

[PAR]
CITY OF MESA, ARIZONA
TRANSPORTATION PROJECT ADVANCEMENT NOTES
SERIES 20__

NOTE PURCHASE AGREEMENT

_____, 201__

CITY OF MESA, ARIZONA
20 East Main Street
Mesa, Arizona 85211

The undersigned, RBC Capital Markets, LLC (the “Representative”), acting on its own behalf, and on behalf of Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Barclays Capital (collectively, the “Underwriters”), offers to enter into the following agreement (this “Agreement”) with City of Mesa, Arizona (the “Issuer”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer’s written acceptance hereof on or before 5:00 p.m., Arizona time, on the date written above, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. 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 Representative. Delivery includes sending in the form of a facsimile or teletype or via the internet as a portable document format (PDF) file or other replicating image attached to an electronic message. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Trust Agreement (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Series 20__ Notes. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to issue, sell and deliver to the Underwriters, all, but not less than all, of the Issuer’s Transportation Project Advancement Notes, Series 20__ (the “Series 20__ Notes”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer and the Underwriters acknowledge and agree that: (i) the transaction contemplated by this Agreement is an arm’s length, commercial transaction between the Issuer and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriters have 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 Underwriters have provided other services or are currently providing other services to the Issuer on other matters); (iii) the Underwriters are acting solely in their capacity as underwriters for their own accounts and have financial and other interests that differ from those of the Issuer, and (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement. The Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Representative has been duly authorized to execute this Agreement and to act hereunder.

The principal amount of the Series 20__ Notes to be issued, the dated date, the maturities and optional redemption provisions and interest rates per annum and resulting yields are set forth in Schedule I hereto. The Series 20__ Notes shall be as described in, and shall be issued and secured under and pursuant to the provisions of, a Trust Agreement, dated as of _____, 201_ (the "Trust Agreement"), between the Issuer and _____, as trustee thereunder (the "Trustee"), and a Resolution adopted by the Mayor and Council of the Issuer at a meeting duly called, noticed and held on _____, 201_ (the "Resolution").

The proceeds received by the Issuer from the sale of the Series 20__ Notes, net of costs of issuance, will be used to make an advance (the "Advance") to accelerate work on the Project. The "Project" consists of the design and construction of the 1.9 mile light rail transit extension on Main Street from Mesa Drive to Gilbert Road in Mesa, Arizona, and the right-of-way acquisition and light rail vehicle acquisition related to such light rail transit extension. In connection with the Advance, the Issuer, the City of Phoenix, Arizona ("Phoenix"), Valley Metro Rail, Inc. ("Valley Metro Rail") and the Maricopa Association of Governments, acting through its Regional Council ("MAG") have entered into an Amended and Restated Transportation Project Advance Agreement, effective as of _____, 2015 (the "Transportation Project Agreement"). The Advance, which consists of proceeds received by the Issuer from the sale of the 20__ Notes, net of costs of issuance, will be deposited with the Trustee and deposited into the Advance Account and corresponding subaccounts established under the Trust Agreement. The Advance represents an advance to Phoenix and to Valley Metro Rail for the payment of Project costs pending receipt of the federal grant funds described in the Transportation Project Agreement (the "Grants"). The Transportation Project Agreement provides for repayment by Phoenix, as the designated grant recipient for the Grants, to the Issuer of the full amount of the Advance ("Repayments"), without interest, from grant monies received for the Project. For as long as any Series 20__ Notes remain Outstanding, the Issuer has assigned its right to receive Repayments relating to the Advance to the Trustee, and has directed Phoenix to pay such revenues directly to the Trustee. The Trustee is required in the Trust Agreement to deposit all Repayments as received into the Transportation Project Repayment Account of the 20__ Payment Fund and to apply such monies to the payment or redemption of Series 20__ Notes as provided in the Trust Agreement.

