Bond Registrar and Paying Agent”), and a standard form contract therewith covering such services, with such additions, deletions and modifications as shall be approved by the Mayor or, in the absence thereof, Vice Mayor of the City, is hereby approved, and the Mayor or, in the absence thereof, Vice Mayor of the City is hereby authorized to execute, and the Clerk of the City

is hereby authorized to attest and deliver, such contract. The Bond Registrar and Paying Agent shall maintain the books of the City for the registration of ownership of each Bond.

(b) A Bond may be transferred on the registration books upon delivery and surrender of the Bond to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of the Bond to be transferred or the attorney-in-fact or legal representative thereof, containing written instructions as to the details of the transfer of such Bond. No transfer of any Bond shall be effective until entered on the registration books.

(c) In all cases upon the transfer of a Bond, the Bond Registrar and Paying Agent 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 Bond or Bonds of the same type and of the authorized denominations (except that no Bond 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 this Section.

(d) All costs and expenses of initial registration and payment of the Bonds shall be borne by the City, but the City and the Bond Registrar and Paying Agent shall charge the registered owner of such Bond for every subsequent transfer of a Bond including an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such charge including for such transfer fee, tax or other governmental charge be paid before any such new Bond shall be delivered.

(e) The City and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on any regular record date and ending with the close of business on the corresponding interest payment date.

(f) The Bonds shall be subject to a Book-Entry System (as defined herein) of ownership and transfer, except as provided in subsection (3) of this subsection. The general provisions for effecting the Book-Entry System are as follows:

(1) The City hereby designates The Depository Trust Company, New York, New York, as the initial Depository (as defined herein) hereunder.

(2) Notwithstanding the provisions of this Section or of the Bonds to the contrary and so long as the Bonds are subject to a Book-Entry System, the Bonds shall initially be evidenced by one typewritten certificate for each maturity in an amount equal to the aggregate principal amount thereof. The Bonds so initially delivered shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company. The Bonds may not thereafter be transferred or exchanged on the registration books of the City maintained by the Bond Registrar and Paying Agent except:

(a) to any successor Depository designated pursuant to subsection (3) of this subsection;

(b) to any successor nominee designated by a Depository; or

(c) if the City shall elect to discontinue the Book-Entry System pursuant to subsection (3) of this subsection, the City shall cause the Bond Registrar and Paying Agent to authenticate and deliver replacement Bonds in fully registered form in authorized denominations in the names of the Beneficial Owners (as defined herein) or their nominees, as certified by the Depository, at the expense of the City; thereafter the other applicable provisions of this Ordinance regarding registration, transfer and exchange of the Bonds shall apply.

(3) The Bond Registrar and Paying Agent, pursuant to a request from the City for the removal or replacement of the Depository, and upon thirty (30) days' notice to the Depository, may remove or replace the Depository. The Bond Registrar and Paying Agent shall remove or replace the Depository at any time pursuant to the request of the City. The Depository may determine not to continue to act as Depository for the Bonds upon thirty (30) days' written notice to the City and the Bond Registrar and Paying Agent. If the use of the Book-Entry System is discontinued, then after the Bond Registrar and Paying Agent has made provision for notification of the Beneficial Owners of their book entry interests in the Bonds by appropriate notice to the then Depository, the City and the Bond Registrar and Paying Agent shall permit withdrawal of the Bonds from the Depository and authenticate and deliver the Bond certificates in fully registered form and in denominations authorized by this Section to the assignees of the Depository 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 Bond certificates) of the City.

(4) So long as the Book-Entry System is used for the Bonds, the City and the Bond Registrar and Paying Agent shall give any notice of redemption or any other notices required to be given to registered owners of Bonds only to the Depository or its nominee registered as the owner thereof. Any failure of the Depository to advise any of its participants, or of any participant to notify the Beneficial Owner, of any such notice and its content or effect shall not affect the validity of the redemption of the Bonds to be redeemed or of any other action premised on such notice. Neither the City nor the Bond Registrar and Paying Agent shall be responsible or liable for the failure of the Depository or any participant thereof to make any payment or give any notice to a Beneficial Owner in respect of the Bonds or any error or delay relating thereto.

(5) Notwithstanding any other provision of this Section or Section 2(b) hereof or of the Bonds to the contrary, so long as the Bonds are subject to a Book-Entry System, it shall not be necessary for the registered owner to present the applicable Bond for payment of mandatory redemption installments, if any. The mandatory redemption installments may be noted on books kept by the Bond Registrar and Paying Agent and the Depository for such purpose, and the Bonds shall be tendered to the Bond Registrar and Paying Agent at their maturity.

(6) For purposes of this Section, "Beneficial Owners" shall mean actual purchasers of the Bonds whose ownership interest is evidenced only in the Book-Entry System maintained by the Depository; "Book-Entry System" shall mean a system for clearing and settlement of securities transactions among participants of a Depository (and

other parties having custodial relationships with such participants) through electronic or manual book-entry changes in accounts of such participants maintained by the Depository hereunder for recording ownership of the Bonds by Beneficial Owners and transfers of ownership interests in the Bonds and “Depository” shall mean The Depository Trust Company, New York, New York or any successor depository designated pursuant to this Section.

SECTION 11. General Federal Tax Law Covenants.

(a) (1) As provided in further detail in the Certificate Relating To Federal Tax Matters to be delivered upon the initial delivery of the Bonds (the “Tax Certificate”), the City shall not make or direct the making of any investment or other use of the proceeds of any Bonds which would cause such Bonds to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Internal Revenue Code of 1986, as amended (the “Code”), or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and shall comply with the requirements of the Code sections and the regulations promulgated thereunder (the “Regulations”) throughout the term of the Bonds. In consideration of the purchase and acceptance of the Bonds by such holders from time to time and of retaining such exclusion and as authorized by ARIZ. REV. STAT. § 35-511 through ARIZ. REV. STAT. § 35-515, the Council covenants, and the appropriate officials of the City are hereby directed, to take all action required to maintain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(2) The City shall be the owner of the facilities financed with the proceeds of the sale of the Bonds (the “Facilities”) for federal income tax purposes. Except as otherwise advised in a Bond Counsel’s Opinion (as defined herein), the City shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities unless the management or service contract complies with the requirements of such authority as may control at the time, or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities. Also, the payment of principal and interest with respect to the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Bonds, or amounts treated as proceeds of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Bonds are being issued, (ii) may be so used in making investments of a bona fide debt service fund or (iii) may be invested in obligations issued by the United States Treasury.

(3) The procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds (initially Section 12 hereof) shall be complied with for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) (1) The City shall take all necessary and desirable steps, as determined by the Council, to comply with the requirements hereunder in order to ensure that interest on the Bonds is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the City receives a Bond Counsel's Opinion that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Bonds, or (ii) compliance with some other requirement will meet the requirements of the Code. In the event the City receives such a Bond Counsel's Opinion, this Ordinance shall be amended to conform to the requirements set forth in such opinion.

(2) If for any reason any requirement hereunder is not complied with, the Council shall take all necessary and desirable steps, as determined by the City, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the City shall pay any required interest or penalty under Regulations section 1.148-3(h).

(c) The City has adopted post-issuance tax compliance procedures, with which the City shall comply.

SECTION 12. Arbitrage Rebate Covenants.

(a) Terms not otherwise defined in Subsection (b) hereof shall have the meanings given to them in the Tax Certificate.

(b) The following terms shall have the following meanings:

“Bond Counsel’s Opinion” shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

“Bond Year” shall mean each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Bonds and shall end on the date selected by the City, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Bond.

“Bond Yield” is as indicated in the Tax Certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Bonds as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Bonds and using semiannual compounding on the basis of a 360-day year.

“Gross Proceeds” shall mean:

(i) any amounts actually or constructively received by the City from the sale of the Bonds but excluding amounts used to pay accrued interest on the Bonds within one year of the date of issuance of the Bonds;

(ii) transferred proceeds of the Bonds under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Bonds within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Bonds, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Bonds in the event the City encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account.

“Investment Property” shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

“Issue Price” is as indicated in the Tax Certificate and shall be determined as provided in Regulations section 1.148-1(b).

“Nonpurpose Investment” shall mean any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Bonds.

“Payment” shall mean any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

“Rebate Requirement” shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

“Receipt” shall mean any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

“Regulations” shall mean the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

(c) Within 60 days after the end of each Bond Year, the City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Bonds (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Bonds (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Bond, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Bond).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(d) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(e) For purposes of Subsection (d), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(1) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(2) Except as provided in Subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(3) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(f) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(1) the yield on reasonably comparable direct obligations of the United States; and

(2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(g) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(1) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the requirements in the Regulations that the City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Bonds.

(2) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(3) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (e.g., a lead underwriter within 15 days of the issue date of the Bonds or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the City uses an agent to conduct the bidding, the agent may not bid.

(4) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(5) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(7) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(8) The City retains until three years after the last outstanding Bond is retired, (i) a copy of the guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the City and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(h) The employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of such Code is hereby authorized.

SECTION 13. Ordinance a Contract; Severability; Ratification of Actions.

(a) This Ordinance shall constitute a contract between the City and the registered 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.

(b) If any section, paragraph, subdivision, sentence, clause or phrase of this Ordinance is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have adopted this Ordinance and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds, pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Ordinance may be held illegal, invalid or unenforceable.

(c) All actions of the officers, employees and agents of the City including the Council which conform to the purposes and intent of this Ordinance and which further the sale and issuance of the Bonds as contemplated by this Ordinance, including retention of consultants and counsel necessary to carry out the purposes of this Ordinance, whether taken before or after adoption of this Ordinance, 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 and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Ordinance.

(d) All acts and conditions necessary to be performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the City will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law, and no statutory, charter or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

(e) All formal actions of the Council concerning and relating to the passage of this Ordinance were taken in an open meeting of the Council, and all deliberations of the Council and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
November 15, 2021.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

EXHIBIT A

[FORM OF BOND]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND 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.*

REGISTERED
NO.

REGISTERED
\$.

UNITED STATES OF AMERICA
STATE OF ARIZONA

CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION BOND, SERIES 2021

Interest Rate:
.....%

Maturity Date:
July 1,

Dated:
....., 2021

CUSIP:
.....

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF AVONDALE, ARIZONA, a body politic and corporate, duly incorporated and existing pursuant to the laws of the State of Arizona (the “City”), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, the aforesaid principal amount on the aforesaid maturity date unless earlier redeemed and then on the applicable redemption date, and to pay interest on the principal amount from the date this Bond is dated as of, at the aforesaid interest rate (computed on the basis of a 360-day year of twelve 30-day months) on each January 1 and July 1 (each an “interest payment date”), commencing, to its maturity or its redemption prior to maturity. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the designated corporate trust office

* Insert only while The Depository Trust Company, New York, New York, is the Securities Depository.

of, as the "Bond Registrar and Paying Agent." Interest on this Bond is payable by check, dated as of the interest payment date, mailed to the registered owner hereof and at the address appearing on the registration books maintained by the Bond Registrar and Paying Agent at the close of business on the 15th day of the month next preceding that interest payment date (the "regular record date"). Any such interest which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owner of this Bond not less than 10 days prior thereto.

The principal of and interest and premium, if any, on this Bond are payable in lawful money of the United States of America, on the respective dates when principal and interest become due.

This Bond is one of a series of bonds (the "Bonds") indicated above in the aggregate principal amount of \$.....,000 of like tenor except as to amount, maturity date, rate of interest and number. The Bonds represent (i) the fourth installment of an aggregate voted amount of \$31,000,000 principal amount approved at a special bond election duly called and held in and for the City on September 8, 1998 (the "1998 Election"), and (ii) the third installment of an aggregate voted amount of \$70,000,000 principal amount approved at a special bond election duly called and held in and for the City on May 15, 2007 (the "2007 Election"), for the purposes provided in the Question numbered 4 at the 1998 Election and the Questions numbered 4 and 5 at the 2007 Election. The Bonds are being issued by the City pursuant to an Ordinance of the Mayor and Council of the City, duly adopted prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the "Ordinance"), and pursuant to the Constitution and laws of the State of Arizona relative to the sale and issuance of general obligation bonds of municipalities, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the purpose of paying the principal of, interest on and costs of administration of the registration and payment of this Bond, there shall be levied on all taxable property in the City a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on this Bond as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes of the City are levied, assessed and collected.

The Bonds maturing before and on July 1,, are not subject to redemption prior to maturity. The Bonds maturing on and after July 1,, are subject to redemption prior to maturity, in whole or in part, on July 1,, or any date thereafter, by the payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 1,, and January 1,	%
July 1,, and January 1,	
July 1,, and thereafter	0.0

The Bonds maturing on July 1,, shall be redeemed prior to maturity on July 1, in the years and amounts set forth below, by payment of the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, but without a premium:

<u>Year</u>	<u>Amount</u>
	\$

A remaining principal amount of \$.....,000 of Bonds maturing on July 1,, shall mature on July 1,

Not more than seventy-five (75) nor less than sixty (60) days prior to the mandatory redemption date for the Bonds maturing on July 1,, the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from all the Bonds maturing on July 1,, outstanding a principal amount of the Bonds maturing on July 1,, equal to the aggregate principal amount of the Bonds maturing on July 1,, to be redeemed and shall redeem such Bonds maturing on July 1,, on the next July 1 and give notice of such redemption.

Notice of redemption of any such Bond will be mailed not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption to the registered owner of such Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to properly give such notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar and Paying Agent shall maintain the registration books of the City for the registration of ownership of each Bond as provided in the Ordinance. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Bond may be transferred on the registration books upon delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond

Registrar and Paying Agent, duly executed by the registered owner of this Bond or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of this Bond, the Bond Registrar and Paying Agent shall transfer the ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations (except that no Bond 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 Ordinance. The City and the Bond Registrar and Paying Agent shall charge the owner of such Bond for every transfer of a Bond, including an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer and may require that such charge, including such transfer fee, tax or other charge be paid before any such new Bond shall be delivered.

The City and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on any regular record date and ending with the close of business on the corresponding interest payment date.

This Bond shall not be entitled to any security or benefit under the Ordinance or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar and Paying Agent.

Pursuant to the Ordinance, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America ("Defeasance Obligations") or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Ordinance or payable from ad valorem taxes on taxable property in the City, and the owners of such Bonds shall thereafter be entitled to payment only from the amounts and Defeasance Obligations deposited in trust.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law, (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the City, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the City, over and above all other taxes authorized or limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

IN WITNESS WHEREOF, THE CITY OF AVONDALE, ARIZONA, has caused this Bond to be executed in the name of the City by the facsimile signature of the Mayor of the City and such signature of the Mayor of the City to be attested by the facsimile signature of the Clerk of the City.

CITY OF AVONDALE, ARIZONA

By _____ (Facsimile)
Kenneth N. Weise, Mayor

ATTEST:

By _____ (Facsimile)
Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

By _____ (Facsimile)
Nicholle Harris, City Attorney

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the City of Avondale, Arizona General Obligation Bonds, Series 2021.

Date of Authentication:

_____,
as Bond Registrar and Paying Agent

By.....
Authorized Representative

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto the within Bond and irrevocably constitutes and appoints attorney to transfer this Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:
Signature

Signature Guaranteed:

.....
[Insert proper legend] Signature

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

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 - Custodian
(Cust) (Minor)

under Uniform Gifts/Transfers to Minors Act
(State)

Additional abbreviations may also be used though not included in the above list

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

CERTIFICATION

I hereby certify that the foregoing Ordinance No. 2061-1121 was duly passed and adopted by the Mayor and the Council of the City of Avondale, Arizona, at a regular meeting held on the 15th day of November 2021, and the vote was ayes and nays and that the Mayor and Councilmembers were present thereat.

.....
Marcella Carrillo, City Clerk,
City of Avondale, Arizona

CITY COUNCIL REPORT

SUBJECT: Ordinance 2062-1121 – Authorizing the Sale and Execution and Delivery of Pledged Revenue and Pledged Revenue Refunding Obligations, in One or More Series.

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Keith Fallstrom, Interim Finance & Budget Director, (623) 333-2016

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

This agenda item supports the following Avondale Strategic Outcome Area:

Innovative Program and Service Delivery - Avondale will continue to serve as a model of innovative, efficient, and responsive government. Aligning resources for capital projects ensures the city has the capacity to provide innovative program and service delivery to Avondale residents, businesses, and visitors.

PURPOSE:

City Council will consider a request to adopt Ordinance 2062-1121 approving the sale, execution and delivery of Pledged Revenue and Pledged Revenue Refunding Obligations, in one or more series; approving the form and authorizing the execution and delivery of agreements necessary for such sale; delegating authority to determine certain matters and terms with respect to the foregoing and declaring an emergency and authorizing the Mayor or City Manager, City Attorney and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

Pledged Revenue Obligations are obligations from a specific income or revenue source. In this case, the City would be pledging city sales tax and state shared revenue. Revenue from these sources would be used to make the principal and interest payments.

Staff recently provided an update on the Avondale Aquatic Center Project at the October 25, 2021 Council Work Session. Staff have identified an opportunity to fund the Avondale Aquatic Center Project by issuing approximately \$12.4 million of Pledged Revenue Obligations to help cover the expected costs of the project in the current and next fiscal year. The project is presently budgeted at \$16 million with the remaining balance being funded from the General Fund.

Staff also identified an opportunity to refinance Pledged Revenue Obligations issued in 2019 by issuing approximately \$7.8 million of Pledged Revenue Refunding Obligations to lower the interest rate paid on the original obligations to save an estimated \$36,000 - \$43,000 per year for a total expected savings of \$360,000 - \$430,000. The original obligations were issued to fund water and wastewater infrastructure improvements for

the North Avondale Water Supply project and the Old Town Avondale Improvements project.

Staff will meet with one rating agency during November to rate the City for this issuance. The City currently has an Aa3 rating with Moody's Investors Service and an AA rating with Standard and Poor's for Pledged Revenue Obligations.

DISCUSSION:

The Ordinance authorizes the sale and issuance of the Pledged Revenue Obligations and Pledged Revenue Refunding Obligations, in one or more series and the execution of necessary agreements and documents. The Ordinance also prescribes certain terms and conditions, including the delegation to the Mayor, City Manager, Assistant City Manager, and Finance and Budget Director the authority to:

- Appoint a Trustee and approve the form of the Trust Agreement.
- Approve the series name and series designation of each series of the obligations
- Designate the final principal and payment amounts, maturities and payment dates, and interest rates and yields.
- Authorize all actions taken to further this Ordinance.
- Accept a proposal of the Underwriter for the purchase of the obligations and approve the form of the contract.
- Approve the form of the Preliminary Official Statement and Official Statement.
- Ratify all actions taken with respect to the preparation and distribution of the Preliminary Official Statement.
- Approve the continuing disclosure undertaking.
- Declare an emergency in order to have the Ordinance effective immediately.

BUDGET IMPACT:

The \$20.2 million excise tax revenue bonds will be a 10-year financing with an estimated interest rate of 1.43%. The cost of interest is estimated to be \$4.3 million over the 10-year term. The source of repayment for the obligations are excise taxes and state shared revenues. The average annual debt service requirements for the obligations is estimated to be \$2.5 million per year.

By refinancing the remaining debt on the 2019 obligations, the city is expected to save approximately \$360,000 - \$430,000 by lowering the average interest rate from 2.36% to an estimated 1.43%.

RECOMMENDATION:

Staff recommends that City Council adopt an Ordinance approving the sale and execution and delivery of City of Avondale, Arizona Pledged Revenue and Pledged Revenue Refunding Obligations, in one or more series; to help finance the Avondale Aquatic Center and refinance existing Pledged Revenue Obligations, Series 2019 and pay the cost of issuance; approving the form and authorizing the execution and delivery of agreements necessary for such sale; delegating authority to determine certain matters and terms with respect to the foregoing, authorizing all actions necessary to further this Ordinance; and declaring an emergency; and authorize staff to transfer the necessary appropriation authority to the Pledged Revenue Obligation Debt Fund and modify the interfund transfer schedule as necessary.

FOURTH PURCHASE AGREEMENT

by and between

_____,
as Trustee and as Seller

and

THE CITY OF AVONDALE, ARIZONA,
as Purchaser

Dated as of December 1, 2021

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FOURTH PURCHASE AGREEMENT

THIS FOURTH PURCHASE AGREEMENT, dated as of December 1, 2021 (this “Agreement”), by and between THE CITY OF AVONDALE, ARIZONA, a municipal corporation under the laws of the State of Arizona (“City”), as purchaser hereunder, and _____, a national banking association (“Trustee”), in its capacity as trustee under the Fourth Trust Agreement, dated as of even date herewith (the “Trust Agreement”), by and between Trustee and City, and in its separate capacity as seller hereunder,

WITNESSETH:

WHEREAS, the Mayor and Council of City have determined that it will be beneficial to the citizens of City for City to finance and refinance, as applicable, the costs of the Projects (as such term and all other undefined terms used herein are defined in the Trust Agreement); and

WHEREAS, for such purpose, the Mayor and Council of City requested that Trustee execute and deliver the Obligations, and Trustee has, as described in the Trust Agreement, caused deposits to be made to the Acquisition Fund, the Initial Obligation Proceeds Fund and the Costs of Issuance Fund; and

WHEREAS, City is a municipal corporation duly incorporated and validly existing under the laws of the State; the Constitution and the laws of the State authorize City to enter into this Agreement and the transactions contemplated by this Agreement; City has duly authorized and executed this Agreement; this Agreement is a lawful, valid and binding obligation of City, enforceable against City in accordance with its terms; all required procedures for execution and performance of this Agreement have been or will be complied with in a timely manner; the Payments will be paid when due out of funds which are legally available for such purposes; neither the execution and delivery of this Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which City is now a party or by which City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of City; and the Projects comply with all applicable environmental laws, rules and regulations (including, without limitation, all federal, state and local laws) and with Title III of the Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities if and to the extent such Act and regulations apply to the Projects; and

WHEREAS, Trustee has full legal authority and is duly empowered to enter into this Agreement and has taken all actions necessary to the execution and delivery hereof;

NOW THEREFORE, PURSUANT TO LAW AND FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Term and Payments.

(a) In order to finance and refinance, as applicable, the costs of the Projects (in the case of the Refinanced Projects, those costs which have not been paid to date), City sells and conveys any interests it has in the Projects to Trustee, without warranty, for the sum of \$10.00 and other valuable consideration had and received. For the amounts payable pursuant hereto (including the Payments), Trustee in turn hereby sells and conveys back to City, without recourse, representation or warranty, and City hereby purchases from Trustee, any interests the Seller has in the Projects. Amounts paid to the 2019 Trustee have been applied to defease the Obligation Being Prepaid.

(b) As the purchase price, City shall pay the Payments to Trustee on the dates and in the amounts set forth in Schedule I and Schedule II hereto. (The Interest Portion is interest for purposes of the Code.) This Agreement shall be deemed and construed to be a “*net purchase agreement*,” and the Payments shall be an absolute net return to Trustee, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein.

City shall also pay all amounts necessary for compliance with the Continuing Disclosure Undertaking.

City shall further also pay to Trustee its fees and expenses in accordance with the provisions of the Trust Agreement and to the United States of America any amounts required by Section 11(b)(ii).

City shall receive a credit against amounts so due, equal to any amounts held in the Payment Fund in excess of the amount then required to be in the Payment Fund. If the balance available in the Payment Fund after a Payment is insufficient to make the next required payments of principal and interest due on the Obligations on the next date for payment thereof, City shall pay any such deficiency in sufficient time to prevent default in the payment of principal or interest on the Obligations falling due on such date.

(c) The obligation of City to pay the amounts described in paragraph (b) hereof (including the Payments) from the sources described herein and to comply with the other provisions hereof 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 by Trustee of any obligation to City or otherwise, or out of indebtedness or liability at any time owing to City by Trustee. Until such time as all of the payments described in paragraph (b) hereof (including the Payments) shall have been fully paid or provided for, City (i) shall not suspend or discontinue the same, (ii) shall comply with the other provisions hereof, and (iii) shall not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, failure of Trustee or any other person to acquire the Projects pursuant to Section 1(a), the occurrence of any acts or circumstances that may constitute failure of consideration, eviction

or constructive eviction, destruction of or damage to the Projects or the taking by *eminent domain* of title to or temporary use of any or all of the Projects, commercial frustration of purpose, abandonment of the Projects by City, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of Trustee 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 Agreement. Nothing contained in this Section shall be construed to release Trustee from the performance of any of the agreements on its part herein or in the Trust Agreement contained and in the event Trustee shall fail to perform any such agreements on its part, City may institute such action against Trustee as City may deem necessary to compel performance so long as such action does not abrogate the obligations of City contained in the first sentence of this paragraph.

(d) Any of the payments described in paragraph (b) hereof (including the Payments) due on a day which is not a Business Day may be made on the next Business Day and will be deemed to have been made on the date due.

(e) Amounts payable to Trustee shall be paid by the means specified by Trustee in writing to City.

Section 2. Pledge; Limited Obligations.

(a) Excise Tax Revenues and State Shared Revenues are hereby pledged by City to the payment of all amounts described in Subsection 1(b) hereof (including the Payments), and payment of such amounts shall be secured by a paramount and first lien on and pledge of Excise Tax Revenues and State Shared Revenues, on parity with the pledge and lien hereby granted by City for the payment and security of the Second Purchase Agreement and any Additional Revenue Obligations. City shall make said payments from Excise Tax Revenues and State Shared Revenues (first making the Payments and thereafter making the other required payments). All of such payments are coequal as to the pledge of and lien on Excise Tax Revenues and State Shared Revenues and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Tax Revenues and State Shared Revenues or security therefor.

(b) City shall remit to Trustee from Excise Tax Revenues and State Shared Revenues all amounts due under this Agreement in the amounts and at the times and for the purposes as required herein. The obligation of City to make payments of any amounts due under this Agreement, including amounts due after default or termination hereof, is limited to payment from Excise Tax Revenues and State Shared Revenues and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of City, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

(c) City may, at the sole option of City, make payments due pursuant to Section 1 hereof from its other funds as permitted by law and as City shall determine from time to time, but Trustee acknowledges that it has no claim hereunder to such other funds. No part of the purchase price payable pursuant to this Agreement shall be payable out of any *ad*

valorem property taxes imposed by City or from bonds or other obligations, the payment of which City's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by 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.

Section 3. Surplus and Deficiency of Excise Tax Revenues and State Shared Revenues. Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by Trustee for payments due under this Agreement shall constitute surplus revenues and may be used by City for any lawful purpose for the benefit of City, including the payment of obligations to which Excise Tax Revenues and State Shared Revenues may from time to time be pledged on a basis subordinate hereto. If at any time the moneys in the funds held for payment of amounts due under this Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of this Agreement and, with respect to payment from Excise Tax Revenues, *pro rata*, as applicable, with amounts due with respect to the Second Purchase Agreement and any Additional Revenue Obligations, and the transfer of any such sum or sums to said fund as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant hereto.

Section 4. Additional Revenue Obligations. City shall not encumber the Excise Tax Revenues and the State Shared Revenues on a basis prior or paramount to the lien and pledge provided for under Section 2(a) hereof. Additional Revenue Obligations may be incurred but only if Excise Tax Revenues plus State Shared Revenues in the most recently completed Fiscal Year shall have amounted to at least three (3) times the Maximum Annual Debt Service.

Section 5. City Control over Revenue Collection. Excise Tax Revenues and, to the extent permitted by applicable law, State Shared Revenues shall be retained and maintained so that the amounts received from Excise Tax Revenues plus State Shared Revenues, all within and for the most recently completed Fiscal Year, shall have been equal to at least three (3) times the Annual Debt Service for the current Fiscal Year. If Excise Tax Revenues plus State Shared Revenues for any such Fiscal Year shall not have been equal to at least three (3) times the Annual Debt Service for the current Fiscal Year or if at any time it appears that Excise Tax Revenues plus State Shared Revenues will not be sufficient to meet such requirements, City shall, to the extent permitted by applicable law, impose new exactions of the types of the components of the revenues which are Excise Tax Revenues or increase the rates for the components of the revenues which are Excise Tax Revenues currently imposed by City fully sufficient at all times, after making allowance for contingencies and errors, in each Fiscal Year in order that (i) Excise Tax Revenues plus State Shared Revenues will be sufficient to meet all current requirements hereunder, and (ii) Excise Tax Revenues plus State Shared Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

Section 6. Certain Matters with Respect to Projects.

(a) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, Trustee has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Projects for any particular purpose or the conformity of the Projects to any plans, specifications, construction contract, purchase order, model or sample, or as to their design, construction, delivery, installation, construction oversight and operation or their suitability for use by City. All such risks shall be borne by City without in any way excusing City from its obligations under this Agreement, and Trustee shall not be liable to City for any damages on account of such risks. Except with respect to any acts by Trustee which are not undertaken at the request of City or with the prior approval of City, City waives all claims against Trustee related to or arising from the acquisition of the Projects. Trustee shall have no liability to City for any failure of any contractor to perform any contract or other undertaking with respect to the Projects in any respect. Trustee shall have no obligation to obtain or insure compliance with any required permits or approval procedures with respect to the Projects. In the event of any defect in any item of the Projects or other claim with respect to the Projects, recourse of City shall be against the contractors, manufacturers, suppliers, etc. of the Projects and, where applicable, the person selling the property to Trustee, and not against Trustee. For such purpose, Trustee hereby assigns and transfers to City the right, title and interest of Trustee in and to all representations, warranties, guarantees and service agreements relating to the Projects made or entered into by Trustee and by any contractor, manufacturers, suppliers, etc. of the Projects. Trustee further designates City as its attorney-in-fact granting to City the right to initiate and take all actions necessary to enforce any and all construction contracts and all such warranties and service agreements with the same force and effect as Trustee could do if the foregoing assignment had not been made. Trustee is entering into this Agreement in its capacity as Trustee and as seller and shall not be personally liable hereunder and shall be afforded the same rights, protections, immunities and indemnities acting hereunder as afforded to it as Trustee under the Trust Agreement. Notwithstanding anything to the contrary herein, at no time shall Trustee be listed in the chain of title to the Projects. Provisions governing the rights, immunities and protections of Trustee under the Trust Agreement are herein incorporated by reference into this Agreement as though fully set forth herein.

(b) Trustee hereby irrevocably appoints City as its sole and exclusive agent to act for and on behalf of Trustee in financing and refinancing, as applicable, the costs of the Projects. As such agent, City shall have full authority to do all things necessary to accomplish such purposes. Trustee shall not be liable, responsible or accountable for the acts of City as its agent hereunder, and City hereby assumes all responsibility for the performance of such duties.

(c) City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Agreement, peaceably and quietly, have, hold and enjoy the Projects, without suit, trouble or hindrance from Trustee. City hereby grants and conveys to Trustee, and all persons claiming by, through or under Trustee, including its successors and assigns under the Trust Agreement and the Owners for whom it acts, a

nonexclusive easement upon, in and to the Projects for the purpose of permitting the Projects to be maintained upon the premises.

(d) Notwithstanding any other terms or provisions of this Agreement, the interest of Trustee in the Projects is solely for the purpose of facilitating the financing and refinancing, as applicable, of the Projects, and Trustee shall not have the power, authority or obligation to assume any responsibility for the overall management or maintenance of the Projects, including, without limitation, any day-to-day decision-making or operational aspects of the Projects.

Section 7. Providing for Payment. City may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying such Payment as provided herein as and when the same becomes due and payable at its scheduled due date pursuant to Section 1 hereof or on a date on which it can be prepaid;

(b) by depositing with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable, in such amount as shall be certified to Trustee and City, by a national firm of certified public accountants acceptable to 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 at its scheduled due date or on a date on which it can be prepaid.

Upon any partial payment of a Payment resulting in a redemption of Obligations, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate or rates on the Obligations remaining outstanding after the partial payment of redemption of Obligations from the proceeds of such payment so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on such outstanding Obligations when due.

Section 8. Term of Agreement. This Agreement shall not terminate so long as any payments are due and owing pursuant to the Obligations. Subject to Section 7 hereof, upon full payment or provision for payment and in consideration of the timely payment of all of the amounts described in Subsection 1(b) hereof (including the Payments) and provided that City has performed all the covenants and agreements required by City to be performed, this Agreement shall cease and expire. The obligations of City under this Agreement, including, without limitation, its obligation to pay the Payments, shall survive any action brought as provided in the next Section hereof, and City shall continue to pay the Payments and perform all other obligations provided in this Agreement; provided, however, that City shall be credited with any amount received by Trustee pursuant to actions brought under the next Section hereof.

Section 9. Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts described in Subsection 1(b) hereof (including the Payments) at the time when the same are to be paid as provided herein or in the Trust Agreement, (B) the violation by City of any other covenant or provision of this Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Second Purchase Agreement or any Additional Revenue Obligations, or (D) the insolvency or bankruptcy of 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 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 of the amounts described in Subsection 1(b) hereof (including the Payments) as required hereunder or under the Trust Agreement on the due date or the nonpayment of principal or interest due with respect to the Second Purchase Agreement or any Additional Revenue Obligations on their due dates, (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Agreement not cured within sixty (60) days after notice in writing from Trustee specifying such default, and (C) in the case of any other default under any of the Second Purchase Agreement or any Additional Revenue Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by City under the Trust Agreement or this Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of City under the Trust Agreement or this Agreement, and with respect to Excise Tax Revenues and State Shared Revenues, without notice and without giving any bond or surety to City or anyone claiming under City, have a receiver appointed of Excise Tax Revenues and State Shared Revenues which are pledged to the payment of amounts due hereunder, with such powers as the court making such appointment shall confer (and City does hereby irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

Each right, power and remedy of Trustee provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by Trustee of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies. The failure to insist upon strict performance of

any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the rights of Trustee to insist upon a strict compliance by City with all the covenants and conditions hereof. City shall, upon not less than 10 days' prior request by Trustee, execute, acknowledge and deliver to Trustee a statement in writing certifying that this Agreement is unmodified and in full force and effect (or, if this Agreement has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the amounts payable hereunder have been paid in advance, if any.

(b) Trustee shall in no event be in default in the performance of any of its obligations hereunder unless and until Trustee shall have failed to perform such obligation within 30 days or such additional time as is reasonably required to correct any such default after notice by City properly specifying wherein Trustee has failed to perform any such obligation. No default by Trustee shall relieve City of its obligations to make the various payments herein required, so long as any of the Obligations remain outstanding; however, City may exercise any other remedy available at law or in equity to require Trustee to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to Trustee under the Trust Agreement.

Section 10. Assignment.

(a) Except as otherwise provided herein, City shall not assign, transfer, pledge or hypothecate or otherwise dispose of this Agreement or any interest therein, and any assignment in contravention hereof shall be void.

(b) Subject to the terms of the Trust Agreement, all and every part of the right, title and interest of City in and to this Agreement and all payments of any kind due or which become due to Trustee hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement.

Section 11. Federal Law Provisions.

(a) (i) As described in further detail in the Tax Certificate, no direction by City for the making of any investment or other use of the proceeds of the Obligations or of the Projects shall be made, permitted to be made or omitted from being made which would cause the Obligations to be "arbitrage bonds" as that term is defined in section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in section 141 (or any successor provision thereto) of the Code, and the requirements of such sections and related regulations of the Code shall be complied with throughout the term of the Obligations. Particularly, City shall be the owner of the Projects for federal income tax purposes. City shall not enter into any management or service contract with any entity other than a governmental entity for the operation of any portion of the Projects unless the management or service contract complies with the requirements of such authority as may control at the time, or any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Projects. Also, the payment of principal and interest with respect to the Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the

Obligations, or amounts treated as proceeds of the Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds may be so invested for an initial temporary period until needed for the purpose for which the Obligations are being executed and delivered, may be so used in making investments in a *bona fide* debt service fund or may be invested in obligations issued by the United States Treasury. City shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the execution and delivery of the Obligations (initially those in Subsection (b) and the Tax Certificate) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In consideration of the purchase and acceptance of the Obligations by the owners from time to time thereof and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, City shall, and the appropriate officials of City are hereby directed, to take all action required to retain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(ii) (A) City shall take all necessary and desirable steps, as determined by the Mayor and Council of City, to comply with the requirements hereunder in order to ensure that the Interest Portion is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event City receives a Special Counsel's Opinion that either compliance with such requirement is not required to maintain the exclusion from gross income of the Interest Portion or compliance with some other requirement will meet the requirements of the Code relating to such exclusion. In the event City receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(B) If for any reason any requirement hereunder is not complied with, City shall take all necessary and desirable steps, as determined by City, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and City shall pay any required interest or penalty under hereinafter described Regulations section 1.148-3(h) with respect to the Code.

(C) Written procedures have been established for City to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Regulations and to monitor the requirements of section 148 of the Code relating to arbitrage, with which City will comply.

(b) (i) Undefined terms used in this Subsection shall have the meanings given to them in the Code and the Regulations.

(ii) Unless an exception is available to the satisfaction of a City Representative, within 60 days after the end of each Bond Year, City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(A) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of

all previous Rebate Payments with respect to the Obligations (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous Rebate Payments with respect to the Obligations (determined as of the last day of such Bond Year); and

(B) not later than 60 days after the retirement of the last Obligation, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Obligation).

Each Rebate Payment required to be made under this Subsection shall be filed on or before the date such payment is due, with the Internal Revenue Service at the appropriate location and with required forms and other materials, currently by addressing it to IRS Service Center, Ogden, Utah 84201, and accompanying it with IRS Form 8038-T.

(iii) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(iv) For purposes of paragraph (iii), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(A) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing purchaser would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(B) Except as provided in Subsections (v) or (vi), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(v) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(A) the yield on reasonably comparable direct obligations of the United States; and

(B) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(vi) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(A) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with City or any other person (whether or not in connection with the Obligations), and that the bid is not being submitted solely as a courtesy to City or any other person for purposes of satisfying the requirements in the Regulations that City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligations.

(B) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(C) At least three reasonably competitive providers (i.e., having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligations (e.g., a lead underwriter within 15 days of the issue date of the Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If City uses an agent to conduct the bidding, the agent may not bid.

(D) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(E) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(F) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(G) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(H) City retains until three years after the last outstanding Obligation is retired, (1) a copy of the guaranteed investment contract, (2) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by City and a copy of the provider's certification described in (G) above, (3) the name of the person and entity submitting each bid, the time and date of the bid,

and the bid results and (4) the bid solicitation form and, if the terms of the guaranteed investment contract deviate from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(vii) Such experts and consultants shall be employed by City to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Obligations.

(c) City shall comply with and carry out all of the provisions of the Continuing Disclosure Undertaking, provided that such costs of compliance shall be payable solely from Excise Tax Revenues and State Shared Revenues. Notwithstanding any other provision of this Agreement, failure of City to comply with the Continuing Disclosure Undertaking shall not be considered an event of default; however, Trustee may (and, at the request of the original purchaser of the Obligations or the owners of at least 25% aggregate principal amount in outstanding Obligations and receipt of indemnity to its satisfaction, shall) take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause City to comply with its obligations under the Continuing Disclosure Undertaking.

(d) Trustee has no duty or obligations under this Section 11 and has no duty to monitor compliance by City with this Section 11.

Section 12. Covenant as to Conflict of Interest; Other Statutory Restrictions.

(a) To the extent applicable by provision of law, Trustee acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein and which provides that City may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by City 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 to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Trustee within three years from the execution of this Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by City. No basis exists for City to cancel this Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e-verify” requirements under Section 23-214(A), Arizona Revised Statutes. The breach by Trustee of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of Trustee by City.

City retains the legal right to randomly inspect the papers and records of Trustee to ensure that Trustee is complying with the above-mentioned warranty. Trustee shall keep such papers and records open for random inspection during normal business hours by City. Trustee shall cooperate with the random inspections by City including granting City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Trustee hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If City determines that Trustee’s certification above is false or that it has breached such agreement, City may impose remedies as provided by law.

Section 13. Miscellaneous.

(a) No covenant or obligation herein to be performed by City may be waived except by the written consent of Trustee, 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 Trustee from invoking such remedy at any later time prior to the cure by City of the condition giving rise to such remedy.

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

(c) The recitals set forth at the beginning of this Agreement are incorporated in this Agreement by this reference. This 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 Trustee and City, subject to the restrictions with regard thereto provided by the Trust Agreement.

(d) Any term or provision of this Agreement found to be prohibited by law or unenforceable or which would cause this 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 Agreement to be invalid, prohibited by law or unenforceable.

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

(f) Except as otherwise provided herein, this 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 right, title or interest of Trustee herein shall be and have the rights of a third-party beneficiary hereunder.

(g) This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Trustee:

_____, as seller

By
Authorized Representative

City:

CITY OF AVONDALE, ARIZONA, a municipal
corporation under the laws of the State of Arizona,
as purchaser

By
Mayor

ATTEST:

.....
City Clerk

SCHEDULE I

PAYMENTS WITH RESPECT TO NEW MONEY OBLIGATIONS

Payment Date	Principal	Interest	Total Payment
12/15/20__			
06/15/20__			
Total			

SCHEDULE II

PAYMENTS WITH RESPECT TO REFUNDING OBLIGATIONS

[illegible]

FOURTH TRUST AGREEMENT

by and between

_____,
as Trustee

and

THE CITY OF AVONDALE, ARIZONA

Dated as of December 1, 2021

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* * *

FOURTH TRUST AGREEMENT

THIS FOURTH TRUST AGREEMENT, dated as of December 1, 2021 (together with any duly authorized, executed and delivered supplement hereto, this "Trust Agreement"), by and between _____, a national banking association authorized to exercise trust powers in the State of Arizona, as trustee, or any successor thereto acting as trustee pursuant to this Trust Agreement and in its capacity as "Seller" pursuant to the hereinafter described Purchase Agreement (the "Trustee"), and THE CITY OF AVONDALE, ARIZONA, a municipal corporation under the laws of the State of Arizona (the "City"),

W I T N E S S E T H:

WHEREAS, the Mayor and Council of the City have determined that it will be beneficial to the citizens of the City for the City to finance and refinance, as applicable the costs of the Projects (as such term and all other terms not otherwise defined hereinabove are hereinafter defined); and

WHEREAS, for such purpose, the Mayor and Council of the City requested that the Trustee execute and deliver the Obligations, and the Trustee has, as described in this Trust Agreement, caused deposits to be made to the Acquisition Fund, the Initial Obligation Proceeds Fund and the Costs of Issuance Fund; and

WHEREAS, the City and the Trustee will enter into this Trust Agreement to facilitate the administration of the financing and refinancing of the costs of the Projects, and the Trustee has full legal authority and is duly empowered to enter into this Trust Agreement and has taken all actions necessary to authorize the execution and delivery hereof; and

WHEREAS, for the purpose of obtaining the moneys to provide such deposits, rights pursuant to the Purchase Agreement have been assigned and transferred to the Trustee for purposes hereof, and in consideration of such assignment and the execution hereof, the Trustee has executed and delivered the Obligations, each evidencing a proportionate interest in certain rights pursuant to the Purchase Agreement;

NOW, THEREFORE, in consideration for the Obligations executed, delivered and Outstanding under this Trust Agreement; the acceptance by the Trustee of the trusts created herein; the purchase and acceptance of the Obligations by the Owners, and to secure the payment of principal and interest (to the extent provided herein) represented by the Obligations, the rights of the Owners of the Obligations and the performance and the observance of the covenants and conditions contained in the Obligations, the Purchase Agreement and herein, and the performance and the observance of all of the covenants and conditions contained therein, the City absolutely and irrevocably pledges and assigns to the Trustee, and 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, which shall be administered by the Trustee according to the provisions of this Trust Agreement and for the equal and proportionate benefit of the Owners of the Obligations:

A. All right, title and interest of Seller in, under and pursuant to the Purchase Agreement, the Payments and any other amounts payable by the City under the Purchase 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) bring actions and proceedings thereunder or for the enforcement of such rights, and (iii) do any and all other things which the Seller is or may become entitled to do thereunder;

B. Amounts on deposit from time to time in the funds created pursuant hereto, subject to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

C. Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Obligations, by the Seller or by anyone on its behalf or with its written consent, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

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 of this Trust Agreement, unto the Trustee and its successors and assigns, forever, subject, however, to the rights of the City, its successors and assigns, under the Purchase Agreement;

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the Obligations executed and delivered hereunder and Outstanding, none of the Obligations being entitled to priority or distinction one over the other in the application of the Excise Tax Revenues and the State Shared Revenues pledged by the Purchase Agreement to the Payments, regardless of the delivery of any of the Obligations prior to the delivery of any other of the Obligations, or regardless of the time or times principal represented by any Obligations are paid with respect to principal represented thereby, all of the Obligations being co-equal as to the pledge of and lien on the Excise Tax Revenues and the State Shared Revenues pledged for the Payments thereof and sharing ratably, without preference, priority or distinction, as to the source or method of payment from the Excise Tax Revenues and the State Shared Revenues or security therefor 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, 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 hereinafter set forth. For such purposes, the City and the Trustee hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the first paragraph hereof and unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified.

“Acquisition Fund” means the fund of that name established pursuant to Article III and held by the Trustee.

“Additional Revenue Obligations” means any additional obligations which may hereafter be issued or incurred by the City (or any financing conduit acting on behalf of the City) having a lien upon and payable from the Excise Tax Revenues and the State Shared Revenues on a parity with, and in compliance with the terms of, the Second Purchase Agreement and the Purchase Agreement.

“Annual Debt Service” means the amount to be paid in any Fiscal Year with respect to the Parity Obligations for principal and interest requirements.

“Authorized Denominations” means \$5,000 of principal represented by the Obligations due on a specific payment date or integral multiples thereof.

“Bond Year” means each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Obligations and shall end on the date selected by the City, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Obligation.

“Bond Yield” means the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Obligations as determined under Regulations section 1.148-4(b), recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). The present value of all such payments shall be computed as of the date of issue of the Obligations and using semiannual compounding on the basis of a 360-day year.

“Business Day” means any day of the week other than a Saturday, Sunday or a day which shall be in the State a legal holiday or a day on which the Trustee is authorized or obligated by law or executive order to close or a day on which the Federal Reserve is closed as modified by the effect of Section 9.6.

“Certificate of Completion” means the notice of completion, filed with the Trustee by the City Representative, stating that the Project has been acquired and all Project Costs have been paid.

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

“Closing Date” means December __, 2021.

“Code” means the Internal Revenue Code of 1986, as amended. References to the Code and sections thereof include applicable regulations and temporary regulations thereunder and any successor provisions to those sections, regulations or temporary regulations and any applicable regulations or temporary regulations issued pursuant to the Internal Revenue Code of 1954, as amended.

“Completion Date” means the date on which the Certificate of Completion is filed with the Trustee by the City Representative.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking, dated the Closing Date, from the City.

“Corporate Trust Office” means the office of the Trustee designated in Section 12.2 or any successor corporate trust office.

“Costs of Issuance Fund” means the fund of that name established pursuant to Article III and held by the Trustee.

“Defaulted Interest” has the meaning provided in Section 2.11(d).

“Defeasance Obligations” means, to the extent permitted by law, (1) cash, (2) non-callable direct obligations of the United States of America (“Treasures”), or (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasures are not available to any person claiming through the custodian or to whom the custodian may be obligated, or any combination thereof.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the City or the Trustee relating to the sale and execution and delivery of the Purchase Agreement, this Trust Agreement and the Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations and charges and fees in connection with the foregoing.

“Depository Trustee” means any bank or trust company, which may include 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.

“Designated Office” means the office designated as such by the Trustee in writing to the City.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“electronically” or “electronic method” means, with respect to notice, one transmitted through a timesharing 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 described in Section 9 of the Purchase Agreement.

“Excise Tax Revenues” means all revenues from all excise, sales, transaction privilege and franchise tax the City now collects or which it may collect in the future; 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.

“Fiscal Year” means the fiscal year of the City, currently the period July 1 through June 30.

“Gross Proceeds” means:

(i) any amounts actually or constructively received by the City from the sale of the Obligations but excluding amounts used to pay accrued interest on the Obligations within one year of the date of issuance of the Obligations;

(ii) transferred proceeds of the Obligations under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Obligations within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Obligations in the event the City encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under this Trust Agreement.

“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 and which may include the counsel giving a Special Counsel’s Opinion.

“Initial Obligation Proceeds Fund” means the fund of that name established pursuant to Article II and held by the Trustee.

“Interest Payment Date” means each January 1 and July 1, while principal represented by any Obligations is Outstanding provided that, pursuant to Section 9.6, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment.

“Interest Portion” means the amounts of each of the Payments in the column in the Schedule attached to the Purchase Agreement designated “Interest,” denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners.

“Investment Property” means any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

“Issue Price” means the price shall be determined as provided in Regulations section 1.148-1(b).

“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” means the greatest Annual Debt Service for the then-current or any succeeding Fiscal Year.

“New Money Obligations” means the City of Avondale, Arizona Pledged Revenue Obligations, Series 2021, executed and delivered pursuant hereto.

“Nonpurpose Investment” means any Investment Property acquired with Gross Proceeds and which is not acquired to carry out the governmental purposes of the Obligations.

“Notification” shall have the meaning provided in Section 10.3.

“Obligation Being Prepaid” means all remaining outstanding amounts of the City of Avondale, Arizona Pledged Revenue Obligation, Series 2019, which obligation financed a portion of the costs of the Refinanced Projects.

