
TRUST AGREEMENT

by and between

CITY OF MESA, ARIZONA,

and

UMB BANK, N.A.,
as Trustee

Dated as of _____ 1, 2023

relating to

\$____,000

Utility Systems Revenue Obligations, Series 2023
Evidencing Proportionate Interests of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid
by the City of Mesa, Arizona, Pursuant to an
Installment Purchase Agreement,
Dated as of _____ 1, 2023

**(This Table of Contents is for informational purposes only
and is not to be considered a part of the Trust Agreement)**

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TRUST AGREEMENT

This TRUST AGREEMENT, made and entered into as of the 1st day of _____, 2023 (this “*Trust Agreement*”), by and between CITY OF MESA, ARIZONA, a municipal corporation of the State of Arizona (the “*City*”), and UMB BANK, N.A., a national association authorized to do trust business in the United States of America including in the State of Arizona, as trustee, and any successor to its duties hereunder (the “*Trustee*”),

WITNESSETH:

WHEREAS, the Trustee, in its capacity as seller (the “*Seller*”), and the City, as purchaser, have entered into an Installment Purchase Agreement, dated as of even date herewith (the “*Purchase Agreement*”), concerning the City’s acquisition of the Series 2023 Projects (as defined in the Purchase Agreement); and

WHEREAS, for the purpose of obtaining the moneys to acquire the Series 2023 Projects, rights of the Seller pursuant to the Purchase Agreement have been assigned and transferred to the Trustee for the purposes hereof, and in consideration of such assignment and the execution hereof, the Trustee shall execute and deliver certain Utility Systems Revenue Obligations, Series 2023 Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by the City of Mesa, Arizona, Pursuant to an Installment Purchase Agreement, dated as of _____ 1, 2023 (the “*Series 2023 Obligations*”), each evidencing a proportionate interest in certain rights pursuant to the Purchase Agreement, including the right to receive payment of the Purchase Price (as defined in the Purchase Agreement);

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST AGREEMENT FURTHER WITNESSETH: That in order to secure all of the Series 2023 Obligations executed and delivered pursuant hereto, the payment of principal and interest thereon, the rights of the Holders (as defined herein) of the Series 2023 Obligations and the performance and observance of the covenants and conditions contained herein and in the Series 2023 Obligations and the Purchase Agreement, the Trustee shall receive and hold as security for the Holders of the Series 2023 Obligations, and there shall be granted a security interest in and released, assigned, transferred, pledged, mortgaged, granted and conveyed unto the Trustee or any successor to its duties hereunder, the following described property:

A. All rights and interests of the Seller in, under and pursuant to the Purchase Agreement as assigned, mortgaged, hypothecated and pledged pursuant to the Purchase Agreement, provided that the assignment made by this clause shall not include any right to limitation of liability, indemnification of liability, Seller’s rights of approval or consent thereunder, or payment or reimbursement of fees, costs or expenses,

B. Amounts on deposit from time to time in the funds and accounts 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 after execution hereof by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Series 2023 Obligations, by the City 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 said properties assigned, mortgaged, hypothecated and pledged and conveyed by the Seller, including all additional property that by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved hereunder,

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of the Series 2023 Obligations executed and delivered and Outstanding (as defined herein) hereunder, without preference, priority or distinction as to lien or otherwise of any of the Series 2023 Obligations over any other or others of the Series 2023 Obligations to the end that each Holder of the Series 2023 Obligations has the same rights, privileges and lien under and by virtue hereof; and conditioned, however, that if all liabilities, obligations and sums at any time secured hereby shall be well and truly paid, or caused to be paid fully and promptly when due, and all of the covenants, warranties and agreements contained herein shall promptly, faithfully and strictly be kept, performed and observed, then and in such event, this Trust Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereinafter set forth.

ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions. Unless the context otherwise requires, the following words and phrases shall have the following meanings:

“*Authorized Officers*” means officers of the City with the authority to provide Instructions as listed in an incumbency certificate containing specimen signatures of such officers, which certificate shall be amended by the City whenever a person is to be added or deleted from the listing.