Payment of debt service on the Series 20__ Notes is payable solely from and secured by (a) an assignment of all Repayments received by the Trustee and held on deposit in the Transportation Project Repayment Account of the 20__ Payment Fund, and (b) a first lien pledge, shared with any Parity Repayment Notes as provided in the Trust Agreement, of revenues from the Issuer's "Excise Taxes", consisting of unrestricted excise, transaction,

franchise, privilege and business taxes, state shared sales and income taxes, state shared vehicle license taxes, fees for licenses and permits, fines, forfeitures and state revenue sharing that are validly imposed by a political subdivision or contributed, allocated or paid to the Issuer and not earmarked by the contributor or the Issuer for a contrary or inconsistent purpose. Such Excise Taxes and Repayments received by the Trustee and deposited in the Excise Tax Account and Transportation Project Repayment Account are hereafter collectively referred to as the “Obligated Revenues”.

The purchase price for the Series 20__ Notes shall be \$_____. The purchase price represents the aggregate of (a) [PAR], the par amount of the Series 20__ Notes and (b) a net premium on the Series 20__ Notes of \$_____, which net premium consists of the original issue premium on the Series 20__ Notes of \$_____, less an underwriting discount of \$_____.

2. Public Offering. The Underwriters agree to make a bona fide public offering of all of the Series 20__ Notes at prices not to exceed the public offering prices set forth on the front cover of the Official Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriters may offer and sell Series 20__ Notes to certain dealers (including dealers depositing Series 20__ Notes into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement.

3. The Official Statement.

(a) The Issuer has caused the Preliminary Official Statement, dated _____, 201_ (the “Preliminary Official Statement”), including the cover page and Appendices thereto, to be prepared by the Issuer for use by the Underwriters in connection with the public offering, sale and distribution of the Series 20__ Notes. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed “final” by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Series 20__ Notes 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”).

(b) The Preliminary Official Statement, as to be subsequently amended to reflect the changes resulting from the sale of the Series 20__ Notes, is hereinafter called the “Official Statement.” The Issuer hereby represents that the governing body of the Issuer has reviewed and approved the information in the Official Statement and authorizes the Official Statement and the information contained therein to be used by the Underwriters in connection with the public offering and the sale of the Series 20__ Notes. The Issuer consents to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Series 20__ Notes. The Issuer shall provide, or cause to be provided, to the Underwriters 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 Underwriters in such quantity as the Representative shall request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the Municipal

Securities Rulemaking Board (the “MSRB”). The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(c) If, after the date of this Agreement to and including the date the Underwriters are 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 Series 20__ Notes), 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 Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time request), and if, in the opinion of the Representative, 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 Representative), 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 (as defined herein), the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(d) The Representative hereby agrees to file the Official Statement with the Electronic Municipal Market Access system of the MSRB. Unless otherwise notified in writing by the Representative, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the Closing Date.

4. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriters 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 28, Chapter 21, Article 7, Arizona Revised Statutes, as amended (the “Act”), and has 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 Resolution (i) to adopt the Resolution, (ii) to enter into, execute and deliver this Agreement, the Trust Agreement, the Transportation Project Agreement and the Undertaking as defined in Section 6(i)(3) hereof and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Trust Agreement, the Transportation Project Agreement, the Undertaking and the other documents referred to in this clause (ii) hereinafter referred to as the “Issuer Documents”), (iii) to issue, sell and deliver the Series 20__ Notes to the Underwriters as provided herein, and (iv) to carry out and consummate the transactions contemplated by the Issuer Documents, the Resolution 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, the Issuer Documents and the Resolution as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Resolution and the issuance and sale of the Series 20__ Notes, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Series 20__ Notes 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 Resolution has been duly adopted and 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; the Series 20__ Notes, when issued, delivered and paid for, in accordance with the Resolution and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Resolution 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; upon the issuance, authentication and delivery of the Series 20__ Notes as aforesaid, the Resolution will provide, for the benefit of the holders, from time to time, of the Series 20__ Notes, the legally valid and binding pledge and lien it purports to create as set forth in the Resolution;

(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 Series 20__ Notes, the Issuer Documents and the adoption of the Resolution, 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 nor will 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 Series 20__ Notes or under the terms of any such law, regulation or instrument, except as provided by the Series 20__ Notes and the Resolution;

(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 Series 20__ Notes 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 Series 20__ Notes;