“Obligations” means, collectively, the New Money Obligations and the Refunding Obligations.

“Outstanding” refers to Obligations issued in accordance with this Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a mandatory prepayment installment; (ii) Obligations which have

been paid; (iii) Obligations which have become due and for the payment of which moneys have been duly provided to the Trustee; and (iv) Obligations for which there have been irrevocably set aside with a Depository Trustee sufficient moneys or obligations permitted hereby and by the Purchase Agreement bearing interest at such rates and with such maturities as will provide sufficient funds to pay the principal and interest represented by such Obligations; provided, however, that if any such Obligations are to be prepaid prior to their stated payment dates, the City shall have taken all action necessary to prepay such Obligations and notice of such prepayment shall have been duly mailed in accordance with the proceedings under which such Obligations were executed and delivered or irrevocable instructions so to mail shall have been given to the Trustee.

“Owner” or any similar term, when used with respect to an Obligation means the person in whose name such Obligation shall be registered.

“Parity Obligations” means the Second Purchase Agreement, the Purchase Agreement and any Additional Revenue Obligations.

“Payment Fund” means the fund of that name established pursuant to Article V and held by the Trustee.

“Payment Request Form” means the form set forth in Exhibit B attached hereto.

“Payments” means the “Payments” required to be paid by the City pursuant to Subsection 1(b) of the Purchase Agreement and as set forth in Schedule I and Schedule II to the Purchase Agreement, subject to the provisions of Subsection 5.2(b).

“Permitted Investments” means any investment permitted by Section 35-323, Arizona Revised Statutes (or any successor provision thereto).

“Project” means construction of an aquatic center.

“Project Costs” means, with respect to the Project, all architectural, engineering, soils, survey, archaeology, demolition, construction management fees, development fees, contingencies and other related costs of installation, construction and other matters necessary for the Project and all costs incurred by the Trustee or the City with respect to the transaction to which this Trust Agreement pertains.

“Projects” means, collectively, the Project and the Refinanced Projects.

“Purchase Agreement” means the Fourth Purchase Agreement, dated as of December 1, 2021, by and between the City and the Trustee, in its capacity as “Seller.”

“Rebate Payment” means any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

“Rebate Requirement” means, for each Bond Year, at any time the excess of the future value of all Receipts over the future value of all Rebate Payments. For purposes of

calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Rebate Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

“Receipt” means any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

“Refinanced Projects” means water and wastewater infrastructure design and construction.

“Refunding Obligations” means the City of Avondale, Arizona Pledged Revenue Refunding Obligations, Series 2021, executed and delivered pursuant hereto.

“Regular Record Date” means the close of business on the fifteenth day of the month preceding each Interest Payment Date.

“Regulations” means sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

“Reimbursement Request Form” means the form set forth in Exhibit C attached hereto.

“Responsible Officer” means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Corporate Trust Office customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Corporate Trust Office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

“Second Purchase Agreement” means the Second Purchase Agreement, dated as of September 1, 2016, by and between the City and U.S. Bank National Association, as seller.

“Securities Depository” means a “clearing agency” (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended.

“Special Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

“Special Record Date” has the meaning provided in Section 2.11(d).

“State” means the State of Arizona.

“State Shared Revenues” means all revenues from 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.

“Tax Certificate” means the Certificate Relating To Federal Tax Matters, dated the Closing Date, from the City.

“2019 Trust Agreement” means the Third Trust Agreement, dated as of July 1, 2019, by and between the City and the 2019 Trustee.

“2019 Trustee” means U.S. Bank National Association, as trustee pursuant to the 2019 Trust Agreement.

Words importing persons include firms, associations and corporations, and the singular and plural forms of words shall be deemed interchangeable wherever appropriate.

Section 1.2. Interpretation.

(a) Any reference herein to the Mayor and Council of the City or any officer of the City shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) 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. References to “Articles” and “Sections” are to those in this Trust Agreement.

Section 1.3. Obligations Not General Obligation of the City. The Obligations shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness or general obligation of the City within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or be a charge against the City’s general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE II SPECIAL REVENUE OBLIGATIONS

Section 2.1. Authorization of the Obligations. The Trustee is hereby authorized and directed to execute and deliver to the original purchaser thereof, the New Money Obligations in the principal amount of \$____,000 and the Refunding Obligations in the principal amount of

\$____,000, representing (notwithstanding the multiple series) proportionate ownership interests in the Payments. In no event shall the Obligations be deemed liabilities, debts or obligations of the Trustee.

Section 2.2. Date; Interest Accrual. Each Obligation shall be dated the Closing Date, and interest represented thereby 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 Obligations.

Section 2.3. Payment Amounts and Date and Interest Rates.

The Obligations shall be in Authorized Denominations. Principal represented by the Obligations shall be payable on the dates and in the principal amounts, and interest represented thereby shall be computed at the rates, as shown below:

Payment Date (July 1)	Payment Amount	Interest Rates
New Money Obligations		

Refunding Obligations

Section 2.4. Interest on Obligations. Interest represented by the Obligations shall be payable semiannually on January 1 and July 1 of each year commencing July 1, 2022, to and including the date of payment or prepayment of principal represented by the Obligations. Except for the initial period, said interest shall represent the portion of the Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Obligations. The proportionate share of the portion of the Payments designated as interest with respect to any Obligation shall be computed by multiplying the portion of Payments designated as principal with respect to such Obligation by the rate of interest applicable to such Obligation (on the basis of a 360-day year of twelve 30-day months), except that the first portion of the Payments designated as interest shall be for interest from the date of initial execution and delivery to July 1, 2022.

Section 2.5. Form. The Obligations shall be in fully registered, certificated form, substantially in the form set forth in Exhibit A-1 and Exhibit A-2 hereto.

Section 2.6. Execution. The 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 representative whose signature appears on any Obligation ceases to be such representative before the Closing Date, such signature shall nevertheless be as effective as if the representative had remained in office until the Closing Date. Any Obligation may be executed on behalf of the

Trustee by such person as at the actual date of the execution of such Obligation shall be the proper authorized representative of the Trustee although at the nominal date of such Obligation such person shall not have been such authorized representative of the Trustee. No 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 of any Obligation shall be conclusive evidence that the 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 Trustee and the City may from time to time enter into, and discontinue, an agreement with a Securities Depository as the Owner of the Obligations, to establish procedures with respect to the Obligations not inconsistent with the provisions of this Trust Agreement; provided, that, notwithstanding any other provisions of this Trust Agreement, any such agreement may provide that different provisions for notice to the Securities Depository may be set forth herein and that a legend shall appear on each Obligation so long as the Obligations are subject to such agreement. With respect to Obligations registered in the name of a Securities Depository (or its nominee), neither the Trustee nor the City shall have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Obligations. It is hereby acknowledged that the City and the Trustee intend to enter into an agreement with DTC in connection with the execution and delivery of the Obligations, and while such agreement is in effect, the procedures established therein shall apply to the Obligations notwithstanding any other provisions of this Trust Agreement to the contrary. As long as DTC is the Securities Depository with respect to the Obligations, the Trustee shall be a "DTC Direct Participant." The Trustee shall not have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Obligations regarding accuracy of any records maintained by DTC or DTC participants, the payments by DTC or DTC participants of any amount in respect of principal, prepayment price or interest represented by the Obligations, any notice which is permitted or required to be given to or by Owners hereunder (except such notice as is required to be given by the City to the Trustee or to DTC), or any consent given or any other action taken by DTC as Owner.

Section 2.8. Application of Proceeds. The proceeds received by the Trustee from the sale of the Obligations (\$_____) shall forthwith be applied by the Trustee as follows:

- (1) \$_____ shall be deposited in the Costs of Issuance Fund;
- (2) \$_____ shall be deposited in the Acquisition Fund; and
- (3) \$_____ shall be deposited in a special trust fund established by the Trustee pursuant to this Trust Agreement designated as the "City of Avondale, Arizona Series 2021 Initial Obligation Proceeds Fund" (herein referred to as the "Initial Obligation Proceeds Fund"). The Trustee shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

The proceeds of the Obligations deposited to the Initial Obligation Proceeds Fund shall be transferred immediately, without requisition or other documentation, to the 2019 Trustee for deposit to the Payment Fund established pursuant to the 2019 Trust Agreement. After such transfer, the Initial Obligation Proceeds Fund shall be closed by the Trustee.

Section 2.9. Transfer and Exchange.

(a) Any Obligation may, in accordance with its terms, be transferred upon the registration books for the Obligations required to be kept pursuant to the provisions of Section 2.13 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Obligation for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Obligation or Obligations shall be surrendered for transfer, the Trustee shall execute and deliver a new Obligation or Obligations in fully registered form of the same series, payment date and interest rate and for a like aggregate payment amount.

(b) Obligations may be exchanged at the Designated Office for a like aggregate payment amount of Obligations of Authorized Denominations of the same series, payment date and interest rate. In connection with any such exchange or transfer of 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 (which will not be payable by the Trustee), or any fee or expense of the Trustee or the City with respect to such exchange or transfer.

(c) The Trustee may, but shall not be obligated to, exchange or register the transfer of an Obligation (i) if the Obligation is to be prepaid, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If an Obligation subject to prepayment is to be transferred after having been selected for prepayment, any notice of prepayment which has been given to the transferor shall be binding on the transferee and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

Section 2.10. Obligations Mutilated, Lost, Destroyed or Stolen. If any Obligation shall become mutilated, the Trustee, at the expense of the Owner of said Obligation, shall execute and deliver a new Obligation of like series, tenor and payment date amount in exchange and substitution for the Obligation so mutilated, but only upon surrender to the Trustee of the Obligation so mutilated. Any mutilated Obligation so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the Owner of such Obligation. If any 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 Owner of such Obligation, shall execute and deliver a new Obligation of like series, tenor and payment date and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Obligation delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Obligation issued under the

provisions of this Section in lieu of any Obligation alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Obligations secured by this Trust Agreement. The Trustee shall not be required to treat both the original Obligation and any replacement Obligation as being Outstanding for the purpose of determining the principal amount of Obligations which may be executed and delivered hereunder or for the purpose of determining any percentage of Obligations Outstanding hereunder, but both the original and replacement Obligation shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Obligation for an Obligation which has been mutilated, lost, destroyed or stolen, and which has become due, the Trustee may make payment with respect to such Obligation upon receipt of the aforementioned indemnity.

Section 2.11. Payment.

(a) Payment of interest represented by any Obligation on any Interest Payment Date shall be made to the persons appearing on the registration books for the Obligations maintained by the Trustee as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the date due by first class mail to such Owners at the address thereof as it appears on such registration books, payable in lawful money of the United States of America.

(b) The principal represented by any of the Obligations shall be payable in lawful money of the United States of America upon surrender when due at the Designated Office.

(c) Interest and, if satisfactory arrangements for surrender are made with the Trustee and principal payable to any Securities Depository or to any Owner of \$1,000,000 or more in principal amount of 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 payments until otherwise requested in a subsequent written notice.

(d) Any interest represented by any Obligation which is payable on, but is not punctually paid or duly provided for on, any Interest Payment Date ("Defaulted Interest") shall forthwith cease to be payable to the Owners on the relevant Regular Record Date solely by virtue of such Owners having been such Owners. Such Defaulted Interest shall thereupon be paid, together with interest thereon at the same rate per annum as such Defaulted Interest, by the Trustee (out of funds provided to it by the City) to the persons in whose names such Obligations are registered at the close of business on a special record date for the payment of such portion of Defaulted Interest as may then be paid from the sources herein provided (the "Special Record Date"). When the Trustee has funds available to pay the Defaulted Interest and interest thereon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest and interest thereon which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment by the Trustee. The Trustee shall promptly cause notice of the proposed payment of such Defaulted Interest and interest thereon and the Special Record Date therefor to be mailed, first class postage prepaid, to each Owner of an Obligation at his address as it appears in the registration books by the Trustee for the Obligations not less than

ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and interest thereon and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest and interest thereon shall be paid to the persons in whose names the Obligations are registered on such Special Record Date.

Section 2.12. Execution of Documents and Proof of Ownership.

(a) 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 the 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 Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of the Obligations shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(1) The fact and date of the execution by any Owner or the attorney or agent thereof 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 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.

(2) The fact of the ownership of the Obligations by any person and the amount, the payment date and the numbers of such Obligations and the date of his holding the same be proved on the registration books maintained pursuant to Section 2.13.

(b) 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 Obligation shall bind every future Owner of the same Obligation in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.13. Obligation Register. The Trustee will keep or cause to be kept, at the Designated Office, sufficient books for the registration and transfer of each series of the Obligations which shall at all times during regular business hours on any Business Day 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 Obligations as hereinbefore provided.

Section 2.14. Payment of Unclaimed Amounts. In the event any check for payment of interest represented by an Obligation is returned to the Trustee unendorsed or is not presented for payment within two (2) years from its payment date or any Obligation is not presented for payment of principal at the payment or prepayment date if funds sufficient to pay such interest or principal due upon such 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 Obligation who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Obligation or amounts due thereunder. The obligation of the Trustee to hold such funds shall continue for two years and six months (subject to applicable escheat laws) following the date on which such interest or principal payment became due, whether at the payment date or the date fixed for prepayment, or otherwise, 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 Obligation arising under such Obligation shall be made upon the City.

ARTICLE III ACQUISITION FUND; COSTS OF ISSUANCE FUND

Section 3.1. Establishment and Application of Acquisition Fund.

(a) The Trustee shall establish a special trust fund designated as the “City of Avondale, Arizona Series 2021 Acquisition Fund” (herein referred to as the “Acquisition Fund”), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) (1) Upon receipt of a duly executed, applicable Payment Request Form, the Trustee shall remit to the payee designated in the Payment Request Form, the amount requested to be paid in such Payment Request Form for Project Costs within three (3) Business Days following submission of such Payment Request Form. Notwithstanding the foregoing, the Trustee shall apply moneys on deposit in the Acquisition Fund to reimburse the City for any Project Costs with respect to the Project incurred or advanced by the City within three (3) Business Days of receipt of a duly executed Reimbursement Request Form. The Trustee has no duty or obligation to confirm that such disbursements constitute Project Costs.

(2) On the Completion Date, the Trustee shall transfer any remaining amounts in the Acquisition Fund to the Payment Fund to be applied only to the Payments due from the City on the next succeeding Interest Payment Date, and the Acquisition Fund shall be closed.

(3) Any amount remaining in the Acquisition Fund upon the occurrence of an Event of Default shall not be disbursed as provided in this Section, but shall be immediately transferred to the Payment Fund and used only to pay principal and interest represented by the Obligation.

Section 3.2. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish a special trust fund designated as the “City of Avondale, Arizona Series 2021 Costs of Issuance Fund” (herein referred to as the “Costs of Issuance Fund”), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) Amounts in the Costs of Issuance Fund shall be disbursed for the payment of Delivery Costs. Disbursements from the Costs of Issuance Fund shall be made by the Trustee upon receipt of a requisition for disbursement (on which the Trustee is entitled to rely) executed or approved by the City Representative. Each such certificate shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Delivery Costs and the person or persons to whom said amounts are to be disbursed.

(c) On the earlier of March 1, 2022, or when all Delivery Costs associated with the Obligations have been paid (as shown by a certificate of a City Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund, and the Costs of Issuance Fund shall be closed.

ARTICLE IV
PREPAYMENT OF OBLIGATIONS

Section 4.1. Prepayment Provisions.

(a) The New Money Obligations payable before or on July 1, 20__, are not subject to prepayment prior to their stated payment dates. The New Money Obligations payable after July 1, 20__, are subject to prepayment in such order and from such payment dates as may be selected by the City and by lot within any payment date by such methods as may be selected by the Trustee from prepayments made at the option of the City pursuant to Section 7 of the Purchase Agreement, in whole or in part on any date, on or after July 1, 20__, at a prepayment price equal to the principal amount of New Money Obligations or portions thereof to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

(b) (1) The New Money Obligations payable on July 1, 20__, shall be prepaid on July 1 of the years indicated and in the amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

<u>Year Prepaid</u>	<u>Principal Amount Prepaid</u>
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A remaining principal amount of \$____,000 of such New Money Obligations shall be paid on July 1, 20__.

(2) The New Money Obligations payable on July 1, 20__, shall be prepaid on July 1 of the years indicated and in the amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Year Prepaid	Principal Amount Prepaid
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A remaining principal amount of \$____,000 of such New Money Obligations shall be paid on July 1, 20__.

(c) Whenever New Money Obligations subject to mandatory prepayment are purchased, prepaid (other than pursuant to mandatory prepayment) or delivered by the City to the Trustee for cancellation, the principal amount of the New Money Obligations represented thereby so retired shall satisfy and be credited against the mandatory prepayment requirements for such New Money Obligations for such years as the City may direct in writing.

(d) The Refunding Obligations are not subject to prepayment prior to their stated payment dates.

Section 4.2. Selection of Obligations for Prepayment. The New Money Obligations shall be prepaid only in the principal amounts of \$5,000 each or integral multiples thereof. The City shall, at least forty-five (45) days prior to the prepayment date, notify the Trustee of such prepayment date and of the payment dates of the New Money Obligations and the principal amount of the New Money Obligations of any such payment date to be prepaid on such date. For the purposes of any prepayment of less than all of the New Money Obligations payable on a single payment date, if the New Money Obligations are not held in a book-entry-only system as described in Section 2.7, the particular New Money Obligations or portions of New Money Obligations of such payment date to be prepaid shall be selected by the Trustee by lot in accordance with its standard procedures not more than forty-five (45) nor less than thirty (30) days prior to the prepayment date by such selection methods as the Trustee shall in its sole discretion deem appropriate and fair; provided, however, that such selection methods shall provide for the selection of New Money Obligations or portions thereof for prepayment in principal amounts of \$5,000 or integral multiples thereof such that any \$5,000 New Money Obligation or \$5,000 portion of a New Money Obligation of such payment date shall be as likely to be called for prepayment as any other such \$5,000 New Money Obligation or \$5,000 portion thereof. The Trustee shall promptly notify the City in writing of the New Money Obligations so selected for prepayment, and the City will provide the Trustee within thirty (30) days a recomputed payment schedule for the Purchase Agreement.

Section 4.3. Notice of Prepayment; Effect.

(a) The Trustee shall cause notice of any optional prepayment of New Money Obligations hereunder to be mailed to the Owners of all of the New Money Obligations to be prepaid at the addresses appearing in the register kept for such purpose pursuant to Section 2.13. Each such notice shall (1) be sent no more than sixty (60) nor less than thirty (30) calendar

days prior to the prepayment date, (2) identify the New Money Obligations to be prepaid (specifying the CUSIP numbers, if any, assigned to the New Money Obligations), (3) specify with respect to the New Money Obligations being prepaid their date of issue, their payment date, their prepayment date and their prepayment price, (4) set forth the name, address and telephone number of the person from whom information pertaining to the prepayment may be obtained, and (5) state that on the prepayment date the New Money Obligations to be prepaid will be payable at the Designated Office, that from that date interest will cease to accrue and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the New Money Obligations. No defect affecting any New Money Obligation, whether in the notice of prepayment or the delivery thereof (including any failure to mail such notice), shall affect the validity of the prepayment proceedings for any other New Money Obligations.

(b) If at the time of mailing of notice of an optional prepayment of New Money Obligations, there has not been deposited with the Trustee moneys or Defeasance Obligations sufficient to prepay all New Money Obligations subject to such prepayment and the requirements of (e) below are not satisfied, then such notice shall state that the prepayment is conditional upon the deposit of moneys or Defeasance Obligations sufficient for the prepayment with the Trustee and satisfaction of such requirements not later than the opening of business on the prepayment date, and such notice will be of no effect and such New Money Obligations shall not be prepaid unless such moneys or Defeasance Obligations are so deposited and such requirements in (e) below are met.

(c) Any notice of prepayment shall be mailed by first class mail, postage prepaid; provided that any notice of prepayment given to the Securities Depository or any Owner of \$1,000,000 or more in aggregate principal amount of New Money Obligations also shall be transmitted Electronically. A certificate of the Trustee shall conclusively establish the mailing or delivery of any such notice for all purposes.

(d) Notice having been mailed in the manner provided in (a) above, the New Money Obligations and portions thereof called for prepayment shall become due and payable on the prepayment date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the prepayment price, plus interest accrued to the prepayment date.

(e) If the money or Defeasance Obligations for the prepayment of all of the New Money Obligations and portions thereof to be prepaid, together with interest accrued thereon to the prepayment date, is held by the Trustee on the prepayment date, so as to be available therefor on that date, then from and after the prepayment date those New Money Obligations and portions thereof to be prepaid 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 prepayment date, those New Money 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 prepayment.

(f) All moneys deposited in the Payment Fund and held by the Trustee for the prepayment of particular New Money 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 New Money Obligations.

Section 4.4. Partial Prepayment of Obligation. Upon surrender of any New Money Obligation prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the City, a new New Money Obligation or New Money Obligations of Authorized Denominations equal in aggregate principal amount to the unprepaid portion of the New Money Obligation surrendered and of the same series and payment date.

ARTICLE V PAYMENT FUND

Section 5.1. Trustee's Rights in Purchase Agreement. The Trustee holds in trust hereunder all of its rights and duties in the Purchase Agreement, including but not limited to all of the rights to receive and collect all of the Payments and all other amounts required to be deposited in the Payment Fund pursuant to the Purchase Agreement or pursuant hereto. All of the Payments and such other amounts to which the Seller may at any time be entitled shall be paid directly to the Trustee in trust, and all of the Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder in the Payment Fund for the benefit of the Owners.

Section 5.2. Establishment and Application of Payment Fund.

(a) The Trustee shall establish a special trust fund designated as the "City of Avondale, Arizona Series 2021 Payment Fund" (herein referred to as the "Payment Fund"). So long as any 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.

(b) Not less than thirty (30) Business Days prior to each Interest Payment Date, the Trustee shall notify the City of the amount required to be paid, after taking into account amounts which will be transferred to the Payment Fund in accordance herewith, on or before such Interest Payment Date, so that a sufficient amount will then be on deposit for both principal and interest represented by the Obligations then due. All amounts received by the Trustee as Payments pursuant to the Purchase Agreement and transfers pursuant hereto shall be deposited in the Payment Fund.

(c) All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest represented by the Obligations as the same shall become due and payable, in accordance with the provisions of Articles II and IV.

Section 5.3. Transfers of Investment Earnings to Payment Fund. Except as otherwise directed by the City, the Trustee shall, on or before the next Interest Payment Date occurring on July 1, transfer any income or profit on the investment of moneys in the funds hereunder to the Payment Fund.

Section 5.4. Surplus. Any surplus remaining in any of the funds created hereunder, after prepayment and payment or provision for prepayment and payment of the Obligations, including accrued interest and payment of any applicable fees, expenses or indemnities to the Trustee, or provision for such prepayment and payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

ARTICLE VI MONEYS IN FUNDS; INVESTMENT; CERTAIN TAX COVENANTS

Section 6.1. 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 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 or any Owner of the Obligations.

Section 6.2. Investments Authorized. Upon written order of the City Representative, moneys held by the Trustee hereunder shall be invested and reinvested by the Trustee, to the maximum extent practicable in Permitted Investments having the highest yield reasonably obtainable. The City Representative shall direct such investment in specific 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. 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. The Trustee shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written direction from the City Representative. In no event shall the Trustee be liable for the selection of investments. The Trustee may conclusively rely upon such written direction from the City Representative as to both the suitability and legality of the directed investments. The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the City specifically waives compliance with 12 Code of Federal Regulations 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

Section 6.3. 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 6.2.

Section 6.4. Allocation of Earnings. 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. At the direction of the City

Representative, any such income, profit or interest shall be transferred and applied if necessary to pay amounts due pursuant to section 148 of the Code.

Section 6.5. 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 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 6.6. Limitation of Investment Yield. In the event the City is of the opinion that it is necessary to restrict or limit the yield on the investment of any amounts paid to or held by the Trustee hereunder in order to avoid the Obligations, or any of them, being considered “arbitrage bonds” within the meaning of section 148 of the Code, the City Representative may issue to the Trustee a written certificate to such effect (along with appropriate instructions), in which event the Trustee will take such action as is instructed so to restrict or limit the yield on such investment in accordance with the specific instructions contained in such certificate.

Section 6.7. Other Tax Covenants. In consideration of the acceptance and execution of the Purchase Agreement by the Trustee and the purchase by the Owners, from time to time, and in consideration of retaining the exclusion of the Interest Portion for federal income tax purposes, the City shall, from time to time, neither take nor fail to take any action, which action or failure to act is within its power and authority and would result in the Interest Portion becoming subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the Purchase Agreement or such laws as they may be modified or amended or tax laws later adopted. The City shall comply with such requirement(s) and will take any such action(s) as are necessary to prevent the Interest Portion 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 required by any Special Counsel’s Opinion; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Obligations; 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 held pursuant to this Trust Agreement and limiting the use of the proceeds of the Obligations and property financed or refinanced thereby.

ARTICLE VII THE TRUSTEE

Section 7.1. Appointment of Trustee. The City hereby authorizes and directs the Trustee to, and the Trustee shall, execute and deliver the Purchase Agreement, as Seller, and receive all moneys required to be deposited with the Trustee hereunder and shall allocate, use and apply the same as provided in this Trust Agreement. The City shall maintain as the 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 authority, so long as any of the 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, 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.

Section 7.2. Liability of Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute this Trust Agreement, the recitals of facts, covenants and agreements herein, in the Purchase Agreement and in the Obligations 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 hereof or sufficiency of this Trust Agreement, the Purchase Agreement or the Obligations or shall incur any responsibility in respect hereof or thereof, other than in connection with the duties or obligations herein or in the Obligations assigned to or imposed upon it. Prior to the occurrence of an Event of Default, 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 and no implied obligations or covenants should be read into this Trust Agreement against the Trustee. 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 person would exercise under the circumstances in the conduct of its own affairs.

Section 7.3. 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 7.1, 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 7.4. Protection and Rights of the Trustee.

(a) 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 of this Trust Agreement, 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 Obligation or to take any action at his request unless such Obligation shall be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation shall be furnished to the Trustee. The Trustee may consult with counsel with regard to legal questions, and the advice or 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.

(b) 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 of this Trust Agreement 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.

(c) The 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 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 Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

(d) The recitals, statements and representations by the City contained in this Trust Agreement, the Purchase Agreement or the 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.

(e) 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 under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

(f) No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(g) 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 of this Trust Agreement.

(h) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Projects. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Purchase Agreement or this Trust Agreement for the Projects.

(i) Notwithstanding any provision in this Trust Agreement or the Purchase 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 9(a)(i)(A) of the Purchase Agreement, unless a Responsible Officer of 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 all Obligations then Outstanding.

(j) The Trustee shall accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee email or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City shall assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(l) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the execution and delivery of the Obligations.

(m) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the Projects.

(n) Before taking any action under this Trust Agreement relating to an Event of Default or in connection with its duties under this Trust Agreement other than making payments of principal and interest represented by the Obligations as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated, to have resulted from its negligence or willful default in connection with any action so taken.

(o) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

Section 7.5. Compensation of Trustee. The City shall from time to time, pursuant to a fee schedule agreed to between the City and the Trustee (which fee schedule may be amended in writing), pay to the Trustee reasonable compensation for its services, 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. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.6. Removal and Resignation of Trustee.

(a) 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 Obligations Outstanding, at any time upon thirty (30) days' prior written notice, and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company 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. 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, 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.

(b) 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 or its giving notice of removal, the retiring 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. The Trustee and the City shall execute any documents reasonably required to effect the transfer of rights and obligations of the Trustee to the successor trustee subject, however, to the terms and conditions herein set forth, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its reasonable charges and expenses (including reasonable fees and expenses of its counsel) and the indemnification under Sections 7.4 and 10.3. Upon such acceptance, the successor trustee shall mail notice thereof to the Owners of the Obligations at their respective addresses set forth on the registration books for the Obligations maintained pursuant to Section 2.13.

Section 7.7. Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee under this Trust Agreement and to hold title to property or to take any other action which may be desirable or necessary.

Section 7.8. Commingling. The Trustee may commingle any of the funds held by it pursuant to this Trust Agreement 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 7.9. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the City, or any of its agents, at any time, upon reasonable prior notice, during regular business hours. The Trustee shall provide the City Representative with semiannual reports of funds transactions and balances.

ARTICLE VIII MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 8.1. Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Owners of the Obligations and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement which shall become effective when the written consent of the Owners of a majority in aggregate principal amount of all Obligations then Outstanding, exclusive of Obligations disqualified as provided in Section 8.3, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the final payment of principal represented by any Obligation or reducing the interest rate represented thereby 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 this Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental or amending agreement shall become effective as provided in Section 8.2.

(b) This Trust Agreement and the rights and obligations of the Owners of the Obligations, and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement, without the consent of any such Owners, but only (1) to provide for additions or modifications to the Projects, (2) 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 (for its own behalf) or the City, (3) to secure additional revenues or provide additional security or reserves for payment of the Obligations, (4) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (5) to provide for the appointment of a successor trustee pursuant to the terms hereof, (6) to preserve the exclusion of interest represented by the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to issue bonds or incur other obligations the interest on which is likewise exempt from federal and State income taxes, (7) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, (8) with respect to rating matters, or (9) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interests of the Owners of the Obligations as evidenced by a Special Counsel's Opinion delivered by the City to the Trustee. Any such supplemental or amending agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee may rely upon a Special Counsel's Opinion as conclusive evidence that any such supplemental or amending agreement complies with this Section.

Section 8.2. Procedure for Amendment With Written Consent of Obligation Owners.

(a) This Trust Agreement and the Purchase Agreement may be amended by supplemental or amending agreement as provided in this Section in the event the consent of the Owners of the Obligations is required pursuant to Section 8.1. A copy of such supplemental or amending agreement, together with a request to the Owners of the Obligations for their consent thereto, shall be mailed by the Trustee to each Owner of an Obligation at the address thereof as set forth on the registration books for the Obligations maintained pursuant to Section 2.13, but failure to mail copies of such supplemental or amending agreement and request shall not affect the validity of the supplemental or amending agreement when assented to as provided in this Section 8.2.

(b) Such supplemental or amending 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 all Obligations then Outstanding (exclusive of Obligations disqualified as provided in Section 8.3) and a notice shall have been mailed as hereinafter in this Section provided. 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, which proof shall be such as is permitted by Section 2.12. 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 the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Obligations shall have filed their consents to such supplemental or amending agreement, the Trustee shall mail a notice to the Owners of the Obligations in the manner hereinbefore provided in this Section for the mailing of such supplemental or amending agreement of the notice of adoption thereof, stating in substance that such supplemental or amending agreement has been consented to by the Owners of the required percentage of Obligations and will be effective as provided in this Section (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 or amending agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental or amending agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all 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 sixty (60) days.

Section 8.3. Disqualified Obligations. 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 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 provided for in this Trust Agreement and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; provided, however, that in determining whether the Trustee shall be protected in relying upon any such approval or consent of an Owner, only Obligations which a Responsible Officer of the Trustee actually knows to be owned or held by the City, or by any person directly or indirectly controlled by, or under direct or indirect common control with the City (except any Obligations held in any pension or retirement fund) shall be deemed not to be Outstanding unless all Obligations are so owned, in which case such Obligations shall be considered Outstanding for the purpose of such determination.

Section 8.4. Effect of Supplemental Trust Agreement. From and after the time any supplemental or amending agreement becomes effective pursuant to this Article VIII, this Trust Agreement or the Purchase 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 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 or amending agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Purchase Agreement, as the case may be, for any and all purposes. The Trustee may require each Owner, before his consent provided for in this Article VIII shall be deemed effective, to reveal whether the Obligations as to which such consent is given are disqualified as provided in Section 8.3.

Section 8.5. Endorsement or Replacement of Obligations Delivered After Amendments. The Trustee may determine that Obligations delivered after the effective date of any action taken as provided in this Article 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 Obligation Outstanding at such effective date and presentation of his 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 Obligations, so modified as in the opinion of the Trustee is necessary to conform to such Obligation Owners' action, which substitute Obligations shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Obligation then Outstanding, such substitute Obligation shall be exchanged at the Designated Office of the Trustee, without cost to such Owner, for an Obligation of the same character then Outstanding, upon surrender of such Outstanding Obligation.

Section 8.6. Amendatory Endorsement of Obligations. The provisions of this Article shall not prevent any Obligation Owner from accepting any amendment or supplement as to the particular Obligations held thereby, provided that proper notation thereof is made on such Obligations.

ARTICLE IX COVENANTS, NOTICES

Section 9.1. Compliance With and Enforcement of Purchase Agreement. The City shall perform all obligations and duties imposed on it under the Purchase Agreement and shall 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. The City, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting any such action will deliver the same, or a copy thereof, to the Trustee.

Section 9.2. Observance of Laws and Regulations. The City shall 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 9.3. Recordation and Filing. The City shall file this Trust 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 Owners.

Section 9.4. Further Assurances. The Trustee (at the reasonable request of the City) and the City shall 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 Purchase Agreement and for the better assuring and confirming unto the Owners the rights and benefits provided herein.

Section 9.5. Notification to the City of Failure to Make Payments. The Trustee shall notify the City of any failure by the City to make any Payment or other payment required under the Purchase 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.

Section 9.6. Business Days. Except as otherwise required herein, if this Trust Agreement or the Purchase Agreement requires any party to act on a specific day and such day is not a Business Day, such party need not perform such act until the next succeeding Business Day, and such act shall be deemed to have been performed on the day required.

ARTICLE X LIMITATION OF LIABILITY

Section 10.1. Limited Liability of the City. Except for the payment of Payments from the Excise Tax Revenues and the State Shared Revenues when due in accordance with the Purchase Agreement and the performance of the other covenants and agreements of the City contained in the Purchase Agreement and herein, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Obligations or the distribution of Payments to the Owners by the Trustee.

Section 10.2. 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 with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 10.3. Indemnification of the Trustee.

(a) To the extent permitted by law, the City shall indemnify and save the Trustee and its officers, directors, agents and employees, harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (1) the use, maintenance, condition or management of, or from any work or thing done on, the Projects or any portion thereof or interest therein by the City; (2) any breach or default on the part of the City in the performance of any of its obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Projects or any interest therein; (3) any act of negligence of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Projects; (4) any act of negligence of any assignee of, or purchaser from, the City or of any of its or their agents, contractors, servants, employees or licensees with respect to the Projects; (5) the acquisition of the Projects or any interest therein; (6) the actions of any other party, including but not limited to the operation or use of the Projects or interest therein

by the City; (7) the ownership of the Projects or interest therein; (8) the exercise and performance by the Trustee of its powers and duties hereunder, under the Purchase Agreement or the Obligations or in connection with any document or transaction contemplated herewith or therewith; or (9) 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 Obligations, including the costs and expenses of defending itself against any claim of liability arising under this Trust Agreement. 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. As security for the payment of amounts due under Section 7.5 and this Section, the Trustee shall be secured under this Trust Agreement by a lien prior to that for the Obligations. The obligations of the City hereunder for indemnification under this Section shall remain valid and binding notwithstanding, and shall survive, the payment or prepayment of principal represented by the Obligations or resignation or removal of the Trustee or the termination of this Trust Agreement.

(b) 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, the Trustee shall notify the City in writing of such circumstances or action (the "Notification"). Failure to give such Notification shall not affect the right of the Trustee to receive the indemnification provided for herewith. Upon giving of the 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 the 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, at the expense of the City. 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 10.4. 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 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 XI
EVENTS OF DEFAULT AND REMEDIES OF OBLIGATION OWNERS

Section 11.1. Seller's Rights Held in Trust. As provided herein, the Trustee holds in trust hereunder all of the Seller's rights in and to the Purchase Agreement, including without limitation all of the Seller's rights to exercise such rights and remedies conferred on the Seller pursuant to the Purchase Agreement as may be necessary or convenient to enforce payment of the Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of the Excise Tax Revenues and the State Shared Revenues for the payment of the Obligations.

Section 11.2. Remedies Upon Default; No Acceleration. 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, or upon request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything herein or in the Purchase Agreement to the contrary, there shall be no right under any circumstances to accelerate the payment dates of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Section 11.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of this Article XI or Section 9 of the Purchase Agreement shall be applied by the Trustee in the order following, in the case of the Obligations, 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 fees, costs and expenses of the Trustee and then of the 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 Obligations, 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 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 11.4. 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 all 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 the Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Section 11.5. Non-waiver. Except as otherwise provided in this Article, the Obligation Owners have the right to institute suit to enforce and collect the Payments as provided

in the Purchase Agreement. No delay or omission of the Trustee or of any Owner of any of the 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 to the Trustee or the Owners of the Obligations may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Obligation Owners.

Section 11.6. 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 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 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 the Owners of a majority in aggregate principal amount of the Obligations Outstanding.

Section 11.7. Limitation on Obligation Owners' Right to Sue.

(a) No Owner of any 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 (1) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (2) the Owners of at least a majority in aggregate principal amount of all 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; (3) said Owners shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses, and liabilities to be incurred in compliance with such request; and (4) 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.

(b) 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 Obligations of any remedy hereunder; it being understood and intended that no one or more Owners of 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 and proportionate benefit of all Owners of the Outstanding Obligations.

(c) The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the 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 of this Trust Agreement.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Defeasance.

(a) If and when any Outstanding Obligation or portion thereof shall be paid and discharged in any one or more of the following ways:

(1) By paying or causing to be paid the principal and interest represented by such Obligations Outstanding, as and when the same become due and payable;

(2) By depositing with a Depository Trustee, in trust for such purpose, at or before the payment date therefor, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all principal and interest due represented by such Obligations Outstanding; or

(3) By depositing with a Depository Trustee, in trust for such purpose, Defeasance Obligations which are noncallable in such amount as shall be certified to the Trustee and the City in a report (the "Verification") by an independent firm of nationally recognized certified public accountants acceptable to 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 principal and interest represented by such Obligations at their respective payment or prepayment dates, which deposit may be made in accordance with the provisions of Section 7 of the Purchase Agreement;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to such Outstanding Obligations shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to subsections (2) or (3) of this Subsection 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 thereto, and in the event of deposits pursuant to subsections (2) or (3) of this Subsection, the Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such funds.

(b) Any funds held by the Trustee, at the time of one of the events described in paragraph (a) of this Section, which are not required for the payment to be made to Owners or for the payment of any other amounts due and payable by the City hereunder or under the Purchase Agreement, shall be paid over to the City.

(c) Any Obligation or portion thereof in Authorized Denominations may be paid and discharged as provided in this Section; provided however, that if principal represented by the Obligations is to be prepaid, notice of such prepayment shall have been given in accordance with the provisions hereof or the City shall have submitted to the Trustee instructions to be irrevocable as to the date upon which the Obligations is to be prepaid and as to the giving of notice of such prepayment; and provided further, that if the Obligations will not be

payable within sixty (60) days of the deposit referred to in subsections (2) or (3) of this Section, the Trustee shall give notice of such deposit by first class mail to the Owners.

(d) No Obligation may be provided for as described in this Section if, as a result thereof, or of any other action in connection with which the provisions for payment of such Obligation is made, the interest payable on any Obligation is thereby made includable in gross income for federal income tax purposes. The Trustee, the Depository Trustee, and the City may rely upon a Special Counsel's Opinion to the effect that the provisions of this Subsection will not be breached by so providing for the payment of any Obligations.

Section 12.2. Notices. All written notices to be given under this Trust Agreement shall be given by overnight delivery or courier or 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 of America mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the City: City of Avondale, Arizona
11465 West Civic Center Drive
Avondale, Arizona 85323
Attention: Finance and Budget Director

If to the Trustee: _____

Attention: _____

Section 12.3. Incorporation of State Statutes.

(a) As required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the City may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the City 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. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Trust Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Trust Agreement on behalf of the City within three years from the execution of this Trust Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by the City. No basis exists for the City to cancel this Trust Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A),

Arizona Revised Statutes. The breach by the Trustee of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the services of the Trustee. The City retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Trustee. The Trustee shall cooperate with the random inspections by the City including granting the City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et. seq., Arizona Revised Statutes, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the City determines that the Trustee’s certification above is false or that it has breached such agreement, the City may impose remedies as provided by law.

Section 12.4. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 12.5. 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 in this Trust Agreement 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 12.6. 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 12.7. Destruction of Cancelled 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 Obligations, the Trustee may destroy such Obligations and deliver a certificate of such destruction to the City instead.

Section 12.8. 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 of this Trust Agreement. 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 12.9. Parties Interested Herein. Nothing in this Trust Agreement or the Obligations, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Trustee and the Owners, 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 in this Trust Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee and the Owners.

Section 12.10. 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 12.11. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the 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 of this Trust Agreement, 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 Obligations pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the day and year first above written.

_____, as Trustee

By
Authorized Representative

CITY OF AVONDALE, ARIZONA

By
Mayor

ATTEST:

.....
City Clerk

EXHIBIT A-1

(Form of New Money Obligation)

Number: R-.....

Principal Amount: \$.....

Unless this Obligation is presented by an authorized representative of The Depository Trust Company of New York, a New York corporation ("DTC"), to the Trustee (or any successor registrar) for registration of transfer, exchange, or payment, and any 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.*

PLEDGED REVENUE OBLIGATION, SERIES 2021
Evidencing a Proportionate Interest of the Owner
Hereof in Payments to be Made by

THE CITY OF AVONDALE, ARIZONA

to

.....,
as Trustee

<u>Interest Rate:</u>	<u>Payment Date:</u>	<u>Dated Date:</u>	<u>CUSIP:</u>
.....%	July 1, 20....	December __, 2021	054320

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Pledged Revenue Obligation, Series 2021 (this "Obligation") is the owner of an undivided, participatory, proportionate interest in the right to receive certain "Payments" under and defined in that certain Fourth Purchase Agreement, dated as of December 1, 2021 (the "Purchase Agreement"), by and between (the "Trustee"), and the City of Avondale, Arizona, a municipal corporation under the laws of the State of Arizona (the "City"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain Fourth Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), by and between the City and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

* Included only while DTC is the Securities Depository.

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount set forth above, representing a portion of the payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing July 1, 2022 (the “Interest Payment Dates”), until payment in full of said portion of principal or prepayment prior thereto, the registered owner’s proportionate share of the payments designated as interest coming due 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 Dated Date specified above. Said interest is the result of the multiplication of said 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.

Said amounts representing the registered owner’s share of the Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date at the address thereof as it appears on the registration books for the Obligations maintained by the Trustee. Said amounts representing the registered owner’s share of the Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office. Principal and interest payable to any owner of \$1,000,000 or more in principal amount of the series of obligations of which this Obligation is a part (the “New Money Obligations” and, collectively with the Pledged Revenue Refunding Obligations, Series 2021, executed and delivered on the date hereof, the “Obligations”) may 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 date of payment specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal represented by the Obligations. The Trustee’s sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this 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.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The City is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by an ordinance of the Mayor and Council of the City adopted on November 15, 2021. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the City under the Purchase Agreement (including with respect

to certain obligations secured and to be secured on a parity lien basis with the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of all Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.)

The obligation of the City to make the Payments does not represent or constitute a general obligation of the City for which the City is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment dates of the Obligations or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the City (as described herein), and no member of the Mayor and Council, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.)

The Obligations are executed and delivered only in fully registered form in denominations of \$5,000 of principal represented by this Obligation due on a specific payment date or integral multiples thereof. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for an Obligation or Obligations of like series and aggregate payment amount in authorized denominations having the same payment date and interest rate.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same series and aggregate principal amount will be delivered to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the City and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The Trustee may, but shall not be obligated to, exchange or register the transfer of this Obligation (i) if this Obligation has been selected for prepayment, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If this Obligation is transferred after having been selected for prepayment, any notice of prepayment which has been given to the transferor shall be binding on the transferee, and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase 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.

The New Money Obligations payable before or on July 1, 20__, are not subject to optional prepayment prior to their stated payment dates. The New Money Obligations payable after July 1, 20__, are subject to prepayment in such order and from such payment dates as may be selected by the City, in whole or in part on any date on or after July 1, 20__, at a prepayment price equal to the principal amount of each New Money Obligation to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

The New Money Obligations payable on July 1, 20__, shall be prepaid on July 1 of the years indicated and in the principal amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Year Prepaid	Principal Amount Prepaid
--------------	--------------------------

A remaining principal amount of \$____,000 of such New Money Obligations shall be paid on July 1, 20__.

The New Money Obligations payable on July 1, 20__, shall be prepaid on July 1 of the years indicated and in the principal amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Year Prepaid	Principal Amount Prepaid
--------------	--------------------------

A remaining principal amount of \$____,000 of such New Money Obligations shall be paid on July 1, 20__.

Whenever Obligations subject to mandatory prepayment are purchased, prepaid (other than pursuant to mandatory prepayment) or delivered by the City to the Trustee for cancellation, the principal amount of the Obligations represented thereby so retired shall satisfy

and be credited against the mandatory prepayment requirements for such Obligations for such years as the City may direct.

If less than all of the outstanding Obligations of any payment date are to be prepaid, the Obligations (or portions hereof) to be prepaid will be selected by the Trustee by lot or in any customary manner as determined by the Trustee. Prepayment shall be in authorized denominations or any integral multiples thereof.

The Trustee shall give notice of any optional prepayment of this Obligation as provided above no more than 60 or less than 30 calendar days prior to the prepayment date to the registered owner at its address shown on the registration books maintained by the Trustee. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes.

If at the time of mailing of the notice of prepayment there has not been deposited with the Trustee moneys or eligible securities sufficient to prepay all Obligations subject to prepayment 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 prepayment and satisfaction of such conditions. If Obligations or portions thereof are subject to prepayment and if on the prepayment date moneys for the prepayment thereof are held by the Trustee and those other conditions are met, thereafter those Obligations or portions thereof to be prepaid 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 prepayment, or any defect in such notice in respect of any Obligation, shall not affect the validity of prepayment of any Obligation.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened, have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution:

....., as Trustee

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned (the "Transferor"), hereby sells, assigns and transfers unto (the "Transferee"), whose address is and whose social security number (or other federal tax identification number) is

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

.....
.....

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints as attorney to register the transfer of the within certificate on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date:

.....
NOTICE: No transfer will be registered and no new certificate will be issued in the name of the Transferee, unless that signature(s) to this assignment correspond(s) with the name as it appears on the face of the within certificate in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied

The following abbreviations when used in the inscription on the face of the within certificate, 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 - Custodian for
(Cust.) (Minor)

under Uniform Gifts/Transfers to Minors Act of
(State)

Additional abbreviations may also be used though not in list above.

EXHIBIT A-2

(Form of Refunding Obligation)

Number: R-.....

Principal Amount: \$.....

Unless this Obligation is presented by an authorized representative of The Depository Trust Company of New York, a New York corporation ("DTC"), to the Trustee (or any successor registrar) for registration of transfer, exchange, or payment, and any 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.*

PLEDGED REVENUE REFUNDING OBLIGATION, SERIES 2021

Evidencing a Proportionate Interest of the Owner

Hereof in Payments to be Made by

THE CITY OF AVONDALE, ARIZONA

to

.....,

as Trustee

Interest Rate:

Payment Date:

Dated Date:

CUSIP:

.....%

July 1, 20....

December __, 2021

054320

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Pledged Revenue Refunding Obligation, Series 2021 (this "Obligation") is the owner of an undivided, participatory, proportionate interest in the right to receive certain "Payments" under and defined in that certain Fourth Purchase Agreement, dated as of December 1, 2021 (the "Purchase Agreement"), by and between (the "Trustee"), and the City of Avondale, Arizona, a municipal corporation under the laws of the State of Arizona (the "City"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain Fourth Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), by and between the City and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

* Included only while DTC is the Securities Depository.

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount set forth above, representing a portion of the payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing July 1, 2022 (the “Interest Payment Dates”), until payment in full of said portion of principal, the registered owner’s proportionate share of the payments designated as interest coming due 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 Dated Date specified above. Said interest is the result of the multiplication of said 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.

Said amounts representing the registered owner’s share of the Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date at the address thereof as it appears on the registration books for the Obligations maintained by the Trustee. Said amounts representing the registered owner’s share of the Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office. Principal and interest payable to any owner of \$1,000,000 or more in principal amount of the series of obligations of which this Obligation is a part (the “Refunding Obligations” and, collectively with the Pledged Revenue Obligations, Series 2021, executed and delivered on the date hereof, the “Obligations”) may 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 date of payment specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal represented by the Obligations. The Trustee’s sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this 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.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The City is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by an ordinance of the Mayor and Council of the City adopted on November 15, 2021. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the City under the Purchase Agreement (including with respect

to certain obligations secured and to be secured on a parity lien basis with the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of all Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.)

The obligation of the City to make the Payments does not represent or constitute a general obligation of the City for which the City is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment dates of the Obligations or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the City (as described herein), and no member of the Mayor and Council, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.)

The Obligations are executed and delivered only in fully registered form in denominations of \$5,000 of principal represented by this Obligation due on a specific payment date or integral multiples thereof. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for an Obligation or Obligations of like series and aggregate payment amount in authorized denominations having the same payment date and interest rate.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same series and aggregate principal amount will be delivered to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the City and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase 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.