“*Business Day*” means any day other than (a) a Saturday or Sunday, (b) a day on which banks located in the City of Phoenix, Arizona, and in the city or cities in which the corporate trust office of the Trustee and the Paying Agents are not required or authorized by law or executive order to remain closed, and (c) a day on which the City is required or authorized by law or executive order to remain closed.

“*City Council*” means the City Council of the City.

“*City Representative*” means the Deputy City Manager and Chief Financial Officer or any other person at any time designated to act on behalf of the City by written certificate

furnished to the Trustee containing the specimen signature of such person and signed by the City Manager or his or her designee. Such certificate may designate one or more alternates.

“*Claim*” means any claim or enforcement proceeding in connection with an Insolvency Proceeding.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

“*Debt Service Reserve Account*” means the account of the Obligation Fund created pursuant to Section 5.1.

“*Defeasance Obligations*” means any of the following: (1) cash, (2) non-callable direct obligations of the United States of America (“*Treasuries*”), (3) evidences of ownership of proportionate interest in future interest and principal 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, (4) pre-refunded municipal obligations rated “AAA” and “Aa” by S&P and Moody’s, respectively, or (5) securities eligible for “AAA” defeasance under then-existing criteria of S&P or any combination thereof.

“*Delivery Costs*” means costs and expenses relating to the sale, credit enhancement and execution and delivery of the Series 2023 Obligations, including, but not limited to “out of pocket” expenses and charges, fees and disbursements of counsel, printing expenses and other expenses reasonably incurred by the City and the Trustee in connection with this Trust Agreement and the Purchase Agreement.

“*Delivery Costs Fund*” means the fund of that name created pursuant to Section 5.1.

“*Depository Trustee*” means any financial institution meeting the requirements as a successor Trustee under Section 8.6 that may be designated by 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.

“*Electronic Means*” means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder and under the Purchase Agreement.

“*Fiscal Year*” means the 12-month period used by the City for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

“*Holder*” means the registered owner of any Series 2023 Obligation.

“*Improvements Fund*” means the fund of that name established pursuant to Section 2.2 of the Purchase Agreement.

“*Insolvency Proceeding*” means any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

“*Instructions*” means instructions, including funds transfer instructions.

“*Insurer*” means _____ or any successor thereto.

“*Insurer Default*” means (A) the Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the Insurer shall (1) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (2) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (3) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (4) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (5) make a general assignment for the benefit of creditors, or (6) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Insurer (including without limitation under the New York Insurance Law).

“*Insurer Policy Payments*” means a sum equal to the total of all amounts paid by the Insurer under the Policy.

“*Insurer Reimbursement Amounts*” means, collectively, the Insurer Policy Payments and interest on such Insurer Policy Payments from the date paid by the Insurer until the payment thereof in full by the City, payable to the Insurer at the Late Payment Rate per annum compounded semiannually.

“*Interest Account*” means the account of the Obligation Fund of that name created pursuant to Section 5.1.

“*Late Payment Rate*” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5% and (ii) the then applicable highest rate of interest on the Series 2023 Obligations and (b) the maximum rate permissible under the applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A. ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

“*Obligation Fund*” means the fund of that name created pursuant to Section 5.1.

“*Obligation Payment Date*” means each January 1 and July 1, commencing _____ 1, 20__, so long as any Series 2023 Obligations are Outstanding.

“*Opinion of Counsel*” means a written opinion of an attorney or firm of attorneys acceptable to the Trustee and who or which (except as otherwise expressly provided herein or in the Purchase Agreement) may be counsel for the City or the Trustee, provided that such attorney or firm of attorneys may not be an employee of the Trustee.