(f) The Series 20__ Notes conform to the descriptions thereof contained in the Official Statement under the caption “THE SERIES 20__ NOTES”; the Trust Agreement conforms to the description thereof contained in the Official Statement under the caption “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 20__ NOTES” and in Appendix H thereof, the proceeds of the sale of the Series 20__ Notes will be applied generally as described in the Official Statement under the caption “THE PROJECT AND PLAN OF FINANCE”; and the Undertaking conforms to the description thereof contained in the Official Statement under the caption “CONTINUING SECONDARY MARKET DISCLOSURE”;

(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, 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 issuance, sale or delivery of the Series 20__ Notes or the collection or receipt of Obligated Revenues (as described in the Official Statement) pursuant to the Trust Agreement and the Resolution or in any way contesting or affecting the validity or enforceability of the Series 20__ Notes or the Issuer Documents, or contesting the exclusion from gross income of interest on the Series 20__ Notes 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 Series 20__ Notes, the adoption of the Resolution 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 Series 20__ Notes 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 time of the Issuer’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 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 (c) of Section 3 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 Series 20__ Notes as provided in and subject to all of the terms and provisions of the Resolution 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 Series 20__ Notes;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request (A) to (y) qualify the Series 20__ Notes 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 Representative may designate and (z) determine the eligibility of the Series 20__ Notes 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 Series 20__ Notes (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 Underwriters immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Series 20__ Notes 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); and since June 30, 201_, 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. The Issuer intends that 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. 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;

(n) The Issuer shall execute and deliver prior to the Closing, and in time for the Closing to occur at its specified time, the documents required to cause the Series 20__ Notes to be eligible for deposit with DTC (as defined herein) or other securities depositories;

(o) Except as disclosed in the Official Statement, the Issuer is in material compliance with each and every continuing disclosure undertaking entered into pursuant to the Rule; and

(p) The Issuer has submitted to the Arizona Department of Revenue and the Arizona State Treasurer's Office, as applicable, the information required with respect to previous issuances of bonds and securities pursuant to Arizona Revised Statutes § 35-501(B).

(q) Prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the Obligated Revenues or assets which will secure the Series 20__ Notes without the prior approval of the Representative; and

(r) 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 Underwriters as to the statements made therein.

5. Closing.

(a) Before 9:00 a.m., Arizona time, on _____, 201_ (the "Closing Date"), or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the Series 20__ Notes to DTC for the account of the Underwriters duly executed and authenticated, and will deliver to the Underwriters the other documents hereinafter mentioned, and the Underwriters will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Series 20__ Notes as set forth in Section 1 of this Agreement by a wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Series 20__ Notes as aforesaid shall be made at the offices of Special Counsel or such other place as shall have been mutually agreed upon by the Issuer and the Underwriters.

(b) Delivery of the Series 20__ Notes shall be made through the facilities of The Depository Trust Company, New York, New York ("DTC"). The Series 20__ Notes shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Note for each maturity of the Series 20__ Notes, registered in the name of Cede & Co., all as provided in the Resolution, and shall be made available to the Representative at least one business day before the Closing for purposes of inspection.

6. Closing Conditions. The Underwriters have 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 Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the Series 20__ Notes 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 Representative:

(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 Series 20__ Notes shall be in full force and effect in the form heretofore approved by the Representative 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 Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Special Counsel and Counsel to the Underwriters to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Series 20__ Notes and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Resolution and the Issuer Documents shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the registrar for the Series 20__ Notes shall have duly authenticated the Series 20__ Notes;

(f) 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 in the revenues or operations of the Issuer, from that set forth in the Official Statement that, in the judgment of the Representative, is material and adverse and that makes it, in the judgment of the Representative, impracticable to market the Series 20__ Notes on the terms and in the manner contemplated in the Official Statement;

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

(h) 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 Representative;

(i) At or prior to the Closing, the Underwriters shall have received copies of 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 Senior Executive Manager of the Issuer, or such other official as may have been agreed to by the

Representative, and the reports and audits referred to or appearing in the Official Statement;

(2) The Resolution with such supplements or amendments as may have been agreed to by the Underwriters;