The Refunding Obligations are not subject to optional prepayment prior to their stated payment dates.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened, have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution:

....., as Trustee

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned (the "Transferor"), hereby sells, assigns and transfers unto (the "Transferee"), whose address is and whose social security number (or other federal tax identification number) is

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

.....
.....

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints as attorney to register the transfer of the within certificate on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date:

.....
NOTICE: No transfer will be registered and no new certificate will be issued in the name of the Transferee, unless that signature(s) to this assignment correspond(s) with the name as it appears on the face of the within certificate in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied

The following abbreviations when used in the inscription on the face of the within certificate, 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 - Custodian for
(Cust.) (Minor)

under Uniform Gifts/Transfers to Minors Act of
(State)

Additional abbreviations may also be used though not in list above.

EXHIBIT B

(Form of Payment Request Form)

Payment Request Form

Application No.

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the Fourth Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), between the City of Avondale, Arizona (the "City"), and, as trustee (the "Trustee") to the person or corporation designated below as "Payee," the sum set forth below such designation, in payment of the Project Costs (as such term is defined in the Trust Agreement) described below. The amount shown below is due and payable under a purchase order or contract with respect to such costs described below and has not formed the basis of any prior request for payment.

Payee:

Address or Wiring Instructions:

Amount:

Description of costs or portion thereof authorized to be paid to the
Payee:

The City acknowledges that it has received and inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the City's specifications and satisfactory for the City's purposes and in accordance with the applicable purchase order or contract. Notwithstanding anything herein to the contrary, the City shall not be deemed to have waived or released the Payee from any liability or obligation to the City in the event the City's acknowledgment herein is discovered to be inaccurate in any respect as to any item described above.

By execution of this Payment Request Form, the City requests and approves the payment of the amount stated above to Payee set forth above.

DATED:, 20....

.....
City Representative

Please forward payment to Payee at the following address:

EXHIBIT C

(Form of Reimbursement Request Form)

Reimbursement Request Form

Application No.

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the Fourth Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), between the City of Avondale, Arizona (the "City"), and, as trustee (the "Trustee"), to the City, the sum set forth below as reimbursement of (all/a portion) of the Project Costs (as such term is defined in the Trust Agreement) described below. Payment of the amount, shown below was made by the City on, 20....., as evidenced by attached hereto, as full/partial payment of, also attached hereto. The amount shown below was paid by the City and has not formed the basis of any prior request for payment.

The City acknowledges that it has received and has inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the City's specifications and satisfactory for the City's purposes. Notwithstanding anything herein to the contrary, the City shall not be deemed to have waived or released any entity named on the attached documentation, from any liability or obligation to the City in the event the City's acknowledgment herein is discovered to be inaccurate in any respect as to any item described below.

Amount:

Description of costs or portion thereof for which reimbursement is hereby requested:

DATED:, 20....

.....
City Representative

Dated Received:, 20....

CITY OF AVONDALE, ARIZONA

**\$(PAR-A)
PLEDGED REVENUE
OBLIGATIONS,
SERIES 2021**

**\$(PAR-B)
PLEDGED REVENUE REFUNDING
OBLIGATIONS,
SERIES 2021**

OBLIGATION PURCHASE CONTRACT

[PRICING DAY], 2021

Mayor and City Council
City of Avondale, Arizona
11465 West Civic Center Drive
Avondale, Arizona 85323

The undersigned, on behalf of Piper Sandler & Co. (the “Underwriter”), offers to enter into the following obligation purchase contract (this “Purchase Contract”) with the City of Avondale, Arizona (the “Issuer”), which, upon written acceptance by the Issuer of this offer, shall be binding upon the Issuer and the Underwriter. This offer is made subject to 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 Final Official Statement (as such term is defined herein). The offer of the Underwriter is made by signing the signature line provided and delivering the signed page to the Issuer. The acceptance is made by the Issuer signing the signature line provided and delivering the signed page to the Underwriter. Delivery includes sending in the form of a facsimile or telecopy or via the internet as a portable document format (PDF) file or other replicating image attached to an electronic message.

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 all, but not less than all, and the Issuer shall cause [TRUSTEE], as trustee (the “Trustee”), to execute, sell and deliver to the Underwriter, all of the Issuer’s Pledged Revenue Obligations, Series 2021 in the aggregate

principal amount of \$[PAR-A] (the “New Money Obligations”) and Pledged Revenue Refunding Obligations, Series 2021 in the aggregate principal amount of \$[PAR-B] (the “Refunding Obligations”) and, together with the New Money Obligations, the “Obligations”) at an aggregate purchase price of \$ _____, comprising of the following:

(1) the purchase price for the New Money Obligations of \$ _____, representing the aggregate of (a) the par amount of the New Money Obligations, plus (b) the reoffering premium on the New Money Obligations of \$ _____, and less (c) an underwriting discount on the New Money Obligations of \$ _____; and

(2) the purchase price for the Refunding Obligations of \$ _____, representing the aggregate of (a) the par amount of the Refunding Obligations, plus (b) the reoffering premium on the Refunding Obligations of \$ _____, and less (c) an underwriting discount on the Refunding Obligations of \$ _____.

The Underwriter has not previously made any final agreement with the Issuer to purchase the Obligations in an offering within the meaning of the SEC Rule (as defined herein).

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm’s-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and 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); (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (iv) the Issuer has consulted its own legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

(b) The principal amounts of the Payments (as defined below) represented by the Obligations, the dated date, the payment dates, the prepayment provisions and the rates per annum of the interest amount represented by the Obligations are set forth in Schedule I attached hereto. The terms of the Obligations shall be as otherwise described in the Fourth Trust Agreement, to be dated as of December 1, 2021 (the “Trust Agreement”), between the Issuer and the Trustee. The Obligations shall be executed and delivered by the Trustee pursuant to the Trust Agreement, substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon among the Underwriter, the Issuer and the Trustee. The Obligations represent undivided proportionate interests in the payments (each a “Payment,” and collectively, the “Payments”) to be made by the Issuer pursuant to a Fourth Purchase Agreement, to be dated as of December 1, 2021 (the “Purchase Agreement”), between the Issuer, as purchaser, and the Trustee, as seller, as the purchase price for the Projects. The Payments will be secured by Excise Tax Revenues and State Shared Revenues as described in the Official Statement (as defined herein).

(c) The proceeds of the Obligations will be used as described in the Final Official Statement.

2. Public Offering.

(a) The Underwriter intends to make an initial bona fide public offering of all of the Obligations at not in excess of the public offering prices (or not less than the yields) set forth on Schedule I hereto and on the inside front cover page of the Final Official Statement of the Issuer relating to the Obligations, dated even date herewith (including all appendices thereto, the “Final Official Statement”) and may subsequently change such offering prices (or yields). The Underwriter may offer and sell the Obligations to certain dealers (including dealers depositing Obligations into investment trusts) and others at prices lower than the public offering prices (or higher than the yields) set forth on Schedule I hereto and on the inside front cover page of the Final Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Obligations at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

(b) *Establishment of Issue Price.* (1) The Underwriter agrees to assist the Issuer in establishing the issue price of the Obligations and shall execute and deliver to the Issuer at Closing (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Special Counsel (defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Obligations.

(2) [Except as otherwise set forth in Schedule II attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Obligations (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Obligations. [If at that time the 10% test has not been satisfied as to any maturity of the Obligations, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Obligations of that maturity to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until either (i) the Underwriter has sold all Obligations of that maturity or (ii) the 10% test has been satisfied as to the Obligations of that maturity, provided that, the Underwriter’s reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Issuer or Special Counsel.] For purposes of this Section, if Obligations mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Obligations.

(3) [The Underwriter confirms that it has offered the Obligations to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule II attached hereto, except as otherwise set forth therein. Schedule II also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Obligations for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence

shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Obligations, the Underwriter will neither offer nor sell unsold Obligations of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (A) the close of the fifth (5th) business day after the sale date; or
- (B) the date on which the Underwriter has sold at least 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

- (4) The Underwriter confirms that:

- (A) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (I) (i) to report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it, whether or not the Closing has occurred, until either all Obligations of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

- (II) to promptly notify the Underwriter of any sales of Obligations that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below), and

- (III) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(B) any selling group agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Obligations to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it, whether or not the Closing has occurred, until either all Obligations of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(5) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations.]

(6) The Underwriter acknowledges that sales of any Obligations to any person that is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(A) “public” means any person other than an underwriter or a related party,

(B) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations

to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Obligations to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Obligations to the public),

(C) a purchaser of any of the Obligations is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(D) [“sale date” means the date of execution of this Purchase Contract by all parties.]

3. The Official Statement.

(a) The Preliminary Official Statement dated _____, 2021 (including the cover page, the inside front cover page and Appendices thereto, the “Preliminary Official Statement”), of the Issuer relating to the Obligations, to be subsequently revised to reflect the changes resulting from the sale of the Obligations and including amendments or supplements thereto, is hereinafter called the “Final Official Statement” and, together with the Preliminary Official Statement, the “Official Statement”.

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Obligations. The Issuer hereby deems the Preliminary Official Statement “final” as of its date, except for the omission of such information which is dependent upon the final pricing of the Obligations for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”).

(c) The Issuer represents that appropriate officials of the Issuer have reviewed and approved the information in the Official Statement and that the Mayor and Council of the Issuer has authorized the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Obligations. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the acceptance by the Issuer of this Purchase Contract (but, in any event, not later than within seven (7) business days after the acceptance by the Issuer of this Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Final Official Statement which is complete as of the date of its delivery to the Underwriter

in 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 Municipal Securities Rulemaking Board (the “MSRB”).

(d) If, after the date of this Purchase Contract to and including the date the Underwriter is no longer required to provide the Final Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Final Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Obligations), the Issuer becomes aware of any fact or event which might or would cause the Final 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 or supplement the Final Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause 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 a supplement or amendment to the Final Official Statement, the Issuer will 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 either amendments or supplements to the Final Official Statement so that the statements in the Final Official Statement as so amended and supplemented 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 Final Official Statement will comply with law. If such notification 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 supplement or amendment to the Final Official Statement.

(e) Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the Closing Date.

4. Representations and Warranties and Agreements of the Issuer. The undersigned, on behalf of the Issuer, but not acting individually, hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is validly existing as a municipal corporation duly created, organized and existing pursuant to the Constitution and laws of the State of Arizona (the “State”), and has full and legal right, power and authority, and at the date of the Closing shall have full legal right, power and authority pursuant to the ordinance of the Mayor and Council of the Issuer adopted on November 15, 2021 (the “Ordinance”), authorizing the sale and execution and delivery of the Obligations, (i) to enter into, execute and deliver this Purchase Contract; the Ordinance; the Purchase Agreement; the Trust Agreement; a written undertaking by the Issuer to provide ongoing disclosure for the benefit of the owners of the Obligations as required under paragraph (b)(5) of the SEC Rule, in form and substance satisfactory to the Underwriter and counsel to the Underwriter which shall be substantially in the form set forth in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter (the “Undertaking”); and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Purchase Contract, the Ordinance, the Purchase Agreement, the Trust Agreement and the Undertaking are

hereinafter referred to as the “Issuer 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 Issuer Documents and the Final Official Statement, (iv) to pledge Excise Tax Revenues and State Shared Revenues as described in the Official Statement, and (v) to approve, execute and authorize the use and distribution, as applicable, of the Preliminary Official Statement and the Final 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 Issuer 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 Ordinance, (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 Issuer Documents, (iii) the consummation by the Issuer of all other transactions contemplated by the Preliminary Official Statement and the Issuer Documents, including, without limitation, the refunding and prepayment of the Obligations Being Refunded and the Ordinance, (A) authorizes the execution and delivery of the other Issuer Documents and the Obligations as well as the approval, execution and authorization of the use and distribution of the Preliminary Official Statement and the Final Official Statement and the sale of the Obligations to the Underwriter, (B) has been duly and validly adopted by the Mayor and Council of the Issuer, and (C) is in full force and effect;

(c) This Purchase Contract has been duly executed and delivered by the Issuer, and the other of the Issuer Documents (when such Issuer Documents are executed and delivered by the other parties thereto) will constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to applicable Creditors’ Rights Laws; 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 entitled to the benefits of the Trust Agreement and enforceable in accordance with their terms, subject to applicable Creditors’ Rights Laws and, upon the execution and delivery of the Obligations as aforesaid, the Purchase 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 and lien they purport to create as set forth in the Purchase Agreement and the Trust Agreement;

(d) The Issuer is not in material breach of or default in any material respect with respect to 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 material default or event of default by the Issuer pursuant to any of the foregoing or the Issuer Documents and the execution and delivery of the Obligations and the Issuer Documents and the adoption of the Ordinance and compliance with the provisions on the part of the Issuer contained therein shall not conflict with or constitute a material breach of or default pursuant to 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 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 pursuant to the terms of any such law, regulation or instrument, except as provided by the Obligations and the Issuer Documents;

(e) 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 obligations pursuant to the Issuer Documents and the Obligations have been duly obtained, except for such approvals, consents and orders as may be required pursuant to 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, the filing of all reports required to be filed by the Issuer pursuant to Section 35-501, Arizona Revised Statutes;

(f) The Obligations and the Issuer 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;

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly 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, collection or pledge, as applicable, of the Excise Tax Revenues and State Shared Revenues as described in the Official Statement, or the refunding and prepayment of the Obligations Being Refunded; or (iii) in any way contesting or affecting the validity or enforceability of the Obligations or the Issuer Documents or contesting the exclusion from gross income of interest for Federal income tax purposes or the exemption from taxation of interest for State income tax purposes; or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement; 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 Ordinance or the execution and delivery of the Issuer Documents; or (vi) which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Obligations or the Issuer Documents;

(h) The Issuer has not granted a lien on, made a pledge of or agreed to apply Excise Tax Revenues and State Shared Revenues and other moneys payable pursuant to the Purchase Agreement, except as provided or permitted in the Purchase Agreement or as described in the Official Statement;

(i) Unless the Final Official Statement is amended or supplemented pursuant to paragraph (d) 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 Final Official Statement, as of its date, did not, as of the date hereof, does not and, as of the Closing, 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 pursuant to which they were made, misleading;

(j) If the Final Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Purchase Contract, at the time of each amendment or supplement thereto and (unless subsequently again amended or supplemented pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of the Closing, the Final Official Statement 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 pursuant to which 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 Issuer Documents and shall not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for Federal or State income tax purposes of the interest with respect to the Obligations;

(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 pursuant to 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 pursuant to 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 pursuant to 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 the financial position, results of operations or condition, financial or otherwise, of the Issuer;

(n) The Issuer is not a party to any litigation or other proceeding pending or overtly threatened that, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer; and except as disclosed in the Official Statement, 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 Issuer Documents or the Obligations;

(o) Prior to the Closing, and to the extent it may legally agree to do so, 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 Ordinance and the Issuer 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;

(q) The officers and officials of the Issuer executing the Official Statement and the Issuer 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; and

(r) The Issuer is the only “obligated person” (as defined in the Rule) with respect to the Obligations, and there have not been and, as of the Closing, there will not have been, any instances during the preceding five years in which the Issuer failed to comply, in all material respects, with any previous continuing disclosure agreement made by the Issuer for purposes of the Rule, except as disclosed under “CONTINUING DISCLOSURE” in the Official Statement.

5. Closing.

(a) The Closing shall take place at 8:00 a.m. Mountain Standard Time, on December __, 2021 (the “Closing”), at the offices of the Greenberg Traurig, LLP, or at such other time, date and place as shall have been mutually agreed upon by the Issuer, the Trustee and the Underwriter. On the date of Closing, the Trustee will, subject to the terms and conditions hereof, execute, deliver and register the Obligations in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) pursuant to DTC’s “F.A.S.T.” delivery procedures. Also on the date of Closing, the Underwriter will, subject to the terms and conditions hereof, accept delivery of the Obligations and the items identified in Section 6(k) hereof and pay the purchase price of the Obligations as set forth in Section 1 of this Purchase Contract by wire transfer payable in immediately available funds to the Trustee.

(b) It is anticipated that CUSIP identification numbers will be printed on the Obligations, but neither the failure to print such numbers on any Obligations nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of the Obligations in accordance with the terms of this Purchase Contract.

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 pursuant to 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 pursuant to 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 contained herein and in the Issuer 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) All representations, warranties and covenants made herein, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Underwriter notwithstanding any investigation heretofore or hereafter made by the Underwriter or on their behalf, and that all representations, warranties and covenants made by the Issuer herein and therein and all of the Underwriter's rights, hereunder and thereunder shall survive the offering of the Obligations;

(c) The Issuer shall have performed and complied with all covenants, agreements and conditions required by the Issuer Documents to be performed or complied with by it prior to or at the Closing;

(d) As of the date of the Closing, (i) the Issuer 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 Final 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 to deliver their respective opinions referred to hereafter;

(e) As of the date of the Closing, all official action of the Issuer relating to the Obligations and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(f) As of or prior to the Closing, the Issuer Documents shall have been duly executed and delivered by the Issuer and the Trustee shall have duly executed and delivered the Obligations;

(g) As of 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 those set forth in the Final 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 Final Official Statement;

(h) As of the date of the Closing, no "event of default" shall have occurred or be existing pursuant to the Issuer 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 pursuant to the Issuer Documents;

(i) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(j) 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;

(k) On the date of or prior to the Closing, the Underwriter shall have received an electronic copy 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) The approving opinion of Greenberg Traurig, LLP, Special Counsel, dated the date of Closing, with respect to the Obligations, in substantially the form attached to the Official Statement, along with a reliance letter with respect thereto, dated the date of the Closing and addressed to the Underwriter;

(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 B;

(3) An opinion of the counsel to the Issuer, dated the date of the Closing, addressed to the Underwriter and Special Counsel substantially in the form attached hereto as Exhibit C;

(4) An opinion of Squire Patton Boggs (US) LLP, as counsel to the Underwriter, dated the date of the Closing, addressed to the Underwriter and in form and substance reasonably satisfactory thereto;

(5) A certificate, dated the date of Closing and signed by the Mayor, the Deputy City Manager, the Interim Finance and Budget Director of the Issuer, the City Clerk of the Issuer or other officer 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 overtly 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 refunding and prepayment of the Obligations Being Refunded or the levy, collection and pledge, as applicable, of Excise Tax Revenues and State Shared Revenues imposed and levied or to be imposed and levied to pay all the Payments, or the imposition thereof, or in any way contesting or affecting the validity or enforceability of the Obligations or the Issuer Documents, or contesting in any way the completeness or accuracy of the Official Statement or the exclusion from gross income of interest with respect to the Obligations, or contesting the powers of the Issuer or its authority with respect to the Obligations or the Issuer Documents; (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; and (iv) the Issuer has complied with all

requirements and covenants under prior obligation documents, including, without limitation, the Second Purchase Agreement (as defined in the Trust Agreement), for the issuance of the Obligations;

(6) A certificate, dated the date of Closing and signed by the Mayor, the Deputy City Manager, the Interim Finance and Budget Director of the Issuer, the City Clerk of the Issuer or other officer of the Issuer, to the effect that (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 pursuant to 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 results 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; and (iv) no event affecting the Issuer has occurred since the date of the Preliminary Official Statement to the sale date of the Obligations and the date of the Final Official Statement to the date of Closing that should be disclosed in the Preliminary Official Statement or the Final Official Statement, as applicable, for the purpose for 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 pursuant to which they were made or set forth not misleading in any material respect;

(7) A specimen of the New Money Obligations and a specimen of the Refunding Obligations;

(8) A certified copy of the Ordinance;

(9) A counterpart original of the Final Official Statement manually executed on behalf of the Issuer by the Mayor of the Issuer;

(10) A non-arbitrage certificate with respect to the Obligations of the Issuer in form and substance satisfactory to Special Counsel;

(11) A filing copy of the Information Return Form 8038-G for the Obligations and of the Report Relating to Bond and Security Issuance for the Obligations pursuant to section 35-501, Arizona Revised Statutes;

(12) An executed copy of each of the other of the Issuer Documents and the Trustee Documents;

(13) A certificate or certificates, dated the date of the Closing, signed by an authorized representative of the Trustee and in form and substance satisfactory to Special Counsel and the Underwriter, in which such official states that (i) the representations and

warranties of the Trustee contained in the Purchase Agreement and the Trust Agreement (collectively for purposes of this paragraph, the “Trustee Documents”) are true and correct in all material respects as of the date of the Closing, the Trustee has duly executed and delivered the Trustee Documents and the Trustee has complied with all agreements and satisfied all conditions on its part to be performed or satisfied pursuant to the Trustee Documents 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 of its obligations and duties pursuant to the Trustee Documents, (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, together with evidence of the authority of the Trustee to execute and deliver the Trustee Documents and execute and deliver the Obligations and an incumbency certificate;

(14) A Letter from S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, confirming that the Obligations have been assigned a rating of “__” (the “Rating”), which Rating shall be in effect on the date of Closing;

(15) A certificate from U.S. Bank National Association, as trustee under the trust agreement under which the Obligations Being Refunded were executed, to the effect that the moneys sufficient to effectuate the refunding and prepayment of the Obligations Being Refunded have been received and that such moneys have been deposited and held in the payment fund established by such trust agreement;

(16) Such opinions of counsel as are required in connection with the prepayment of the Obligations Being Refunded, pursuant to terms of the applicable controlling documents for the Obligations Being Refunded; and

(17) Such additional opinions, letters, certificates, instruments and other documents as the Underwriter or counsel to 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 time of 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:

(a) 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;

(b) 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 (the "SEC"), or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Obligations, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act, 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;

(c) 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;

(d) a general suspension of trading in securities on the New York Stock Exchange, the American Stock Exchange or other major exchange shall be in force, or 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, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) 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;

(f) 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 Obligations;

(g) 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;

(h) there shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial condition of the Issuer;

(i) 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;

(j) any fact or event shall exist or have existed that, in the judgment of the Underwriter, requires or has required an amendment of or supplement to the Preliminary Official Statement or the Official Statement;

(k) there shall have occurred any withdrawal or downgrading, or any notice shall have been given of (A) any intended or potential withdrawal or downgrading or (B) any review or possible change that does not indicate a possible upgrade, in the rating accorded any of the obligations of the Issuer (including the ratings to be accorded the Obligations);

(l) 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;

(m) a material disruption in securities settlement, payment or clearance services affecting the Obligations shall have occurred;

(n) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; and

(o) additional events or announcements related to the COVID-19 virus and its impact result in cancelation of orders from investors or the inability of investors to proceed with

the purchase of their Obligations in an amount that the Underwriter deems to have an adverse material impact on the sale of and market for the Obligations.

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 Issuer 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 and the Trustee; (iii) the fees and disbursements of any other accountants, and other experts, consultants or advisers retained by the Issuer; (iv) the fees for the Rating and of DTC and (v) reasonable miscellaneous, normally occurring, “out-of-pocket” expenses including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs incurred by the Underwriter in connection with the sale and execution and delivery of the Obligations. The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance 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, 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 and the offering contemplated hereunder.

9. Notices. Any notice or other communication to be given to the Issuer pursuant to 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 Mayor, and any notice or other communication to be given to the Underwriter pursuant to this Purchase Contract may be given by delivering the same in writing to Piper Sandler & Co., 2525 E. Camelback Rd., Ste. 950, Phoenix, Arizona 85016, Attention: William Davis, 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; Venue. This Purchase Contract shall be governed by and construed in accordance with the law of the State. The venue for any proceedings on any and all controversies arising pursuant to this Purchase Contract will be Maricopa County, Arizona.

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, 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, 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. 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.

(Signature Page Follows)

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.

Sincerely,

PIPER SANDLER & CO.

By _____
Authorized Representative

Accepted and agreed to at _____
____.m. this ____ day of _____, 2021

CITY OF AVONDALE, ARIZONA

By _____
Name:
Title:

(Signature Page to Obligation Purchase Contract)

SCHEDULE I

\$[PAR-A] CITY OF AVONDALE, ARIZONA PLEDGED REVENUE OBLIGATIONS, SERIES 2021

Dated Date: Date of Delivery

Interest Payment Dates: Each January 1 and July 1, commencing July 1, 2022.

Payment Schedule

<u>Payment Date</u> <u>(July 1)</u>	<u>Payment</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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Optional Redemption for New Money Obligations: The New Money Obligations payable before or on July 1, 20__, are not subject to prepayment prior to their stated payment dates. The New Money Obligations payable after July 1, 20__, are subject to prepayment in such order and from such payment dates as may be selected by the Issuer and by lot within any payment date by such methods as may be selected by the Trustee from prepayments made at the option of the Issuer pursuant to the Purchase Agreement, in whole or in part on any date, on or after July 1, 20__, at a prepayment price equal to the principal amount of New Money Obligations or portions thereof to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

Mandatory Prepayment of New Money Obligations: The New Money Obligations payable on July 1 in the years _____ (collectively, the “Term Obligations”), shall be prepaid on July 1 of the years indicated and in the amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Term Obligations Payable July 1, 20__

<u>Year Redeemed (July 1)</u>	<u>Principal Amount Prepaid</u>
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* Final Payment Date

\$(PAR-B)
CITY OF AVONDALE, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS,
SERIES 2021

Dated Date: Date of Delivery

Interest Payment Dates: Each January 1 and July 1, commencing July 1, 2022.

Payment Schedule

<u>Payment Date</u> <u>(July 1)</u>	<u>Payment</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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No Prepayment for Refunding Obligations: The Refunding Obligations are not subject to prepayment prior to their stated payment dates.

SCHEDULE II

**\$[PAR-A]
CITY OF AVONDALE, ARIZONA
PLEDGED REVENUE OBLIGATIONS,
SERIES 2021**

Maturities for Which the 10% Test Has Been Met

Maturity Date (<u>July 1</u>)	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
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Maturities for Which the 10% Test Has Not Been Met

**\$[PAR-B]
CITY OF AVONDALE, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS,
SERIES 2021**

Maturities for Which the 10% Test Has Been Met

Maturity Date (<u>July 1</u>)	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
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Maturities for Which the 10% Test Has Not Been Met

Maturity Date (<u>July 1</u>)	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
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EXHIBIT A
FORM OF UNDERWRITER'S CERTIFICATE
CITY OF AVONDALE, ARIZONA

§[PAR-A]
PLEDGED REVENUE
OBLIGATIONS,
SERIES 2021

§[PAR-B]
PLEDGED REVENUE REFUNDING
OBLIGATIONS,
SERIES 2021

Piper Sandler & Co. ("Piper"), as Underwriter for the Pledged Revenue Obligations, Series 2021 and Pledged Revenue Refunding Obligations, Series 2021 (collectively, the "Obligations") executed and delivered on behalf of the City of Avondale, Arizona (the "Issuer"), based on its knowledge regarding the sale of the Obligations, certifies as of this date as follows:

[If the issue price is determined using only the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):

(A) As of the date of this certificate, for each Maturity of the Obligations, the first price at which at least 10% of such Maturity of the Obligations was sold to the Public is the respective price listed on Schedule A (the "Sale Price" as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is \$[] (the "Issue Price").]

[If the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii):

(A) As of the date of this certificate, for each Maturity listed on Schedule A as the "General Rule Maturities," the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A (the "Sale Price" as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, Piper offered the Maturities listed on Schedule A as the "Hold-the-Offering-Price Maturities" to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices" as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Obligations is attached to this certificate as Schedule B.

(C) As set forth in the Obligation Purchase Contract, dated [Pricing Date], between Piper and the Issuer, Piper has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to

the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, Piper has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Obligations during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is \$[] (the “Issue Price”).]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

(A) Piper offered, on or before the Sale Date, each Maturity of the Obligations to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”). A copy of the pricing wire or equivalent communication for the Obligations is attached to this certificate as Schedule B. The aggregate of the Initial Offering Prices of each Maturity is \$[] (the “Issue Price”).

(B) As set forth in the Obligation Purchase Contract, dated [Pricing Date], between Piper and the Issuer, Piper has agreed in writing that, (i) for each Maturity of the Obligation, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, Piper has not offered or sold any Maturity of the Obligation at a price that is higher than the respective Initial Offering Price for that Maturity of the Obligation during the Holding Period.]

[(B),(E), or (C)] Definitions. [NOTE: If issue price is determined using only the general rule (actual sales of 10%), delete the definitions of “Holding Period” and “Sale Date.”]

["Holding Period" means, for each Hold-the-Offering-Price Maturity of the Obligations, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([Pricing Date]), or (ii) the date on which Piper has sold at least 10% of such Maturity of the Obligations to the Public at a price that is no higher than the Initial Offering Price for such Maturity.]

“Maturity” means Obligations with the same credit and payment terms. Obligations with different maturity dates, or Obligations with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

[“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Obligations. The Sale Date of the Obligations is [Pricing Date].]

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Obligations to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Obligations to the Public).

All capitalized terms not defined in this certificate have the meaning set forth in the Issuer’s Federal Tax Exemption Certificate.

The signer is an officer of Piper and duly authorized to execute and deliver this certificate of Piper. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Exemption Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Obligations, and by Greenberg Traurig, LLP, as special counsel, in connection with rendering its opinion that the interest on the Obligations is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Obligations.

Dated: [Closing Date]

PIPER SANDLER & CO.

By: _____

Title: _____

SCHEDULE A

**\$[PAR-A]
CITY OF AVONDALE, ARIZONA
PLEDGED REVENUE OBLIGATIONS,
SERIES 2021**

General Rule Maturities

<u>Maturity (July 1)</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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Hold-the-Offering-Price Maturities

<u>Maturity (July 1)</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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\$(PAR-B)
CITY OF AVONDALE, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS,
SERIES 2021

General Rule Maturities

<u>Maturity</u> <u>(July 1)</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
--	----------------------	-------------------------	--------------------------	--------------------------

Hold-the-Offering-Price Maturities

<u>Maturity</u> <u>(July 1)</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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SCHEDULE B

[PRICING WIRE OR EQUIVALENT COMMUNICATION]

(Attached)

EXHIBIT B

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Date of Closing]

Piper Sandler & Co.
Phoenix, Arizona

Re: Pledged Revenue Obligations, Series 2021 and Pledged Revenue Refunding Obligations, Series 2021, Representing Proportionate Interests of the Owners Thereof in Payments to be Made by the City of Avondale, Arizona to [TRUSTEE], as Trustee, Dated the Date Hereof

Pursuant to an Obligation Purchase Contract, dated [PRICING DAY], 2021 (the “Purchase Contract”), between the City of Avondale, Arizona and Piper Sandler & Co., we have delivered to you our approving opinion of even date herewith (the “Approving Opinion”) relating to the captioned Obligations. All terms used herein shall have the same meaning assigned in the Purchase Contract.

We hereby supplement the Approving Opinion and further advise you as follows:

1. The Issuer has all requisite power and authority pursuant to the Constitution and laws of the State (a) to execute and deliver, as applicable, the Issuer Documents, (b) to approve, execute and authorize the use and distribution of the Preliminary Official Statement and the Final Official Statement and (c) to carry out and consummate the transactions contemplated by the Final Official Statement, the Issuer Documents and the Obligations (including performing the applicable obligations pursuant thereto).

2. The Issuer 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 Final Official Statement, the Issuer Documents and the Obligations.

3. The Issuer Documents have been duly authorized, executed and delivered, as applicable, by the Issuer, are in full force and effect and, assuming due and valid authorization, execution and delivery by, and enforceability against, if any, the other party thereto, constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms. The foregoing is subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of creditors’ rights and the principles of equity in the event equitable remedies are sought.

4. Adoption of the Ordinance, authorization, execution and delivery, as applicable, of, and the due performance by the Issuer of the Issuer Documents and the approval, execution and authorization of the use and distribution of, the Final Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby and each of such instruments, do not and will not conflict with, or constitute on the part of the

Issuer a material breach of or default under, any federal or State constitutional or statutory provision.

5. 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 and other than approvals that may be required under “blue sky” laws of any jurisdiction) is required in connection with the adoption by the Mayor and Council of the Issuer of the Ordinance or the authorization, execution, delivery and performance, as applicable, by the Issuer of the Issuer Documents and the consummation of the transactions contemplated by the Final Official Statement.

6. The information contained (but not incorporated by reference) in the Preliminary Official Statement and the Final Official Statement in the tax caption on the cover thereof, under the headings “INTRODUCTORY STATEMENT,” “THE OBLIGATIONS,” “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS” (except the information included under the subheading “Coronavirus Disease 2019 (“COVID-19”)”), “PLAN OF REFUNDING,” “TAX EXEMPTION” and “CONTINUING DISCLOSURE” (except as it relates to compliance with prior undertakings as to which we express no opinion) therein, and in Appendix D – “SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS,” Appendix E – “PROPOSED FORM OF APPROVING LEGAL OPINION” and Appendix F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” thereto, insofar as such information purports to summarize certain provisions of the laws of the State and the United States of America, the Obligations, the Trust Agreement, the Purchase Agreement and the Undertaking fairly present the information purported to be shown; provided, however, that such information does not purport to summarize all the provisions of, and is qualified in its entirety by, the complete laws and documents that are summarized, and, based solely on our participation in the transaction as Special Counsel, nothing has come to our attention that would lead us to believe that the information and statements in the Preliminary Official Statement, as of its date and as of [PRICING DAY], 2021, and the Final Official Statement, as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that we express no view as to the financial statements of the Issuer, any other financial forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Final Official Statement regarding DTC. We have not undertaken to review or determine independently, and assume no responsibility for, the accuracy or completeness of the information in the Preliminary Official Statement or the Final Official Statement except to the extent indicated hereinabove.

7. It is not necessary in connection with the sale and execution of the Obligations to the public to register the Obligations pursuant to the Securities Act of 1933, as amended, or to qualify the Trust Agreement pursuant to the Trust Indenture Act of 1939, as amended.

You may rely upon the Approving Opinion as though it were specifically addressed to you.

This letter is provided pursuant to Section 6(k)(2) of the Purchase Contract and is being given solely for the information of and assistance to the addressee of this letter in its capacity as the underwriter of the Obligations. In giving this opinion to such underwriter, it is expressly

understood that no attorney-client relationship is being created thereby. Without our express prior written permission, this opinion may not be relied upon by any person other than such underwriter and is not to be used, circulated, quoted, or otherwise referred to in connection with the offering of the Obligations, except that reference may be made to this opinion in any list of closing documents pertaining to the execution and delivery of the Obligations.

Respectfully submitted,

EXHIBIT C

[LETTERHEAD OF CITY ATTORNEY]

December __, 2021

Piper Sandler & Co.
Phoenix, Arizona

Greenberg Traurig, LLP
Phoenix, Arizona

Re: Pledged Revenue Obligations, Series 2021 and Pledged Revenue Refunding Obligations, Series 2021, Representing Proportionate Interests of the Owners Thereof in Purchase Payments to be Made by the City of Avondale, Arizona to [TRUSTEE], as Trustee, Dated the Date Hereof

I hold the office of City Attorney of the City of Avondale, Arizona (the “Issuer”), and in that capacity render this opinion pursuant to the Obligation Purchase Contract, dated [PRICING DAY], 2021 (the “Purchase Contract”), with respect to the captioned Obligations. (The capitalized terms used in this opinion and not otherwise defined herein have the meaning ascribed to them in the Purchase Contract.)

I am of the opinion that, pursuant to the law existing on the date of this opinion:

1. The Issuer is duly organized and validly incorporated as a municipal corporation in accordance with the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder to enter into and perform its agreements in accordance with the Ordinance and its covenants and agreements pursuant to the Issuer Documents.

2. The Ordinance has been duly adopted and approved by the Mayor and Council of the Issuer in conformance with the applicable open meeting and other laws and ordinances of the Issuer and the State of Arizona.

3. The Issuer Documents have been duly authorized and validly executed and delivered by the Issuer, and the distribution of the Preliminary Official Statement and the Final Official Statement has been duly authorized by the Issuer.

4. The adoption and approval of the Ordinance, the authorization, execution and delivery of the Issuer Documents 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 Issuer a breach of or default under any agreement or other instrument

to which the Issuer is a party or of any existing law, administrative regulation, court order or consent decree to which the Issuer, or any of its property, is subject.

5. Based upon an investigation of the records of the Superior Court of Maricopa County, Arizona and the United States District Court, District of Arizona, Phoenix Division, there are no lawsuits or proceedings by or before any court, governmental agency, public board or body, pending or, to the best of my knowledge, threatened against the Issuer (a) that in any way question (i) the validity and the proper authorization, approval and execution of any of the Issuer Documents, (ii) the validity and proper approval and adoption of the Ordinance, (iii) the authority of the Issuer or its officials to enter into any of the Issuer Documents, to make the Payments or to perform its obligations under such documents or the Ordinance or the pledge of Excise Tax Revenues and State Shared Revenues (each as defined in the Issuer Documents) and to carry out the transactions contemplated thereby, or (b) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Ordinance, the Obligations, any of the Issuer Documents or the Official Statement, or would in any way adversely affect the validity or enforceability of the Obligations, the Ordinance, any of the Issuer Documents or of any other instruments required or contemplated for use in consummating the transactions contemplated thereby or by the Official Statement, or that, individually or collectively, would have a material adverse effect on the financial condition of the Issuer or impair the Issuer's ability to comply with all of its duties under the Ordinance, or (c) contesting in any way the completeness or accuracy of the Official Statement.

6. The statements in the Preliminary Official Statement and the Final Official Statement under the heading "LITIGATION" are true and correct in all material respects and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

CITY OF AVONDALE, ARIZONA

By _____

NEW ISSUES – BOOK-ENTRY ONLY

RATING: See “RATING” herein.

In the opinion of Special Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions the portion of each installment payment made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the “Interest Portion”) is excludable from gross income for federal income tax purposes. Further, the Interest Portion is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and is exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excludable from gross income for federal income tax purposes. See “TAX EXEMPTION” herein for a description of certain federal tax consequences of ownership of the Obligations.

CITY OF AVONDALE, ARIZONA

DRAFT I
11-2-21

\$12,390,000*
PLEDGED REVENUE OBLIGATIONS,
SERIES 2021

\$7,845,000*
PLEDGED REVENUE REFUNDING
OBLIGATIONS, SERIES 2021

Dated: Date of Delivery

Due: July 1, as shown on the inside front cover pages

The Pledged Revenue Obligations, Series 2021 (the “New Money Obligations”) and the Pledged Revenue Refunding Obligations, Series 2021 (collectively with the New Money Obligations, the “Obligations”) will be executed and delivered (i) to finance the costs of an aquatic center in and for the City of Avondale, Arizona (the “City”), (ii) to refinance the costs of certain capital projects for the City and (iii) to pay costs relating to the execution and delivery of the Obligations. See “NEW MONEY PROJECT” and “PLAN OF REFUNDING” herein.

Interest on the Obligations will be payable semiannually on each January 1 and July 1, commencing July 1, 2022*. The Obligations will be dated the date of delivery and will be issuable as fully registered obligations 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 interest in the Obligations will be available to purchasers in amounts of \$5,000 of principal of a series due on a specific payment date and any integral multiple thereof only under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive physical certificates. 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 on such Obligations. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM” herein.

The Obligations will not be subject to prepayment prior to their stated payment date as described herein. See “THE OBLIGATIONS – Prepayment Provisions” herein.

SEE PAYMENT SCHEDULES ON INSIDE FRONT COVER PAGES

The Obligations will be undivided, proportionate interests in the installment payments to be made by the City pursuant to a Fourth Purchase Agreement, to be dated as of December 1, 2021* (the “Purchase Agreement”), between the City and [Trustee], as trustee. The installment payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues (as defined herein) and State Shared Revenues (as defined herein) on a parity with the Second Purchase Agreement and any Additional Revenue Obligations (each as defined herein) that may be incurred on a parity as provided in the Purchase Agreement. No obligations may be incurred that would have a prior pledge of Excise Tax Revenues and State Shared Revenues to the installment payments due pursuant to the Purchase Agreement. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS” herein.

THE OBLIGATIONS WILL BE SPECIAL, LIMITED, REVENUE OBLIGATIONS OF THE CITY AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF AND THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL NOT BE PLEDGED FOR THE PAYMENT OF THE OBLIGATIONS.

The Obligations will be offered when, as and if executed and delivered, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel, as to validity and tax exemption. Certain matters will be passed upon for the underwriter identified below by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona. It is anticipated that the Obligations in definitive form will be available for delivery through DTC on or about December __, 2021*.

This cover page contains only a brief description of the Obligations and the security therefor. It is not a summary of material information with respect to the Obligations. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Obligations.

* Subject to change.

CITY OF AVONDALE, ARIZONA

PAYMENT SCHEDULES*

\$12,390,000*

Pledged Revenue Obligations, Series 2021

Payment Date	Principal Amount	Interest Rate	Yield	CUSIP® ⁽¹⁾ No. 054320
2022	\$ 1,215,000	%	%	
2023	1,055,000			
2024	1,100,000			
2025	1,140,000			
2026	1,190,000			
2027	1,235,000			
2028	1,285,000			
2029	1,335,000			
2030	1,390,000			
2031	1,445,000			

\$7,845,000*

Pledged Revenue Refunding Obligations, Series 2021

Payment Date	Principal Amount	Interest Rate	Yield	CUSIP® ⁽¹⁾ No. 054320
2022	\$ 770,000	%	%	
2023	670,000			
2024	695,000			
2025	725,000			
2026	750,000			
2027	780,000			
2028	815,000			
2029	845,000			
2030	880,000			
2031	915,000			

* Subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Special Counsel, the Financial Advisor, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.

CITY OF AVONDALE, ARIZONA

CITY COUNCIL

Kenneth Weise, *Mayor*

Veronica Malone, *Vice Mayor*

Pat Dennis, *Council Member*

Bryan Kilgore, *Council Member*

Tina Conde, *Council Member*

Mike Pineda, *Council Member*

Curtis Nielson, *Council Member*

CITY ADMINISTRATIVE OFFICIALS

Charles A. Montoya, *City Manager*

Lindsey Duncan, *Deputy City Manager*

Keith Fallstrom, *Interim Finance and Budget Director*

SPECIAL COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

TRUSTEE

[Trustee]
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City of Avondale, Arizona (the “City”), Stifel, Nicolaus & Company, Incorporated (the “Financial Advisor”) or Piper Sandler & Co. (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 any offer to buy, and there shall not be any sale of 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 pages and appendices hereto, has been obtained from representatives of the City and the Arizona Department of Revenue 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 has not been independently confirmed or verified by the City, the Financial Advisor or the Underwriter, 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 pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

None of the City, the Financial Advisor, the Underwriter, Special Counsel or counsel to the Underwriter are actuaries. None of them have performed any actuarial or other analysis of the City’s share of the unfunded liabilities of the Arizona State Retirement System, the Arizona Public Safety Personnel Retirement System, the Corrections Officers Retirement Plan or the Elected Officials Retirement Plan.

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.

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 (the “SEC”) 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.

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. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The City will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” all pursuant to Rule 15c2-12 of the SEC.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES OF THE OBLIGATIONS TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT 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.

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OFFICIAL STATEMENT

CITY OF AVONDALE, ARIZONA

\$12,390,000*
PLEDGED REVENUE OBLIGATIONS,
SERIES 2021

\$7,845,000*
PLEDGED REVENUE REFUNDING
OBLIGATIONS, SERIES 2021

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover pages and the appendices hereto, provides certain information concerning the Pledged Revenue Obligations, Series 2021 (the “New Money Obligations”) and the Pledged Revenue Refunding Obligations, Series 2021 (the “Refunding Obligations”) and, collectively with the New Money Obligations, the “Obligations”), to be executed and delivered in the respective principal amounts indicated hereinabove. The Obligations will be undivided, participating, proportionate interests in installment payments (the “Payments”) to be made by the City of Avondale, Arizona (the “City”), pursuant to a Fourth Purchase Agreement, to be dated as of December 1, 2021* (the “Purchase Agreement”), between the City, as buyer, and [Trustee], in its capacity as trustee (the “Trustee”). The Obligations are being executed and delivered for the purpose of providing funds (i) to finance the costs of an aquatic center in and for the City as described under the heading “NEW MONEY PROJECT” (the “New Money Project”), (ii) to refinance the costs of certain capital projects for the City (the “Refinanced Projects” and, together with the New Money Project, the “Projects”) as described under the heading “PLAN OF REFUNDING” and (iii) to pay the costs and expenses relating to the execution and delivery of the Obligations. Pursuant to the Purchase Agreement, the Trustee will sell and convey to the City, and the City will buy and accept from the Trustee, the Projects.

The Obligations will be executed and delivered pursuant to a Fourth Trust Agreement, to be dated as of December 1, 2021* (the “Trust Agreement”), between the City and the Trustee. Certain of the Trustee’s interests under the Purchase 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 – “SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS” in addition to the information hereinbelow for descriptions of the terms of the Purchase Agreement and the Trust Agreement. See APPENDIX A – “CITY OF AVONDALE, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION,” APPENDIX B – “CITY OF AVONDALE, ARIZONA – FINANCIAL DATA” and APPENDIX C – “CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020” for information about the City.

The Payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues and State Shared Revenues (each as defined herein) on a parity with the Second Purchase Agreement, dated as of September 1, 2016 (the “Second Purchase Agreement”), by and between the City, as buyer, and U.S. Bank National Association, in its capacity as trustee, as seller, outstanding in the unpaid principal \$5,780,000 and any Additional Revenue Obligations (as defined herein). Pursuant to the City’s Charter, increases in the rate of transaction privilege (sales) tax are subject to voter approval by a majority of the qualified electors voting in a regularly scheduled general election. See “ESTIMATED DEBT SERVICE REQUIREMENTS AND PROJECTED COVERAGE.”

“Excise Tax Revenues” means all revenues from all excise, sales, transaction privilege and franchise tax the City now collects or which it may collect in the future; 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. “State Shared Revenues” means all revenues from excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State of Arizona (the “State” or “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.

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the City may not further encumber Excise Tax Revenues and State Shared Revenues on a basis equal to the pledge for the Purchase Agreement

unless certain requirements are satisfied. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS – Additional Revenue Obligations” and, for detail about amounts due pursuant to the Purchase Agreement, see APPENDIX B – “CITY OF AVONDALE, ARIZONA – FINANCIAL DATA.” The City may not encumber Excise Tax Revenues and State Shared Revenues on a basis prior to the pledge for the Purchase Agreement.

THE OBLIGATIONS AND THE OBLIGATION OF THE CITY TO MAKE THE PAYMENTS EACH CONSTITUTE A LIMITED OBLIGATION OF THE CITY, AND NEITHER CONSTITUTES A GENERAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OR LAWS OF THE STATE. THE CITY’S OBLIGATION TO MAKE THE PAYMENTS IS NOT SUBJECT TO ANNUAL APPROPRIATION OR BUDGETING BY THE CITY NOR IS SUCH OBLIGATION SUBJECT TO ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON EXPENDITURES.

Unless and until discontinued, the Obligations will be held in book-entry form by The Depository Trust Company, New York, New York (“DTC”), a registered securities depository, and beneficial interests therein may only be purchased and sold, and payments of principal and interest on the Obligations will be made only to beneficial owners (the “Beneficial Owners”), through participants in the DTC system. Beneficial interests in the Obligations will be available to purchasers in amounts of \$5,000 of principal due on a specific payment date and any integral multiple thereof. So long as Cede & Co. is the registered Owner of the Obligations, as nominee for DTC, references in this Official Statement to “Owner” or registered Owners of the Obligations (other than with respect to the Obligations under the heading “TAX EXEMPTION”) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Obligations. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM” herein.

Brief descriptions of the security for the Obligations and of matters related to the City are included in this Official Statement together with a summary of select provisions of the Purchase Agreement and the Trust Agreement. Such descriptions do not purport to be comprehensive or definitive. All references to the Purchase Agreement and the Trust Agreement are qualified in their entirety by reference to such documents, and references herein to the Obligations are qualified in their entirety by reference to the form thereof included in the Trust Agreement, copies of all of which are available for inspection at the designated corporate trust office of the Trustee.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes, or uncoded, or of the Arizona Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or beneficial owners of the Obligations.

THE OBLIGATIONS

General Provisions

The Obligations will be dated the date of their initial execution and delivery, and will bear interest payable semiannually on January 1 and July 1 of each year (each an “Interest Payment Date”), commencing on July 1, 2022*, until their payment date or prepayment dates, at the rates set forth on the inside front cover pages of this Official Statement. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

As described in APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM,” the Obligations, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Obligations, all payments on the Obligations and notices regarding the Obligations will be made directly to DTC.

Subject to the provisions summarized in APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM,” the principal of each Obligation will be payable at the designated office of the Trustee. Interest represented by the Obligations will be paid on each Interest Payment Date by check drawn on the Trustee mailed on or before the Interest Payment Date to the registered owners as shown on the records of the Trustee as of the fifteenth day of the month immediately preceding such Interest Payment Date or, if such date is not a business day, on the next succeeding business day (the “Regular Record Date”) or the Trustee may agree with a registered Owner of \$1,000,000 or more in aggregate principal amount of the Obligations for another form of payment.

If the Trustee fails to make payments or provision for payment of interest on the Obligations when due on any Interest Payment Date, that interest shall cease to be payable to the registered Owner of such Obligations as of the applicable regular record date, and when moneys become available for payment of that interest, the Trustee shall establish a special record date for the payment of that interest, which shall be at least ten days prior to the proposed interest payment date, and notice of such special record date shall be mailed to each registered Owner at least ten days prior to the special record date.