“*Outstanding*” when used with reference to the Series 2023 Obligations, means, as of any date of determination, all Series 2023 Obligations theretofore executed and delivered except:

(i) Series 2023 Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Series 2023 Obligations that are deemed paid and no longer Outstanding as provided herein;

(iii) Series 2023 Obligations in lieu of which other Series 2023 Obligations have been executed and delivered pursuant to the provisions hereof relating to Series 2023 Obligations destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Series 2023 Obligation is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder or under the Purchase Agreement by the Holders of a specified percentage in principal amount of Series 2023 Obligations, Series 2023 Obligations held by or for the account of the City, or any Person controlling, controlled by, or under common control with the City; except that in determining whether the Trustee shall be protected in relying upon any such approval or consent of an Holder, only Series 2023 Obligations which 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 described in Section 11.6(a)(i) or any officer to which a corporate trust matter is referred (because of such person’s knowledge of and familiarity with the subject) and having direct responsibility for the administration of this Trust Agreement, actually knows to be so held shall be disregarded unless all Series 2023 Obligations are so held, in which case such Series 2023 Obligations shall be considered Outstanding for the purpose of such determination.

“*Paying Agent*” means the banks or trust companies and their successors from time to time designated by the City as the paying agencies or places of payment for the Series 2023 Obligations. The Trustee is designated as the initial Paying Agent for the Series 2023 Obligations.

“*Permitted Investments*” means, to the extent the use of which is not otherwise prohibited by applicable law:

1. A. Cash;
- B. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – (SLGs));
- C. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself;
- D. Resolution Funding Corp. (“REFCORP”) but only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable;
- E. Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P but if, however, the issue is only rated by S&P (i.e., there is no Moody’s rating) then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition and
- F. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - (i) *U.S. Export-Import Bank (Eximbank)*
Direct obligations or fully guaranteed certificates of beneficial ownership,
 - (ii) *Farmers Home Administration (FmHA)*,
 - (iii) *Federal Financing Bank*,
 - (iv) *General Services Administration*
Participation Certificates,
 - (v) *U.S. Maritime Administration*
Guaranteed Title XI financing and
 - (vi) *U.S. Department of Housing and Urban Development (HUD)*
Project Notes
Local Authority Bonds

New Communities Debentures – U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds;

2. Federal Housing Administration debentures;
3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
 - A. Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”) Participation Certificates (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date), Senior debt obligations;
 - B. Farm Credit Banks (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated system-wide bonds and notes;
 - C. Federal Home Loan Banks (FHL Banks) Consolidated debt obligations;
 - D. Federal National Mortgage Association (FNMA or “Fannie Mae”) Senior debt obligations, Mortgage-backed securities (excluded are stripped mortgage securities that are purchased at prices exceeding the portion of their unpaid principal amounts);
 - E. Financing Corporation (FICO) Debt obligations; and
 - F. Resolution Funding Corp. (REFCORP) Debt obligations;
4. Bank deposit products, unsecured certificates of deposit, time deposits, and bankers’ acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated ‘A-1’ or better by S&P or the highest rating category of Moody’s or are fully insured by the Federal Deposit Insurance Corporation (FDIC).
5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC).
6. Commercial paper (having original maturities of not more than 270 days) rated ‘A-1+’ by S&P and ‘Prime-1’ by Moody’s.
7. Money market mutual funds rated ‘AAM’ or ‘AAM-G’ or higher by S&P or having a rating in the highest investment category granted thereby from Moody’s, including those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.
8. “State Obligations”, which means:

- A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or higher, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
- B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG-1" by Moody's.
- C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

- A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
- B. the municipal obligations are secured by cash or United States Treasury Obligations that may be applied only to payment of the principal of, interest and premium on such municipal obligations;
- C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");
- D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
- E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
- F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase or reverse repurchase agreements: With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which

broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by S&P and Moody’s, provided that:

- A. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach);
- B. The Trustee or a third party acting solely as agent therefor (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- C. The repurchase or reverse repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
- D. All other requirements of S&P in respect of repurchase or reverse repurchase agreements shall be met;
- E. The repurchase or reverse repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-“ by S&P or “A3” by Moody’s, as appropriate, the provider must, at the direction of the City or the Trustee (acting at the direction of the City), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the City or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103 percent or better and the provider is rated at least “A” by S&P and Moody’s, respectively.