(3) The Issuer Documents including the Continuing Disclosure Certificate of the Issuer (the “Undertaking”) which satisfies the requirements of section (b)(5)(i) of the Rule;

(4) The approving opinion of Special Counsel, dated the Closing Date, with respect to the Series 20__ Notes, in substantially the form attached to the Official Statement;

(5) a supplemental opinion of Special Counsel, dated the Closing Date, addressed to the Underwriters, 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 and the Resolution (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 Series 20__ Notes to the Underwriters 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 Resolution and the issuance and sale of the Series 20__ Notes, (B) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Series 20__ Notes 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 Resolution was duly and validly adopted by the Issuer and is in full force and effect and the Resolution 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 Series 20__ Notes or with respect to the collection or pledge of Obligated Revenues have been obtained;

(vii) the Series 20__ Notes 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 Series 20__ Notes, to register the Series 20__ Notes under the 1933 Act or to qualify the Resolution or the Trust Agreement under the Trust Indenture Act;

(viii) the statements and information contained in the Official Statement on the cover page thereof, under the captions "THE SERIES 20__ NOTES" (except for the information under the subheading "Book-Entry-Only System"), "THE PROJECT AND PLAN OF FINANCE," "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," "NOTE PREMIUM," and "CONTINUING SECONDARY MARKET DISCLOSURE" (except the information with respect to the compliance by the Issuer with prior undertakings) therein and in Appendices "E," "F" and "H" thereto fairly and accurately summarizes the matters purported to be summarized therein; and

(ix) based on the examinations which they have made as Special Counsel and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement other than those described in subparagraph (viii) of this subsection above, 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 (except for any financial, forecast, technical and statistical data included in 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);

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

(i) the Series 20__ Notes 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 Series 20__ Notes, to register the Series 20__ Notes under the 1933 Act and the Resolution and the Trust Agreement need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriters and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the 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 financial, forecast, technical and statistical statements and data included in 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, dated the Closing Date, addressed to the Underwriters, to the effect that:

(i) there is no 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 Series 20__ Notes or the collection or pledge of Obligated Revenues pursuant to the Resolution and the Trust Agreement or in any way contesting or affecting the validity or enforceability of the Series 20__ Notes or the Issuer Documents, or contesting the exclusion from gross income of interest on the Series 20__ Notes 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 Series 20__ Notes, the adoption of the Resolution 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 Series 20__ Notes or the Issuer Documents;

(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; and

(iii) the information contained in the Official Statement under the caption “LITIGATION” is true and correct in all material respects;

(8) A certificate, dated the Closing Date, of the Issuer substantially 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 Closing Date as if made on the Closing Date; (ii) no litigation or proceeding or tax challenge 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 Series 20__ Notes or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning or in connection with the collection or pledge of Obligated Revenues, including payments on the Series 20__ Notes, pursuant to the Resolution and the Trust Agreement; or (iii) the resolutions of the Issuer authorizing the execution, delivery and/or performance of the Official Statement, the Series 20__ Notes and Issuer Documents have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed, (iv) the financial statements of the Issuer included in the Official Statement were true, correct and complete as of June 30, 201_, 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, (v) subsequent to June 30, 201_, 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 (vi) to the best of its 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 Special Counsel and Counsel to the Underwriters (a) 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 Series 20__ Notes will be used in a manner that would cause the Series 20__ Notes 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 (b) 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 Resolution or the Trust Agreement for the issuance thereunder of the Series 20__ Notes;

(11) Evidence satisfactory to the Representative that the Series 20__ Notes have been rated “[AA+]” and “[AA3],” respectively, by Standard & Poor’s Ratings Group and Moody’s Investors Service, respectively, and that all such ratings are in effect as of the Closing;

(12) Executed copy of the Transportation Project Agreement;

(13) The filing copy of the Information Return Form 8038-G (IRS) for the Series 20__ Notes;

(14) The filing copy of the Report of Note and Security Issuance for the Arizona State Treasurer’s Office pursuant to Section 35-501(B), Arizona Revised Statutes, as amended; and

(15) Such additional legal opinions, certificates, instruments and other documents as the Underwriters or Counsel to the Underwriters 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 Underwriters.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 20__ Notes contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 20__ Notes shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any

further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Section 8(c) hereof shall continue in full force and effect.