Each Obligation will accrue interest from the Interest Payment Date next preceding the date of its execution, unless: (i) executed on an Interest Payment Date or after a Regular Record Date but before the following Interest Payment Date, in which case interest accrues from such Interest Payment Date, (ii) executed on the date of initial delivery or prior to July 1, 2022*, in which case interest accrues from its dated date, or (iii) payment of interest is in default, in which case interest is payable from the last date to which interest has been paid or, if none, its dated date.

Prepayment Provisions*

Optional Prepayment of New Money Obligations. The New Money Obligations will be subject to prepayment, at the option of the City, in whole or in part on any date on or after July 1, 20__, at the prepayment price of the principal amount to be redeemed, plus accrued interest to the date fixed for prepayment, without premium.

Optional Prepayment of Refunding Obligations. The Refunding Obligations will be subject to prepayment, at the option of the City, in whole or in part on any date on or after July 1, 20__, at the prepayment price of the principal amount to be redeemed, plus accrued interest to the date fixed for prepayment, without premium.

Manner of Selection for Prepayment. The Obligations will be redeemed only in principal amounts of \$5,000 each or integral multiples thereof. The City will, at least 45 days prior to the prepayment date, notify the Trustee of such prepayment date and of the payment dates of the Obligations and the principal amount of the Obligations of any such payment to be prepaid on such date. For the purposes of any prepayment of less than all of the Obligations of a single payment, the particular Obligations or portions of the Obligations to be redeemed shall be selected through the procedures of DTC.

Notice of Prepayment. Prepayment notices will be sent only to DTC by electronic media, not more than 60 nor less than 30 days prior to the date set for prepayment. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM.” Such notice will state that if, on the specified prepayment date, moneys for prepayment of all the Obligations to be redeemed together with interest to the date of prepayment, is held by the Trustee, then, from and after said date of prepayment,

* Subject to change.

interest with respect to the Obligations will cease to accrue and become payable and that if such moneys are not so held, the prepayment will not occur.

SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS

General

The Obligations will be special, limited, revenue obligations, taking the form of undivided, participating, proportionate interests in the Payments. The obligation of the City to make the Payments will be limited to payment from Excise Tax Revenues and State Shared Revenues and will in no circumstances constitute a general obligation 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* property taxes.

Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by the Trustee for payments due under the Purchase Agreement will constitute surplus revenues and may be used by the City for any lawful purpose for the benefit of the City. The City, also, may make the Payments from its other funds as permitted by law and as the City determines from time to time, and the Trustee will thereafter have no claim to such other funds.

Under the terms of the Trust Agreement, an irrevocable trust will be administered by the Trustee for the equal and proportionate benefit of the Owners of the Obligations, which trust includes: (1) all right, title and interest of the Trustee in the Purchase Agreement and the right to (a) make claim for, collect or receive all amounts payable or receivable thereunder, (b) bring actions and proceedings thereunder or for the enforcement of such rights, and (c) do any and all other things which the Trustee is entitled to do thereunder; (2) amounts on deposit from time to time in the funds created pursuant to the Trust Agreement; and (3) any and all other property of any kind hereafter conveyed as additional security for the Obligations.

Pledge

The Payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues and State Share Revenues on a parity with the payments due pursuant to the Second Purchase Agreement and any Additional Revenue Obligations.

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the City may not further encumber Excise Tax Revenues and State Shared Revenues on a basis equal to the pledge for the Purchase Agreement unless certain requirements are satisfied. See “Additional Revenue Obligations; No Prior Lien Obligations” below. For detail about amounts due pursuant to the Purchase Agreement, see APPENDIX B – “CITY OF AVONDALE, ARIZONA – FINANCIAL DATA.”

If at any time the moneys in the funds held for payment of amounts due under the Purchase Agreement or the Trust Agreement are not sufficient to make the deposits and transfers required, any such deficiency will be made up from the first moneys thereafter received and available for such transfers under the terms of the Purchase Agreement and, with respect to payment from Excise Tax Revenues and State Shared Revenues, *pro rata*, as applicable, with amounts due with respect to the Purchase Agreement and the Second Purchase Agreement and any Additional Revenue Obligations. Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by the Trustee for payments due under the Purchase Agreement and the Trust Agreement will constitute surplus revenues and may be used by the City for any lawful purpose for the benefit of the City. The City may make such payments from its other funds as permitted by law and as the City determines from time to time, but the Trustee will thereafter have no claim to such other funds. The Purchase Agreement will not terminate so long as any of the Payments are due and owing pursuant to the terms of the Obligations.

Payment of the principal represented by the Obligations will not be secured by the Projects, and neither the Trustee nor the Owners of the Obligations have any claim or lien on the Projects or any part thereof.

THE PAYMENTS WILL NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY NOR WILL THE CITY BE LIABLE FOR THE PAYMENTS FROM AD VALOREM PROPERTY TAXES.

PURSUANT TO THE TRUST AGREEMENT, THE OBLIGATIONS WILL BE SPECIAL, LIMITED REVENUE OBLIGATIONS, PAYABLE SOLELY FROM THE PAYMENTS MADE PURSUANT TO THE AGREEMENT. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND WILL NOT REPRESENT OR CONSTITUTE A DEBT OR A DIRECT OR INDIRECT PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF.

Coverage Requirements

Excise Tax Revenues and, to the extent permitted by applicable law, State Shared Revenues will be retained and maintained so that the amounts received from Excise Tax Revenues plus State Shared Revenues, all within and for the most recently completed fiscal year of the City, shall have been equal to at least three (3) times the Annual Debt Service for the current fiscal year of the City. If Excise Tax Revenues plus State Shared Revenues for any such fiscal year of the City shall not have been equal to at least three (3) times the Annual Debt Service for the current fiscal year of the City or if at any time it appears that Excise Tax Revenues plus State Shared Revenues will not be sufficient to meet such requirements, City shall, to the extent permitted by applicable law, impose new exactions of the types of the components of the revenues which are Excise Tax Revenues or increase the rates for the components of the revenues which are Excise Tax Revenues currently imposed by City fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year of the City in order that (i) Excise Tax Revenues plus State Shared Revenues will be sufficient to meet all current requirements hereunder, and (ii) Excise Tax Revenues plus State Shared Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph. Pursuant to the City's Charter, increases in the rate of transaction privilege (sales) tax are subject to voter approval by a majority of the qualified electors voting in a regularly scheduled general election.

Additional Revenue Obligations; No Prior Lien Obligations

Additional Revenue Obligations may be incurred but only if Excise Tax Revenues and State Shared Revenues in the most recently completed fiscal year of the City have amounted to at least three (3) times the Maximum Annual Debt Service.

Coronavirus Disease 2019 ("COVID-19")

The COVID-19 global pandemic continues to affect the nation and the State with ongoing concerns related to health and safety, appropriate preventative protocols, fiscal and economic issues, and student learning loss. At present, government and business operations in the State, following the rescindment of numerous COVID-19-related Executive Orders by Arizona Governor Doug Ducey, essentially function without government-imposed restrictions relating to the pandemic.

Excise Tax Revenues collections and other collections dependent on tourism or local business activity may be materially adversely affected by the continued spread of COVID-19 due to slower business activity. The City, however, cannot predict the extent of the impact COVID-19 will have on Excise Tax Revenues collections, which could have a negative impact on City revenues and ability to pay operating expenses and debt service on the Obligations.

The State's finances are likely to be adversely affected by the continued spread of COVID-19, the various governmental actions taken in response thereto and changes in the behavior of businesses and people, which all could affect the amount of State Shared Revenues distributed to counties and municipalities, including the City.

Excise Tax Revenues and State Shared Revenues are major sources of revenue of the City's general fund and the security for and source of payment of the Obligations. The City, however, cannot predict how the spread of COVID-19, the Order, or the various governmental or private actions taken in response thereto will affect its finances or operations, including the receipt of these funds.

EXCISE TAX REVENUES AND STATE SHARED REVENUES

Excise Tax Revenues and State Shared Revenues will be pledged as security for the Payments due pursuant to the Purchase Agreement, which will be used to pay debt service on the Obligations. The major categories of such revenues are discussed more fully under this heading.

NO ASSURANCES CAN BE GIVEN THAT THE AMOUNT OF STATE SHARED SALES TAXES OR STATE SHARED INCOME TAXES DESCRIBED HEREINBELOW WILL NOT BE REDUCED OR ELIMINATED BY THE STATE LEGISLATURE IN THE FUTURE.

Excise Tax Revenues

City Transaction Privilege (Sales) Tax. The City collects a transaction privilege (sales) tax on a variety of categories of business activity. The City's transaction privilege (sales) tax is levied by the City upon persons on account of their business activities within the City. The amount of taxes due is calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities shown in TABLE 1.

TABLE 1

City Transaction Privilege (Sales) Tax Rates by Category City of Avondale, Arizona

Category	City Privilege Tax Rate
Advertising	2.50%
Amusements	2.50
Contracting – Prime	2.50
Contracting – Speculative Builders	2.50
Contracting – Owner Builder	2.50
Job Printing	2.50
Manufactured Buildings	2.50
Timbering and Other Extraction	2.50
Severance – Metal Mining	0.10
Publication	2.50
Hotels	2.50
Hotel/Motel (Additional Tax) (a)	2.00
Residential Rental, Leasing, & Licensing for Use	2.50
Commercial Rental, Leasing, & Licensing for Use	2.50
Rental, Leasing, & Licensing for Use of TPP	2.50
Restaurant and Bars	2.50
Retail Sales	2.50
Retail Sales (single item over \$5,000)	1.50
Retail Sales for Home Consumption	2.50
Maintenance, Repair, Replace and Alteration (MRRA) Amount	2.50
Communications	2.50
Transporting	2.50
Utilities	2.50
Use Tax Purchases	1.50
Use Tax From Inventory	1.50

(a) *The City levies an additional 2.0% transient lodging tax on any hotel, motel, apartment or individual charging for lodging space to any person for less than 30 consecutive days. This tax is restricted by State law to use for visitor and hospitality services. Such amounts are not part of the Excise Tax Revenues.*

Source: Arizona Department of Revenue.

The following table shows audited collections of the City's unrestricted transaction privilege (sales) tax by industry classification for fiscal years 2015/16 through and including 2019/20, estimated actual collections for fiscal year 2020/21 and budgeted collections for fiscal year 2021/22.

TABLE 2

Transaction Privilege (Sales) Tax Collections by Industry Classification (a)
City of Avondale, Arizona

Industry Classification	Actual (a)					Est. Actual 2020/21 (b)	Budgeted 2021/22 (b)
	2015/16	2016/17	2017/18	2018/19	2019/20		
Retail	\$ 28,562,740	\$ 30,102,662	\$ 31,705,835	\$ 33,716,323	\$ 37,147,412	\$ 45,169,387	\$ 49,338,521
Construction	1,346,678	2,952,141	3,648,705	3,500,442	3,493,454	5,514,964	6,690,203
Real estate and rentals	4,280,205	4,300,470	4,494,779	4,789,384	5,110,127	5,521,829	7,531,775
Communication and utilities	2,142,543	2,022,266	1,933,124	1,871,771	1,949,122	1,934,243	1,926,699
Restaurants and bars	3,487,810	3,780,226	4,311,152	4,566,490	4,509,634	5,344,550	5,784,941
Amusement (c)	734,094	672,178	698,255	716,798	683,355	424,704	415,276
Use tax	346,127	440,636	488,579	548,682	619,413	761,134	872,945
Equipment rental	805,719	1,135,654	1,069,078	1,171,147	1,201,403	1,372,441	1,516,959
All others	430,470	466,508	516,266	546,654	554,802	693,207	755,526
	<u>\$ 42,136,386</u>	<u>\$ 45,872,741</u>	<u>\$ 48,865,773</u>	<u>\$ 51,427,691</u>	<u>\$ 55,268,722</u>	<u>\$ 66,736,459</u>	<u>\$ 74,832,845</u>

- (a) Due to the City's participation in the Arizona Department of Revenue ("ADOR") sales tax collection program and ADOR's reporting of collections on a cash basis, the totals represented here may differ from the amounts shown in TABLE 3.
- (b) Estimated actual and budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution.
- (c) A portion of this tax is restricted by State statute to use for visitor and hospitality services. The restricted amounts are not part of the Excise Tax Revenues pledged to payment of the Payments.

Source: Finance Department of the City.

Franchise Fees. The City imposes and collects franchise fees to engage in certain activities within the City and the right to utilize certain City property.

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.

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 Revenues

State Shared Sales Taxes. Pursuant to statutory formula, cities and towns in Arizona receive a portion of revenues from the State-levied transaction privilege (sales) tax. As TABLE 4 indicates, the rate of taxation on such tax varies among the different types of business activities taxed, with the most common rate being 5.0% of the amount or volume of business transacted.

Currently, 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. Each city’s or town’s allocation of the revenues available to all cities and towns is based on its population relative to the aggregate population of all cities and towns as shown by the latest census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns.

TABLE 4

**State-Transaction Privilege (Sales) Tax Rates
Taxable Activities and Distribution Base**

<u>Taxable Activities</u>	<u>State Tax Rate</u>	<u>Distribution Base</u>	<u>Education Tax Rate (a)</u>	<u>Combined Tax Rate</u>
Transporting	5.000%	20.00 %	0.60 %	6.600 %
Utilities	5.000	20.00	0.60	6.600
Telecommunications	5.000	20.00	0.60	6.600
Pipeline	5.000	20.00	0.60	6.600
Private car line	5.000	20.00	0.60	6.600
Publication	5.000	20.00	0.60	6.600
Job printing	5.000	20.00	0.60	6.600
Prime contracting	5.000	20.00	0.60	6.600
Owner builder sales	5.000	20.00	0.60	6.600
Amusement	5.000	40.00	0.60	6.600
Restaurant	5.000	40.00	0.60	6.600
Personal property rental	5.000	40.00	0.60	6.600
Retail (excluding food sales)	5.000	40.00	0.60	6.600
Transient lodging	5.500	50.00	N/A	6.500
Mining - non-metal, oil/gas	3.125	32.00	N/A	3.125
Commercial lease	0.000	53.33	N/A	0.000
Severance - metalliferous mining	2.500	80.00	N/A	2.500
Use tax utilities	5.000	20.00	0.60	6.600
Jet fuel use tax	(b)	40.00	N/A	(b)

N/A = Not applicable.

- (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.**
- (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.

Source: Arizona Revised Statutes, Arizona Department of Revenue and the Arizona Secretary of State.

State Shared Income Taxes. Under current State law, Arizona cities and towns are preempted from imposing a local income tax. Cities and towns are, however, entitled by statutory formula to receive typically 15% (18% beginning with fiscal year 2023/24) of the net proceeds of the State’s personal and corporate income tax collections for the Fiscal Year which is two Fiscal Years prior to the current Fiscal Year. Distribution of such funds is made monthly based on the proportion of each city’s or town’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.

Legislation Regarding Withholding of State Shared Revenues. Section 41-194.01, Arizona Revised Statutes, permits the State to withhold from a county, city or town (“Local Jurisdiction”) State revenues that would otherwise be shared with Local Jurisdictions.

Under such statute, at the request of one or more members of the State Legislature, the State Attorney General must investigate any ordinance, regulation, order or other official action (“Local Action”) adopted or taken by the governing body of a Local Jurisdiction that the legislator alleges violates State law or the State Constitution. The Attorney General must make a written report within 30 days after receipt of the request. The Local Jurisdiction then has 30 days to resolve the violation. If the Attorney General determines that the violation has not been resolved within 30 days, the Attorney General must notify the State Treasurer and the State Treasurer must withhold payment to the Local Jurisdiction of State shared excise taxes otherwise due to the Local Jurisdiction pursuant to Section 42-5029(L), Arizona Revised Statutes and all State shared income taxes otherwise due to the Local Jurisdiction pursuant to Section 43-206(F), Arizona Revised Statutes, until such time as the Attorney General determines that the violation has been resolved. However, the State Treasurer may not withhold any amount that the Local Jurisdiction certifies to the Attorney General and the State Treasurer as being necessary to make deposits or payments for debt service on bonds or other long-term obligations that were issued or incurred before the Local Action occurred.

The City is not aware of any Local Action by the City taken or currently under consideration that does or if taken would violate State law or the State Constitution. State Shared Revenues are pledged to payments due to the Purchase Agreement. The withholding of State Shared Revenues could have a material adverse effect on the payment of principal of and interest on the Obligations during any period of withholding.

Lack of City’s Control Over State Shared Sales Tax or State Shared Income Tax Levels; Recent Legislative Changes. From time to time, bills are introduced in, and legislation enacted by, the Arizona Legislature to change the formulas used to allocate State Shared Sales Taxes and State Shared Income Taxes, including proposed adjustments that would reduce the distribution to cities and towns. The possibility of changes in this respect are more likely to be adverse to the City when the State is experiencing financial difficulties. The City cannot determine whether any such measures will become law or how they might affect State Shared Sales Taxes and State Shared Income Taxes, which comprise State Shared Revenues. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law, which would repeal or modify State Shared Sales Taxes and State Shared Income Taxes (a major source of funds for state revenue sharing). The City cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of any such election.

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. Likewise, legislative reductions in State sales or income taxes generally could result in reductions in the amounts distributed to local governments, including the City. Accordingly, the City is unable to covenant to maintain State Shared Sales Taxes or State Shared Income Taxes at any certain level.

As part of the State’s fiscal year 2021/22 budget, on June 30, 2021 the Governor signed Senate Bill 1828 (SB1828), which will consolidate the State’s current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation will result in an estimated \$1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The City cannot predict what effect the passage of SB1828 will have on its revenues from State Shared Income Taxes.

Set forth in TABLE 5 below are audited collections of Excise Tax Revenues and State Shared Revenues for fiscal years 2015/16 through and including 2019/20, estimated actual collections for fiscal year 2020/21 and budgeted collections for fiscal year 2021/22.

TABLE 5

Historical, Projected and Budgeted Excise Tax Revenues and State Shared Revenues Collections (a)
City of Avondale, Arizona

Category	Audited (a)					Est. Actual	Budgeted
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (b)	2021/22 (b)
City Sales Tax	\$ 43,026,818	\$ 46,288,365	\$ 49,355,518	\$ 52,003,028	\$ 55,933,503	\$ 61,357,157	\$ 63,227,000
State Shared Sales Tax (c)	7,217,550	7,402,225	7,970,742	8,467,056	8,884,163	10,431,529	10,324,000
State Revenue Sharing	9,179,045	9,871,106	10,265,600	10,175,417	11,099,709	12,566,568	11,472,000
Utility and Cable Franchise Fees	1,090,134	1,135,350	1,256,448	1,223,385	1,136,532	1,181,424	1,200,000
Licenses and Permits	1,580,691	2,652,563	3,202,591	2,795,566	3,353,121	3,353,121	5,448,000
Fines and Forfeitures	1,105,057	937,816	1,095,068	1,102,503	993,526	993,526	886,000
Totals	<u>\$ 63,199,295</u>	<u>\$ 68,287,425</u>	<u>\$ 73,145,967</u>	<u>\$ 75,766,955</u>	<u>\$ 81,400,554</u>	<u>\$ 89,883,324</u>	<u>\$ 92,557,000</u>

- (a) The Obligations will be secured by a first lien on and pledge of Excise Tax Revenues and State Shared Revenues. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."
- (b) Estimated actual and budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution.
- (c) As part of the State's fiscal year 2021/22 budget, Senate Bill 1828 (SB1828) will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation will result in an estimated \$1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%.

Source: The Finance Department of the City.

NEW MONEY PROJECT

Proceeds of the New Money Obligations will be used to the finance construction of an aquatic center.

PLAN OF REFUNDING*

The proceeds from the sale of the Refunding Obligations remaining after payment of certain costs of sale and execution and delivery thereof will be used to pay the principal of and premium and interest on the following obligation being prepaid or refunded prior to the payment date as shown below (the "Obligation Being Refunded"). The Obligation Being Refunded were executed and delivered to finance water design and construction. See "SOURCES AND USES OF FUNDS."

<u>Issue Series</u>	<u>Payment Date (July 1)</u>	<u>Coupon</u>	<u>Principal Amount Outstanding</u>	<u>Obligations Being Refunded</u>	<u>Prepayment Date</u>	<u>Prepayment Premium (as a % of Principal)</u>
2019	2031	2.36%	\$ 8,782,000	\$ 8,782,000	[12/30/2021]	0.00%
			<u>\$ 8,782,000</u>	<u>\$ 8,782,000</u>		

* *Subject to change.*

Upon execution and delivery of the Refunding Obligations, the Obligation Being Refunded will not be outstanding or secured by Excise Tax Revenues or State Shared Revenues.

SOURCES AND USES OF FUNDS

	<u>New Money Obligations</u>	<u>Refunding Obligations</u>	<u>Total</u>
Principal Amount	\$12,390,000.00*	\$7,845,000.00*	\$20,235,000.00*
[Net] Original Issue Premium / Discount			
Total Sources of Funds	<u> </u>	<u> </u>	<u> </u>
Deposit to Acquisition Fund			
Prepayment of the Obligations Being Refunded			
Deposit to Costs of Issuance Fund (a)	<u> </u>	<u> </u>	<u> </u>
Total Uses of Funds	<u> </u>	<u> </u>	<u> </u>

* *Subject to change.*

(a) *Includes premium on the bond insurance policy, if any, and compensation and costs of the Underwriter (as defined herein).*

ESTIMATED DEBT SERVICE REQUIREMENTS AND COVERAGE

TABLE 6

Schedule of Estimated Debt Service Requirements and Coverage (a)
City of Avondale, Arizona

Fiscal Year	Excise Tax Revenues and State Shared Revenues (b)	Outstanding Obligations (c)			Plus: The New Money Obligations*			Plus: The Refunding Obligations*			Total Annual Debt Service Requirements	Maximum Annual Debt Service Coverage (d)
		Principal	Interest	Debt Service	Principal	Estimated Interest	Debt Service	Principal	Estimated Interest	Debt Service		
2019/20	\$ 81,400,554											
2020/21	89,883,324											
2021/22		\$ 2,365,000	\$ 279,650	\$ 2,644,650	\$ 1,215,000	\$ 287,723(e)	\$ 1,502,723	\$ 770,000	\$ 182,178(e)	\$ 952,178	\$ 5,099,552	17.63x
2022/23		2,480,000	161,400	2,641,400	1,055,000	447,000	1,502,000	670,000	283,000	953,000	5,096,400	
2023/24		935,000	37,400	972,400	1,100,000	404,800	1,504,800	695,000	256,200	951,200	3,428,400	
2024/25					1,140,000	360,800	1,500,800	725,000	228,400	953,400	2,454,200	
2025/26					1,190,000	315,200	1,505,200	750,000	199,400	949,400	2,454,600	
2026/27					1,235,000	267,600	1,502,600	780,000	169,400	949,400	2,452,000	
2027/28					1,285,000	218,200	1,503,200	815,000	138,200	953,200	2,456,400	
2028/29					1,335,000	166,800	1,501,800	845,000	105,600	950,600	2,452,400	
2029/30					1,390,000	113,400	1,503,400	880,000	71,800	951,800	2,455,200	
2030/31					1,445,000	57,800	1,502,800	915,000	36,600	951,600	2,454,400	
		<u>\$ 5,780,000</u>			<u>\$ 12,390,000</u>			<u>\$ 7,845,000</u>				

* Subject to change.

(a) Prepared by the Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor").

(b) The amount of Excise Tax Revenues and State Shared Revenues used to calculate the coverage requirements is the estimated actual amount for fiscal year 2020/21. See TABLE 5 – "Historical, Projected and Budgeted Excise Tax Revenues and State Shared Revenues."

As part of the State's fiscal year 2021/22 budget, Senate Bill 1828 (SB1828) will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation will result in an estimated \$1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023/24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%.

(c) Net of the Obligation Being Refunded.

(d) Debt service coverage is based on revenues available for debt service (see footnote (b)) compared to the highest combined total of the debt service requirements in any succeeding fiscal year for the Obligations.

(e) The first interest payment on the Obligations is due on July 1, 2022*. Thereafter, interest payments will be made semiannually on January 1 and July 1, until the payment date or prepayment. See "THE OBLIGATIONS – Prepayment Provisions".

TAX EXEMPTION

General

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet after the execution and delivery of the Obligations in order that the portion of each of the Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the “Interest Portion”) will be and remain excludable from gross income for federal income tax purposes. The City’s failure to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the Obligations. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion.

In the opinion of Special Counsel, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the Interest Portion is excludable from gross income of the holders thereof for federal income tax purposes and is exempt from Arizona income taxation so long as the Interest Portion is excludable from gross income for federal income tax purposes. The Interest Portion is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Special Counsel will express no opinion as to any other tax consequences regarding the Interest Portion or the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the status of the Interest Portion under the tax laws of any state other than Arizona.

The above opinion on federal tax matters with respect to the Obligations will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Obligations will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Special Counsel will not independently verify the accuracy of those certifications. Special Counsel will express no opinion as to any other consequences regarding the Obligations.

Except as described above, Special Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the Interest Portion, or the ownership or disposition of the Obligations. Prospective purchasers of Obligations should be aware that the ownership of Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Obligations, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the Interest Portion, (iii) the inclusion of the Interest Portion in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the Interest Portion in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of the Interest Portion in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of these other tax consequences.

Special Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Special Counsel as of the date thereof. Special Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Special Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Counsel’s opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Special Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Obligations (“Discount Obligations”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated prepayment price at the payment date (the principal amount) over the “issue price” of a Discount Obligation determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same payment is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Obligation over the period to the payment date based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Obligation (i) is interest excludable from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Obligations, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the payment date, prepayment, prior sale or other disposition of that Discount Obligation.

Certain of the Obligations (“Premium Obligations”) may be offered and sold to the public at a price in excess of their stated prepayment price (the principal amount) on the payment date (or earlier for certain Premium Obligations callable prior to the payment date). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to the payment date of a Premium Obligation, based on the yield to the payment date of that Premium Obligation (or, in the case of a Premium Obligation callable prior to its stated payment date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Obligation), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Obligation. For purposes of determining the owner’s gain or loss on the sale, prepayment (including prepayment on the payment date) or other disposition of a Premium Obligation, the owner’s tax basis in the Premium Obligation is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Obligation for an amount equal to or less than the amount paid by the owner for that Premium Obligation.

Owners of Discount and Premium Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Obligations and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of the Interest Portion, adversely affect the market price or marketability of the Obligations, or otherwise prevent the holders from realizing the full current benefit of the status of the Interest Portion. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Obligations. Prospective purchasers of the Obligations should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Obligations is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of the Interest Portion from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Obligations, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Obligations and proceeds from the sale of the Obligations. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Obligations. This withholding generally applies if the owner of the Obligations (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN

provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Obligations may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

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 Obligations will be passed upon by Greenberg Traurig, LLP, 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. A draft of the form of that opinion is included as APPENDIX E hereto.

While Special Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Obligations that may be prepared or made available by the City or others to the bidders for or holders of the Obligations or others.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material impact on the City and could adversely affect the secondary market value of the Obligations. 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.

The legal opinion to be delivered concurrently with the delivery of the Obligations will express the professional judgment of the attorneys rendering the opinion 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.

LITIGATION

To the knowledge of the City, no litigation or administrative action or proceeding is pending, restraining or enjoining, or seeking to restrain or enjoin, the execution and delivery of the Obligations or the pledge of Excise Tax Revenues and State Shared Revenues to the payment of the Payments, contesting or questioning the proceedings and authority under which the Obligations have been authorized and are to be sold, executed or delivered, or the validity of the Obligations. An authorized City representative will deliver a certificate to the same effect at the time of the original delivery of the Obligations.

FINANCIAL ADVISOR

The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance of the Obligations. The Financial Advisor participated in the preparation of the Official Statement but 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.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: "The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City, but the Financial Advisor does not guarantee the accuracy or completeness of such information."

FINANCIAL STATEMENTS

The financial statements of the City for the period ended June 30, 2020, which are included as APPENDIX C – “CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020” of this Official Statement, have been audited by CliftonLarsonAllen LLP. All financial information presented herein should be read in conjunction with the financial statements and accompanying Notes in APPENDIX C. **The City neither requested nor obtained the consent of CliftonLarsonAllen LLP to include such financial statements and CliftonLarsonAllen LLP has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such financial statements.**

THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX C OF THIS OFFICIAL STATEMENT ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE CITY.

CONTINUING DISCLOSURE

The City 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, 2022 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the City as such will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access System (“EMMA”), each as described in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12(b)(5) (the “Rule”). 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. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price.

The City previously entered into continuing disclosure undertakings with respect to the City’s previously issued obligations, which require, among other things, the filing of certain financial information and operating data (“Operating Data”) related to the City. The City failed to file certain of the Operating Data for the fiscal year ending June 30, 2016. All such Operating Data has subsequently been filed on EMMA by or before September 15, 2017. The City did not timely file certain Operating Data for the fiscal year ending June 30, 2017, but the Operating Data was filed on February 28, 2018.

UNDERWRITING

The Obligations are being purchased by Piper Sandler & Co. (the “Underwriter”). The Underwriter has agreed to purchase from the City the Obligations at an aggregate purchase price of \$_____ pursuant to an obligation purchase agreement between the City and the Underwriter. The aggregate purchase price reflects compensation to the Underwriter of \$_____. The Obligations may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Obligations into investment trusts) at prices lower than the public offering prices stated on the inside cover page hereof, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter’s obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Obligations if any Obligations are purchased.

The Underwriter has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings at the original issue prices, including the Obligations. Pursuant to the Distribution Agreement, CS&Co will purchase Obligations from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Obligations that CS&Co sells.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned the rating of "___" to the Obligations. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, California 94111. Such rating, if assigned, may be revised or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Obligations. The City will covenant in its continuing disclosure undertaking with respect to the Obligations that it will file notice of any formal change in any rating relating to the Obligations. See "CONTINUING DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

CONCLUDING STATEMENT

The summaries or descriptions of provisions in the Purchase Agreement and the Trust Agreement contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents.

All projections, forecasts and other information in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Obligations.

The attached APPENDICES A through G are integral parts of this Official Statement and must be read together with all of the foregoing statements.

This Official Statement has been prepared on direction of the City and has been approved by and executed for and on behalf of the City by its authorized representative indicated below.

THE CITY OF AVONDALE, ARIZONA

By.....
Mayor

APPENDIX A

CITY OF AVONDALE, 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 Purchase Agreement which are secured by a first lien pledge of Excise Tax Revenues and State Shared Revenues as described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS.”

General

The City is located approximately 15 miles west of downtown Phoenix, Arizona (“Phoenix”) in the southwestern portion of the metropolitan Phoenix area and in the central portion of Maricopa County, Arizona (the “County”), contiguous to the communities of Litchfield Park, Arizona to the north, Phoenix to the north and east, Tolleson, Arizona to the east and Goodyear, Arizona to the north and west. Unique to the City is the convergence of the Gila, Salt and Agua Fria rivers within the City. The City was incorporated in 1946 and is considered one of the fastest growing residential areas in the County.

TABLE 2

POPULATION STATISTICS City of Avondale, Arizona

	<u>City of Avondale</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2020 Census	89,334	4,420,568	7,151,502
2010 Census	76,238	3,817,117	6,392,017
2000 Census	35,883	3,072,149	5,130,632
1990 Census	16,169	2,122,101	3,665,339
1980 Census	8,168	1,509,175	2,716,546

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

Municipal Government and Utilities

The City operates under a Council-Manager form of government in accordance with its Charter. The Mayor is elected for a four-year term and six council members are elected at large on a non-partisan basis for four-year, staggered terms. The City Council appoints the City Manager who has full responsibility for carrying out Council policy and administering operations for the City. The City Manager in turn appoints department heads.

The City provides its residents with sanitation, water and sewer services. Electricity is provided by both Arizona Public Service Company and Salt River Project. Natural gas is supplied by Southwest Gas Corporation.

Economy

The City is developing from an agriculturally based community into a location of commerce and light industry. The City's economy is a mix of services, retail and manufacturing. The City has two employment corridors that are able to access a labor pool of more than half a million employees within a 30-minute commute. The I-10 Corridor and the Avondale Boulevard Corridor serve the 66-acre Avondale Civic Center and includes a 16,000 square foot Hilton Garden Inn complex.

TABLE 3
MAJOR EMPLOYERS
City of Avondale, Arizona

Employer	Description	Approximate Number of Employees
City of Avondale	Government	559
Frys Food Stores	Retail	460
Avondale Elementary School District No. 44	Education	450
Littleton Elementary School District No. 65	Education	428
Akos Medical Campus	Health Care	400
Walmart	Retail	370
Tolleson Union High School District No. 214	Education	350
Earnhardt Auto Center	Retail	330
Costco Wholesale	Retail	310
Agua Fria Union High School District No. 216	Education	290

Source: Maricopa Association of Governments Employer Database (retrieved October 2021).

The following table illustrates the unemployment rate averages for the City, the County, the State and the United States of America.

TABLE 4
UNEMPLOYMENT RATE AVERAGES

Calendar Year	City of Avondale (a)	Maricopa County	State of Arizona	United States
2021 (b)	7.2%	6.1%	6.6%	5.7%
2020	7.6	7.4	7.9	8.1
2019	4.4	4.2	4.9	3.7
2018	4.5	4.1	4.8	3.9
2017	4.5	4.2	4.9	4.4
2016	4.9	4.7	5.5	4.9

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through August 2021.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

APPENDIX B**CITY OF AVONDALE, ARIZONA –
FINANCIAL DATA**

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 Purchase Agreement which are secured by a first lien pledge of Excise Tax Revenues and State Shared Revenues as described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS.”

TABLE B-1**Current Year Statistics (For Fiscal Year 2020/21)
City of Avondale, Arizona**

Total General Obligation Bonds Outstanding and to be Outstanding	\$ 47,215,000*(a)
Total Water and Sewer Revenue Obligations Outstanding	6,550,000
Total Excise Tax Revenue Obligations Outstanding	26,015,000*(b)

* Subject to change.

(a) Represents all general obligation bonds of the City to be outstanding following the issuance of the its General Obligation Bonds, Series 2021 being issued pursuant to a separate official statement.

(b) Includes the Obligations, net of the Obligations Being Refunded.

STATEMENTS OF BONDED INDEBTEDNESS**TABLE B-2****General Obligation Bonds Outstanding
City of Avondale, Arizona**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding	Balance Outstanding and to be Outstanding*
2017A	\$ 14,740,000	Refunding	2029	\$13,850,000	\$ 13,850,000
2019	21,390,000	Construction and improvements	2039	19,290,000	19,290,000
Total General Obligation Bonded Debt Outstanding					\$ 33,140,000
Plus: The General Obligation Bonds, Series 2021 (a)					14,075,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding					<u>\$ 47,215,000*</u>

* Subject to change.

(a) The City expects to offer the General Obligation Bonds, Series 2021 pursuant to a separate official statement.

TABLE B-3**Excise Tax Revenue and State Shared Revenue Obligations Outstanding and to be Outstanding
City of Avondale, Arizona**

Issue Series	Original Amount	Purpose	Final Payment Date (July 1)	Balance Outstanding	Obligations Being Refunded*	Balance Outstanding
2016	\$24,125,000	Refunding	2024	\$5,780,000	\$ -	\$5,780,000
2019	10,096,000	Water system design and construction	2031	8,782,000	8,782,000	-
Plus: The New Money Obligations						\$ 12,390,000 *
Plus: The Refunding Obligations						7,845,000 *
Total Excise Tax Revenue Obligations Outstanding						<u>\$26,015,000 *</u>

* *Subject to change.*

TABLE B-4**Water and Sewer Revenue Obligations Outstanding
City of Avondale, Arizona**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2016	\$8,110,000	Wastewater treatment plant improvements	2036	<u>\$ 6,550,000</u>
Total Water and Sewer System Revenue Obligations Outstanding				<u><u>\$ 6,550,000</u></u>

TABLE B-5

**Other Indebtedness
City of Avondale, Arizona**

Item	Approximate Payment Amount	Payments
LED streetlights	\$107,000.00	Semi-annually through June 2028
Chiller plant	50,000.00	Quarterly through January 2034

Source: City Finance Department.

GENERAL FUND

Below are the City general fund revenues, expenditures and changes in fund balance for the audited fiscal years 2015/16 through and including 2019/20, estimated actual Fiscal Year 2020/21 and budgeted Fiscal Year 2021/22. **See “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS” for a description of the source of payment for the Obligations. This information is not intended to indicate that the Obligations will be payable from any source other than described under such heading or to indicate future or continuing trends of the financial affairs of the City.**

TABLE B-6

	Audited					Est. Actual	Budgeted
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (a)	2021/22 (a)
FUND BALANCE AT BEGINNING OF YEAR	\$ 36,325,536	\$ 41,788,227	\$ 50,765,264	\$ 48,072,714	\$ 57,494,165	\$ 59,341,181	\$ 86,369,581
REVENUES							
Taxes	\$ 33,290,011	\$ 35,480,700	\$ 37,581,378	\$ 39,274,382	\$ 41,761,104	\$ 49,834,241	\$ 45,678,000
Licenses and permits	1,422,437	2,141,129	2,696,687	2,453,941	2,829,160	6,322,897	5,708,000
Intergovernmental	20,244,361	20,981,986	22,104,403	22,907,122	23,950,676	27,719,101	27,930,100
Charges for services	1,151,276	1,605,554	2,061,757	1,433,962	1,644,706	1,933,457	4,323,500
Fines, forfeitures, and penalties	1,255,197	1,059,626	1,275,599	1,257,723	1,094,797	1,034,520	868,000
Interest income	184,273	256,839	464,003	819,031	907,552	693,608	322,000
Net increase/decrease in the fair value of investments	62,948	(93,350)	(206,532)	548,085	772,038	(647,404)	21,000
Contributions	46,685	23,620	20,672	14,890	17,017	19,703	1,360,900
Miscellaneous	1,421,200	1,577,419	1,588,285	1,839,092	1,647,124	1,405,559	-
TOTAL REVENUES	\$ 59,078,388	\$ 63,033,523	\$ 67,586,252	\$ 70,548,228	\$ 74,624,174	\$ 88,315,682	\$ 86,211,500
ADJUSTMENTS							
Sale of capital assets	\$ 248,878	\$ 9,618	\$ 7,974	\$ 1,182,553	\$ 2,368	\$ 2,102,177	\$ 6,799,000
Capital leases	-	304,326	2,677,308	-	-	-	-
Transfers in	-	-	-	-	-	-	947,000
Transfers out	(7,928,010)	(7,761,509)	(19,183,060)	(8,573,300)	(21,661,430)	(2,599,193)	(3,799,100)
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 87,724,792	\$ 97,374,185	\$ 101,853,738	\$ 111,230,195	\$ 110,459,277	\$ 147,159,847	\$ 176,527,981
EXPENDITURES							
Current:							
General government	\$ 12,131,308	\$ 11,712,818	\$ 13,851,178	\$ 12,075,667	\$ 14,397,361	\$ 17,350,436	\$ 22,053,900
Public safety	23,499,335	24,664,820	26,873,354	27,811,344	21,781,594	27,256,048	36,822,700
Health and welfare	1,562,800	1,381,735	1,489,684	1,589,091	1,704,056	2,014,705	-
Economic and community development	4,233,192	4,232,016	4,311,951	4,391,411	5,251,857	6,710,405	-
Culture and recreation	3,702,739	3,766,480	4,116,553	4,264,220	4,592,362	5,196,555	-
Community & economic development	-	-	-	-	-	-	9,090,200
Community services	-	-	-	-	-	-	8,225,450
Streets and transportation	-	-	-	-	-	-	2,018,775
Utilities	-	-	-	-	-	-	75,000
Debt service:							
Principal	-	31,226	-	31,525	121,275	104,970	119,000
Interest and other charges	-	14,774	-	90,694	70,405	67,369	65,000
Capital outlay	807,191	805,052	3,138,304	3,482,078	3,199,186	2,089,778	61,438,800
TOTAL EXPENDITURES	\$ 45,936,565	\$ 46,608,921	\$ 53,781,024	\$ 53,736,030	\$ 51,118,096	\$ 60,790,266	\$ 139,908,825
FUND BALANCE AT END OF YEAR	<u>\$ 41,788,227</u>	<u>\$ 50,765,264</u>	<u>\$ 48,072,714</u>	<u>\$ 57,494,165</u>	<u>\$ 59,341,181</u>	<u>\$ 86,369,581</u>	<u>\$ 36,619,156</u>

(a) *Reflects the City's budgeted figures for fiscal year 2021/22 which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.*

(b) *The change in transfers out between fiscal years 2016/17 and 2017/18 resulted primarily from a one-time funding of capital projects.*

RETIREMENT SYSTEM

Retirement Benefits

The City contributes to the retirement plans described below and as referenced in Note 10 in APPENDIX C – “CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020.” Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the City and each covered employee contribute in the case of each. The City participates in the Corrections Officers Retirement Plan (“CORP”) and the Elected Officials Retirement Plan (“EORP”). [The City’s CORP and EORP plans are considered to be immaterial to the financial operations of the City and as such are not included in the audited financial statements of the City included as APPENDIX C or in this section of the Official Statement.]

Each of the plans has reported increases in its unfunded liabilities. The increases in unfunded liabilities is expected to result in increased future annual contributions by the City and its employees; however the specific impact on the City’s and its employees’ future contributions cannot be determined at this time.

The Governmental Accounting Standards Board (“GASB”) adopted Statement No. 68, Accounting and Financial Reporting for Pensions, which requires that cost-sharing employers report their “proportionate share” of a plan’s net pension liability in their government-wide financial statements and that the cost-sharing employer’s pension expense component include its proportionate share of the system’s pension expense, the net effect of annual changes in the employer’s proportionate share and the annual differences between the employer’s actual contributions and its proportionate share. GASB’s Statement No. 67, Financial Reporting for Pensions, is designed to improve financial reporting by state and local governmental pension plans.

Starting on page 80 in APPENDIX C – “CITY OF AVONDALE, ARIZONA AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020” is information about the plans based on GASB’s Statements Nos. 67 and 68. Please refer to APPENDIX C for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX C, the latter supersedes the former.

The Arizona State Retirement System. ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2020, the unfunded liability for ASRS was \$15.6 billion with a funding ratio of 72.3% and an assumed earning rate of 7.5%. As of June 30, 2020, the City reported a liability of \$33,554,983 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the City) and active members of ASRS are equal. For Fiscal Year 2020/21, the actuarially determined contribution rate for the City and active members of ASRS is 12.22% (12.04% for retirement and health insurance and 0.18% for long-term disability).

The table below shows recent actuarially determined contribution rates that the active ASRS members and the City are/were required to contribute, the plan’s funded status and the pension contributions under ASRS for the current and past four Fiscal Years.

Fiscal year ended	Retirement and Health Insurance Premiums	Long-term Disability	Total Contribution Rate	Funded Status	Pension Contributions
June 30, 2022	12.22%	0.19%	12.41%	unavailable	unavailable
June 30, 2021	12.04	0.18	12.22	unavailable	unavailable
June 30, 2020	11.94	0.17	12.11	72.8%	\$2,922,778
June 30, 2019	11.64	0.16	11.80	72.3	2,718,912
June 30, 2018	11.34	0.16	11.50	71.2	2,414,489

The Public Safety Personnel Retirement System. PSPRS is an agent multiple-employer defined benefit pension plan and an agent multiple employer defined benefit health insurance premium benefit plan that covers public safety personnel who are regularly assigned to hazardous duties for which the Arizona State Legislature establishes active plan members' contribution rates and member benefits. This is not a "pooled" system – a separate account exists for the police and fire employees of each participating political subdivision. In total, there are 258 individual plans in PSPRS. Each plan has its own financial condition, funding status, etc. which varies greatly across the system.

A 2016 amendment to the State constitution ("Prop 124") created an exception to the prohibition in the Constitution against diminishing or impairing public retirement system benefits by allowing for certain adjustments to PSPRS and preserved the State's legislature ability to modify public retirement benefits. Prop 124 allowed for, among other things, the replacement of permanent benefit increases then required by law with COLA (defined below) provisions tied to the regional consumer price indexes.

PSPRS active membership is comprised of three separate "tiers" based on date of hire which are shown in the following table.

<u>"Tier 1" Members</u>	<u>"Tier 2" Members</u>	<u>"Tier 3" Members</u>
Hired into PSPRS position before January 1, 2012	Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017	Hired into PSPRS position on or after July 1, 2017

The different tiers have different types of plans. Tier 1 members have a defined benefit plan, Tier 2 members have a defined benefit or defined benefit hybrid plan and Tier 3 members have a defined contribution, defined benefit or defined benefit hybrid plan. (The hybrid plan is a pension with an additional defined contribution tax-deferred retirement savings account for Tier 2 and Tier 3 members who do not contribute to Social Security). For Tier 1 and Tier 2 members, the type of plan is determined automatically. For Tier 3 members the type of plan is an irrevocable career choice with a default to a defined benefit plan after 90 days. The actuarially determined employer contribution rate varies among the different tiers and the different types of plans as shown in the tables below.

As of June 30, 2020, the unfunded liability for Tiers 1 and 2 of PSPRS was \$9.8 billion with a funding ratio of 48.0%. When calculating, an assumed earning rate of 7.3% was used and an assumed rate of 1.75% was used for increases in the cost of living allowance ("COLA").

The following tables show the actuarially determined annual contribution rates, funded status and total audited contribution amounts for PSPRS.

Fire

	Fiscal Year Ended				
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<u>Contribution Rates*</u>					
Tier 1 Defined Benefit Employer	31.30%	29.88%	28.17%	28.01%	25.74%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	31.30%	29.88%	28.17%	28.01%	25.74%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	25.80%	24.02%	22.16%	21.72%	20.13%
Tier 3 Defined Benefit Employee (a)	9.94%	9.94%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	25.74%	24.49%	22.73%	22.29%	20.74%
Tier 3 Defined Contribution Employee	9.88%	10.41%	10.51%	10.51%	10.55%
Pension Funded Status	N/A	N/A	71.6%	71.4%	70.80%
Health Funded Status	N/A	N/A	109.5%	108.9%	90.40%
Total City (Employer) Pension and Health Contribution	N/A	N/A	\$1,692,750	\$1,858,991	\$591,810

Police

	Fiscal Year Ended				
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<u>Contribution Rates*</u>					
Tier 1 Defined Benefit Employer	32.73%	31.69%	30.03%	29.44%	27.45%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	32.73%	31.69%	30.03%	29.44%	27.45%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	28.52%	26.43%	25.00%	24.44%	22.50%
Tier 3 Defined Benefit Employee (a)	9.94%	9.94%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	28.46%	26.90%	25.57%	25.01%	23.11%
Tier 3 Defined Contribution Employee	9.88%	10.41%	10.51%	10.51%	10.55%
Pension Funded Status	N/A	N/A	61.2%	61.6%	60.30%
Health Funded Status	N/A	N/A	109.6%	103.0%	94.00%
Total City (Employer) Pension and Health Contribution	N/A	N/A	\$2,925,098	\$2,832,186	\$1,508,019

* Sum of the Pension and Health insurance premium benefit contribution rates.

- (a) Does not include additional contribution percentage of 3% associated with defined benefit (“DB”) members additionally participating in the defined contribution (“DC”) plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual’s membership date.
- (b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.
- (c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

Statutory Changes and Court Decisions Regarding the PSPRS, CORP and EORP

PSPRS, CORP and EORP are all operated under the umbrella of the Public Safety Personnel Retirement System and the Public Safety Personnel Retirement System Board of Trustees. Since 2011 there have been various modifications designed to mitigate increasing unfunded liabilities in the programs. Some of these modifications were enacted by the Arizona Legislature; some changes resulted from successful court challenges to those statutory changes; and other changes were implemented by voter approved amendments to the State Constitution. Substantively, the modifications have included changes to contribution rates, retirement criteria, funding horizons, retirement benefits and post-retirement benefit increase calculations.

Potential Future State Legislation Affecting ASRS and PSPRS

Bills are frequently introduced at sessions of the State Legislature that, if enacted, could impact the administration of the ASRS and PSPRS and the eligibility, timing and payment of benefits from such plans. The City is unable to determine whether any such bills will be enacted into legislation or in what form such legislation may be enacted and what the impact of any such legislation may be.

Other Post-Employment Retirement Benefits

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The City is required to report 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 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan. Please refer to APPENDIX C of the Official Statement which includes the City's audited financial statements and specifically "Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

The City does not offer any OPEB. The City's employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the State. The benefits are available to all retired participants in the State's health care program. The City does not make payments for OPEB costs for such retirees.

APPENDIX C

CITY OF AVONDALE, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The following audited financial statements are for the fiscal year ended June 30, 2020. 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 CONDITION OF THE CITY.

The City neither requested nor obtained the consent of CliftonLarsonAllen LLP to include such financial statements and CliftonLarsonAllen LLP has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such financial statements.

APPENDIX D

SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined elsewhere herein, the following terms shall, for all purposes of the Trust Agreement and the Purchase Agreement have the following meanings:

“Acquisition Fund” means the fund of that name established pursuant to the Trust Agreement.

“Annual Debt Service” means the amount to be paid in any fiscal year of the City with respect to the Parity Obligations for payment of principal and interest requirements.

“Certificate of Completion” means the notice of completion, filed with the Trustee by the City Representative, stating that the New Money Project has been substantially completed.

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

“Completion Date” means the date on which the Certificate of Completion is filed with the Trustee by the City Representative.

“Costs of Issuance Fund” means the fund of that name established pursuant to the Trust Agreement.

“Defeasance Obligations” means, to the extent permitted by law (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), or (3) evidences of ownership of proportionate interests in future interest and payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, or any combination thereof.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the City or the Trustee relating to the sale and execution and delivery of the Purchase Agreement, this Trust Agreement and the Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations and charges and fees in connection with the foregoing.

“Depository Trustee” means any bank or trust company, which may include 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.

“Event of Default” means an event of default under the Purchase Agreement as described under the subheading “THE PURCHASE AGREEMENT – Remedies Upon Default.”

“Maximum Annual Debt Service” means the greatest Annual Debt Service in any fiscal year of the City.

“Outstanding” refers to Obligations issued in accordance with this Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a mandatory prepayment installment; (ii) Obligations which have been paid; (iii) Obligations which have become due

and for the payment of which moneys have been duly provided to the Trustee; and (iv) Obligations for which there have been irrevocably set aside with a Depository Trustee sufficient moneys or obligations permitted by the Purchase Agreement bearing interest at such rates and with such payments as will provide sufficient funds to pay the principal of and premium, if any, and interest on such Obligations, provided, however, that if any such Obligations are to be redeemed prior to the payment date, the City shall have taken all action necessary to redeem such Obligations and notice of such prepayment shall have been duly mailed in accordance with the proceedings under which such Obligations were issued or irrevocable instructions so to mail shall have been given to the Trustee.

“Owner” or any similar term, when used with respect to an Obligation means the person in whose name such Obligation shall be registered.

“Parity Obligations” means the Purchase Agreement and the Second Purchase Agreement and any Additional Revenue Obligations.

“Payment Fund” means the fund of that name established pursuant to the Trust Agreement.

“Permitted Investments” means any investment permitted by Section 35-323, Arizona Revised Statutes, as amended, or any successor provision thereto.

THE TRUST AGREEMENT

The following, in addition to the information under the headings “INTRODUCTORY STATEMENT” and “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS,” is a summary of certain provisions of the Trust Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Acquisition Fund and Costs of Issuance Fund. The Acquisition Fund and the Costs of Issuance Fund will be established by the Trustee from which the Trustee will pay the costs to finance the New Project and pay Delivery Costs, respectively. On the earlier of December 1, 2021, or when all Delivery Costs have been paid, the Trustee will transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund. Amounts in the Acquisition Fund will be used to pay principal of and interest on the Obligations if insufficient funds are otherwise available to make such payments when due. On the Completion Date, all remaining moneys in the Acquisition Fund shall be transferred to the Payment Fund and applied by the Trustee to the Payments due from the City on the next succeeding Interest Payment Date.

Payment Fund. The Payment Fund will also be established by the Trustee. The moneys in the Payment Fund will be applied by the Trustee solely to pay principal of and premium, if any, and interest with respect to on the Obligations.

Separate Funds. Moneys and investments properly paid into and held in the funds established under the Trust Agreement will not be subject to the claims of the owners of the Additional Revenue Obligations, and the Owners of the Obligations shall have no claim or lien upon any moneys or investments properly paid into and held in the funds and accounts established under the proceedings for the Additional Revenue Obligations.

Protection of Lien. The Trustee and the City will 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 of the Trust Agreement and that no obligations the payment of which is secured by a superior or equal claim on or interest in property or revenues pledged will be issued or delivered by either except in lieu of, or upon transfer of registration or exchange of, any Obligation.

Investments Authorized; Allocation of Earnings. Upon order of the City, moneys held by the Trustee will be invested and re-invested in Permitted Investments having the highest yield reasonably obtainable. The Trustee may purchase from, or sell to, itself or any affiliate, as principal or agent, investments and may invest in funds to which the Trustee or any of its affiliates provide services as an investment advisor. The Trustee may act as purchaser or agent in the making or disposing of any investment.

Any income, profit or loss on such investments will be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds will be deposited in the fund from which

such deposit was made, except as otherwise provided. At the direction of the City, any such income, profit or interest will be applied if necessary to pay any rebate due with respect to the Obligation pursuant to the Internal Revenue Code.

Appointment of the Trustee. The City will maintain as the Trustee a bank or trust company with a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or State authority so long as any of the 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, then the combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Liability of the Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute the Trust Agreement, the recitals of facts, covenants and agreements in the Trust Agreement and the Obligations will be taken as statements, covenants and agreements of the City, and the Trustee will assume no responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Trust Agreement or the Obligations or will incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or in the Obligations assigned to or imposed upon it. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee will perform only such duties as are specifically set forth in this Trust Agreement. After the occurrence of an Event of Default, the Trustee will 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 its own.

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 as described hereinabove, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Protection and Rights of the Trustee. The Trustee will be protected and will incur no liability in acting or proceeding in good faith upon any 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 the Trustee will be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such document, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee will not be bound to recognize any person as an Owner of any Obligation or to take any action at the request thereof unless such Obligation will be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation will be furnished to the Trustee. The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it in good faith.

Whenever in the administration of its duties under the Trust Agreement, the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action thereunder, such matter (unless other evidence in respect thereof be specifically prescribed) will be deemed to be conclusively proved and established by the certificate of the appropriate representative of the City and such certificate will be full warranty to the Trustee for any action taken or suffered under the provisions of the Trust Agreement 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 Obligations with the same rights it would have if it were not the 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 Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The Trustee will not be answerable for the exercise of any discretion or power under the Trust Agreement or for anything whatever in connection with the funds established thereunder, except only for its own willful misconduct or negligence.

No provision in the Trust Agreement will require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Trustee will not be required to take notice or be deemed to have notice of an Event of Default, except for nonpayment of amounts due under the Trust Agreement or the Purchase 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 Obligations then Outstanding.

The will from time to time, as agreed upon between the City and the Trustee, pay to the Trustee reasonable compensation for its services, including an hourly rate based fee after an Event of Default and will 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.

Removal of the Trustee. The Trustee may be removed by the City (if not in default) or by the Owners of a majority in aggregate principal amount of the Obligations.

The Trustee may also resign effective upon the appointment of a successor the Trustee by the City.

Amendments Permitted. The Trust Agreement and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement which will become effective upon the written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of certain disqualified Obligations. No such modification or amendment will (1) extend or have the effect of extending the fixed payment date 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 or reducing any premium payable upon prepayment 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 Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

The Trust Agreement and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement, without the consent of any Owners, but only (1) to provide for additions or modifications to the Projects, (2) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved in the Trustee (for its own behalf) or the City, (3) to secure additional revenues or provide additional security or reserves for payment of the Obligations, (4) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (5) to provide for the appointment of a successor trustee pursuant to the terms hereof, (6) to preserve the exclusion of the interest on the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to issue bonds or other obligations the interest on which is likewise exempt from federal and State income taxes, (7) to cure, correct or supplement any ambiguous or defective provision in the Trust Agreement and Purchase Agreement, (8) to facilitate the incurrence of the Additional Revenue Obligations, (9) with respect to rating matter, or (10) in regard to questions arising thereunder, as the parties thereto may deem necessary or desirable and which will not adversely affect the interests of the Owners of the Obligations. Any such supplemental or amending agreement will become effective upon execution and delivery by the parties thereto.

Procedure for Amendment With Written Consent of Obligation Owners. A copy of the proposed supplemental or amending agreement, together with a consent request, must be mailed to each Owner of an Obligation, but failure to mail copies of such supplemental or amending agreement and request does not affect the validity of the supplemental or amending agreement when assented to by a majority in principal amount of the Obligations then Outstanding (exclusive of Obligations then disqualified). The supplemental or amending agreement will not become effective until the required Owners have consented and the Trustee has mailed notice to the Owners of the Obligations stating in substance that such supplemental or amending agreement has been consented to by the Owners of the required percentage of Obligations and will become effective (but failure to mail copies of said notice shall not affect the validity of such supplemental or amending agreement or consents thereto).

Disqualified Obligations. 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 Obligations held in any pension or retirement fund) will not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations provided for in the Trust Agreement, and will not be entitled to vote upon, consent to, or take any other action provided therein.

No Liability of the City for the Trustee Performance. The City will have no obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under the Trust Agreement

Remedies Upon Default; No Acceleration. 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, or upon request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything in the Trust Agreement or in the Purchase Agreement to the contrary, there will be no right under any circumstances to accelerate the payments of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of the Trust Agreement or the Purchase Agreement shall be applied by the Trustee in the order following, in the case of the Obligations, 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 fees, costs and expenses of the Trustee and then of the 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 Obligations and, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (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 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.

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 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 the Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, it will have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, or disposal of such action; provided, however, that the Trustee will not discontinue, or otherwise dispose of any litigation, without the consent of a majority in aggregate principal amount of the Obligations Outstanding.

Limitation on Obligation Owners' Right to Sue. No Owner of any Obligation will have the right to institute any action, for any remedy, unless (a) such Owner shall have previously given to the 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 the Trustee to exercise the powers granted or to institute such action, in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity; and (d) the Trustee shall have not complied with such request for a period of sixty (60) days.

No one or more Owners of Obligations will have any right in any manner whatever by their action to enforce any right under the Trust Agreement, except in the manner therein provided, and all proceedings with respect to an

Event of Default will be pursued in the manner therein provided and for the equal benefit of all Owners of the Outstanding Obligations.

The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, will not be impaired or affected without the consent of such Owner.

Defeasance. If and when all Outstanding 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 and prepayment premium, if any, with respect to all 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 the payment date, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all Obligations Outstanding, including all principal, interest and prepayment premium; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are non-callable in such amount as shall be certified to the Trustee and the City by a national firm of certified public accountants acceptable to 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 Obligations (including all principal, premium and interest) at their respective payment dates or prior prepayment;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to all Outstanding Obligations will cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to paragraphs (b) or (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 thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Obligations will continue to represent direct and proportionate interests of the Owners thereof in such funds.

If any Obligation or portion thereof will not become payable within sixty (60) days of the deposit referred to in paragraphs (b) or (c) above, the Trustee shall give notice of such deposit by first class mail to the Owners.

No Payment or Obligation may be so provided for based on prepayment prior to the payment date unless the Trustee has mailed irrevocable notice of prepayment for such Obligations or the City has given the Trustee irrevocable instructions to prepay such Obligations.

THE PURCHASE AGREEMENT

The following, in addition to the information under the headings "INTRODUCTORY STATEMENT" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS," is a summary of certain provisions of the Purchase Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Payments. The obligation of the City to make the Payments will be limited to amounts from Excise Tax Revenues and State Shared Revenues. The City will receive a credit against amounts due with respect to the Payments equal to any amounts held and available in the Payment Fund.

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

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

(a) by paying such Payment as and when the same becomes due and payable at its scheduled due date or on a date on which it can be prepaid;

(b) by depositing the with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with the Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are non-callable, in such amount as shall be certified by a national firm of certified public accountants acceptable to the City as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with the Trustee and available for such Payment, to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid.

Upon any partial payment of a Payment resulting in a partial payment of prepayment of Obligations, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate or rates on the Obligations remaining outstanding after the partial payment or prepayment of Obligations from the proceeds of such payment so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on such outstanding Obligations when due.

Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts due pursuant to the Purchase Agreement (including the Payments) at the time when the same are to be paid as provided in the Purchase Agreement or the Trust Agreement, (B) the violation by the City of any other covenant or provision of the Purchase Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Second Purchase Agreement and any Additional Revenue Obligations, 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 such amounts as required under the Purchase Agreement or the Trust Agreement on the due date, or the nonpayment of the payments on their due dates with respect to the Second Purchase Agreement and any Additional Revenue Obligations, (B) in the case of the breach of any other covenant or provision of the Trust Agreement or the Purchase Agreement not cured within sixty (60) days after notice in writing from the Trustee specifying such default; and (C) in the case of any default under the Second Purchase Agreement and any Additional Revenue Obligations, after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, the Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect such amounts payable by the City under the Trust Agreement or the Purchase Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement, or covenant of the City under the Trust Agreement or the Purchase Agreement and with respect to Excise Tax Revenues and State Shared Revenues, without notice and without giving any bond or surety to the City or anyone claiming under the City, have a receiver appointed of the amounts of Excise Tax Revenues and State Shared Revenues which are pledged to the payment of amounts due thereunder, with such powers as the court making such appointment shall confer (and the City will irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

The obligations of the City under the Purchase Agreement, including, without limitation, its obligation to pay the Payments, will survive any action brought, and the City will continue to pay the Payments and perform all other obligations provided in the Purchase Agreement; provided, however, that the City will be credited with any amount received by the Trustee.

APPENDIX E

PROPOSED FORM OF APPROVING LEGAL OPINION

[Closing Date]

[Trustee]
Phoenix, Arizona

Re: Pledged Revenue Obligations, Series 2021 and Pledged Revenue Refunding Obligations, Series 2021 Evidencing Proportionate Interests of the Owners Thereof in Purchase Payments to be Made by the City of Avondale, Arizona to [Trustee], as Trustee, Dated the Date Hereof

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by [Trustee] (the "Trustee") of the Pledged Revenue Obligations, Series 2021 and Pledged Revenue Refunding Obligations, Series 2021 (collectively, the "Obligations"), pursuant to a Fourth Trust Agreement, dated as of December 1, 2021* (the "Trust Agreement"), between the Trustee and the City of Avondale, Arizona (the "City"). Each of the Obligations is an undivided, participating, proportionate interest in certain payments to be made by the City pursuant to a Fourth Purchase Agreement, dated as of December 1, 2021* (the "Purchase Agreement"), between the Trustee and the City to finance and refinance certain projects for the City. In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of the City Attorney delivered even date herewith as to the matters provided therein.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Obligations, the Trust Agreement and the Purchase Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally; except to the extent that the enforceability thereof and the rights thereunder may be limited by the application of general principles of equity and, as to the Trust Agreement, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The obligations of the City pursuant to the Purchase Agreement with respect to payment of principal and interest with respect to the Obligations are solely from the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure such payments. Those revenues and other moneys include payments required to be made by the City pursuant to the Purchase Agreement, and the obligation of the City to make those payments is secured by a limited pledge of "Excise Tax Revenues" and "State Shared Revenues" as described in, and provided by, the Purchase Agreement. Such payments are not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes; the Obligations do not represent or constitute a debt or pledge of the

* *Subject to change.*

general credit of the City and the Purchase Agreement, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. (a) Based on the representations and covenants of the City and subject to the assumption stated in the last sentence of this paragraph, under existing statutes, regulations, rulings and court decisions, the portion of each payment made by the City pursuant to the Purchase Agreement, denominated and comprising interest and received by the beneficial owners of the Obligations (the "Interest Portion"), is excludable from the gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the Interest Portion on, or ownership or disposition of, the Obligations. The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of execution and delivery. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. (Subject to the same limitations in the first numbered paragraph hereof as they would relate to such covenants, the City has full legal power and authority to comply with such covenants.) In rendering the opinion expressed in this paragraph, we have assumed continuing compliance with the tax covenants referred to hereinabove that must be met after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal tax purposes.

(b) Assuming the Interest Portion is so excludable for federal income tax purposes, the Interest Portion is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the receipt or accrual of the Interest Portion on, or disposition or ownership of, the Obligations.)

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CITY OF AVONDALE, ARIZONA

\$12,390,000*
PLEDGED REVENUE OBLIGATIONS,
SERIES 2021

\$7,845,000*
PLEDGED REVENUE REFUNDING
OBLIGATIONS, SERIES 2021

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered by the City of Avondale, Arizona (the “City”), in connection with the execution and delivery of \$12,390,000* principal amount of Pledged Revenue Obligations, Series 2021 (the “New Money Obligations”) and \$7,845,000 principal amount of Pledged Revenue Refunding Obligations, Series 2021 (the “Refunding Obligations” and, collectively with the New Money Obligations, the “Obligations”). The Obligations are being executed and delivered pursuant to a Fourth Trust Agreement, dated as of December 1, 2021* (the “Trust Agreement”), by and between the City and [Trustee], as trustee (the “Trustee”). The City covenants and agrees as follows:

1. Definitions. In addition to those defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires:

“*Annual Financial Information*” means the financial information and operating data set forth in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Final Official Statement*” means the Final Official Statement relating to the Obligations, dated _____, 2021.

* *Subject to change.*

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*GAAP*” means generally accepted accounting principles, as applied to governmental units as modified by the laws of the State.

“*Listed Event*” means the occurrence of events set forth in Exhibit II.

“*Listed Events Disclosure*” means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Obligations.

“*Purchase Agreement*” means the Fourth Purchase Agreement, dated as of December 1, 2021*, by and between the City and the Trustee.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act.

“*State*” means the State of Arizona.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the requirements of the Rule. The City represents that it will be the only obligated person with respect to the Obligations at the time the Obligations are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after such delivery of the Obligations.

3. CUSIP Number. The CUSIP Numbers of the Obligations are as follows:

CUSIP No. (Base_____)	Payment Date
_____	_____

4. Annual Financial Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), through EMMA.

* *Subject to change.*

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate in a timely manner, but in not more than ten (10) business days after the occurrence of the event, its Listed Events Disclosure through EMMA. Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Obligation may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Purchase Agreement or the Trust Agreement, and the sole remedy available to such owners of the Obligations under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Obligations, as determined by parties unaffiliated with the City (such as the Trustee) or by approving vote of the owners of the Obligations pursuant to the Trust Agreement at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying GAAP to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the fiscal year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

8. Termination of Undertaking. This Undertaking shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Trust Agreement.

9. 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 Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

12. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. The City shall not transfer obligations under the Purchase Agreement unless the transferee agrees to assume all obligations of the City under this Undertaking or to execute an undertaking meeting the requirements of the Rule.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

Dated: [Closing Date]

CITY OF AVONDALE, ARIZONA

By.....
Mayor

ATTEST:

.....
City Clerk

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data of the type contained in the Final Official Statement in TABLE 5 – Historical, Projected and Budgeted Excise Tax Revenues and State Shared Revenues Collections (actual results for most recently completed fiscal year only).

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available from the MSRB. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2022. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the City.

Audited Financial Statements will be prepared according to GAAP.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

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 of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the rights of security holders, if material.
8. Bond calls, if material, or tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the City, being if 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 of 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.
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.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Obligations. The Obligations will be issued 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 Bond will be issued for each payment of the Obligations, each in the aggregate principal amount of such payment, 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 Securities 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 the Direct Participants, the “Participants”). DTC has Standard & Poor’s rating of: “AA+.” 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 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect 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 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 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 DTC 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 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 the 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 prepayments, tenders, defaults, and proposed amendments

to the Obligation 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.

Prepayment notices shall be sent to DTC. If less than all of the Obligations within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue 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).

Payment of principal of and interest on the Obligations and the prepayment price of any Obligation 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 Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Obligations and the prepayment price of any Obligations will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or 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 and Indirect Participants.

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, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

ORDINANCE NO. 2062-1121

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FOURTH PURCHASE AGREEMENT, A FOURTH TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED REVENUE AND REVENUE REFUNDING OBLIGATIONS, IN ONE OR MORE SERIES, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN THE PURCHASE AGREEMENT TO FINANCE AND REFINANCE THE COSTS OF CAPITAL PROJECTS IN THE CITY; DELEGATING AUTHORITY TO THE MAYOR, MANAGER, ASSISTANT MANAGER AND FINANCE AND BUDGET DIRECTOR OF THE CITY TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the City of Avondale, Arizona (the “City”), have determined to (A) finance the costs of construction of an aquatic center (the “Project”); and (B) refinance all or a portion of the payments due pursuant to the Third Purchase Agreement, dated as of July 1, 2019 (the “2019 Purchase Agreement”), to U.S. Bank National Association, with respect to financing the costs of water and wastewater infrastructure design and construction (collectively with the Project, the “Projects”), by entering into a Fourth Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations (the “Purchase Agreement”), with a bank authorized to exercise trust powers in the State of Arizona, appointed as provided hereby, as trustee (the “Trustee”), in its separate capacity as “Seller”; and

WHEREAS, the payments due from the City pursuant to the 2019 Purchase Agreement secure certain payments due with respect to the City’s Pledged Revenue Obligation, Series 2019 (the amounts of such obligation to be prepaid as provided herein are collectively referred to herein as the “Obligation Being Prepaid”); and

WHEREAS, in connection with the Purchase Agreement, the Mayor and Council of the City have deemed it necessary and desirable to provide for the sale and execution and delivery of pledged revenue obligations and pledged revenue refunding obligations, in one or more series, as provided by this Ordinance (collectively, the “Obligations”), pursuant to the Fourth Trust

Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Trust Agreement"), between the Trustee and the City, evidencing proportionate interests of the owners of the Obligations in payments to be made by the City to the Trustee pursuant to the Purchase Agreement; and

WHEREAS, the payments represented by the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge Excise Tax Revenues and State Shared Revenues (as such terms are defined in the Purchase Agreement); and

WHEREAS, the City has retained Stifel, Nicolaus & Company, Incorporated as financial advisor to the City pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-005-1718; and

WHEREAS, there have been presented to the Mayor and Council of the City at the meeting at which this Ordinance is being adopted the proposed forms of: (1) the Purchase Agreement; (2) the Trust Agreement; (3) a Continuing Disclosure Undertaking, to be dated the date of delivery of the Obligations (the "Undertaking"), from the City necessary for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"); (4) the Obligation Purchase Contract, to be dated the date of the sale of the Obligations (the "Purchase Contract"), by and between the City and Piper Sandler & Co. (the "Underwriter"), for the purchase of the Obligations; and (5) the Preliminary Official Statement, to be dated the date of the dissemination thereof (the "Preliminary Official Statement"), relating to the Obligations, which, as to be revised after the sale of the Obligations, shall constitute the Official Statement, to be dated the date of sale of the Obligations (the "Official Statement"), relating to the Obligations; and

WHEREAS, financing and refinancing, as applicable, the costs of the Project pursuant to the Purchase Agreement is in furtherance of the purposes of the City and is in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

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

SECTION 2. (a) The execution and delivery of the Obligations by the Trustee is approved.

(b) The Mayor, the Manager, the Assistant Manager and the Finance and Budget Director of the City (collectively, the "Authorized Representatives") are each authorized to determine on behalf of the City: (1) the identity of the Trustee; (2) the series name and series designation of each series of the Obligations; (3) the date the Obligations are to be sold to the Underwriter; (4) the total aggregate principal amount of each series of the Obligations which are to be executed and delivered (but not to exceed in total for both series \$23,400,000 aggregate principal amount); (5) the date the Obligations are to be dated; (6) the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear; (7) the dates the Obligations are to become payable, the principal amounts to become payable on such dates and the provisions for prepayment thereof in advance of such dates; (8) the provisions for prepayment of the Obligation Being Prepaid (including the amounts and dates of prepayment); and (9) the terms upon which the Obligations are to be sold to the Underwriter (including determinations of price, original

issue discount and premium and underwriting compensation); provided, however, that the foregoing determinations (A) shall not result in the yield on the Obligations to be used to finance the Project, as calculated in accordance with section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), exceeding four percent (4.0%); and (B) shall result in a present value savings, net of all costs, with respect to the prepayment of the Obligation Being Prepaid, of at least two and one half percent (2.5%) of the principal amount of the Obligation Being Prepaid.

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

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

SECTION 3. The Obligations are to be sold to the Underwriter pursuant to the terms of the Purchase Contract as such terms are to be determined as provided hereinabove.

SECTION 4. The forms, terms and provisions of the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking, in substantially the forms of such documents (including the Obligations and other exhibits thereto) presented at the meeting of the Mayor and Council at which this Ordinance is being adopted, are approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove and shall be approved by the Mayor or Vice Mayor of the City, and, in the case of the Purchase Contract, the Authorized Representatives, the execution of each such document being conclusive evidence of such approval. The Authorized Representatives are hereby authorized to enter into, if necessary, an Escrow Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Escrow Trust Agreement"), with the Trustee, as escrow trustee (the "Escrow Trustee"), for the establishment of an escrow to pay principal of and interest on the Obligation Being Prepaid and to prepay the Obligation Being Prepaid. The Mayor or Vice Mayor of the City, and, in the case of the Purchase Contract, the Authorized Representatives, and the Clerk of the City, where applicable, are authorized and directed, for and on behalf of the City, to execute and deliver, and attest or approve, the Purchase Agreement, the Trust Agreement, the Escrow Trust Agreement, the Purchase Contract and the Undertaking, in each case as necessary and as applicable, and to take all action to carry out and comply with the terms of such documents.

SECTION 5. The distribution of the Preliminary Official Statement by the Underwriter is approved, and the Official Statement in substantially the form of the Preliminary Official

Statement, with such changes or revisions therein from the form of the Preliminary Official Statement as may be approved by the Mayor of the City executing the same, is approved, and the Mayor of the City is authorized, empowered and directed, in the name and on behalf of the City, to execute and deliver the same to the Underwriter and the Authorized Representatives are authorized, empowered and directed to execute and deliver instruments confirming that the Preliminary Official Statement is “deemed final” in accordance with the Rule.

SECTION 6. The Trustee (including in its capacity as Seller) and the Escrow Trustee are requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement and the Escrow Trust Agreement, the sale and execution and delivery of the Obligations and the prepayment of the Obligation Being Prepaid and are further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by them.

SECTION 7. The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on Excise Tax Revenues and State Shared Revenues and the restriction on the issuance of further parity obligations secured by Excise Tax Revenues and State Shared Revenues are approved and confirmed.

SECTION 8. The Authorized Representatives and other officers of the City, on behalf of the City, are authorized and directed, without further order of the Mayor and Council of the City, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the City, to evidence compliance with, or further the purposes of, all the terms and conditions of this Ordinance and the consummation of the transactions contemplated by the Preliminary Official Statement and the Official Statement.

SECTION 9. All actions of the officers and agents of the City which conform to the purposes and intent of this Ordinance and which further the sale and execution and delivery of the Obligations as contemplated by this Ordinance, whether heretofore or hereafter taken, are ratified, confirmed and approved.

SECTION 10. If any section, paragraph, clause or phrase of this Ordinance 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 Ordinance. All orders, ordinances and resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, ordinance or resolution or any part thereof.

SECTION 11. The immediate operation of the provisions of this Ordinance is necessary for the financing and refinancing, as applicable, of the costs of the Projects on the most attractive terms available to the City and the preservation of the public health and welfare of the City; an emergency is hereby declared to exist; this Ordinance shall be in full force and effect from and after the passage and approval by the Mayor and Council of the City as required by law and this Ordinance is hereby exempt from the referendum provisions of the City's Charter and the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
November 15, 2021.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Nicholle Harris, City Attorney

CERTIFICATION

I hereby certify that the foregoing Ordinance No. 2062-1121 was duly passed and adopted by the Mayor and Council of the City of Avondale, Arizona, at a regular meeting held on the 15th day of November 2021, and the vote was ayes and nays and that the Mayor and Councilmembers were present thereat.

Marcella Carrillo, Clerk,
City of Avondale, Arizona

CITY COUNCIL REPORT

SUBJECT: Del Toro Commercial Park - Minor Land Division - Application PL-20-0335

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Kevin Murphy, Development & Engineering Services Director, (623) 333-4011

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

STRATEGIC OUTCOME AREA: Creative and sustainable community development.

STRATEGY: Maintain and expand quality infrastructure and improve connectivity to City amenities

PURPOSE:

City Council will consider a request by Mr. Geoff Markowski, of G-mar, LLC (on behalf of property owner Oscar Del Toro) for approval of Application PL-20-0335, Del Toro Commercial Park Minor Land Division (MLD), on 0.42 gross acres of property located at the northwest corner of Lower Buckeye Road and Central Avenue. The proposed MLD will dedicate public right-of-way along Lower Buckeye Road, and a public utility easement along both Lower Buckeye Road and Central Avenue. This MLD will facilitate the development of the site with an auto sales facility, which is under review as Site Plan and Design Review PL-20-0334. The Council will take appropriate action.

BACKGROUND:

The 0.42 gross acre vacant site was annexed into the City on September 17, 1958, and is zoned Community Commercial (C-2).

The existing uses and zoning of the surrounding properties are as follows:

NORTH: Residential development, zoned Manufactured Home Park (MH).

SOUTH: Festival Fields Park, zoned Agricultural (AG) and General Industrial (A-1).

EAST: Residential development, zoned Single Family Residential (R1-6) and Multi-Family Residential (R-3).

WEST: Residential development, zoned Manufactured Home Park (MH).

SUMMARY OF REQUEST:

The applicant is requesting approval of a Minor Land Division (Exhibit C). The proposed Minor Land Division dedicates public right-of-way (ROW) and easements as follows:

- Lower Buckeye Road – A 17' ROW dedication along the majority of the site frontage (widening to 37.51' at the southeast corner of the site) for a 50' half-street ROW, and an 8' PUE.
- Central Avenue – An 8' PUE.

PUBLIC INPUT:

Public notification is not required for Minor Land Division applications.

PLANNING COMMISSION ACTION:

The Planning Commission does not review Minor Land Division applications.

ANALYSIS:

- The proposed Minor Land Division has been reviewed by the City's contracted Registered Land Surveyor and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.
- The proposed Minor Land Division complies with all applicable City documents, including but not limited to, the Avondale Subdivision Regulations, Zoning Ordinance, General Plan 2030, and the General Engineering Requirements Manual.
- Approval of the proposed Minor Land Division will dedicate right-of-way and easements necessary to serve the future development of the property.
- Approval of the Minor Land Division conforms to the boundaries of the Minor Land Division Map received on May 25, 2021.

DISCUSSION:

1. The proposed Minor Land Division is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations.
2. The conditions of approval are reasonable to ensure conformance with the provisions as outlined in the Avondale Zoning Ordinance and all other applicable City codes, ordinances, and policies.

BUDGET IMPACT:

No budget impact.

RECOMMENDATION:

Staff recommends that City Council **APPROVE** Application PL-20-0335 Del Toro Commercial Park Minor Land Division, subject to the following condition of approval:

1. The recorded Minor Land Division shall be in conformance with the Minor Land Division of Del Toro Commercial Park date stamped May 25, 2021, except that the spelling in the title shall be corrected from "Del Torro" to "Del Toro".

PROPOSED MOTION:

I move that City Council **APPROVE** application PL-20-0335, subject to one (1) condition of approval as listed in the staff report.

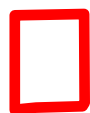


LOWER BUCKEYE RD

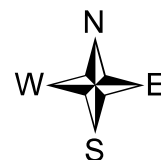
CENTRAL AVE

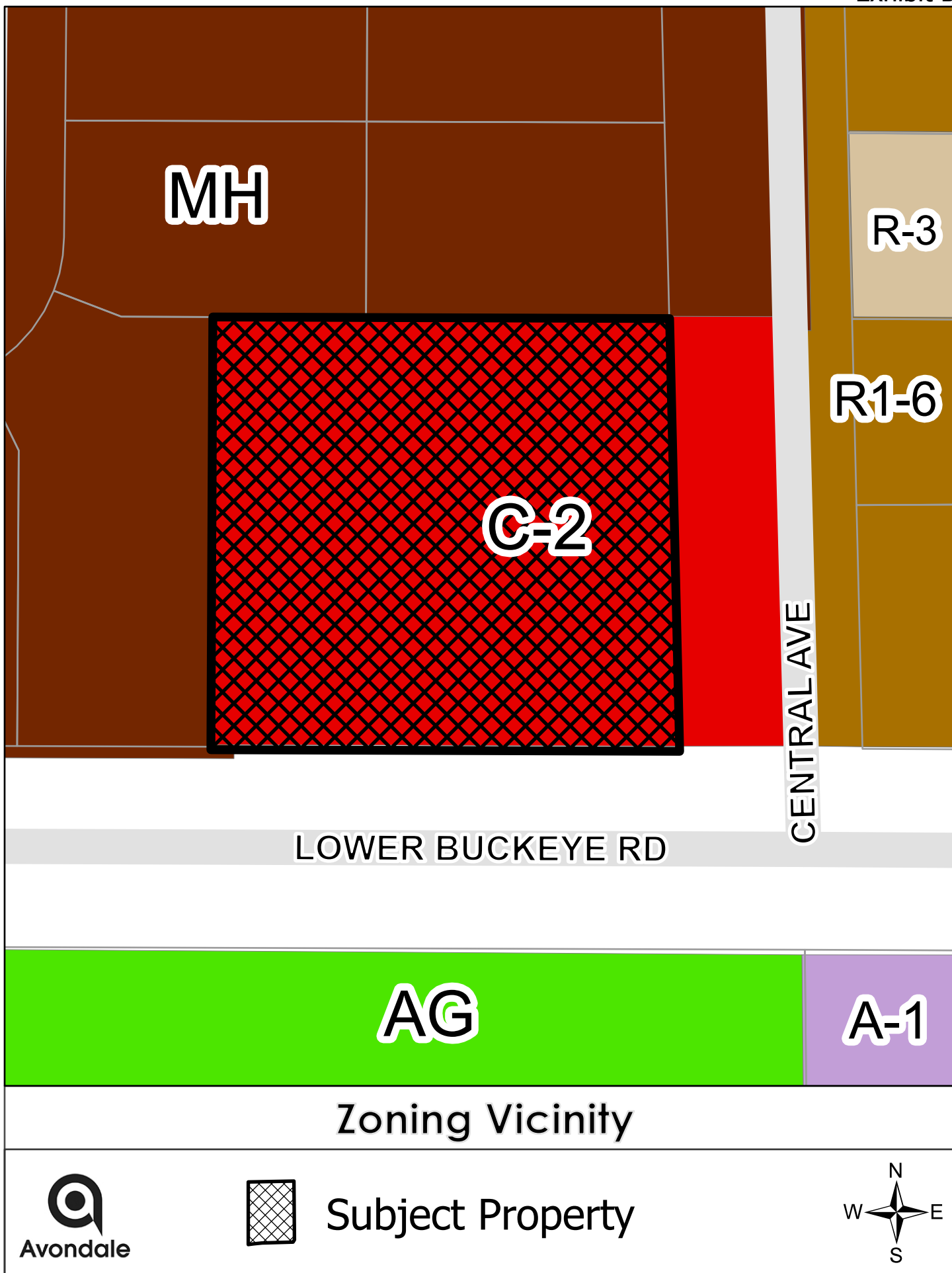
Maricopa County Assessor's Office

Aerial Photograph



Subject Property





Received 5/26/21

DEDICATION:

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

KNOW ALL MEN BY THESE PRESENTS:

THAT OSCAR DEL TORO, OWNER OF PARCELS A & B, LOCATED IN THE SOUTHWEST QUARTER SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS DESCRIBED IN DOCUMENT NO. 22252, HAS HEREBY DECLARED THAT HE IS THE OWNER OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN ON THE FINAL PLAT OF "WICKAM COUNTRY ESTATES", BOOK 262 OF MAPS, PAGE 8, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

OSCAR DEL TORO, AS OWNER, HEREBY DEDICATES IN FEE, ALL RIGHTS TITLE AND INTEREST TO THE CITY FOR USE AS SUCH, THE STREET RIGHT OF WAYS AS SHOWN ON SAID MAP AND INCLUDED IN THE ABOVE DESCRIBED PREMISES. EASEMENTS ARE HEREBY DEDICATED TO THE CITY FOR THE PURPOSES SHOWN HEREON.

IN WITNESS WHEREOF;

OSCAR DEL TORO, AS OWNER, HAS HERETO CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF THE UNDERSIGNED DUTY AUTHORIZED.

BY: _____
OSCAR DEL TORO

ACKNOWLEDGEMENT:

STATE OF ARIZONA)
COUNTY OF MARICOPA) SS

THIS DOCUMENT WAS ACKNOWLEDGED BEFORE ME, THIS _____ DAY OF _____, 2021.

BY OSCAR DEL TORO, AS OWNER.

ON THIS DAY PERSONALLY APPEARED _____ KNOWN TO ME
(OR PROVED TO ME

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

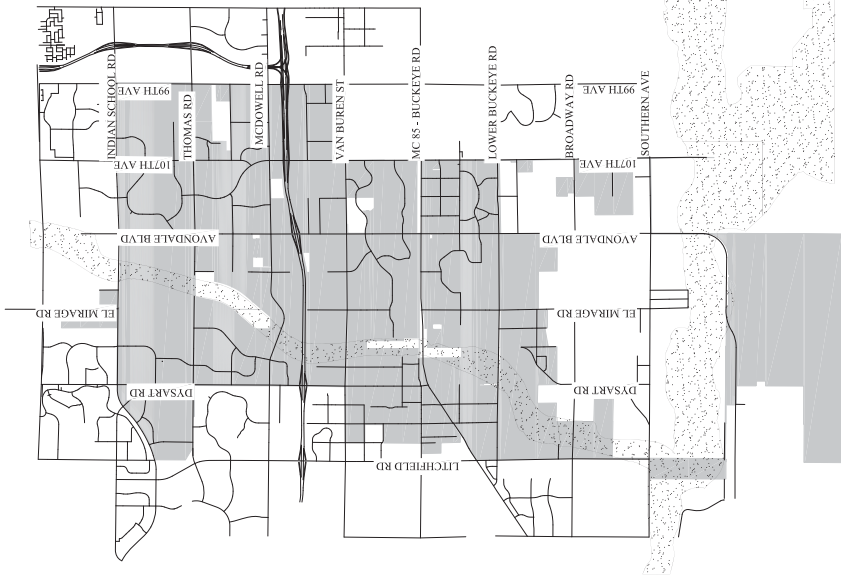
NOTES:

- ALL LANDSCAPING WITHIN ADJACENT PUBLIC RIGHT-OF-WAY IS TO BE MAINTAINED BY THE ADJACENT PROPERTY OWNERS, EXCLUDING MEDANS ON ARTERIAL STREETS.
- ALL UTILITY AND PUBLIC SERVICE EASEMENTS, INCLUDING ANY LIMITATIONS OF EASEMENTS AND CONSTRUCTION WITHIN SUCH EASEMENTS SHALL BE LIMITED TO UTILITIES, LANDSCAPING, AND WOOD, WIRE OR REMOVABLE SECTION TYPE FENCES.
- ALL EXISTING OVERHEAD UTILITIES SHALL BE INSTALLED UNDERGROUND IN ACCORDANCE WITH CITY OF AVONDALE MUNICIPAL CODE AND AS REQUIRED BY THE ARIZONA CORPORATION COMMISSION.
- NO ALTERATIONS SHALL BE MADE TO THE STORM WATER RETENTION AREAS AND APPROVED OR EXISTING CONVEYANCE PATTERNS THAT ARE A PART OF THESE PREMISES WITHOUT WRITTEN APPROVAL BY THE CITY OF AVONDALE.
- NO STRUCTURES SHALL BE CONSTRUCTED IN OR ACROSS NOR SHALL OTHER IMPROVEMENTS OR ALTERATIONS BE MADE TO THE DRAINAGE FACILITIES THAT ARE A PART OF THIS SUBDIVISION WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF AVONDALE.
- NO WALLS/FENCES SHALL BE BUILT WITHOUT PRIOR CITY OF AVONDALE APPROVAL.

EXHIBIT C

MINOR LAND DIVISION
FOR
DEL TORRO COMMERCIAL PARK

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 15,
TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE
GILA & SALT RIVER BASE & MERIDIAN, MARICOPA COUNTY, ARIZONA



BASIS OF BEARING:

THE BASIS OF BEARING IS NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST ALONG THE SOUTH LINE OF SOUTHWEST QUARTER OF SECTION 15 (LOWER BUCKEYE ROAD MONUMENT LINE), TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AS SHOWN ON THE FINAL PLAT OF "WICKAM COUNTRY ESTATES", BOOK 262 OF MAPS, PAGE 8, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

SURVEYOR

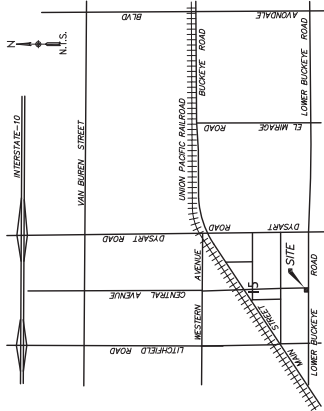
ROBERT E. CONSONI, P.E., R.L.S.
G-MAR ENGINEERING
18223 W. ORCHID LANE
WADELL, ARIZONA 85355
PHONE: 602.524.7877
EMAIL: geoff@g-mar-eng.com

OWNER/DEVELOPER

OSCAR DEL TORO
11422 W. YAVARA STREET
AVONDALE, ARIZONA 85323

SITE INFO

APN: 500-57-001G



VICINITY MAP

SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST, G.A.S.R.B.M.,
MARICOPA COUNTY, ARIZONA

STREET CLASSIFICATION	R.O.W. DEDICATION
LOCAL	SF AC
COLLECTOR	0 0
ARTERIAL	2,822 0.06

APPROVALS AND ACCEPTANCE
OF DEDICATION

APPROVED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA,
THIS _____ DAY OF _____, 2021.

MAYOR _____ DATE _____

ATTEST, CITY CLERK _____ DATE _____

CITY ENGINEER _____ DATE _____

SURVEYOR'S CERTIFICATION:

THIS IS TO CERTIFY THAT THIS SURVEY AND SUBDIVISION OF THE PREMISES DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION DURING THE MONTH OF MAY, 2021. THAT THE PLAT IS CORRECT AND ACCURATE. THAT THE MONUMENTS SHOWN HEREON HAVE BEEN LOCATED OR ESTABLISHED AS DESCRIBED AND THE LOT CORNERS PERMANENTLY SET.

ROBERT E. CONSONI
R.L.S. NO. 22252
EXPIRES 06/30/2023
DATE 05/14/2021

CALL BEFORE YOU DIG
811
1-800-368-1100
TOLL FREE STATEWIDE
FOR SERVICE CALLS

DATE 05/14/21
DRAWN: REC
FIELD: 08/21/18
CHECKED: REC
JOB NO. 2018.008
SHEET 1
OF 3 SHEETS

JOB NO. 18-08-013-00

PARCEL "A" LEGAL DESCRIPTION:

PARCEL NUMBER 1:
THAT PART OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 15;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION 15, A DISTANCE OF 40.01 FEET TO A POINT;
THENCE NORTH 01 DEGREES 40 MINUTES 09 SECONDS EAST, A DISTANCE OF 55.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST ALONG A LINE PARALLEL TO, AND 50.00 FEET NORTH OF SAID SOUTH LINE OF SAID SECTION 15, A DISTANCE OF 153.27 FEET TO A POINT;
THENCE NORTH 01 DEGREES 40 MINUTES 09 SECONDS EAST, A DISTANCE OF 120.00 FEET TO A POINT;
THENCE SOUTH 88 DEGREES 19 MINUTES 51 SECONDS EAST, A DISTANCE OF 150.00 FEET TO A POINT;
THENCE SOUTH 00 DEGREES 06 MINUTES 19 SECONDS WEST, A DISTANCE OF 120.04 FEET TO THE TRUE POINT OF BEGINNING.
PARCEL NUMBER 2:
THAT PART OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, LYING WITHIN THE EAST 153.27 FEET OF THE FOLLOWING DESCRIBED PROPERTY AS ABANDONED BY ORDINANCE NUMBER 445, RECORDED JUNE 6, 1988, IN DOCUMENT NO. 89-257616, OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 15;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST ALONG THE SOUTH LINE OR SAID SECTION 15, A DISTANCE OF 40.01 FEET TO A POINT;
THENCE NORTH 01 DEGREES 40 MINUTES 09 SECONDS EAST, A DISTANCE OF 55.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST ALONG A LINE PARALLEL TO, AND 50.00 FEET NORTH OF SAID SOUTH LINE OF SAID SECTION 15, A DISTANCE OF 922.96 FEET TO A POINT;
THENCE SOUTH, A DISTANCE OF 22.00 FEET TO A POINT;
THENCE SOUTH 88 DEGREES 19 MINUTES 51 SECONDS EAST, A DISTANCE OF 922.96 FEET TO A POINT;
THENCE NORTH 01 DEGREES 40 MINUTES 09 SECONDS EAST, A DISTANCE OF 22.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL "A" LEGAL DESCRIPTION:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 15;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 194.79 FEET TO A POINT;
THENCE NORTH 01 DEGREES 40 MINUTES 09 SECONDS EAST, A DISTANCE OF 50.00 FEET TO THE SOUTHWEST PROPERTY CORNER OF PARCEL "A" AND THE POINT OF BEGINNING;
THENCE CONTINUING NORTH 01 DEGREES 40 MINUTES 09 SECONDS EAST, ALONG THE WESTERLY PROPERTY LINE OF SAID PARCEL "A", TO THE NORTHWEST PROPERTY CORNER OF SAID PARCEL "A", A DISTANCE OF 125.00 FEET;
THENCE SOUTH 88 DEGREES 19 MINUTES 51 SECONDS EAST ALONG THE NORTHERLY PROPERTY LINE OF SAID PARCEL "A", TO THE NORTHEAST PROPERTY CORNER OF SAID PARCEL "A", A DISTANCE OF 150.00 FEET;
THENCE SOUTH 00 DEGREES 06 MINUTES 19 SECONDS WEST, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF CENTRAL AVENUE, TO THE NORTH-SOUTHEAST PROPERTY CORNER OF SAID PARCEL "A", A DISTANCE OF 104.54 FEET;
THENCE SOUTH 45 DEGREES 53 MINUTES 14 SECONDS WEST, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID CENTRAL AVENUE, TO THE WEST-SOUTHEAST PROPERTY CORNER OF SAID PARCEL "A", A DISTANCE OF 28.59 FEET;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST, ALONG A LINE PARALLEL TO, AND 50.00 FEET NORTH OF SAID SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, A DISTANCE OF 153.27 FEET RETURNING TO SAID SOUTHWEST PROPERTY CORNER OF PARCEL "A" AND THE POINT OF BEGINNING.