7. Termination. The Underwriters shall have the right to cancel their obligation to purchase the Series 20__ Notes if, between the date of this Agreement and the Closing, the market price or marketability of the Series 20__ Notes shall be materially adversely affected, in the sole judgment of the Representative, 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 revenues or other income of the general character to be derived by the Issuer pursuant to the Resolution and the Issuer Documents, or upon interest received on obligations of the general character of the Series 20__ Notes or, with respect to State taxation, of the interest on the Series 20__ Notes 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 Series 20__ Notes, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Resolution 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 Series 20__ Notes, 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 Series 20__ Notes 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 Series 20__ Notes or as to obligations of the general character of the Series 20__ Notes, 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 Underwriters;

(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 pledge of revenues to pay principal of and interest on the Series 20__ Notes;

(g) any event occurring, or information becoming known which, in the judgment of the Representative, 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 Representative's judgment, requires or has required an amendment of or supplement to 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 Series 20__ Notes); and

(l) the purchase of and payment for the Series 20__ Notes by the Underwriters, or the resale of the Series 20__ Notes by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

8. Expenses.

(a) The Underwriters 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 Series 20__ Notes, the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto

(ii) the fees and disbursements of Special Counsel; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of the Trustee or any engineers, accountants, and other experts, consultants or advisers retained by the Issuer; and (v) all fees and expenses in connection with obtaining ratings for the Series 20__ Notes. The Issuer shall also pay for any expenses (included in the expense component of the Underwriters' discount) incurred by the Underwriters which are incidental to implementing this Agreement and the issuance of the Series 20__ Notes, including, but not limited to meals, transportation and lodging, if any, and any other miscellaneous closing costs;

(b) 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 20__ Notes.

(c) Except as provided for above, the Underwriters shall pay (i) the cost of preparation and printing of this Agreement and the Blue Sky Survey; (ii) all advertising expenses in connection with the public offering of the Series 20__ Notes; (iii) fees and expenses of Counsel to the Underwriters, and (iv) all other expenses incurred by them in connection with the public offering of the Series 20__ Notes.

(d) If this Agreement shall be terminated by the Underwriters 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 Underwriters for all "out-of-pocket" expenses (including the fees and disbursements of Counsel to the Underwriters) reasonably incurred by the Underwriters in connection with this Agreement or the offering contemplated hereunder.

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 Underwriters under this Agreement may be given by delivering the same in writing to RBC Capital Markets, LLC, 2398 East Camelback Road, 7th Floor, Phoenix Arizona 85016, Attention: Nick Dodd.

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 Underwriters (including successors or assigns of the Underwriters) 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 either of the Underwriters; (ii) delivery of and payment for the Series 20__ Notes 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. Counterparts. 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.

17. Notice Concerning Cancellation of Contracts. To the extent applicable by provision of law, the parties acknowledge that this Agreement is subject to cancellation pursuant to A.R.S. Section 38-511, the provisions of which are incorporated herein by this reference.

[Remainder of page intentionally left blank]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters 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,

RBC CAPITAL MARKETS, LLC,
as Representative of the Underwriters

By: _____
Authorized Officer

Accepted and agreed to as of _____ MST on _____, 201_.

CITY OF MESA, ARIZONA

By: _____
Its: Chief Financial Officer

[Signature page of Note Purchase Agreement]

SCHEDULE I

[PAR]
CITY OF MESA, ARIZONA
TRANSPORTATION PROJECT ADVANCEMENT NOTES
SERIES 20__

SERIES 20__ NOTES DATED: AS OF DELIVERY DATE

<u>Maturity Date</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 to July 1, 20__, the first optional redemption date

Redemption

Optional Redemption. The Series 20__ Notes are subject to call for redemption prior to maturity, at the option of the City, in whole or in part, from such maturities as may be selected by the City and by lot within any maturity by the method applied by DTC or if the book-entry-only system is discontinued, by the method applied by the Trustee, on July 1, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of the Series 20__ Notes called for redemption plus accrued interest to the date of redemption, but without premium.