PARCEL "B" LEGAL DESCRIPTION:
RIGHT-OF-WAY DEDICATION:

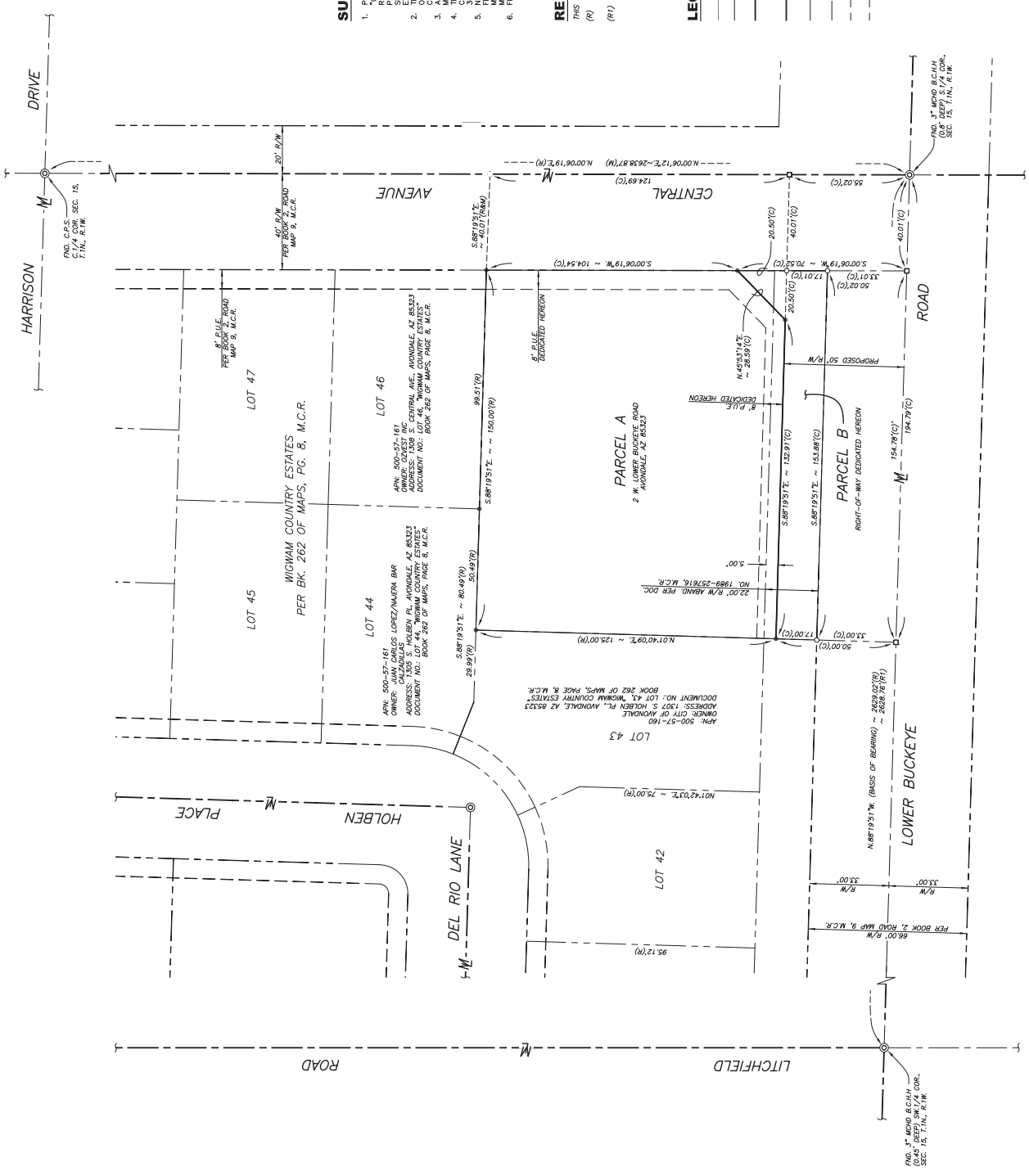
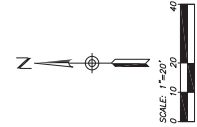
A PART OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT INTERSECTION POINT OF CENTRAL AVENUE AND LOWER BUCKEYE ROAD, SAID INTERSECTION POINT ALSO BEING THE SOUTH QUARTER CORNER OF SAID SECTION 15;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, SAID SOUTHERLY SECTION LINE ALSO BEING THE MONUMENT LINE OF LOWER BUCKEYE ROAD, TO A POINT ON THE PROJECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF CENTRAL AVENUE, A DISTANCE OF 40.01 FEET;
THENCE NORTH 00 DEGREES 06 MINUTES 19 SECONDS EAST, ALONG SAID PROJECTION OF WESTERLY RIGHT-OF-WAY LINE OF CENTRAL AVENUE TO A POINT, A DISTANCE OF 33.01 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 88 DEGREES 19 MINUTES 51 SECONDS WEST, ALONG A LINE BEING 33.00 FEET PARALLEL WITH AND 33.00 FEET NORTH OF, AS MEASURED PERPENDICULAR TO THE MONUMENT LINE OF LOWER BUCKEYE ROAD, TO POINT ON THE PROJECTION OF THE WESTERLY PROPERTY LINE OF PARCEL "A", A DISTANCE OF 153.88 FEET;
THENCE NORTH 01 DEGREES 40 MINUTES 09 SECONDS EAST, TO THE SOUTHWEST PROPERTY CORNER OF SAID PARCEL "A", A DISTANCE OF 17.00 FEET;
THENCE SOUTH 88 DEGREES 19 MINUTES 51 SECONDS EAST, ALONG A LINE BEING 50.00 FEET PARALLEL WITH AND 50.00 FEET NORTH OF, AS MEASURED PERPENDICULAR TO THE MONUMENT LINE OF LOWER BUCKEYE ROAD, TO THE WEST-SOUTHEAST PROPERTY CORNER OF SAID PARCEL "A", A DISTANCE OF 132.91 FEET;
THENCE NORTH 45 DEGREES 53 MINUTES 14 SECONDS EAST, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID CENTRAL AVENUE, TO THE NORTH-SOUTHEAST PROPERTY CORNER OF SAID PARCEL "A", A DISTANCE OF 28.59 FEET;
THENCE SOUTH 00 DEGREES 06 MINUTES 19 SECONDS WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF CENTRAL AVENUE, A DISTANCE OF 37.51 FEET RETURNING TO SAID POINT OF BEGINNING



DATE:	02/14/21
DRAWN: REC:	
FIELD:	08/21/18
CHECKED: REC:	
JOB NO.	2018.008
SHEET	2
OF 3 SHEETS	



DEL TORRO COMMERCIAL PARK
MINOR LAND DIVISION
A PORTION OF THE SW 1/4 OF SECTION 15, T1N, R1W, OF THE G.&S.R.B.&M., MARICOPA COUNTY, ARIZONA



SURVEYORS NOTES:

1. PER ARIZONA REVISED STATUTES 32-151, THE USE OF THE WORD "CERTIFY" OR "CERTIFICATION" BY A PERSON OR FIRM THAT IS REQUESTED OR CERTIFIED BY THE BOARD IS AN EXPRESSION OF THE SURVEYOR'S OPINION THAT THE SURVEY MEETS THE REQUIREMENTS OF THE CERTIFICATION AND DOES NOT CONSTITUTE AN ORIGINAL STAMP AND SIGNATURE OF THE SURVEYOR, FACSIMILES OR ALL BEARINGS AND DISTANCES SHOWN HEREON ARE RECORD AND THIS SURVEY IS BASED ON COMMENT FOR TITLE INSURANCE COMMITMENT NUMBER: 258-5881562, COMMITMENT DATE: NOVEMBER 1, 2018.
2. NO DOCUMENT WAS DISCOVERED DEDICATING THE ADDITIONAL 22.00' R/W OF LOWER BUCKEYE ROAD PER BOOK 2 OF MAPS, PAGE 8, M.C.R.
3. FIELDWORK WAS COMPLETED IN THE MONTH OF AUGUST 2018.

REFERENCE DOCUMENTS:

- THIS SURVEY IS SUPPORTED BY THE FOLLOWING RECORDED INFORMATION:
- (R) WIGWAM COUNTRY ESTATES PER BOOK 262 OF MAPS, PAGE 8, M.C.R.
 - (R1) CITY OF AVONDALE RIGHT-OF-WAY ABANDONMENT BY ORDINANCE NUMBER 445, RECORDED JUNE 6, 1989, PER DOCUMENT NO. 1989-257616, M.C.R.

LEGEND

- BOUNDARY LINE
- MONUMENT LINE
- SET 1/2" REBAR W/CAP
- SET STEEL WASHER W/PK NAIL
- RIGHT OF WAY LINE
- PROPOSED EASEMENT LINE
- EXISTING EASEMENT LINE



DATE:	02/14/21
DRAWN:	REC
CHECKED:	08/21/18
REVISION:	
JOB NO.:	2018.008
SHEET:	3
OF 3 SHEETS	

JOB NO. 18-08-013-00

CITY COUNCIL REPORT

SUBJECT: Public Hearing – Shadow Ridge Annexation – Application PL-21-0100

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Kevin Murphy, Development & Engineering Services Director (623) 333-4011

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

Strategic Outcome Area: Creative and Sustainable Community Development.

Strategic Goal: Avondale is committed to creating a sense of place, a community of residents and local businesses unified by pride and common values.

PURPOSE:

City Council will hold a public hearing regarding a request by Ms. Cindy Paddock of HILGARTWILSON, on behalf of property owner EIEIO LLC, to annex approximately 115.71 acres generally located at the southeast corner of Avondale Boulevard and Miami Avenue, which is south of Lower Buckeye Road, into the jurisdiction of the City of Avondale. For discussion and public hearing only; no action is required.

BACKGROUND:

The proposed annexation request includes two (2) parcels of land totaling approximately 115.7 acres generally located at the southeast corner of Avondale Boulevard and Miami Avenue, which is south of Lower Buckeye Road, (Exhibit A). The boundary of the annexation includes two (2) parcels:

- APN 101-21-003C, owned by EIEIO LLC: Located at the southeast corner of Avondale Boulevard and Miami Avenue, this parcel totals approximately 113.68 acres and is proposed to develop as the “Shadow Ridge” master planned community. The proposed Shadow Ridge rezoning to Planned Area Development (PAD) (under separate application) would allow for development of the 113.57 acres with single-family residential for a total of 430 dwelling units consisting of four (4) different minimum lot sizes (45' x 120', 50' x 115'/120', 55' x 120' and 63' x 120') at a density of 3.6 dwelling units per acre, 25 percent open space including amenity areas and trails. This parcel is undeveloped and is currently being farmed.
- APN 101-23-004D, owned by BW 147 LLC: Located approximately 2,549 feet south of the southeast corner of Avondale Boulevard and Miami Avenue, and 380 feet east of Avondale Boulevard, this parcel totals approximately 2.02 acres and is adjacent to a City of Goodyear pump station to the west. The property contains a canal that is not part of the Shadow Ridge project.

The annexation request does not include any portions of public rights-of-way. The south half of Miami Avenue is not included in the proposed annexation, as it is planned for this street to remain in Maricopa County's jurisdiction and is not built to City standards.

The subject property is zoned Maricopa County Residential Unit Plan of Development (R1-6/RUPD), which allows for development of 6,000 square foot single-family residential lots within the County (Exhibit B). It will be assigned the City equivalent zoning of Urban Residential (R1-6) upon annexation and under separate application is proposed to be rezoned to Planned Area Development (PAD) zoning to accommodate the proposed Shadow Ridge master planned community. The remainder of the land (approximately 2.02 net acres) is zoned Maricopa County R1-6, a district that allows for agricultural and large lot single-family residential uses, and will be assigned R1-6 (Urban Residential), the City equivalent zoning district.

The current land use designation of the property is Estate Low Density Residential (ELDR) which allows for one-and-a-half to two-and-a-half (1.5-2.5) dwelling units/acre; there is a concurrent request to change the designation to Medium Density Residential (MDR), which allows up to two-and-a-half to four (2.5-4) dwelling units/acre.

The existing uses and zoning of adjacent properties that are not included in the annexation request are:

- **North of Miami Avenue:** Several unincorporated parcels, generally 1.2 acres in size, mostly developed with single-family residences and related accessory structures. These properties are zoned County RU-43 (Rural-43).
- **East:** Entrada, a Master Planned Community, zoned Planned Area Development and approved for 625 single-family dwelling units with lot sizes of 45' X 110', 50' X 115', and 55' X 120'. The property is undeveloped and the construction timeline is unknown.
- **South:** The Entrada Master Planned Community, as described above, and a pump station owned by the City of Goodyear zoned Rural Residential (RR-43).
- **West of Avondale Boulevard:** Several undeveloped parcels in agricultural production which include two (2) projects: Fleming Farms PAD, a single-family residential subdivision with a commercial component, zoning case Z-05-18, and Diamond P Ranch PAD, a single-family residential subdivision with a commercial component, zoning case Z-07-4.

A Major General Plan Amendment was heard before Planning Commission on October 20, 2021 and scheduled for the required second meeting before Planning Commission on November 17, 2021 and to be heard by City Council on December 13, 2021. Rezoning of these parcels to PAD zoning is scheduled for public hearing at the November 17, 2021 Planning Commission and the December 13, 2021 City Council.

SUMMARY OF REQUEST:

At its meeting on October 25, 2021, Council provided staff with authorization to proceed with the proposed Shadow Ridge annexation. Staff and the project applicant, Cindy Paddock, have subsequently completed all statutorily required steps leading up to the public hearing, including:

- **October 18, 2021:** Filing of the blank annexation petition with the Maricopa County Recorder (Exhibit E).
- **October 27, 2021:** Publication of a display ad in the Southwest Valley Arizona Republic giving notice of the public hearing.
- **On or before October 27, 2021:** Posting of three (3) signs on the land to be annexed giving notice of the public hearing.
- **On or before October 27, 2021:** Notice of the public hearing mailed to the two (2) property owners within the proposed annexation boundary, all utility companies with facilities located on or adjacent to the annexation boundary, and the Chairman of the Maricopa County Board of Supervisors.

DISCUSSION:

The meeting is to conduct a public hearing on the proposed annexation. Upon conclusion of the public

hearing, the annexation petition will be circulated to property owners within the annexation boundary in order to obtain required signatures. Owners of at least one-half of the value of the real and personal property and more than one-half by number of the property owners in the territory to be annexed, must sign the petition for the annexation to be valid.

Council is scheduled to consider adoption of the proposed annexation ordinance at a separate meeting, currently scheduled for the regular City Council meeting on December 13, 2021.

To date, staff has received no comments regarding the proposed annexation.

BUDGET IMPACT:

The annexation application included the required \$6,000.00 fee that will be used towards costs related to the processing of the annexation.

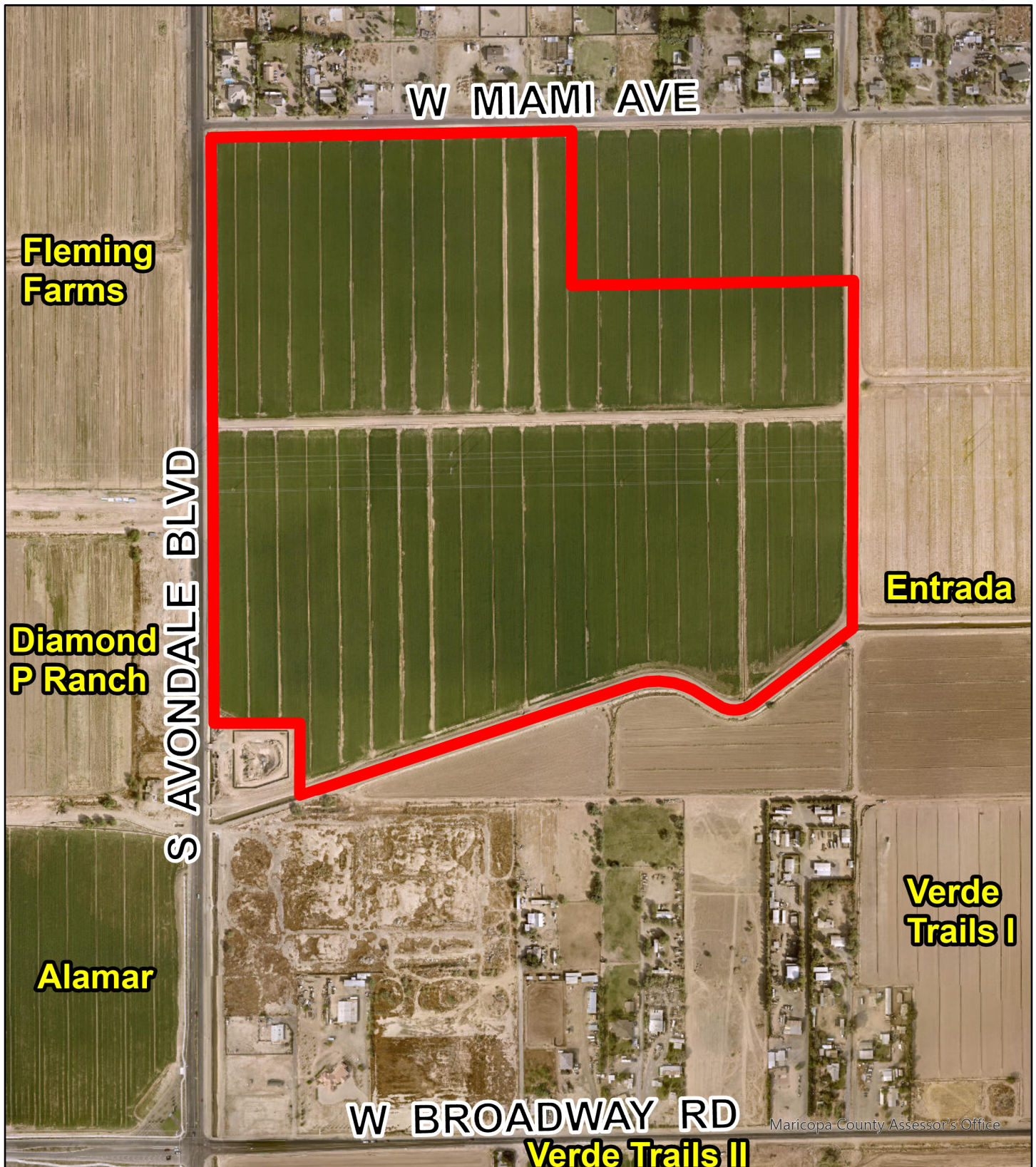
If the proposed annexation is approved by the Council at a future meeting and required signatures on the annexation petition are successfully obtained, increased revenue from construction sales tax, property tax, sales tax, water and sewer fees, and development impact fees can be expected from development of the subject site. Conversely, the City will incur costs of serving the property with Avondale services, including, but not limited to, water, sewer, sanitation, police, fire, and street services.

RECOMMENDATION:

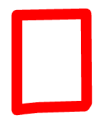
City Council will **CONDUCT** a public hearing regarding the proposed annexation of approximately 115.71 acres generally located at the southeast corner of Avondale Boulevard and Miami Avenue, PL-21-0100 Shadow Ridge.

PROPOSED MOTION:

This item is for a public hearing and discussion only; no action is required.

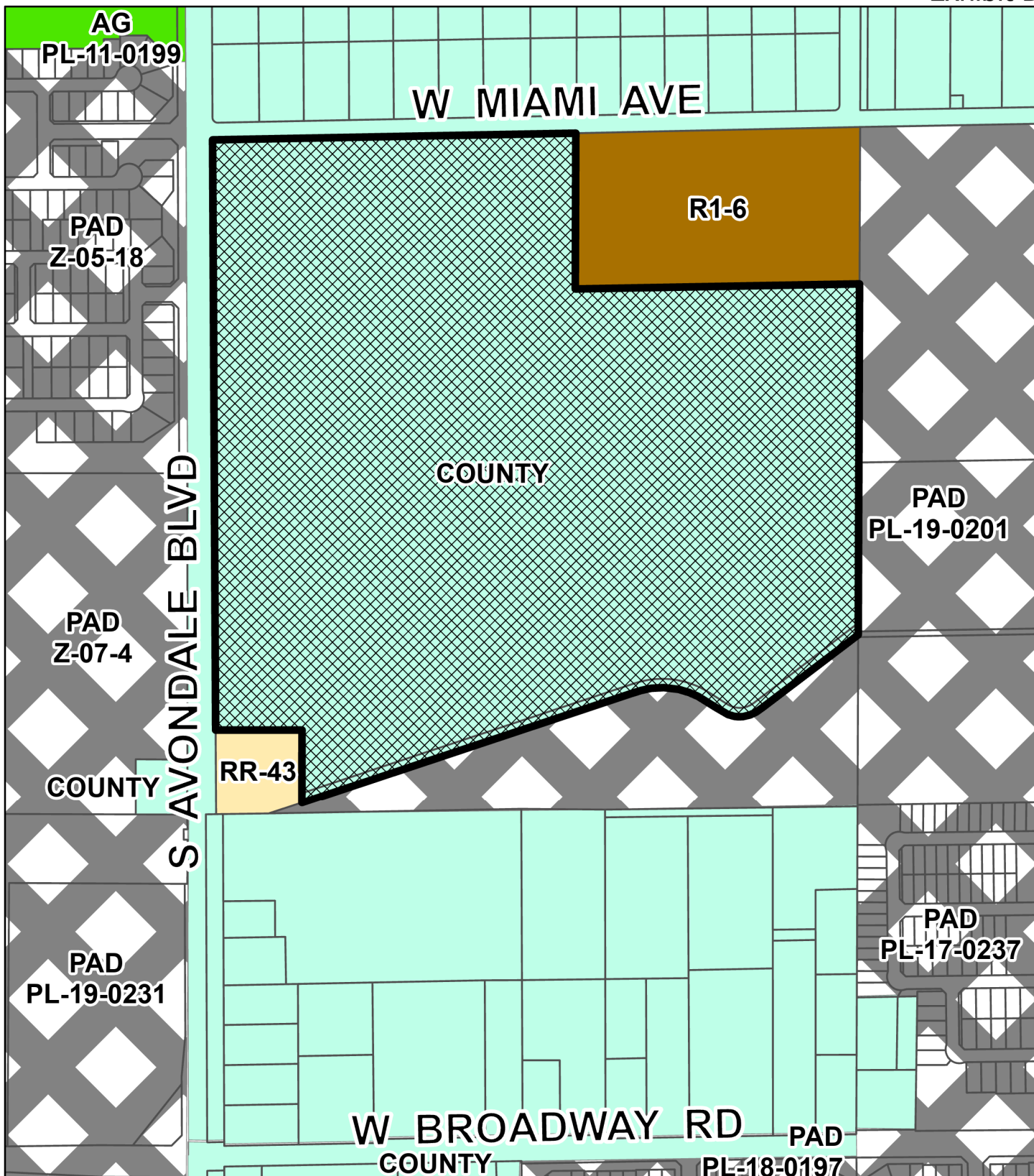


Aerial Photograph



Subject Property



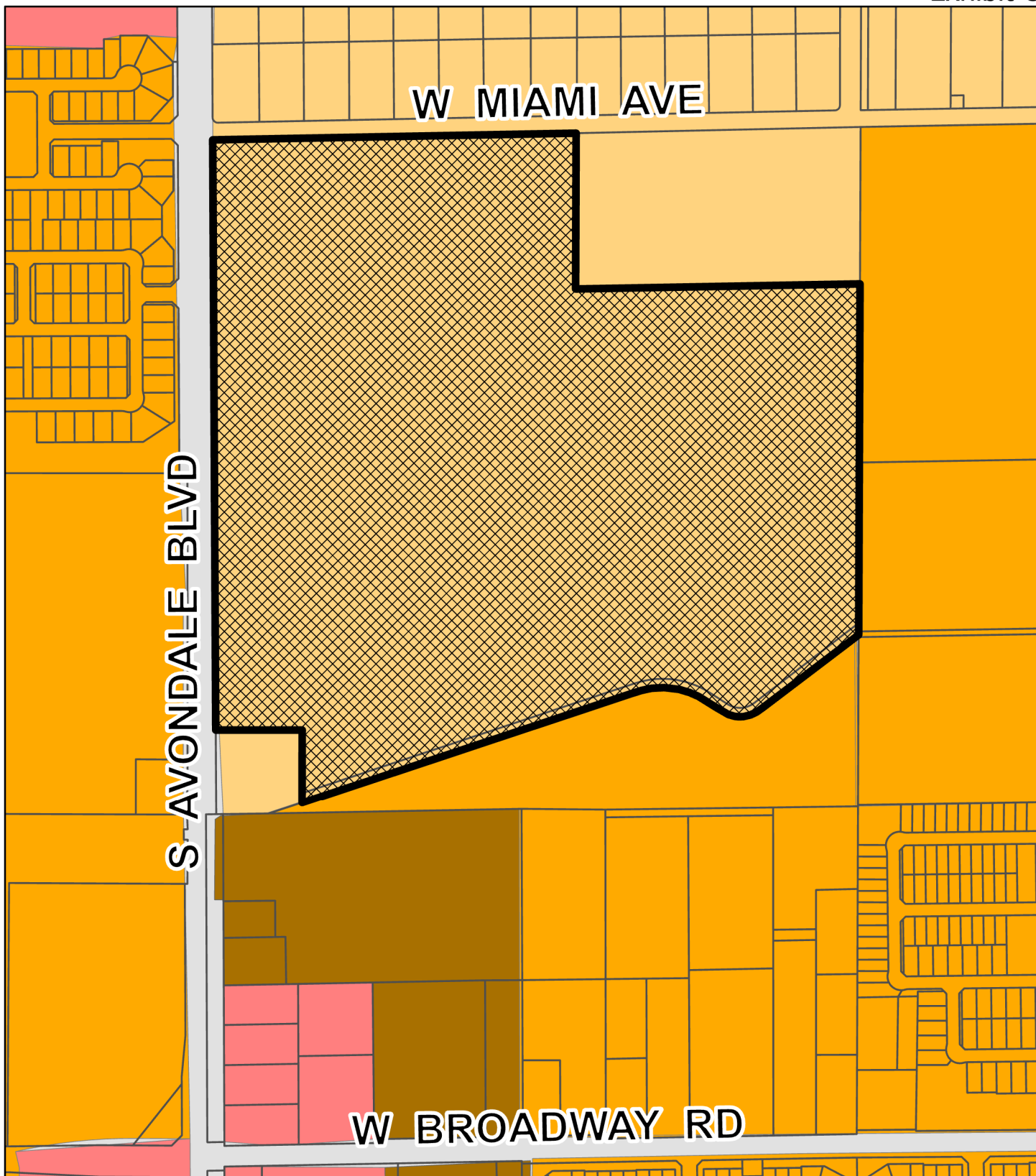


Zoning Vicinity



Subject Property





General Plan Land Use



- Local Commercial
- Estate/Low Density Residential
- Medium Density Residential
- High Density Residential



Subject Property



*SUMMARY OF RELATED FACTS
APPLICATION PL-21-0100*

<i>THE PROPERTY</i>	
PROPERTY SIZE	Approximately 115.71 acres
LOCATION	Southeast corner of Avondale Boulevard and Miami Avenue
PHYSICAL CHARACTERISTICS	Vacant, undeveloped, generally flat, and in agricultural production
GENERAL PLAN LAND USE DESIGNATION	Estate Low Density Residential
EXISTING ZONING	County R1-6/RUPD and County R1-6

<i>SURROUNDING ZONING AND LAND USE</i>	
NORTH OF MIAMI AVE.	Several unincorporated parcels, generally 1.2 acres in size, mostly developed with single-family residences and related accessory structures. These properties are zoned County RU-43 (Rural-43).
EAST	Entrada, a master planned community, zoned Planned Area Development and approved for 625 single-family dwelling units with lot sizes of 45' X 110', 50' X 115', and 55' X 120'. The property is undeveloped and the construction timeline is unknown.
SOUTH	The master planned community, Entrada as described above, and a pump station owned by the City of Goodyear zoned Rural Residential (RR-43).
WEST OF AVONDALE BLVD.	Several undeveloped parcels in agricultural production which includes two (2) projects: Fleming Farms, a platted Planned Area Development (allows for single-family use and includes a commercial component zoned Z-05-18) and Diamond P Ranch Planned Area Development (allows for single-family uses and includes a commercial component zoned Z-07-4)

<i>PUBLIC SCHOOLS</i>	
SCHOOL DISTRICT(S)	Littleton School District, Tolleson Union High School
ELEMENTARY SCHOOL	Students' choice
HIGH SCHOOL	La Joya School District

<i>STREETS</i>	
Miami Avenue	
Classification	Collector
Existing half street right-of-way	33
Standard half street right-of-way	County standards
Existing half street improvements	One travel lane
Standard half street improvements	County standards

<i>STREETS</i>

Avondale Boulevard	
Classification	Minor Arterial
Existing half street right-of-way	70
Standard half street right-of-way	50
Existing half street improvements	Two travel lanes
Standard half street improvements	Two travel lanes, half center turn lane, sidewalk, curb, gutter, streetlights

<i>UTILITIES</i>

City of Avondale is the water and sewer provider for this parcel once annexed. There is a 16-inch water line in and 36-inch sewer line in Avondale Boulevard and a 6-inch water line in Miami Avenue. SRP provides electrical service to this area.

**SHADOW RIDGE
CITY OF AVONDALE ANNEXATION
LEGAL DESCRIPTION**

That portion of the West half of Section 19, Township 1 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, recorded as Special Warranty Deed 2019-0116450 and Quit-Claim Deed 2020-0980647, Records of Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 19, being a found 3" brass cap flush marked "LS 21782" from which a found MCDOT brass cap in hand hole accepted as the West quarter corner thereof bears South 00 degrees 15 minutes 28 seconds East 2644.64 feet;

Thence South 00 degrees 15 minutes 28 seconds East, 1355.32 feet along the West line of the Northwest quarter of said Section 19;

Thence leaving said west line, North 88 degrees 59 minutes 52 seconds East, 70.01 feet to the **POINT OF BEGINNING**;

Thence North 88 degrees 59 minutes 52 seconds East 1405.70 feet to the westerly line of Ordinance #2025-0820;

Thence along said westerly line the following 11 courses:

Thence South 00 degrees 13 minutes 03 seconds West, 601.99 feet parallel with the east line of the Northwest quarter of Section 19;

Thence North 88 degrees 59 minutes 52 seconds East, 1100.00 feet parallel with the North line of the Southeast quarter of the Northwest quarter of Section 19 to the East line of the Northwest quarter of Section 19;

Thence South 00 degrees 13 minutes 03 seconds West, 690.63 feet along said East line to the Center of Section 19;

Thence continuing South 00 degrees 13 minutes 03 seconds West, 666.97 feet along the East line of the Southwest quarter of Section 19 to the centerline of the St. John's Ditch, recorded in Book 161 of Deeds, Page 231, also being the southerly line of the property as described in said Quit-Claim Deed;

Thence, for the next five (5) courses along the centerline of said St. John's Ditch;

Thence South 52 degrees 38 minutes 31 seconds West, 482.06 feet to the beginning of a tangent curve, whose radius bears North 37 degrees 21 minutes 29 seconds West a distance of 125.00 feet;

Thence westerly along said curve through a central angle of 70 degrees 10 minutes 31 seconds a distance of 153.10 feet to a point of tangency;

Thence North 57 degrees 10 minutes 58 seconds West, 82.73 feet to the beginning of a tangent curve, whose radius bears South 32 degrees 49 minutes 02 seconds West a distance of 300.00 feet;

Thence westerly along said curve through a central angle of 51 degrees 03 minutes 18 seconds a distance of 267.32 feet to a point of tangency;

Thence South 71 degrees 45 minutes 44 seconds West, 1369.12 feet to the west line of said Quit-Claim Deed, also being the east line of the property as described in the Special Warranty Deed as recorded in Document No. 2019-0226874, Records of Maricopa County, Arizona;

Thence leaving said centerline and along said east line, North 00 degrees 00 minutes 00 seconds East, 283.56 feet to the northeast corner of said Special Warranty Deed;

Thence along the north line of said Special Warranty Deed, North 90 degrees 00 minutes 00 seconds West, 334.99 feet to a line that is parallel with and 70.00 feet east of the west line of the Southwest quarter of said Section 19, said line also being the easterly line of Ordinance #1708-1019;

Thence along said parallel line and along said easterly line, North 00 degrees 13 minutes 47 seconds West, 991.00 feet to a line that is parallel with and 70.00 feet east of the west line of the Northwest quarter of said Section 19;

Thence continuing along said easterly line and along last said parallel line, North 00 degrees 15 minutes 28 seconds West, 1290.24 feet to the **POINT OF BEGINNING**.

The above described parcel contains a computed area of 5,040,567 sq. ft. (115.7155 acres) more or less and being subject to any easements, restrictions, rights-of-way of record or otherwise.

The description shown hereon is not to be used to violate any subdivision regulation of the state, county and/or municipality or any land division restrictions.

Prepared by: HILGARTWILSON, LLC
2141 E. Highland Avenue, Suite 250
Phoenix, AZ 85016
Project No. 2297
Date: September 2021



NORTHWEST CORNER
SECTION 19, T1N, R1E
FOUND 3" BRASS CAP
FLUSH LS 21782
POINT OF COMMENCEMENT



MARICOPA
COUNTY

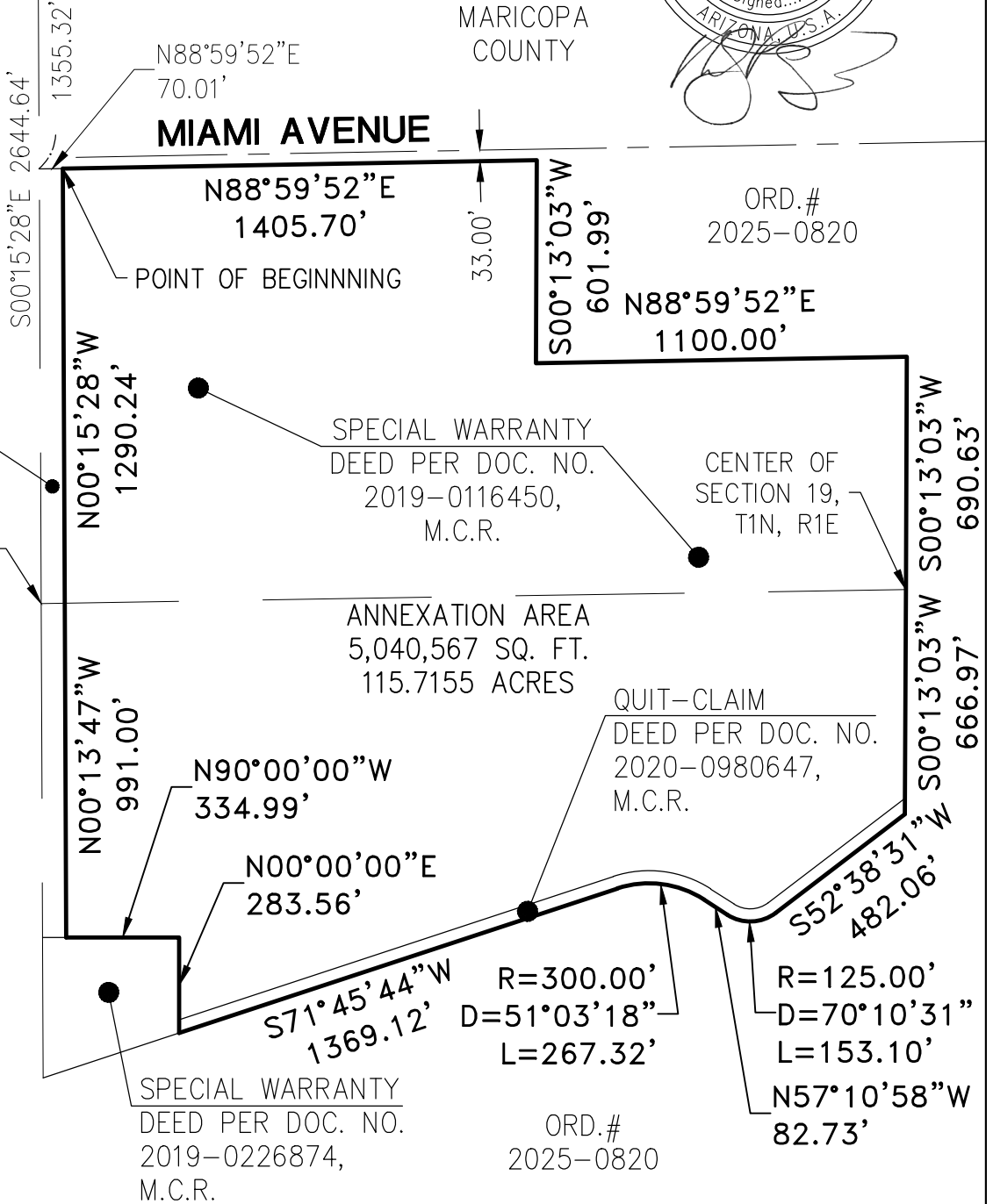
AVONDALE BLVD

MIAMI AVENUE

ORD.#
2025-0820

ORD.#
1708-1019

WEST QUARTER
CORNER SECTION 19,
T1N, R1E
FOUND MCDOT BCHH



PROJ.NO.: 2297
DATE: SEP 2021
SCALE: NTS
DRAWN BY: KM/JDL
CHECKED BY: KJP

SHADOW RIDGE
CITY OF AVONDALE ANNEXATION
MARICOPA COUNTY, AZ
EXHIBIT

HILGARTWILSON
2141 E. HIGHLAND AVE., STE. 250
PHOENIX, AZ 85016
P: 602.490.0535 / F: 602.368.2436

CITY COUNCIL REPORT

SUBJECT: Public Hearing – ClearSky Rehabilitation Hospital of Avondale Annexation – Application PL-21-0124

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Kevin Murphy, Development & Engineering Services Director, (623) 333-4011

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

STRATEGIC OUTCOME: Creative and Sustainable Community Development

STRATEGIC GOAL: Maintain and expand quality infrastructure and improve connectivity to City amenities.

PURPOSE:

City Council will hold a public hearing regarding a request by Mr. Danny Banks, ClearSky Health, to annex approximately 7.11 acres located at the southwest corner of McDowell Road and the 109th Avenue alignment. For discussion and public hearing only; no action is required.

BACKGROUND:

The proposed annexation request includes 7.11 acres of land located at the southwest corner of McDowell Road and the 109th Avenue alignment (Exhibit A). Currently in the jurisdiction of Maricopa County, the 7.11-acre property is comprised of a 6.12-acre parcel owned by ClearSky Health of West Valley Property Company LLC and an approximately 0.99-acre strip of adjoining McDowell Road right-of-way; the request does not include an 18.37-acre parcel immediately west of the subject property, owned by Stead Family PVHCF Charitable Remainder Unitrust, which will remain in the jurisdiction of Maricopa County.

The impetus for the proposed annexation and rezoning is to accommodate development of the 6.12-acre parcel with an approximately 40,000 square foot single-story ClearSky Rehabilitation Hospital. The planned facility will provide inpatient care for patients recovering from stroke, heart attack, brain injury, spinal cord injury, orthopedic conditions, cancer, and pulmonary conditions. Annexation into the City of Avondale is required in order for the City to provide water and sewer service to the planned facility.

The property is currently in active agricultural/farming use, is relatively flat, and features an irrigation canal running along the property's McDowell Road frontage. The I-10 Freeway, which abuts the property's southern boundary, is slightly elevated relative to the grade of the property; a double-sided static (non-electronic) billboard sign is located at the far southeast corner of the site adjacent to I-10.

The property is presently zoned C-2 (Intermediate Commercial) in Maricopa County, which accommodates retail, service, office, and similar commercial uses that serve a community-wide trade area (Exhibit B). As required by Arizona statute, upon annexation, the property will be assigned a City zoning district equivalent to

the existing Maricopa County zoning district. The City's equivalent to Maricopa County's C-2 zoning district is Avondale's C-2 (Community Commercial) district. This zoning district allows retail, service, and office uses similar to what is presently permitted in the County.

The subject property is designated by the General Plan 2030 Land Use Map as Freeway Commercial. The Freeway Commercial designation provides for regional retail, medical, office, higher educational complexes, hospitality, sports and family entertainment, commercial complexes, and service destinations serving a larger, more regional trade area. The City's Freeway Commercial (C-3) zoning district most directly conforms to the property's Freeway Commercial General Plan designation. Though upon annexation the property will be initially assigned C-2 zoning as discussed above, a concurrent application to rezone the site to C-3 to achieve conformance with the General Plan has been submitted and is in review. The rezoning case will be scheduled to be acted upon by City Council on the same agenda as approval of the annexation request.

The existing uses and zoning of adjacent properties include:

NORTH OF MCDOWELL ROAD: Crystal Gardens, a fully developed 904-lot single-family residential subdivision constructed between 1996 and 2002. Crystal Gardens is located within the City of Avondale's jurisdiction and is zoned Crystal Gardens Planned Area Development (PAD).

EAST: Akos Medical Campus, a partially constructed 9.2-acre development consisting of a four-story, 68,000 square foot medical office building on the eastern portion of the site with the western half reserved for future development of an additional medical office building. The Akos Medical Campus property is zoned Avondale Integrated Medical Services (AIMS) PAD.

SOUTH: I-10 Freeway. Adjacent to the subject property, I-10 is a 12-lane highway situated within an approximately 530-foot-wide corridor. A wide, concrete lined drainage channel parallels the freeway on the north side, directly adjacent to the subject site's southern property line.

WEST: An undeveloped, 18.37-acre property located within the jurisdiction of Maricopa County, currently in farming production. Like the subject site, the property to the west is zoned Maricopa County C-2 (Intermediate Commercial) which accommodates a range of retail, office, and service uses. Future annexation of this property will be required before it can be developed with access to City services.

SUMMARY OF REQUEST:

At its meeting on August 23, 2021, Council provided Staff with authorization to proceed with the proposed ClearSky Annexation. Staff and the project applicant, Mr. Danny Banks, ClearSky Health, have subsequently completed all statutorily required steps leading up to the public hearing scheduled for tonight's meeting, including:

- **October 18, 2021:** Filing of the blank annexation petition with the Maricopa County Recorder (Exhibit E).
- **October 27, 2021:** Publication of a display ad in the Southwest Valley Arizona Republic giving notice of the public hearing.
- **On or before October 27, 2021:** Posting of three (3) signs on the land to be annexed giving notice of the public hearing.
- **On or before October 27, 2021:** Notice of the public hearing mailed to property owners within the proposed annexation boundary, all utility companies with facilities located on or adjacent to the annexation boundary, and the Chairman of the Maricopa County Board of Supervisors.

DISCUSSION:

The meeting is to conduct a public hearing on the proposed annexation. Upon conclusion of the public hearing, the annexation petition will be circulated to property owners within the annexation boundary in order

to obtain required signatures. Owners of at least one-half of the value of the real and personal property and more than one-half by number of the property owners in the territory to be annexed, must sign the petition for the annexation to be valid.

Council is scheduled to consider adoption of the proposed annexation ordinance at a separate meeting, currently scheduled for the regular City Council meeting on December 13, 2021.

To date, staff has received no comments regarding the proposed annexation.

BUDGET IMPACT:

The annexation application included the required \$6,000.00 fee that will be used towards costs related to the processing of the annexation. As noted previously, providing authorization to proceed does not obligate the City Council to approve the proposed annexation at a future meeting.

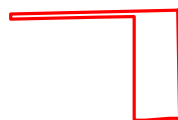
If the proposed annexation is approved at a future meeting and the property is developed within the City, revenue from construction sales tax, property tax, water and sewer fees, and development impact fees can be expected. Conversely, the City will incur costs of serving the property with Avondale services, including, but not limited to, water, sewer, sanitation, police, fire, and street services.

RECOMMENDATION:

City Council will **CONDUCT** a public hearing regarding the proposed annexation of approximately 7.11 acres located at the southwest corner of McDowell Road and 109th Avenue, PL-21-0124 Project ClearSky Annexation.

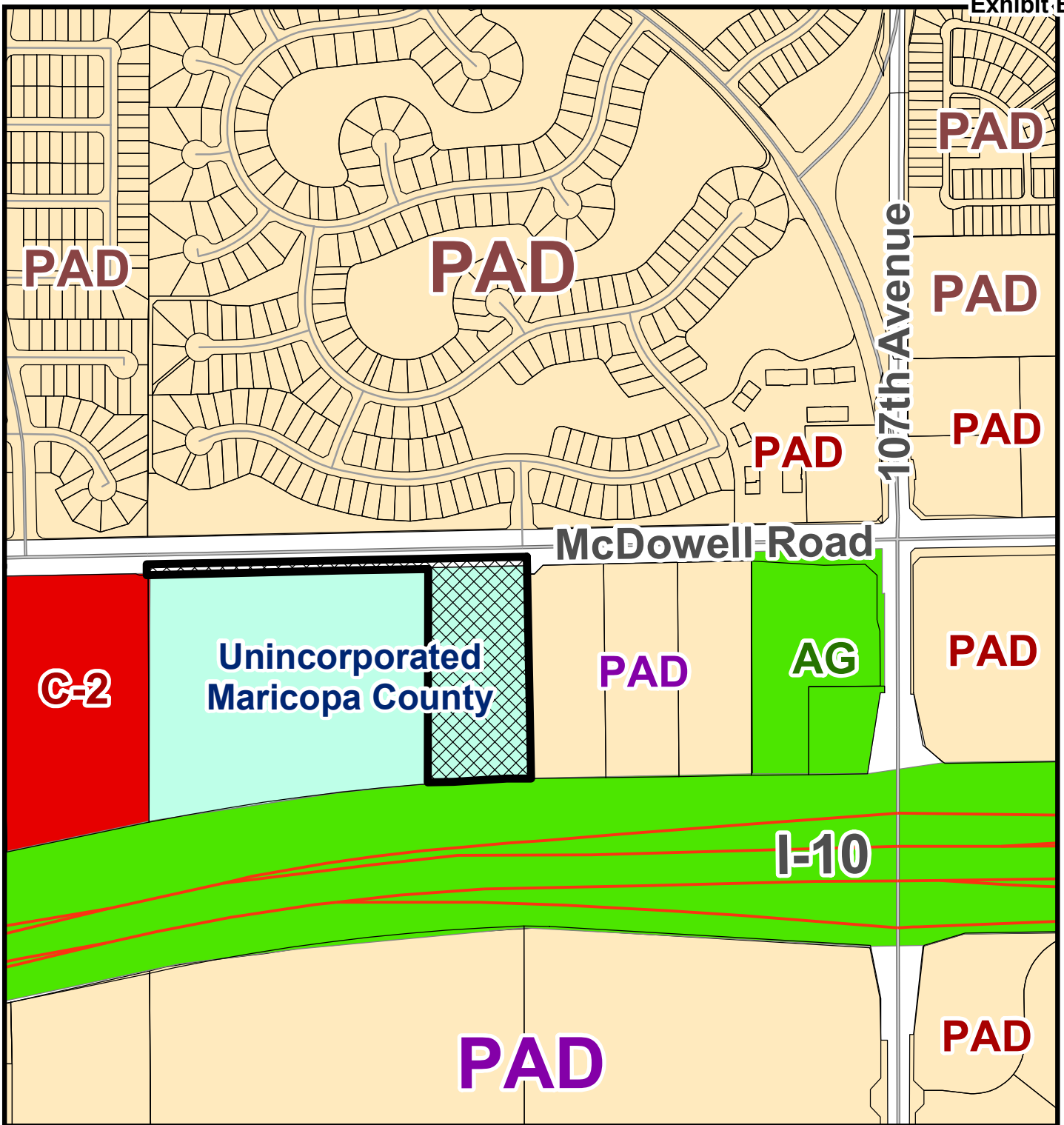


Aerial Photograph

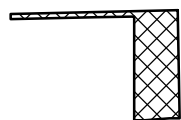


Annexation Area



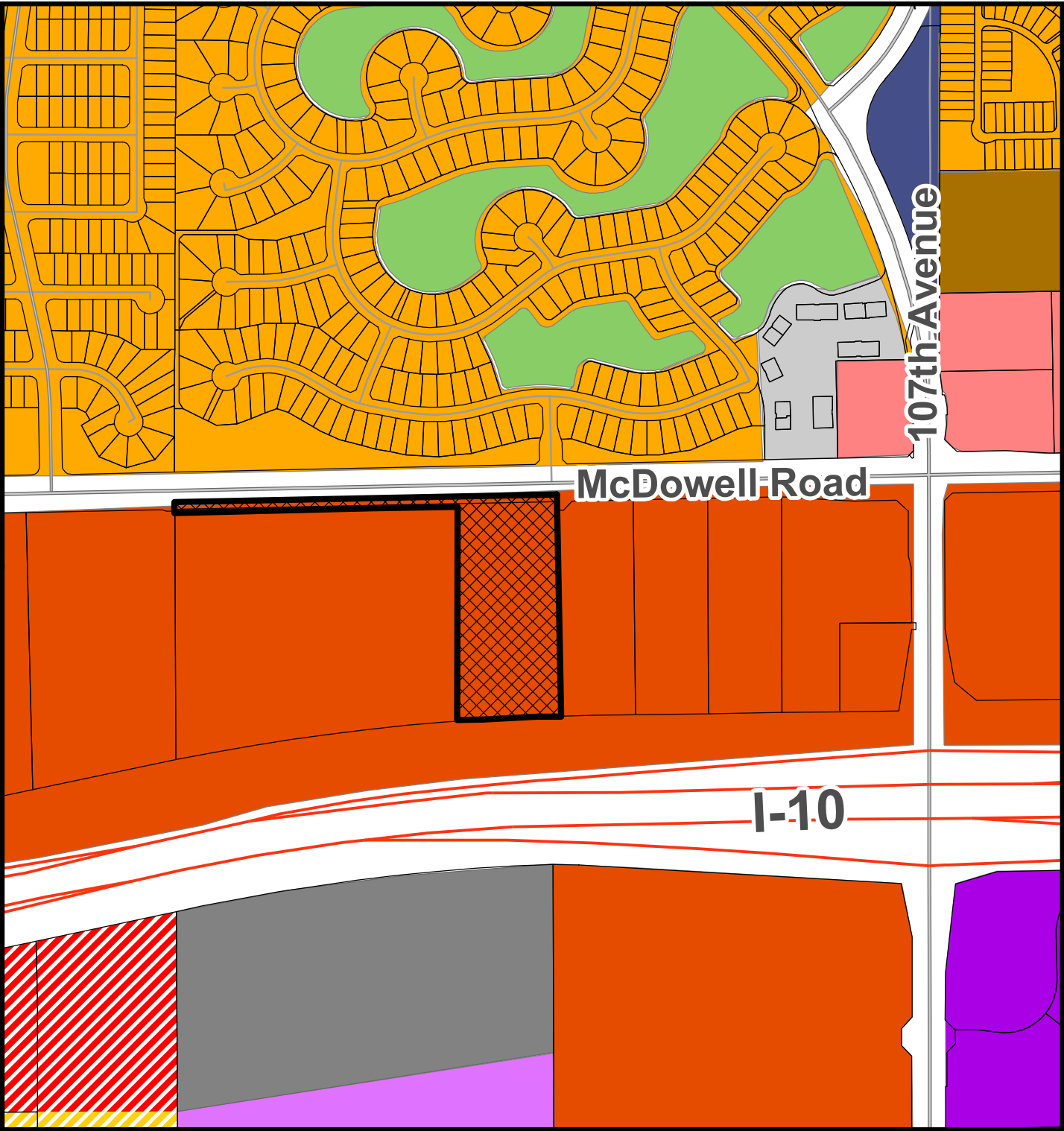


Zoning Vicinity map



Annexation Area



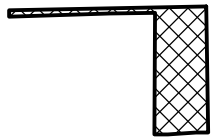


General Plan Land Use Map

- | | |
|-----------------------|-------------------------------|
| Freeway Commercial | Local Commercial |
| Office/Professional | Medium Density Residential |
| High Intensity Office | High Density Residential |
| Mixed Use | The BLVD Gateway District |
| Business Park | The BLVD Residential District |
| Open Space and Parks | Public/Civic |



Annexation Area



*SUMMARY OF RELATED FACTS
APPLICATION PL-21-0124*

<i>THE PROPERTY</i>	
PARCEL SIZE	Approximately 7.11 acres
LOCATION	Southwest Corner of McDowell Road and 109 th Avenue
JURISDICTION	Maricopa County
PHYSICAL CHARACTERISTICS	Relatively flat with an irrigation canal running along the property's McDowell Road frontage. The I-10 Freeway is elevated relative to the grade of the subject property adjacent to the site. A double-sided static billboard sign is located at the far southeast corner of the site adjacent to I-10.
EXISTING ZONING	The property is zoned Maricopa County C-2 (Intermediate Commercial) which provides for retail, service, office, and similar uses to a community-wide trade area.
EXISTING LAND USE	The subject property, along with additional land to the west that is not included in this annexation request, is in active farming use.

<i>SURROUNDING ZONING AND LAND USE</i>	
NORTH OF MCDOWELL ROAD	Crystal Gardens, a fully developed 904-lot single-family residential subdivision constructed between 1996 and 2002. Crystal Gardens is located within the City of Avondale's jurisdiction and is zoned Crystal Gardens Planned Area Development (PAD).
EAST	Akos Medical Campus, a partially constructed 9.2-acre development consisting of a four-story, 68,000 square foot medical office building on the eastern portion of the site with the western half reserved for future development of an additional medical office building. The Akos Medical Campus property is zoned Avondale Integrated Medical Services (AIMS) PAD.
SOUTH	I-10 Freeway. Adjacent to the subject property, I-10 is a 12-lane highway situated within an approximately 530-foot-wide corridor. A wide, concrete lined drainage channel parallels the freeway on the north side, directly adjacent to the subject site's southern property line.
WEST	An undeveloped, 18.37-acre property located within the jurisdiction of Maricopa County, currently in farming production. Like the subject site, the property to the west is zoned Maricopa County C-2 (Intermediate Commercial) which accommodates a range of retail, office, and service uses.

<i>GENERAL PLAN</i>
The subject property is designated by the General Plan 2030 Land Use Map as Freeway Commercial. The Freeway Commercial designation provides for regional retail, medical, office, higher educational complexes, hospitality, sports and family entertainment, commercial complexes, and service destinations serving a larger, more regional trade area.

<i>PUBLIC SCHOOLS</i>

SCHOOL DISTRICT(S)	Littleton Elementary School District; Tolleson Union High School District
ELEMENTARY SCHOOL	Student's choice (No defined school). The closest district school is Collier Elementary School, located at the southwest corner of Coldwater Springs Boulevard and 118 th Avenue in the Coldwater Springs master planned community.
HIGH SCHOOL	Tolleson Union High School, located at the southwest corner of Van Buren Street and 94 th Avenue in the City of Tolleson.

<i>STREETS</i>	
McDowell Road	
Classification	Major Arterial
Existing half-street right-of-way	65 feet
Standard half-street right-of-way	65 feet
Existing half-street improvements	Two (2) travel lanes, half center turn lane
Standard half-street improvements	Three (3) travel lanes, half center turn lane (or median), bike lane, curb, gutter, detached sidewalk, streetlights, and landscaping.

<i>UTILITIES</i>
Future development on the annexation parcel will have access to City water via an existing 12-inch water line in McDowell Road and a planned 16-inch water line to be installed in McDowell Road by the City's upcoming McDowell Road and 107th Avenue Capital Improvement Program (CIP) project. City sewer service to the parcel will be accommodated by an existing 15-inch line that runs north of McDowell Road parallel to the street. Salt River Project (SRP) provides electricity to this area of Avondale.

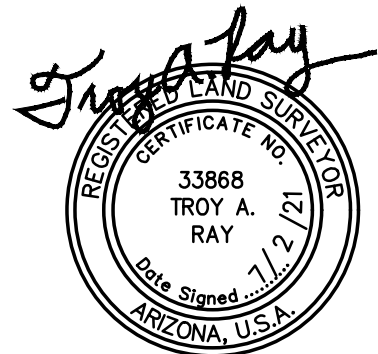


CITY OF AVONDALE ANNEXATION
LEGAL DESCRIPTION AND MAP
CLEARSKY HEALTH
109TH AVE AND MCDOWELL ROAD
PAGE 1 OF 2, 7/2/21

A parcel of land lying within the northeast quarter of Section 6, Township 1 North, Range 1 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the north quarter corner of said Section 6, a 3-inch City of Avondale brass cap flush, from which the northeast corner of said section, a 3-inch brass cap in handhole, bears North 88°48'17" East (basis of bearing), a distance of 2638.19 feet;
THENCE along the north line of said northeast quarter, North 88°48'17" East, a distance of 1343.26 feet;
THENCE leaving said north line, South 01°11'43" East, a distance of 33.00 feet, to the POINT OF BEGINNING;
THENCE continuing South 01°11'43" East, a distance of 32.00 feet, to the south line of that certain right of way parcel of land described in Document 2006-0003279, Maricopa County Records (MCR);
THENCE leaving said south line South 00°52'45" East, a distance of 747.35 feet, to the northerly right-of-way line of Interstate 10 and the beginning of a non-tangent curve to the left from which point the radius point bears South 1°39'00" East;
THENCE 355.26 feet along said northerly right-of-way line the arc of said curve to the left, having a radius of 7959.44 feet, through a central angle of 2°33'26" and a chord bearing of South 87°04'17" West;
THENCE leaving said northerly right-of-way line, North 00°52'45" West, a distance of 758.09 feet to a point on said south line of the right of way parcel;
THENCE South 88°48'17" West, along said south line, a distance of 989.29 feet to a point on the west line of said northeast quarter;
THENCE departing said south line North 00°16'41" West, a distance of 32.00 feet;
THENCE North 88°48'17" East, along a line 33.00 feet south of and parallel to said north line of the northeast quarter, a distance of 1343.78 feet returning to the POINT OF BEGINNING;

The above described parcel contains 309,759.25 square feet or 7.1111 acres, more or less.



CLOSURE CALCULATIONS — ANNEXATION

North: 896655.9509' East: 584885.5765'

Segment #1 : Line

Course: S01° 11' 43"E Length: 32.00'
North: 896623.9578' East: 584886.2440'

Segment #2 : Line

Course: S00° 52' 45"E Length: 747.35'
North: 895876.6958' East: 584897.7112'

Segment #3 : Curve

Length: 355.26' Radius: 7959.44'
Delta: 002°33'26" Tangent: 177.66'
Chord: 355.23' Course: S87° 04' 17"W
Course In: S01° 39' 00"E Course Out: N04° 12' 26"W
RP North: 887920.5560' East: 585126.8949'
End North: 895858.5465' East: 584542.9451'

Segment #4 : Line

Course: N00° 52' 45"W Length: 758.09'
North: 896616.5473' East: 584531.3132'

Segment #5 : Line

Course: S88° 48' 17"W Length: 989.29'
North: 896595.9107' East: 583542.2384'

Segment #6 : Line

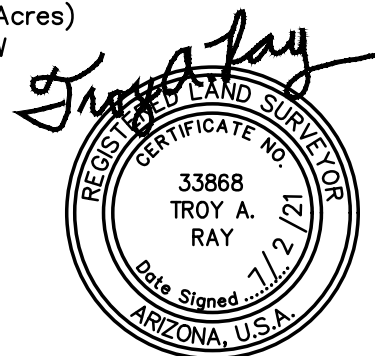
Course: N00° 16' 41"W Length: 32.00'
North: 896627.9103' East: 583542.0831'

Segment #7 : Line

Course: N88° 48' 17"E Length: 1343.78'
North: 896655.9416' East: 584885.5707'

Perimeter: 4257.78' Area: 309759.25 Sq. Ft. (7.1111 Acres)
Error Closure: 0.0109 Course: S31° 46' 37"W
Error North: -0.00930 East: -0.00576

Precision 1: 390,618.35



CITY COUNCIL REPORT

SUBJECT: Omni Avondale Self-Storage – Re-Plat – Application PL-21-0152

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Kevin Murphy, Development & Engineering Services Director

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

OUTCOME AREA: Creative and Sustainable Community Development.

STRATEGY: Increase sustainability initiatives such as renewable clean energy or sustainable design and construction.

PURPOSE:

City Council will consider a request by Jason Sanks, Sanks and Associates, on behalf of the property owner Lower Buckeye and Avondale LLC, for approval of a Re-Plat. The proposed Re-Plat divides an 8.67 gross-acre subject property into three (3) parcels and dedicates an eighteen (18) inch private utility easement. The site is located approximately 323 feet north of the northeast corner of Avondale Boulevard and Lower Buckeye Road. The Council will take appropriate action.

BACKGROUND:

The site is located approximately 323 feet north of the northeast corner of Avondale Boulevard and Lower Buckeye Road, (Exhibits A and B). The property was annexed into the City's corporate limits on April 14, 1999 (Ordinance No. 693-99) and rezoned to Durango Park Planned Area Development (PAD) case number Z-98-361A.

The property is designated by the General Plan 2030 Land Use Map as Local Commercial. The Local Commercial land use designation is primarily intended to provide the daily needs of goods and services for residents residing within the surrounding area. The types of uses allowed in this category specifically for local residents may include grocery stores, gas stations, neighborhood/retail services, and office and medical uses serving consumers residing in adjacent residential areas, which promotes a walkable community.

The property has 257.47 feet of frontage on Avondale Boulevard and 491.72 feet of frontage on Lower Buckeye Road.

There is a concurrent request to allow for a Conditional Use Permit to allow for a mini-storage and personal storage facility on the property (PL-21-0151).

The existing uses and zoning of surrounding properties include:

NORTH: Durango Park, a single-family residential subdivision zoned PAD.

EAST: Durango Park, a single-family residential subdivision zoned PAD.

SOUTH of LOWER BUCKEYE ROAD: Raceway Ranchos, a residential subdivision located in the jurisdiction of Maricopa County. South of the project is a planned McDonald's to be constructed in 2022 on the immediate northeast corner of Avondale Boulevard and Lower Buckeye Road.

WEST of AVONDALE BOULEVARD: A 12.2-acre vacant, commercial corner of Del Rio Ranch, zoned PAD.

DISCUSSION:

SUMMARY OF REQUEST:

The applicant is requesting approval of the Omni-Avondale Re-Plat (Exhibit D). The proposed Re-Plat splits an 8.58 gross-acre parcel into (3) lots (Lots 1, Lot 2, and Lot 3) as follows:

- Lot 1: 3.65 acres
- Lot 2: 1.58 acres
- Lot 3: 3.35 acres

The Re-Plat also dedicates an eighteen (18) inch private utility easement.

PUBLIC PARTICIPATION:

Public notification is not required for Re-Plat applications.

PLANNING COMMISSION ACTION:

The Planning Commission does not review Re-Plat applications.

ANALYSIS:

The proposed Re-Plat has been reviewed by the City's contracted Registered Land Surveyor and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property. The proposed Re-Plat is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations. The proposed Re-Plat splits an 8.58 net-acre parcel into three (3) parcels (Lot 1, Lot 2, and Lot 3) and dedicates an eighteen (18) inch private utility easement.

DISCUSSION:

1. The proposed Re-Plat is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations.
2. The condition of approval is reasonable to ensure conformance with the provisions as outlined in the Avondale Zoning Ordinance and all other applicable City codes, ordinances, and policies.

BUDGET IMPACT:

No budget impacts.

RECOMMENDATION:

Staff recommends that City Council **APPROVE** application PL-21-0152 Omni Avondale Self-Storage Re-Plat, subject to the following one (1) condition of approval:

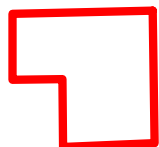
1. Development shall conform to the Omni Avondale Self-Storage Re-Plat submitted August 5, 2021.

PROPOSED MOTION:

I move that City Council **APPROVE** Application PL-21-0152 Omni Avondale Self-Storage, subject to one (1) recommended condition of approval as listed in the staff report.

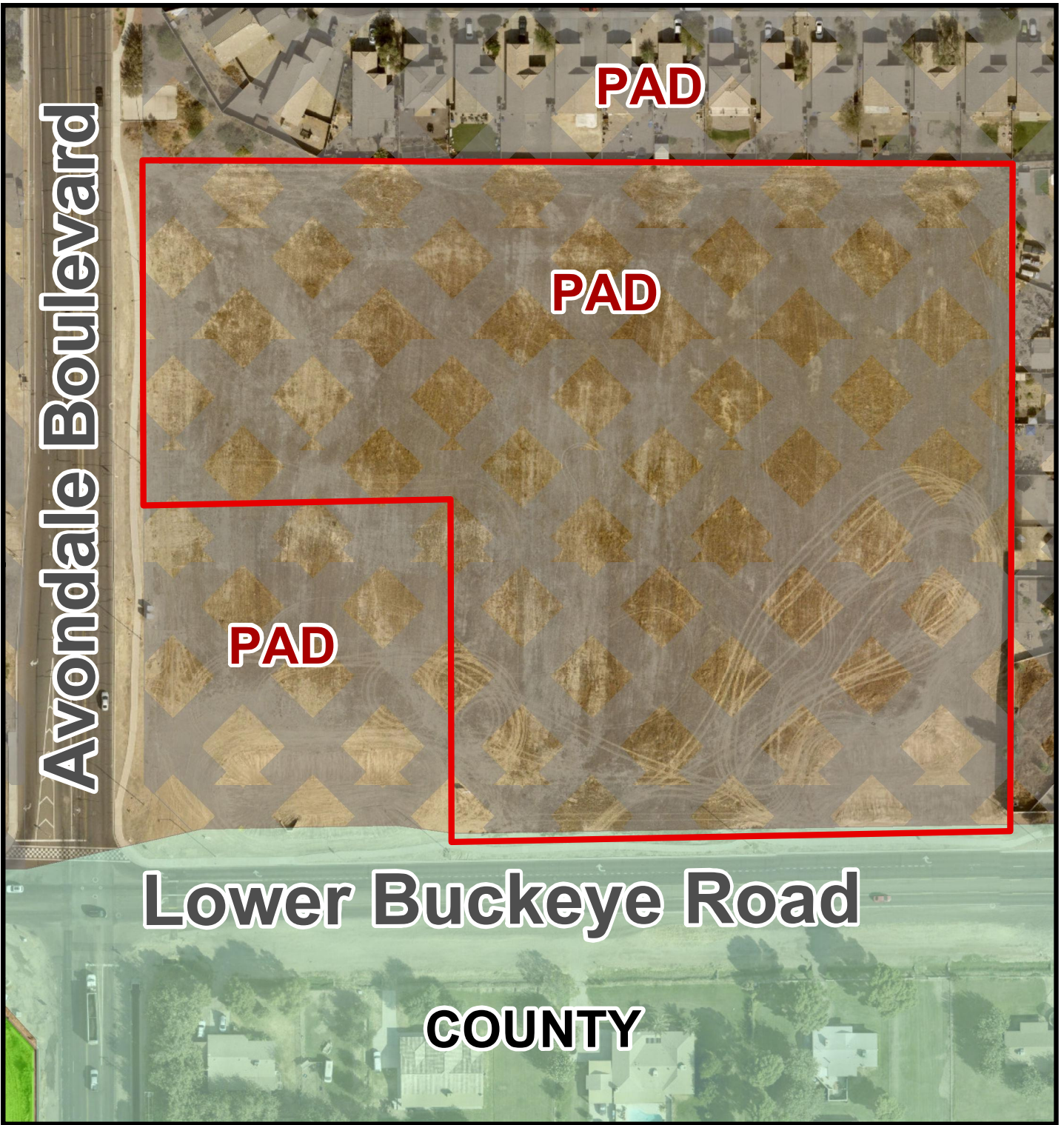


Aerial Photograph

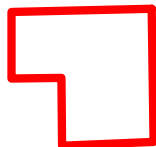


Project Location



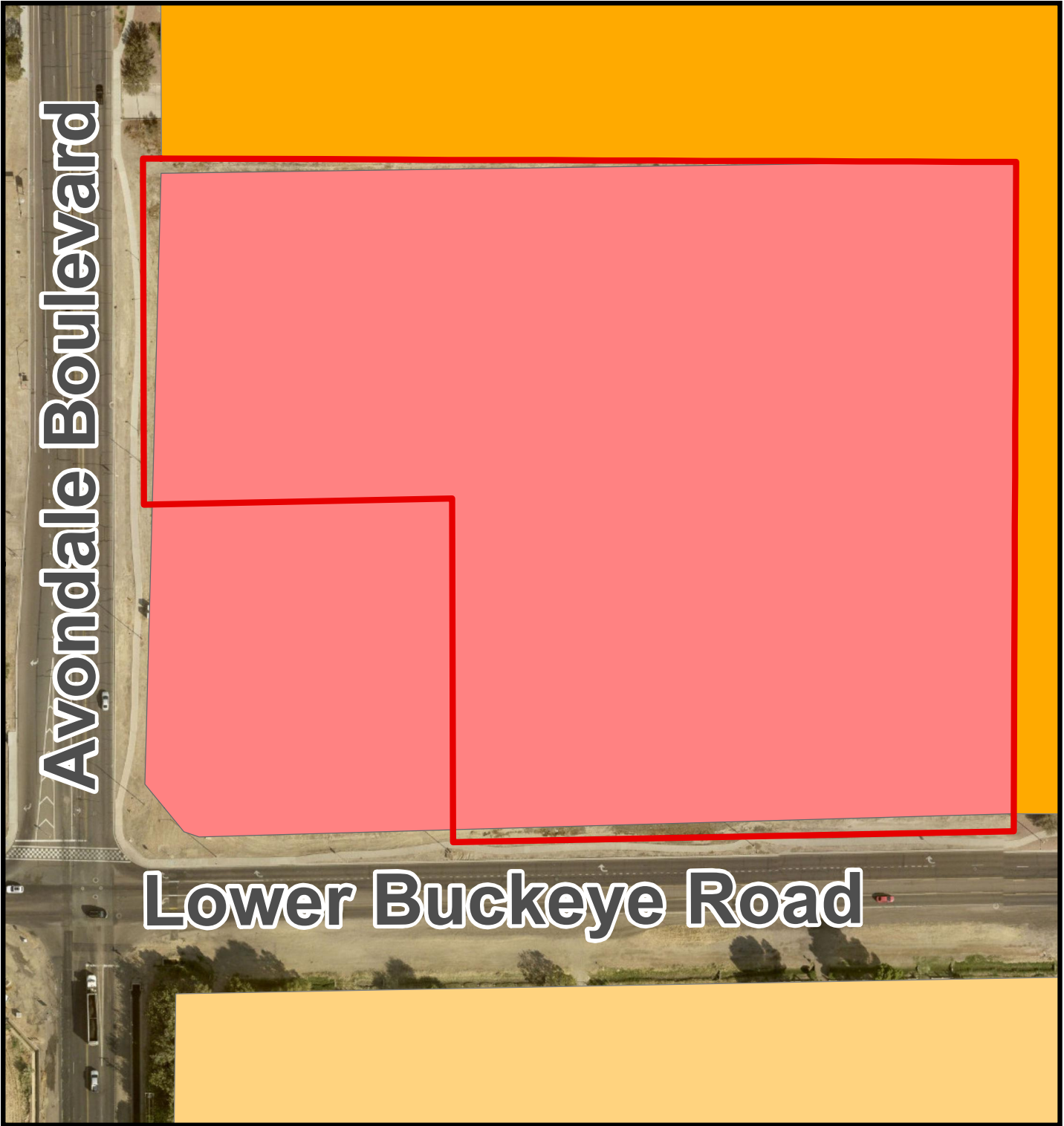


Zoning Vicinity Map



Project Location





General Plan Land Use Map



-  Local Commercial
-  Estate/Low Density Residential
-  Medium Density Residential



Project
Location



Exhibit D

Re-Plat

CITY COUNCIL REPORT

SUBJECT: Public Hearing - Omni Avondale Self-Storage – Conditional Use Permit – Application PL-21-0151

MEETING DATE: 11/15/2021

TO: Mayor and Council

FROM: Kevin Murphy, Development & Engineering Services Director

THROUGH: Lindsey Duncan, Deputy City Manager, (623) 333-1012

REVIEWED: Charles A. Montoya, City Manager, (623) 333-1016

STRATEGIC PLAN:

STRATEGIC OUTCOME AREA: Creative and Sustainable Community Development.

- STRATEGY: Increase sustainability initiatives such as renewable clean energy or sustainable design and construction
-

PURPOSE:

City Council will hold a public hearing and consider a request by Jason Sanks, Sanks and Associates, on behalf of the property owner Lower Buckeye and Avondale LLC, for approval of a Conditional Use Permit to allow for the operation of a mini-storage warehouse and personal storage facility in the Durango Park Planned Area Development (PAD) that allows for C-2 (Community Commercial) uses on the 8.57-acre subject property. The Council will take appropriate action.

BACKGROUND:

The site is located approximately 323 feet north of the northeast corner of Avondale Boulevard and Lower Buckeye Road, (Exhibits A and B). The project is proposed on a vacant 3.65-acre portion of an 8.57-acre parcel. There is an accompanying request to create a separate lot for the storage facility (PL-21-0152) and the remaining portion will be part of a future separate development. The property was annexed into the City's corporate limits on April 14, 1999 (Ordinance No. 693-99) and rezoned to Durango Park Planned Area Development (PAD) case number Z-98-361A.

The property is designated by the General Plan 2030 Land Use Map as Local Commercial. The Local Commercial land use designation is primarily intended to provide for the daily needs of goods and services for residents residing within the surrounding area. The types of uses allowed in this category specifically for local residents may include grocery stores, gas stations, neighborhood/retail services, office and medical uses serving consumers residing in adjacent residential areas, which promotes a walkable community.

The existing uses and zoning of surrounding properties include:

NORTH: Durango Park, a single-family residential subdivision zoned (PAD)

EAST: Durango Park, a single-family residential subdivision zoned PAD

SOUTH of LOWER BUCKEYE ROAD: Raceway Ranchos, a residential subdivision located in the jurisdiction of Maricopa County. South of the project is a planned McDonald's to be constructed in 2022 on the immediate northeast corner of Avondale Boulevard and Lower Buckeye Road.

WEST of AVONDALE BOULEVARD: A 12.2-acre vacant, commercial corner of Del Rio Ranch, zoned PAD.

SUMMARY OF REQUEST:

The applicant is requesting approval of a Conditional Use Permit (CUP) for construction of a new mini-storage warehouse and personal storage facility that will provide 613 units (Exhibit E). Mini-storage warehouses and personal storage is a conditionally permitted use within the C-2 zoning district requiring CUP approval by City Council.

The proposed development (Exhibit F) includes construction of one (1) office building and four (4) storage buildings, with a combined square footage of 76,604 as follows:

- Building A (Office) – 980 square feet
- Building B (Exterior units) – 7,805 square feet
- Building C (Exterior units) – 5,202 square feet
- Building D (Exterior units) – 6,808 square feet
- Building E (Exterior units and interior, climate-controlled units) – 55,799 square feet

Along the perimeter of the site adjacent to an existing residential area, the buildings will have heights of twelve (12) feet, extending up to seventeen (17) feet for the tallest building on the interior of the site which is needed to screen rooftop equipment from the public view.

The proposed hours of operation will be daily from 9:00 A.M. to 6:00 P.M. for the office and daily 5:00 A.M. to 10:00 P.M. for the gate. Select customers, on an as-needed and limited basis, may be granted access outside of those standard hours. Each customer will have a unique gate code to monitor access into the facility.

Screening of the site includes a six (6) foot tall decorative block wall which will screen the storage buildings from the view of residences in the area; a 25-foot landscape buffer is provided to the north, and to the east is a 58-foot landscape buffer. Along the front of Building C and the south end of Building D, a 20-foot landscape buffer is provided, which will screen the facility from future commercial development. All landscaping areas will be fully landscaped with shrubs and trees. Additionally, along the northern property line (adjacent to residential), buildings are setback 25 feet. From the east property line, also adjacent to residential, the buildings are setback in excess of 70 feet.

PUBLIC PARTICIPATION:

A Neighborhood Meeting to discuss the proposal with neighboring property owners and other interested parties was held at 6:00 P.M. on July 28, 2021. Due to the ongoing Covid-19 pandemic, the meeting was held virtually via Zoom. All notices of the meeting, including mailings to owners within 1,000 feet of the site, public hearing notice signs on the property, and display ads in the Southwest Valley Arizona Republic, were completed in at least fifteen days prior to the meeting as required. In addition to City Staff and the applicant's team, two (2) people attended the virtual meeting including one (1) Councilmember and one (1) Planning Commissioner (Exhibit I). The applicant gave an overview presentation on the project including the hours of operation, landscaping, layout, floor plans, access, architecture, parking, trip generation, security, and general operations of the facility. Discussion was primarily related to the following topics:

- Mitigation of impacts of the facility in terms of architecture, lighting, and landscaping. The applicant responded that the architecture will complement the surrounding area and be a buffer for the residences from uses like McDonald's, lighting will be provided for security, but it will meet standards in the Avondale Zoning Ordinance for photometric plans, and described the proposed landscape buffers.
- What happens to the emergency access to the south once the parcel gets developed? The applicant responded that a gate with access will need to be installed. Access will be reviewed during the Site

Plan and Design Review process for the remaining vacant pads.

- The proliferation of self-storage facilities in the area and the sales tax revenue that is generated not as high as retail uses. The applicant responded that self-storage facilities generate rental sales tax revenue and there will still be opportunities for commercial uses on the site that will have prominent frontage on the arterial streets.
- What are the proposed uses on the remaining adjacent parcels? The applicant responded that the hard corner is to be developed with a McDonald's in 2022, and the rest of the vacant pads are most likely to be developed with future retail or restaurant uses.

Three (3) comments pertaining to the proposal were posted on the City's aVOICE/Polco digital forum, as follows:

- As long as it isn't more houses that I have to pay to build schools and staff with teachers it is just fine to build a storage facility!!
- Build it as soon as you can.
- There are too many storage facilities as is. Please court some nice restaurants instead of warehouses, coffee shops and fast food. Thank you so much.

No additional public comments have been received to date.

All required notifications for the Planning Commission and City Council public hearings were completed. All property owners within 1,000 feet of the subject site were notified of the time, date, and location of the Planning Commission and City Council meetings via postcards. The meetings were advertised in the Southwest Valley Arizona Republic, and a public hearing notice sign identifying meeting dates, times, and locations were installed on the property. All notifications included Zoom meeting information and links.

No persons spoke about this item during the September 15, 2021 Planning Commission public hearing.

PLANNING COMMISSION ACTION:

At the September 15, 2021, Planning Commission meeting the Commission conducted a public hearing and voted 5-0 to recommend approval of the proposed CUP subject to six (6) recommended conditions. The Commission did not have any comments or questions regarding the project.

ANALYSIS:

In order to grant a Conditional Use Permit, five (5) findings must be met as outlined in Zoning Ordinance Section 108.B. The burden of proof is on the applicant. Each finding is presented below along with Staff's analysis.

1. That the proposed use (a) is consistent with the land use designation set forth in the general plan, (b) will further the City's general guidelines and objectives for development of the area, as set forth in the general plan and (c) will be consistent with the desired character for the surrounding area.

The subject property is designated as Local Commercial by the General Plan, which is primarily intended for providing for daily needs of goods and services to the residents residing within the surrounding area. The types of uses allowed in this category specifically for local residents may include grocery stores, gas stations, neighborhood/retail services, and office and medical uses serving consumers residing in adjacent residential areas, which promotes a walkable community. A mini-storage warehouse and personal storage is a use that aligns with the Local Commercial designation.

The property's C-2/PAD zoning is consistent with the Local Commercial designation. The purpose of the C-2 district is to accommodate the development of commercial complexes providing goods and services to a communitywide trade area. The proposed mini-storage warehouse is a low-intensity use that will provide a service to the nearby neighborhood.

2. That the use will be (a) compatible with other adjacent and nearby land uses and (b) will not be detrimental to persons residing or working in the area, adjacent property, the neighborhood or the public welfare in general.

Mini-storage warehouses and personal storage generate minimal amounts of traffic, do not tax City water and sewer services, and do not create any significant noise or light impact on surrounding properties. In terms of architecture, the proposed buildings and walls feature a contemporary design with quality materials that will enhance the area and complement the future McDonald's on the corner. There will be a landscape buffer adjacent to all sides of the development, and the storage facility itself will act as a buffer between the residences to the north and the future commercial development, which allows for more intense uses than mini-storage such as restaurants or retail.

Furthermore, the proposed facility will provide a needed service to existing and future residents in the surrounding neighborhoods in south Avondale. The project narrative (Exhibit E) indicates that as the population becomes more transitory (moving often), there is a need for secure temporary storage of personal items in a location that is convenient.

3. That the site is adequate in size and shape to accommodate the proposed use, allow safe on-site circulation, and meet all required development standards including, but not limited to, setbacks, parking, screening, and landscaping.

The proposed development meets the development standards for setbacks, buffering, parking, on-site circulation, landscaping, and screening as required by the Zoning Ordinance. Development of the site per the submitted plan (Exhibit F) will result in a functional, attractive development that contributes to the local economy and provides a benefit to the surrounding area.

4. That the site has appropriate access to public streets with adequate capacity to carry the type and quantity of traffic generated by the proposed use.

All public access to the facility will be from Avondale Boulevard, a major arterial road, via a planned, full access driveway. All circulation internal to the site meets City requirements. Adequate width is provided to allow City fire trucks to enter and exit the site, if necessary. A secondary fire access is also provided, along with a twenty-six (26) foot fire access gate with access to Lower Buckeye Road.

According to the project's parking demand study, the demand for parking is fourteen (14) spaces for visitors. The project will provide for ten (10) parking spaces before the security access gate, near the leasing office and four (4) parking spaces within the storage facility, two (2) of which are covered. Additionally, customers typically will park alongside their drive-up storage unit to load and unload, so the site will be able to accommodate the anticipated traffic. According to the project narrative, daily vehicle traffic trips are projected to be less than 24, the majority of which will be generated by passenger cars and pick-up trucks.

5. That adequate conditions have been incorporated into the approval to ensure that any potential adverse effects will be mitigated.

Staff's recommended conditions, several of which are standard for development of this type, address the following:

- a. Ensuring the proposed use develops in accordance with the site plan, landscape plan, narrative and building elevations provided to the City and attached as exhibits to this staff report.
- b. Per the Zoning Ordinance, the Conditional Use Permit will expire within two (2) years if the use has not commenced on the property.
- c. A Re-Plat, splitting the parcel and dedicating an eighteen (18) foot private utility easement, shall be recorded prior to the issuance of a permit for development of the subject property.
- d. The developer shall complete all required improvements to Avondale Boulevard as part of the first phase of development.
- e. Provide a recorded copy of a vehicular cross access/shared access easement between the McDonald's and

the proposed self-storage facility properties; notate and show the easement(s) on the site plan as part of the Site Plan and Design Review process approval.

f. The monument sign is required to be a multi-tenant monument sign and must be located south of the drive aisle on Avondale Boulevard. The final location of the sign will be determined before Site Plan and Design Review approval.

DISCUSSION:

Staff recommends approval of the CUP request for the following reasons:

1. The proposed land use meets the five (5) required findings for a CUP in Section 108 B. of the Zoning Ordinance.
2. Approval of the proposal will result in a development compatible with the Local Commercial General Plan designation, the Durango Park PAD, and existing development in the area.
3. The proposed land use will not be detrimental to persons residing or working in the area, on adjacent properties, or to the public welfare in general.
4. The proposed land use will provide a needed service to current and future residents in Avondale.

BUDGET IMPACT:

No budget impacts.

RECOMMENDATION:

The City Council will **APPROVE** Application PL-21-0151 Omni Avondale Self-Storage, a request for approval of a Conditional Use Permit to allow for the operation of a mini-storage warehouse and personal storage facility within the Durango Park Planned Area Development C-2 (Community Commercial) zoning district, subject to the following six (6) conditions of approval:

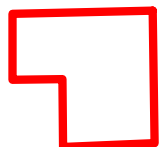
1. Development and use of the site shall generally conform to the CUP narrative (submitted on August 30, 2021) , site plan (submitted on August 31, 2021), landscape plan (submitted on August 31, 2021), and building elevations (submitted on August 31, 2021), attached to the staff report as Exhibits E, F, G, and H respectively.
2. In accordance with Section 108 of the Zoning Ordinance, the CUP shall expire within two (2) years from the date of approval if the use has not commenced.
3. A Re-Plat, splitting the parcel and dedicating an eighteen (18) foot private utility easement, shall be recorded prior to the issuance of a permit for development of the subject property.
4. All required off-site improvements to Avondale Boulevard shall be completed as part of the first phase of development prior to the issuance of a Certificate of Occupancy or Certificate of Completion.
5. Provide a recorded copy of a vehicular cross access/shared access easement between the McDonald's and the proposed self-storage facility properties; notate and show the easement(s) on the site plan as part of the Site Plan and Design Review process.
6. The monument sign is required to be a multi-tenant monument sign and must be located south of the drive aisle on Avondale Boulevard. The final location of the sign will be determined before Site Plan and Design Review approval.

PROPOSED MOTION:

I move that City Council **APPROVE** Application PL-21-0151 Omni Avondale Self-Storage, to allow for the operation of a mini-storage warehouse and personal storage facility within the Durango Park Planned Area Development C-2 (Community Commercial) zoning district subject to six (6) recommended conditions of approval as listed in the staff report.

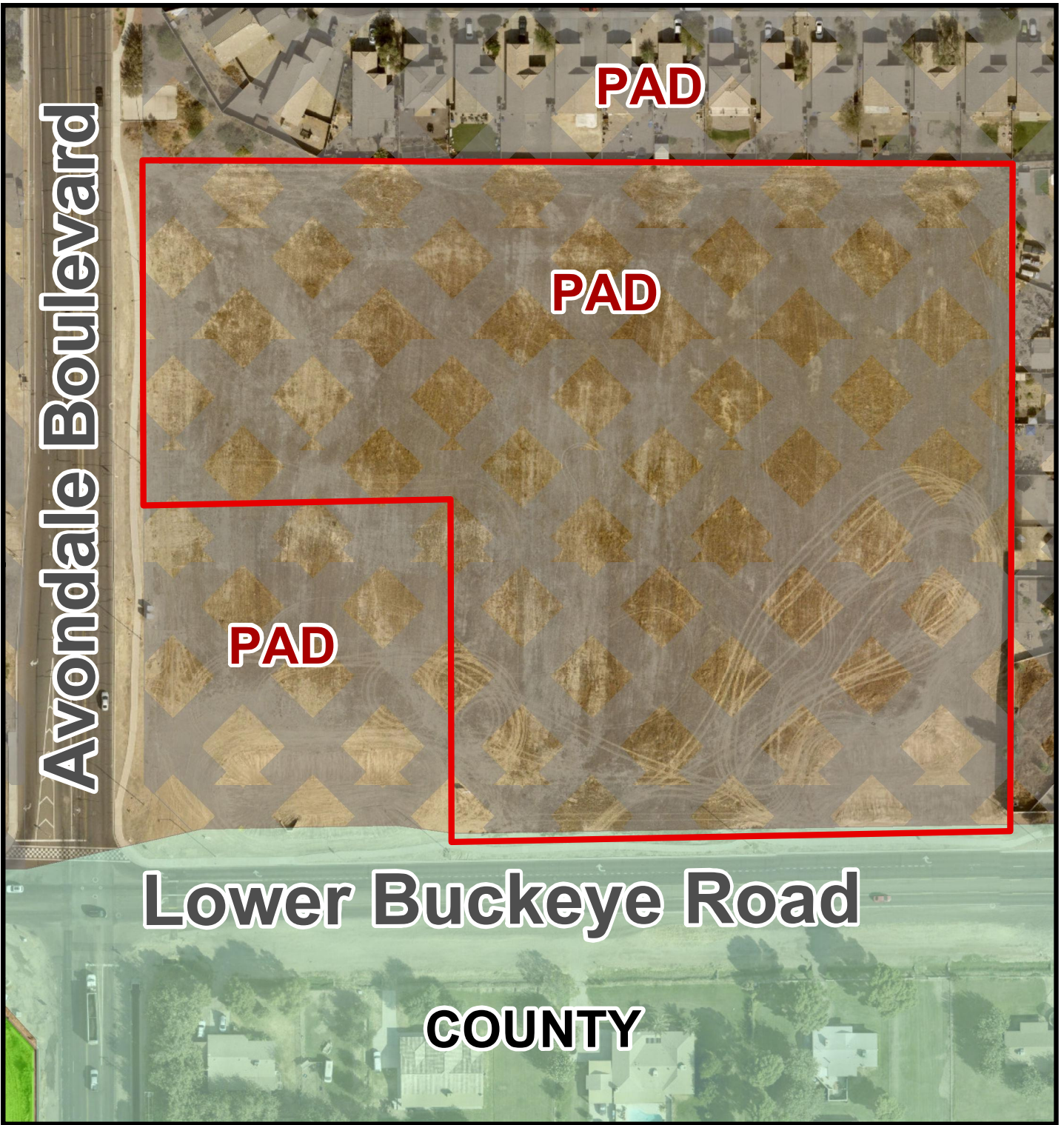


Aerial Photograph

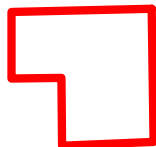


Project Location



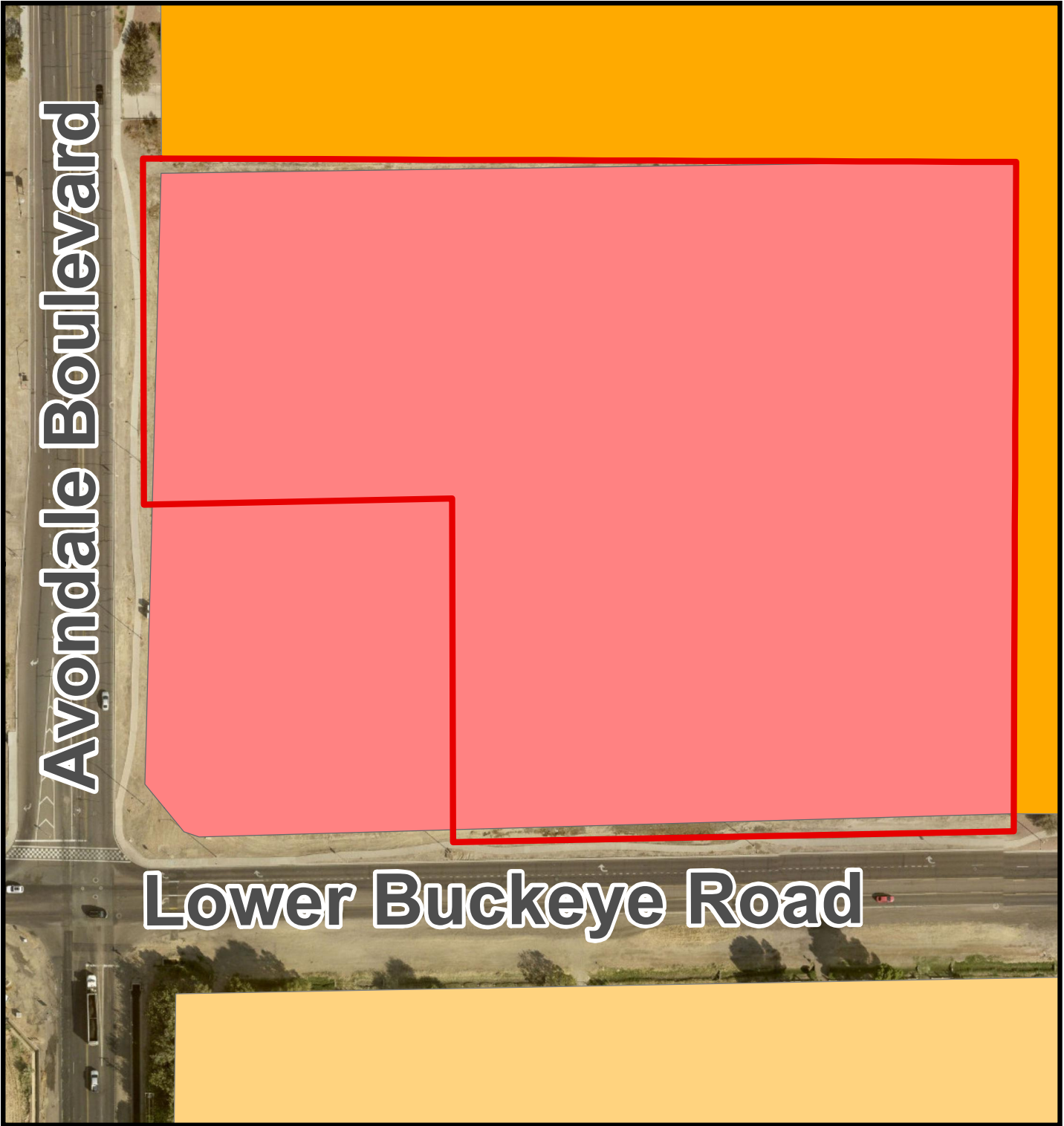


Zoning Vicinity Map



Project Location

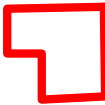




General Plan Land Use Map



-  Local Commercial
-  Estate/Low Density Residential
-  Medium Density Residential



Project
Location



*SUMMARY OF RELATED FACTS
APPLICATION PL-21-0151*

<i>THE PROPERTY</i>	
PROPERTY SIZE	Approximately 8.57 acres
LOCATION	Approximately 323 feet north of the northeast corner of Avondale Boulevard and Lower Buckeye Road
PHYSICAL CHARACTERISTICS	The L-shaped subject property is vacant and undeveloped.
GENERAL PLAN LAND USE DESIGNATION	Local Commercial
EXISTING ZONING	Durango Park Planned Area Development - C-2 (Community Commercial)
ZONING HISTORY	The property was annexed into the City's corporate limits on April 14, 1999 (Ordinance No. 693-99) and rezoned to Durango Park Planned Area Development case number Z-98-361A.

<i>SURROUNDING ZONING AND LAND USE</i>	
NORTH	Durango Park, a single-family residential subdivision zoned Planned Area Development (PAD).
EAST	Durango Park, a single-family residential subdivision zoned PAD.
SOUTH OF LOWER BUCKEYE RD.	Raceway Ranchos, a residential subdivision located in the jurisdiction of Maricopa County. South of the project also includes a future McDonald's, planned to be constructed in 2022 on the immediate northeast corner of Avondale Boulevard and Lower Buckeye Road.
WEST OF AVONDALE BLVD.	A 12.2-acre, vacant, commercial corner of Del Rio Ranch, zoned PAD.

<i>PUBLIC SCHOOLS</i>	
SCHOOL DISTRICT(S)	Littleton Elementary #65, Tolleson Union
ELEMENTARY SCHOOL	Quentin Elementary
HIGH SCHOOL	La Joya High School

<i>STREETS</i>	
Lower Buckeye Road	
Classification	Arterial
Existing half street right-of-way	55-65
Standard half street right-of-way	65
Existing half street improvements	Two travel lanes, half center turn lane, right turn lane, sidewalk, curb, gutter, streetlights

Standard half street improvements	Two travel lines, half center turn lane, sidewalk, curb, gutter, streetlights
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<i>STREETS</i>

Avondale Boulevard

Classification	Arterial
Existing half street right-of-way	65
Standard half street right-of-way	65
Existing half street improvements	Two travel lanes, half center turn lane, sidewalk, curb, gutter, streetlights
Standard half street improvements	Two travel lanes, half center turn lane, sidewalk, curb, gutter, streetlights

<i>UTILITIES</i>

City of Avondale is the water and sewer provider for this parcel. SRP provides electrical service to this area.

Exhibit E

Project Narrative

Omni Avondale Self-Storage

Conditional Use Permit (CUP)

Project Narrative

NEC of Avondale Blvd. and Lower Buckeye Rd.



Submitted To

City of Avondale Development Services Department

Submitted: May 7, 2021

Revised: August 4, 2021

Applicant / Representative:

Jason Sanks / Sanks and Associates, LLC

Development Team

Property Owner:	Lower Buckeye and Avondale, LLC 11811 N. Tatum Boulevard Phoenix, AZ 85028
Developer & Applicant:	Scott Fey, CCIM Omni Avondale Self-Storage, LLC 6615 N. Scottsdale Road, Suite 207 Scottsdale, AZ 85250
Planner & Applicant Representative:	Jason Sanks Sanks and Associates, LLC 2410 E. Paraiso Drive Phoenix, AZ 85024 jason@sanksassociates.com 602.326.0581 cell
Architect:	Tony Tang Tony Tang Architect 3304 N. Valencia Lane Phoenix, AZ 85018
Civil Engineer:	Jennifer Smith SBL Engineering, LLC 1957 E. Sunburst Lane Tempe, AZ 85284
Landscape Architect:	Jason Harrington Harrington Planning + Design 1921 S. Alma School Road, Suite 204 Mesa, AZ 85210
Comprehensive Sign Plan:	Gary Johnson Signs Plus 9200 Valley Road Prescott Valley, AZ 86314

Introduction & Request

Omni Capital is a self-storage and land management company that has operated in Arizona for nearly 20 years. The company is currently in the process of acquiring an approximately 3.85-acre portion of property and seeks to build a new fully indoor, single-story self-storage facility. No outdoor storage of RVs, boats, or vehicles is proposed. In addition to requiring Site Plan and Design Review approvals, the proposed self-storage use requires a Conditional Use Permit (CUP) per the City of Avondale Zoning Ordinance to ensure consistency with the General Plan and compatibility with the surrounding neighborhood. A companion Minor Land Division (Final Plat) application is being submitted concurrently with this request to create the smaller parcel needed from the current parent parcel.

The proposed self-storage facility will be located on a portion of the parcel shown below, located at the northeast corner of Avondale Blvd. and Lower Buckeye Rd. (APN: 101-54-652D).



Existing Conditions

According to the City of Avondale Zoning Map and Planning staff, the parcel is currently zoned PAD using C-2 base development standards. Most of the area surrounding the facility is residential with mostly undeveloped commercial parcels at the intersection. All properties directly to the north and east are currently single-family residential with vacant commercial property to the west. A table has been provided to depict adjacent land uses and their zoning districts:

Direction	Land Use	Zoning
North	Single-Family Residential	PAD
East	Single-Family Residential	PAD
South	Commercial, approved McDonald's	PAD (C-2)
West	Commercial	PAD (C-2)

Conformance with the Avondale 2030 General Plan Update

This property is designated as “Local Commercial” on the General Plan and within the “Avondale Boulevard Employment and Commercial Corridor”. The proposed use is consistent with this land use designation. Local Commercial is used primarily for the “daily needs of goods and services to residents” and located near the arterial intersection of Avondale Boulevard and Lower Buckeye Road. In respect to the “Avondale Boulevard Employment and Commercial Corridor”, the site has been purposely designed to have a narrow frontage on Avondale Boulevard with a beautifully designed office/retail building while placing the storage buildings behind what will ultimately be higher intensity commercial land uses along Avondale Boulevard and Lower Buckeye Road as desired by the community. The bold architecture of the facility is in the spirit of the corridor and will provide the interest and quality expected of the plan along Avondale Boulevard.

As a land use, the image of self-storage in the general community has improved significantly over the last 25 years. First, the quality of self-storage facilities like the one proposed by Omni reflects the desire for quality architecture and attention to mitigating the inherent building massing issues of large buildings that cannot reasonably have many windows. Further, as housing values outpace incomes and the population becomes ever more transitory (moving often), the need for secure temporary storage of personal items has become a necessary neighborhood use within the community. Our customers do not want to drive several miles to an industrial area that feels unsafe and inconvenient to retrieve personal items they keep in storage.

Self-storage facilities also adapt to their surroundings over time. Our company has built facilities in downtown Phoenix and subsequently adapted to the needs of residents in a dense urban environment. This may include the development of daily bike locker facilities or other urban adapted services as the community changes.

Customers like having convenient, secure locations for their belongings near their homes so they know that those items are safe, near, and accessible to them. For this reason, we find that we are “promoting neighborhood-serving businesses” as stated in the Executive Summary of the General Plan. The General Plan also focuses on the need to reduce reliance on fossil fuel intensive uses and self-storage generates very low traffic trips. Further electrification of passenger vehicles and larger trucks means that self-storage as a land use will have relatively no reliance upon fossil fuels as the City looks forward to a future without fossil fuels. Our facility will include one electric vehicle charging station to further this goal.

Self-storage is commonly overlooked as an economically sustainable land use. While at first glance, communities may perceive that retail is what is desired on a commercial parcel to generate retail sales tax, retail has proven somewhat cyclical and less reliant upon land use with online shopping trends. Self-storage also generates tax revenue, but rather “rental sales tax” revenue, which is relatively stable since most facilities generally maintain stable occupancy levels. This rental tax revenue comes at a relatively low cost to the City itself, as the demands on police, fire, traffic, parks, and other community services are nearly unaffected by the land use compared to retail shopping centers or entertainment venues that generally receive higher calls for service related to police or

fire. Storage facilities are by their very nature designed to be self-policing: Enclosed/gated, protected with surveillance cameras, alarms, secure with individual renter access codes, professionally managed, well-lit, and with limited hours of operations. The facility seeks the most security for the safety of its renters' and their belongings as possible. Further, lease agreements ensure that the units themselves are not stored with dangerous items nor can anyone live in or run businesses out of units. The onsite management office staff ensures that these aspects of the facility are carefully complied with for everyone's benefit.

Land Use Compatibility with Adjacent Residentially Designated Property

This self-storage facility is proposed to be a completely single-story facility with building heights of 12' on the perimeter adjacent to residential, then extending up to 17' for the larger storage building on the interior of the site. This somewhat taller building height in the middle of the site is to accommodate screening of roof mounted air conditioning units from public view with parapets. The 12' tall perimeter buildings will nearly entirely block the view of the 17' tall building in the middle which is still relatively short compared to the allowed 30' of building height in the C-2 zoning district. The buildings and site layout have been designed in a way to buffer the Durango Park neighborhood from what is anticipated to be higher intensity commercial land uses along both arterial frontages (Retail, fast food, personal services). The facility is one of the quietest commercial land uses possible, with very low customer traffic and activity. Daily vehicle traffic trips for routine operations related to the facility are projected to be less than two dozen. Although vehicular traffic may include U-Haul style trucks, most of our customer vehicle traffic is generated by passenger cars and pick-up trucks.

Self-storage also creates one of the most private environments possible for those residents directly backing to our project, so that they may enjoy their rear home windows and yard areas with practically a guarantee that there is nobody on the other side of their rear wall looking into their properties or walking around near their yards. The area is lit just enough to be secure, heavily landscaped to beautify the area, and building heights are low enough that they will be barely visible from those residences. A "Line of Site" exhibit was prepared for this project to depict what an average height adult would see from their home to the north. In essence, the self-storage facility provides a sense of barrier and relief from what could otherwise occur on the C-2 zoned property, even without a Conditional Use Permit.

The rental office has a higher building height due to its purposefully unique design. It is important to note that this proposed building is located directly adjacent to an open space tract within Durango Park and not immediately behind a residence.

The use will not generate any smoke, light, glare, or noise as these are items commonly considered in the evaluation of a CUP. While lighting is provided for security and visibility purposes, light levels at property lines are maintained at acceptable City allowed levels as shown on the included "Photometric Plan."

Typical Business Operations

Due to the proximity of the nearby residential homes, the design of the facility will remain 1-story and will not have any outdoor vehicle storage. The facility will also be professionally managed with a state-of-the-art security system to monitor perimeter and internal activity. Elements of the security system include:

- Unique security code required for each customer to enter and exit
- Full camera coverage on the interior
- Full camera coverage of the entrance

The self-storage facility, due to its unique quiet and secure nature, provides a natural physical buffer to the new McDonald's approved for the immediate corner and anticipated future commercial build out of the entire C-2 zoned corner.

Hours of Operation

The office of the self-storage facility is anticipated to be open daily from 9:00am to 6:00pm. The gated and secured storage area will allow customers to access their storage units using their private access codes every day from 5:00am to 10:00pm. Select customers, on an as needed and limited basis, may be granted access outside of those standard hours. Since every customer has a specific code for their access, the facility is aware of who is entering and leaving the facility. Camera surveillance is also provided at all times for the safety of our customers, their property, and the general community.

Architectural Compatibility

Our architectural team's approach to compatibility with the Durango Park development largely focused on incorporating colors and materials of the recently approved McDonald's drive through restaurant to be constructed on the immediate northeast corner of the intersection. The contemporary theme of the restaurant was relatively simple to compliment, and we have proposed to include several identical colors and materials from the McDonald's restaurant.

Further, our design team seeks to bring additional colors and materials to the project to improve its overall quality while also addressing the unique nature of the linear mass of storage buildings that by design and logic, do not have exterior windows or access for security of customer belongings.

Compliance with Setback Requirements

The project meets all C-2 building setback requirements for a self-storage facility. The storage buildings are 25' away from the adjacent residential properties to the north and east (Section 305.D.4) while maintaining a 0' setback from the proposed interior commercial lot lines. These lot lines will be created through a separate replat application of the existing larger commercial parcel. A 45' landscape setback has been provided between Avondale Road and the first parking stall outside of the leasing office, which exceeds the 30' setback requirement for parking from the arterial roadway

Landscape and Open Space Area Design

The landscape requirements of this project comply with the City of Avondale's requirements for tree, shrub, and ground cover calculations as depicted on the Preliminary Landscape Plan. The plant palette and granite color and type has been designed to complement the approved McDonald's project on the same commercially zoned corner.

Special care has been taken to buffer adjacent residences with evergreen trees and a planting pattern to well screen the storage facility from view. Further, based on City requirements, 20' of landscape buffering has been provided on the west and south sides of the buildings lining the interior west and south property lines of the new parcel.

Ingress and Egress / Cross-Access Easements

The self-storage facility will take access from Avondale Boulevard and provide cross access to the commercial parcel to the south that will further connect to the approved McDonald's project on the hard corner of the intersection. Emergency access will be provided by an "emergency cross access easement" with an improved surface across proposed Lot 3 to allow emergency vehicles to enter/exit Lower Buckeye Road until which time that parcel builds out with a completed project. At the time of future development of Lot 3, it is anticipated the proposed easement will be modified to accommodate the proposed site plan and accomplish the same purpose of emergency access.

Perimeter Wall Design / Screening

The existing neighborhood perimeter wall for Durango Park along our northern and eastern property lines will provide the necessary wall separation between our development and those residences. New landscaping will be provided in a manner to visually buffer the single-story storage buildings. The landscape plan provided details the quantity and size of evergreen trees that will provide year round visual buffering for those residents living nearby the facility.

Interior to the rest of the future commercial development, the storage buildings themselves will serve as the primary screening mechanism to the west and south as is typical for this land use. Per Avondale requirements, an additional 20' of landscaping will be provided immediately adjacent to those buildings on the parcel edges to soften their appearance to the rest of the commercial center. The Preliminary Landscape Plan details that this requirement has been met.

The exterior building and site design creates the "wall" of the facility on the west and south which is inspired by the approved McDonald's fast food restaurant color and materials palette, but enhanced to accommodate the needs of our office and larger storage buildings. The self-storage buildings have inherently longer building mass and need additional features to mitigate their length and mass compared to the relatively small building area of the restaurant. The single-story nature of this facility helps to prevent large massing issues since the storage buildings themselves are short (12' to 14'10") in

comparison to typical commercial buildings that require higher clearances for retailers and restaurants. The portions of the building that extend up to 14'10" are small faux tower elements that have been incorporated into the overall design to break both the vertical and horizontal building mass and linear roof lines.

Conclusion

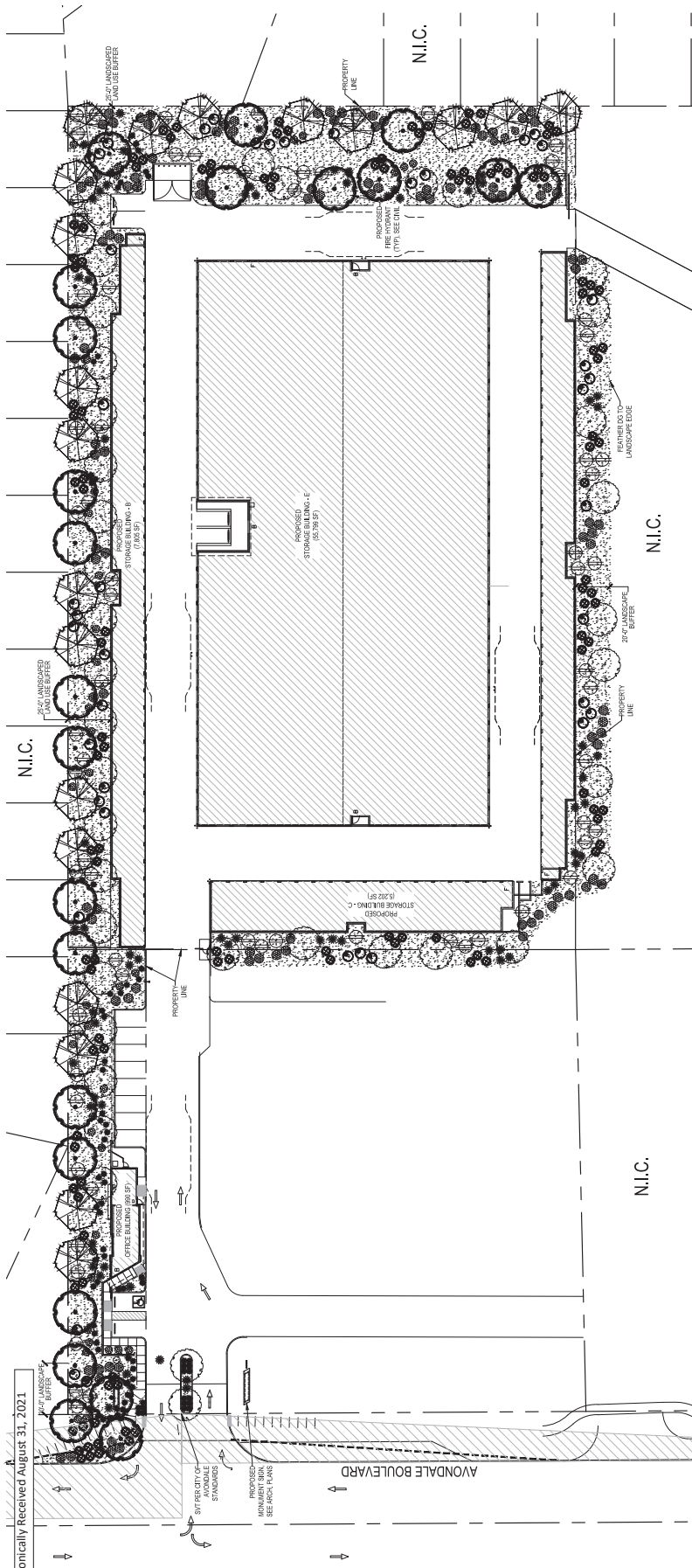
The Omni team finds this project meets the goals, policies, and objectives of Avondale's 2030 General Plan update and further ensures that it will not be materially detrimental to adjacent property owners or the overall neighborhood. Rather, it will provide a useful neighborhood use and serve as a land use transitional buffer between the Durango Park residences and future, more intense commercial development on the remaining portion of this commercially zoned corner.

Exhibit F

Site Plan

Exhibit G

Landscape Plan

CITY OF AVONDALE LANDSCAPE
REQUIREMENT CALCULATIONS

REQUIREMENT	REQUIRED	PROVIDED
PARKING LOT LANDSCAPE LANDSCAPE SHALL BE LANDSCAPED PER SECTION 1204-C-6-A	15% LANDSCAPE COVERAGE	30% LANDSCAPE COVERAGE
BUILDING FRONTAGE MIN. OF 50% OF BUILDING FRONTAGE SHALL BE LANDSCAPED PER SECTION 1204-C-6	50% LANDSCAPE COVERAGE	50% LANDSCAPE COVERAGE
STREET RIGHT-OF-WAY (AVONDALE BOULEVARD) SHALL BE LANDSCAPED FOR EVERY 20 LINEAR FEET PER SECTION 1204-C-2	TOTAL FRONTAGE LF = 46 FT. 23 TREES 18 SHRUBS	2 TREES 23 SHRUBS
LAND USE BUFFER LANDSCAPE 1 TREE / 3 SHRUBS PER 10 FT OF PROPERTY BOUNDARY PER SECTION 1204-C-5	EAST BOUNDARY = 137 FT. 23 TREES 63.4 SHRUBS	22 TREES 170 SHRUBS
MINIMUM LANDSCAPE BUFFER LANDSCAPE PER SECTION 1204-C-1	NORTH BOUNDARY = 110 FT. 22.3 TREES 54.8 SHRUBS	47 TREES 202 SHRUBS
LANDSCAPE BUFFER (AVONDALE BLVD) 1 TREE AND 10 SHRUBS FOR EVERY 20 LINEAR FEET OF STREET	20%	31.4%
	TOTAL FRONTAGE LF = 46 FT. 2.25 TREES 22.5 SHRUBS	2 TREES 23 SHRUBS

CITY OF AVONDALE

GENERAL LANDSCAPE NOTES

1. ALL SINGLE-TRUNK TREES REQUIRED ON SITE SHALL BE:
TWO (2) INCH CALIPER AVERAGE SIZE, TREE CALIPERS
FOR SINGLE-TRUNK TREES SHALL BE MEASURED AT 12"
FROM THE TRUNK, MEASURED AT THE THINNEST POINT,
BE ONE AND ONE-HALF (1-1/2) INCH CALIPER MINIMUM.
TWO (2) INCH CALIPER TREES SHALL BE MEASURED AT 12"
FROM THE TRUNK, MEASURED AT THE THINNEST POINT, BE
MEASURED TWELVE (12) INCHES ABOVE GROUND FOR ALL
MULTI-TRUNK TREES SHALL BE DETERMINED BY TAKING
THE AVERAGE CALIPER OF ALL ITS TRUNKS.
MULTI-TRUNK TREES SHALL HAVE NO MORE THAN
THREE (3) TRUNKS.
2. TREE CALIPER AND HEIGHT SHALL GOVERN OVER ANY
OTHER MEASURING CRITERIA PROVIDED ON THE
DRAWINGS. SPECIFICATIONS FOR CONTAINER SIZES
ONLY SHALL NOT BE ACCEPTED.
3. A 3,000' CLEAR SPACE IS REQUIRED AROUND ALL FIRE
SUPPRESSION EQUIPMENT. NO PLANTS MAY BE
INSTALLED THAT WILL ENROACH UPON THIS CLEAR
SPACE WHEN MATURE.
4. PLANTINGS WITHIN ANY SIGHT VISIBILITY EASEMENT
SHALL BE MAINTAINED SO THAT NO LIMBS HANG LOWER
THAN SEVEN (7) FEET AND SHRUBS OR OTHER PLANTS
SHALL BE NO TALLER THAN TWO (2) FEET AT FULL
GROWTH.
5. NOTE: ALL CONSTRUCTION SHALL BE IN ACCORDANCE
WITH THE CITY OF AVONDALE SUPPLEMENT TO MAG
SPECIFICATIONS & STANDARD DETAILS CURRENTLY ON
FILE WITH THE CITY OF AVONDALE
ENGINEERING DEPARTMENT.

LANDSCAPE ARCHITECT

HARRINGTON PLANNING + DESIGN (HP+D)
1921 S. ALMA SCHOOL ROAD
MESA, ARIZONA 85210
JASON HARRINGTON, RLA, ASLA, ASIC, APIWA
(480) 250-0116
JASON@HARRINGTONPLANNINGDESIGN.COM

ARCHITECT

TONY TANG ARCHITECT
3304 N. VALENCIA LANE
PHOENIX, ARIZONA 85018
(602) 295-9651
KCTT55@GMAIL.COM

OWNER CONTACT

LOWER BUCKEYE AND AVONDALE LLC
11811 N. TATUM BOULEVARD
SUITE 1051
PHOENIX, ARIZONA 85028
ATTN: NICO HOWARD
(602) 373-4502
NICOHOWARD@GMAIL.COM

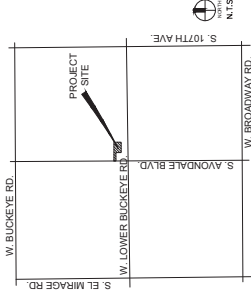
DEVELOPER

OMNI AVONDALE SELF STORAGE, LLC
4521 N. 39TH PLACE
PHOENIX, ARIZONA 85018
ATTN: SCOTT FEY
(480) 216-1140
SCOTT@OMNICAPITALLLC.COM

SITE ADDRESS

NEC AVONDALE BLVD. & LOWER BUCKEYE RD.
AVONDALE, ARIZONA 85323
APN: 101-54-652D

VICINITY MAP



PLANTING MATERIAL LEGEND

[illegible]

*ADWR = Arizona Department of Water Resources Approved

*SVT = Sight Visibility Triangle



Exhibit H

Building Elevations

OMNI
AVONDALE SELF STORAGE



A0.1

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2020MAR09
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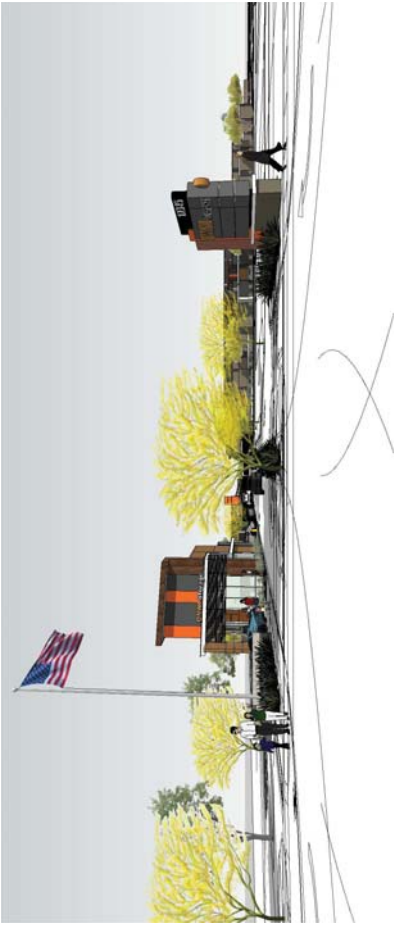
COLOR
3D
MODELS

CLIENT
OMNI AVONDALE SELF STORAGE LLC.
6615 N. SCOTTSDALE RD. #207
SCOTTSDALE, AZ 85250

TONY TANG ARCHITECT LTD.
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BIRDSEYE VIEW FROM AVONDALE



ENTRANCE DRIVE WITH MULTI-TENANT MONUMENT SIGN



SIDEWALK ENTRANCE TO OFFICE



VIEW FROM ENTRANCE DRIVEWAY

Electronically Received August 31, 2021



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SCOTTSDALE, AZ 85250

BLDG-A COLOR ELEVATIONS

ISSUE
2021 MAR 31
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TONY T.



EXP. 2022 SEP 30

A3.1C

COLOR SCHEDULE

BASED ON SHERWIN WILLIAMS AND BENJAMIN MOORE SYSTEMS

IRON ORE SW 7005
MATCH MCDONALD

NAVEL SW 6867

FAIRVIEW TAUPE BMHC-85
MATCH MCDONALD

PURE WHITE SW 7005
MATCH MCDONALD

ALUM. BATTEN SYSTEM
"ANNEK" WOOD GRAIN
SUBSTRATE - RAL 7022
MATCH MCDONALD

PERFORATED METAL
PANEL WITH
GALVALUM FINISH
AND 3/8" OPENING

HARDIE PLANK - COLONIAL
SMOOTH WITH SW 7718
OAK CREEK PAINT

SPLIT FACE CMU
WALL BASE
SUPERLITE
BLACK MOUNTAIN (M)

CLEAR ANODIZED FRAME

GLAZING
PFG SOLEXIA

MIS METAL
FINISH MCDON
DES233 (N)

OMNI AVONDALE SELF STORAGE
tony tang architect llc

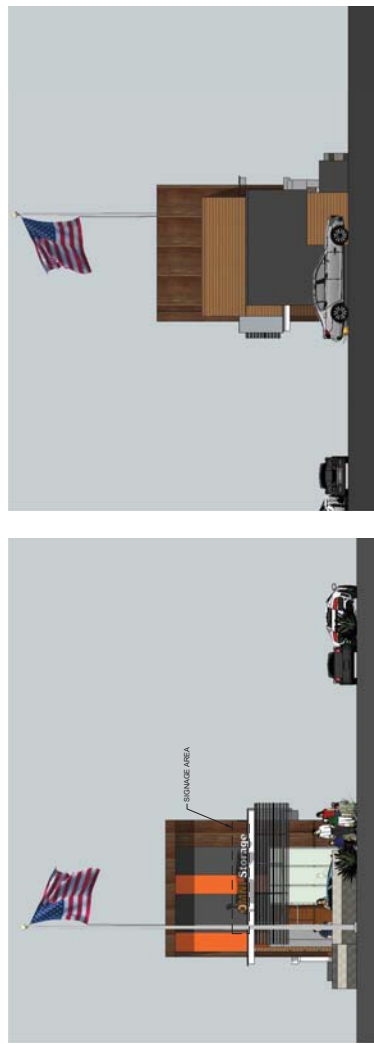
OMNI AVONDALE SELF STORAGE



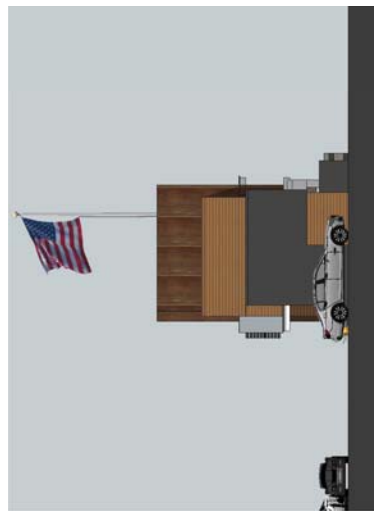
BLDG-A NORTH ELEVATION



BLDG-A SOUTH ELEVATION



BLDG-A WEST ELEVATION



BLDG-A EAST ELEVATION



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SCOTTSDALE, AZ 85250

BLDG-B COLOR ELEVATIONS

DRAWN BY
TONY T.
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2021 MAR 31
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EXP. 2022 SEP 30

COLOR SCHEDULE

BASED ON SHERWIN WILLIAMS AND BENJAMIN MOORE SYSTEMS

IRON ORE SW 7005
MATCH MCDONALD

NAVY SW 6887

FAIRVIEW FAUPE BMHC-85
MATCH MCDONALD

PURE WHITE SW 7005
MATCH MCDONALD

PERFORATED METAL
PANEL WITH
GALVALUM FINISH
AND 3/8" OPENING

PERFORATED METAL
PANEL WITH
GALVALUM FINISH
AND 3/8" OPENING

ALUM. BATTEN SYSTEM
"ANNEX WOOD GRAIN"
SUBSTRATE - RAL 7022
MATCH MCDONALD

SPILT FACE CMU
WALL BASE
SUPERLITE
MONTICINGTON GREY
(N)

HARDE PLANK - ORIGINAL
SMOOTH WITH SW 7718
OAK CREEK PAINT

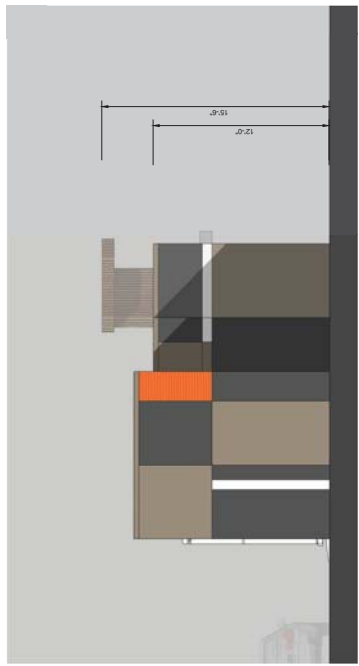
SPILT FACE CMU
WALL BASE
SUPERLITE
BLACK MOUNTAIN (M)

CLEAR ANODIZED FRAME

GLAZING
PFG SOLEXIA

MIS METAL
FINISH
DES203 (N)

OMNI AVONDALE SELF STORAGE

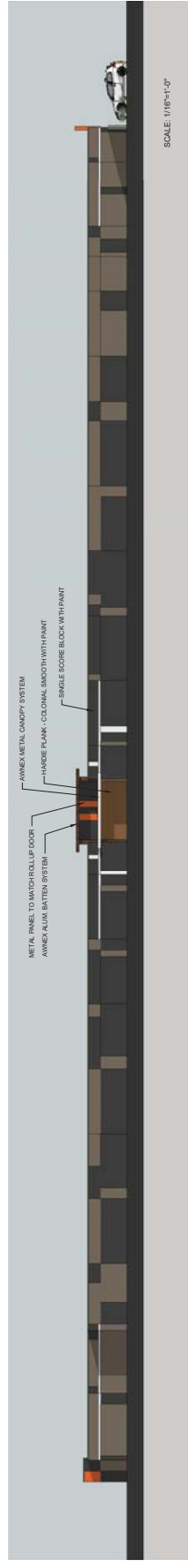


BUILDING-B EAST ELEVATION
SCALE: 1/4"=1'-0"

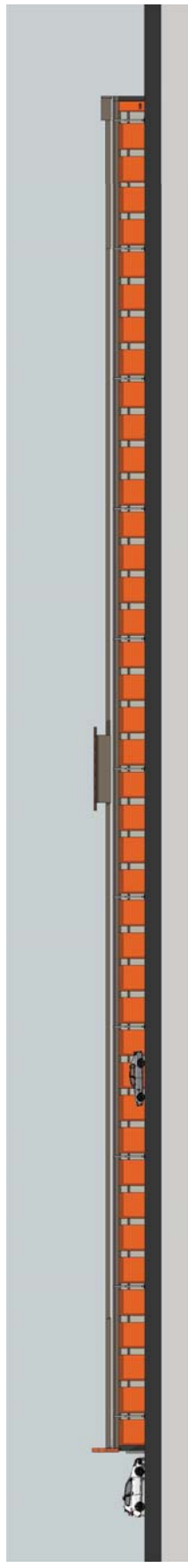


BUILDING-B WEST ELEVATION
SCALE: 1/4"=1'-0"

OMNI AVONDALE SELF STORAGE



BUILDING-B NORTH ELEVATION
SCALE: 1/16"=1'-0"



BUILDING-B SOUTH ELEVATION
SCALE: 1/16"=1'-0"



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BLDG-C COLOR ELEVATIONS

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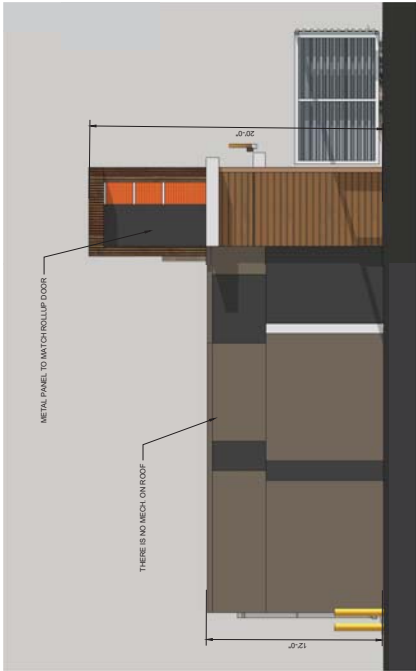
A3.3C
EXP. 2022 SEP 30

COLOR SCHEDULE

BASED ON SHERWIN WILLIAMS AND BENJAMIN MOORE SYSTEMS

	IRON ORE SW 7005 MATCH MCDONALD		NAVEL SW 6887
	FAIRVIEW TAUPE BMHC-85 MATCH MCDONALD		PURE WHITE SW 7005 MATCH MCDONALD
	ALAMO STATION SERIES "ANNEK WOOD GRAIN" SUBSTRATE - RAL 7022 MATCH MCDONALD		REBED REPERATED METAL PANEL WITH GALVALUM FINISH AND 3/8" OPENING
	HARDIE PLANK - COLONIAL SMOOTH WITH SW 7718 OAK CREEK PAINT		SPLIT FACE CMU WALL BASE SUPERLITE PAINT MOUNTAIN GREY (N)
	CLEAR ANODIZED FRAME		MIS METAL FINISH DES23 (N)
	GLAZING		PPG SOLEX 1A

OMNI AVONDALE SELF STORAGE
tony tang architect llc.



BLDG-C NORTH ELEVATION

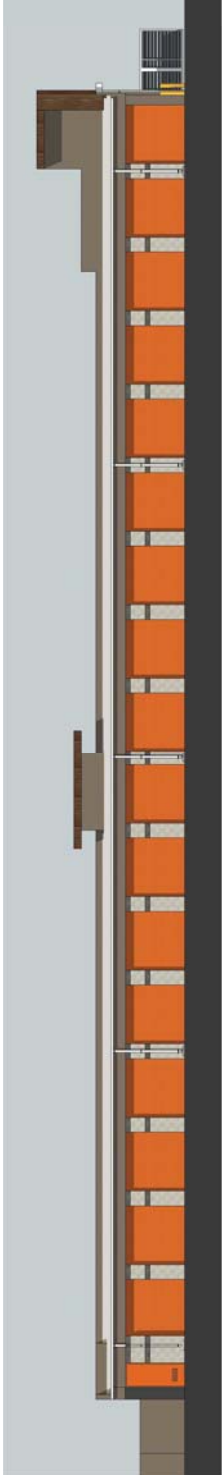


BLDG-C SOUTH ELEVATION

OMNI AVONDALE SELF STORAGE



BLDG-C WEST ELEVATION (AVONDALE FRONTAGE)



BLDG-C PARTIAL EAST ELEVATION (INTERIOR)



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BLDG-D COLOR ELEVATIONS

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SCALE: 1/8"=1'-0"

COLOR SCHEDULE

BASED ON SHERWIN WILLIAMS AND BENJAMIN MOORE SYSTEMS

IRON ORE SW 7005
MATCH MCDONALD

NAVEL SW 6887

PURE WHITE SW 7005
MATCH MCDONALD

REBED
PERFORATED METAL
PANEL WITH
GALVALUM FINISH
AND 35% OPENING

FARVIEW TAUPE BMHC-85
MATCH MCDONALD

ALUM BATTEN SYSTEM
"ANVEX WOOD GRAIN"
SUBSTRATE - RAL 7022
MATCH MCDONALD

HARBE PLANK - ORIGINAL
SMOOTH WITH SW 7718
OAK CREEK PAINT

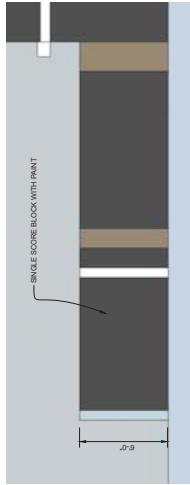
HARBE PLANK - ORIGINAL
SMOOTH WITH SW 7718
OAK CREEK PAINT

CLEAR ANODIZED FRAME

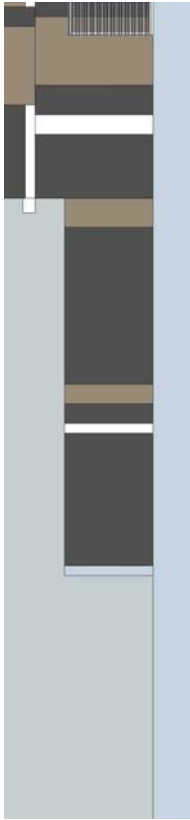
PG SOLEUM

MIS METAL
FINISH
DES23 (N)

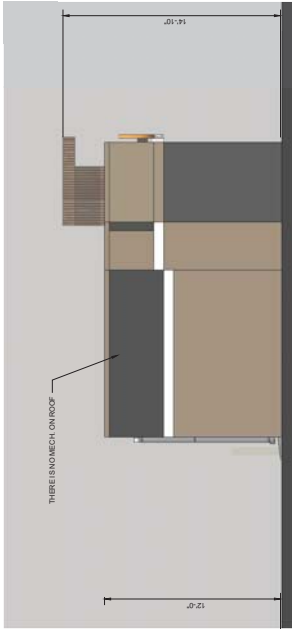
OMNI AVONDALE SELF STORAGE
tony tang architect llc.



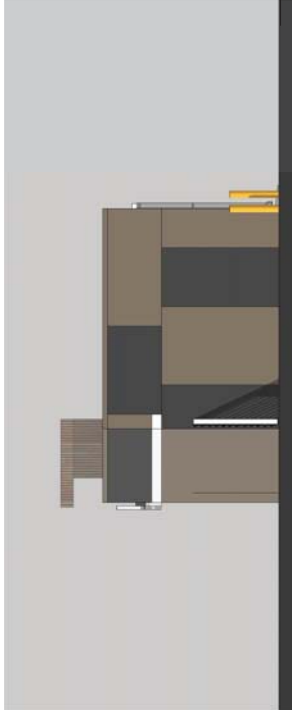
SITE SOUTH SCREEN WALL ELEVATION SCALE: 1/4"=1'-0"



SITE WEST SCREEN WALL ELEVATION SCALE: 1/4"=1'-0"

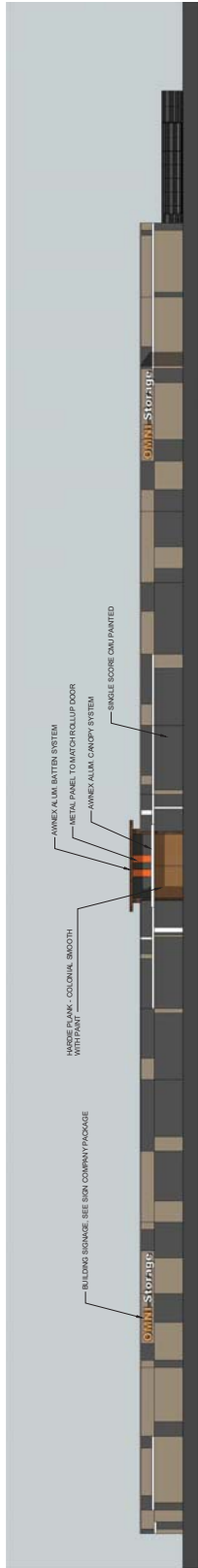


BLDG-D WEST ELEVATION

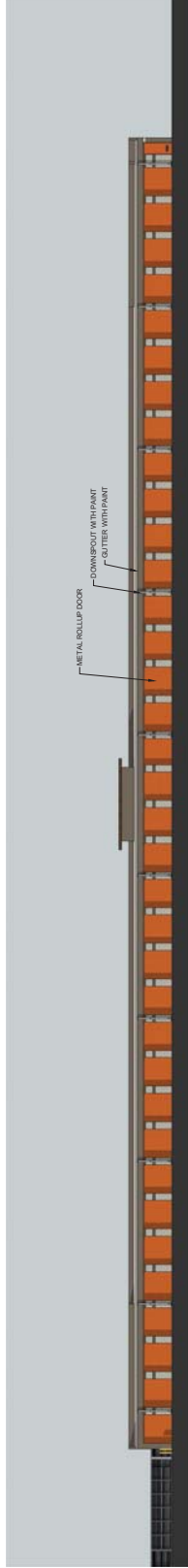


BLDG-D EAST ELEVATION

OMNI AVONDALE SELF STORAGE



BLDG-D SOUTH ELEVATION (SOUTH PROPERTY LINE FRONTAGE)



BLDG-D NORTH ELEVATION (INTERIOR)



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BLDG-E COLOR ELEVATIONS

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A3.5C

COLOR SCHEDULE

BASED ON SHERWIN WILLIAMS AND BENJAMIN MOORE SYSTEMS

IRON ORE SW 7005
MATCH MCDONALD

NAVEL SW6087

PURE WHITE SW 7005
MATCH MCDONALD

PERFORATED METAL
PANEL WITH
GALVALUM FINISH
AND 36" OPENING

FAIRVIEW TAUPE BMHC-85
MATCH MCDONALD

ALUM. BATTEN SYSTEM
"ANNEX WOOD GRAIN"
SUBSTRATE - RAL 7022
MATCH MCDONALD

HARDIE PLANK - COLONIAL
SMOOTH WITH SW 7718
OAK CREEK PAINT

CLEAR ANODIZED FRAME

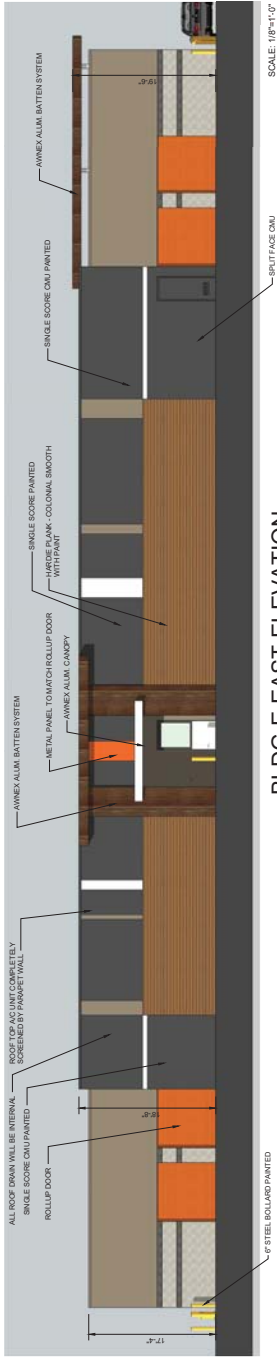
GLAZING
PFG SOLEXIA

MIS METAL
FINISH
DES23 (N)

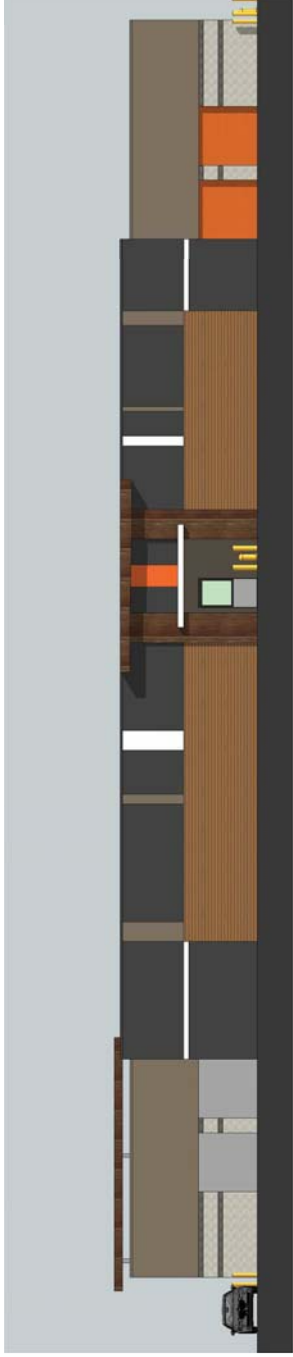
SPLIT FACE CMU
WALL BASE
SUPERLITE
BLACK MOUNTAIN (M)

SPLIT FACE CMU
WALL BASE
SUPERLITE
BLACK MOUNTAIN (M)

OMNI AVONDALE SELF STORAGE
tony tang architect llc



BLDG-E EAST ELEVATION



BLDG-E WEST ELEVATION



AVONDALE SELF STORAGE



BLDG-E SOUTH ELEVATION (WITH COVERED PARKING SPACE)



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SCOTTSDALE, AZ 85250

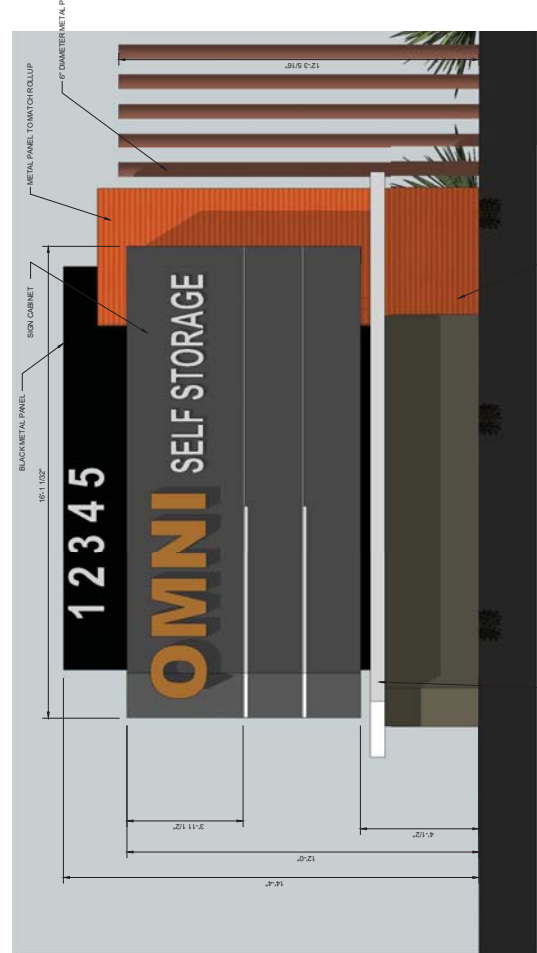
MASTER SIGN PACKAGE

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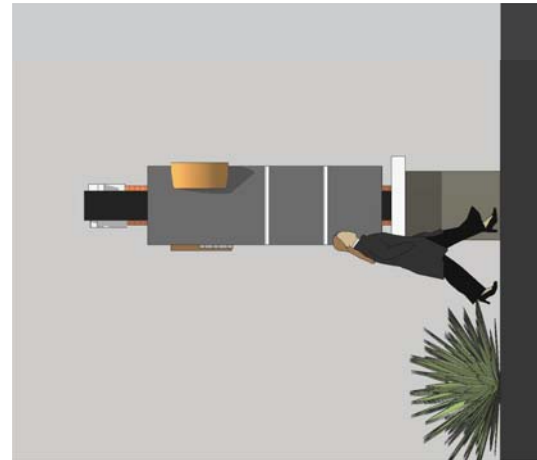


EXP. 2022 SEP 30

SI-1.0C



MONUMENT SIGN SOUTH ELEVATION
SCALE: 1/2"=1'-0"



MONUMENT SIGN WEST ELEVATION
SCALE: 1/2"=1'-0"



OFFICE ENTRANCE SIGN
SCALE: 1/2"=1'-0"



AVONDALE SELF STORAGE



STORAGE ENTRY GATE SIGN
SCALE: 1/2"=1'-0"

COLOR SCHEDULE

BASED ON SHERWIN WILLIAMS AND BENJAMIN MOORE SYSTEMS

Color Name	SW Color	BM Color
IRON ORE	SW 7005	BM 355
NAVY	SW 6867	BM 355
PURE WHITE	SW 7005	BM 355
BLACK MAGIC	SW 6991	BM 355
SPIT FACE CMU	SW 7005	BM 355
WALL BASE	SW 7005	BM 355
SPIT FACE CMU	SW 7005	BM 355
WALL BASE	SW 7005	BM 355
SPIT FACE CMU	SW 7005	BM 355
WALL BASE	SW 7005	BM 355

OMNI AVONDALE SELF STORAGE
tony tang architect llc.

OMNI

AVONDALE SELF STORAGE



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COLOR
 3D
 MODELS

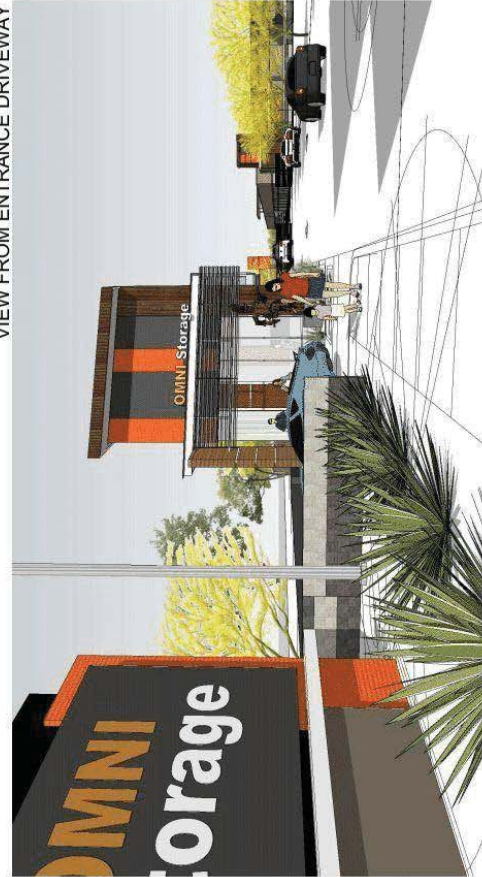
CLIENT
 OMNI AVONDALE SELF STORAGE LLC
 6615 N. SCOTTSDALE RD. #207
 SCOTTSDALE, AZ 85250
 TONY TANG ARCHITECT LTD.
 3304 N. VALENCIA LANE
 PHOENIX, AZ 85018
 602-295-9651 ket55@gmail.com



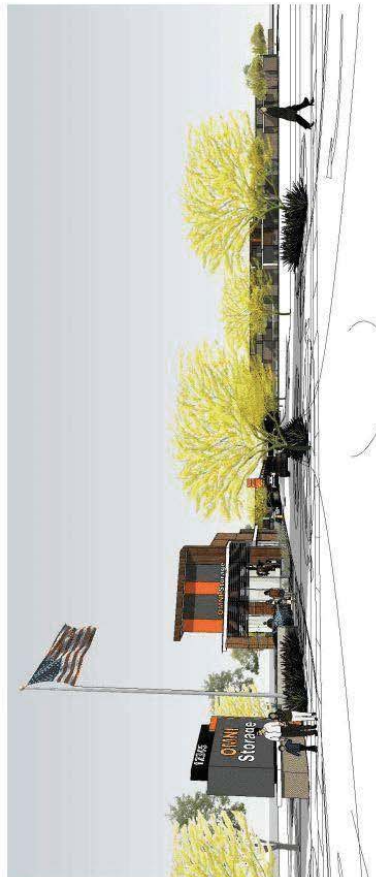
BIRDSEYE VIEW FROM AVONDALE



NORTH VIEW OF SIGN AND OFFICE BUILDING



SIDEWALK ENTRANCE TO OFFICE



VIEW FROM ENTRANCE DRIVEWAY

Exhibit I

Neighborhood Meeting Summary

Neighborhood Meeting Summary – CUP/Site Plan/Design Review

Omni Avondale Self Storage

Case # PL-21-0151

Date: Wednesday, July 28, 2021

Time: 6:00 PM

Location: **Zoom teleconference only

Meeting ID: 605 902 7693

<https://avondaleaz.zoom.us/j/6059027693>

Dial in: + 1 669 900 9128

**In Attendance: Jason Sanks, Sanks and Associates (Applicant and Presenter)
Scott Fey, Omni Capital (Developer)
Fritz Beesemyer, Omni Capital (Developer)**

**Michelle Simerdla, Senior Planner (City of Avondale)
Pat Dennis, Council Member
Larry White, Planning Commissioner
No neighbors attended the meeting**

Meeting Notice was mailed by the City of Avondale to approximately 275 property owners surrounding the property within a 1000' radius, per City of Avondale notification requirements. Additionally, a Public Notification Sign was placed on the property and newspaper ad placed in the Arizona Republic Zone 5 (SW Edition) a minimum of 15 days prior to the meeting.

The meeting started at 6:00pm via Zoom video conference, general discussion began around 6:10pm to provide an opportunity for neighbors to join the meeting. No neighbors joined the meeting.

The applicant, Jason Sanks, provided a presentation of the project to Commissioner White and Council Member Dennis and shared via Zoom video the exhibits related to the Conditional Use Permit needed for the self-storage facility, including the colorized landscape plan, building elevations, and site plan of the project. The presentation provided an overview of the details of the request, the surrounding zoning and development, and detailed steps of the entitlements and development process. Mr. Sanks noted that the project was designed to compliment the approved McDonald's restaurant on the hard corner, while providing additional colors and materials to better mitigate the storage buildings' inherently longer building masses.

Mr. Sanks explained the developer and design team's efforts to buffer the adjacent residential homes with a dense landscape buffer and highlighted the low building heights of the storage buildings which are all single-story, ranging in height from 14' to 17'. Mr. Sanks explained that primary access would be taken from Avondale Boulevard, with cross-access provided to the south and connecting to the approved McDonald's fast-food restaurant (not yet built). Additional temporary emergency access is proposed across the vacant property connecting the storage facility to Lower Buckeye Road if ever necessary. Mr. Sanks noted to Commissioner White that the relatively odd diagonal configuration of the emergency access was due to the existing temporary retention basin on the outparcel and that it would be revised with permanent emergency cross access at the time that parcel develops.

Both the Council Member and the Planning Commissioner asked Mr. Sanks a series of questions related to the project, largely discussing the efforts related to mitigating the impacts of the facility, architecture, lighting, and landscaping of the project. Some concern was expressed regarding the proliferation of self-storage facilities in the area in general – suggesting that the land use was not as retail-oriented as shopping and restaurant uses are. Mr. Sanks acknowledged this concern but did re-iterate that the project would still generate rental sales tax revenue for the City while demanding relatively few City resources since it was highly secure by its own design and generated very few traffic trips. Mr. Sanks explained that the property was utilizing a relatively narrow frontage of Avondale Boulevard for access which would allow the rear balance of the property to have a useful purpose as self-storage while leaving the more prominent arterial frontages remaining for other, retail and restaurant uses that need the better visibility.

Mr. Sanks explained the security measures that the facility would provide to protect customer's belongings and negate any concerns of general security of the site related to the neighborhood. He advised that the rental contracts prohibited customers from storing hazardous materials or from living/working out of the storage units. He reviewed the facility's hours of operation and further noted that most customers reserve and pay for their rental storage units online and do not visit the facility very often, just at times to check on or load/unload their personal belongings. The parking ratios and allocation on the site were also discussed.

Mr. Sanks also noted that it was anticipated that the remaining parcels, aside from the McDonald's restaurant, would likely develop with retail and restaurant uses as the commercial corner builds out.

SUMMARY

Generally, the meeting was a productive exchange of information between Mr. Sanks, the developer, City Staff, Council Member Coburn, and Planning Commissioner White. The meeting ended with a brief discussion of prospective meeting dates for PZ and CC that would ultimately be determined by City Staff upon completion of their 2nd review of the project's submittal.