11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA” by S&P and “Aa2” by Moody’s; provided that, by the terms of the investment agreement:

- A. interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Series 2023 Obligations;

- B. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Trustee thereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- C. the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- D. the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);
- E. the investment agreement shall provide that if during its term:
 - (i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (b) repay the principal of and accrued but unpaid interest on the investment; and
 - (ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee, and
- F. the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds

thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

- G. the investment agreement must provide that if during its term:
- (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee, be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, and
 - (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, as appropriate.

12. Interests in the Local Government Investment Pool established pursuant to Arizona Revised Statutes Section 35-326.

13. Any other investment that is permitted under the City's adopted written investment policy.

"*Person*" includes an individual, an association, an unincorporated organization, a corporation, a partnership, a joint venture, or a government or agency or political subdivision thereof.

"*Policy*" means the municipal bond insurance policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Series 2023 Obligations when due.

"*Principal Account*" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

"*Principal Installment*" means, for any particular date, the aggregate of the principal amount of Series 2023 Obligations that is due on such date.

"*Qualified Reserve Fund Instrument*" means a letter or line of credit, insurance policy or surety bond that meets the requirements set forth below:

- (i) A surety bond or insurance policy issued to the Trustee by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Series 2023 Obligations may be deposited in the Debt Service Reserve Account to meet the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement if the claims paying ability of the issuer thereof shall be rated at least "AA-" or "Aa3" by S&P or Moody's, respectively, or a lower rating acceptable to the City, provided that any issuer rated below "AA-" or "Aa3"

by S&P or Moody's, respectively, will not adversely affect the then-current rating pertaining to the Series 2023 Obligations, if then rated by S&P or Moody's.

(ii) An unconditional irrevocable letter of credit issued to the Trustee, as agent of the Holders of the Series 2023 Obligations, by a bank may be deposited in the Debt Service Reserve Account to meet the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement if the issuer thereof is rated at least "AA-" by S&P, or a lower rating acceptable to the City, provided that any issuer rated below "AA-" by S&P will not adversely affect the then-current rating pertaining to the Series 2023 Obligations, if then rated by S&P or Moody's. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Series 2023 Obligations. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the City and the Trustee, not later than 24 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

The letter of credit shall permit a draw in full not less than 14 days prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Trustee is authorized and directed to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Debt Service Reserve Account is fully funded in its required amount.

If the expiration date of the letter of credit shall not be extended, the City may deposit in the Debt Service Reserve Account an amount sufficient to cause cash or Permitted Investments on deposit in the Debt Service Reserve Account to equal the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement, such deposit to be paid in equal installments on at least a semiannual basis over the ensuing three years, unless the Qualified Reserve Fund Instrument is replaced by a Qualified Reserve Fund Instrument meeting the requirements in either (i) or (ii) above.

The deposit of any Qualified Reserve Fund Instrument pursuant to this paragraph (ii) shall be subject to the Trustee's receipt of an opinion of counsel of an attorney or firm of attorneys of nationally recognized standing in the related field as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel. In addition, the use of an irrevocable letter of credit shall be subject to the Trustee's receipt of an opinion of counsel of such attorney or firm of attorneys to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the Series 2023 Obligations (or any other account party under the letter of credit).

(iii) The obligation to reimburse the issuer of a Qualified Reserve Fund Instrument for any fees, expenses, claims or draws upon such Qualified Reserve Fund Instrument shall be subordinate to the payment of debt service on the Series 2023 Obligations. The right of the issuer of a Qualified Reserve Fund Instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Debt Service Reserve Account, and subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Debt Service Reserve Account. The Qualified Reserve Fund Instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Qualified Reserve Fund Instrument to reimbursement will be further subordinated to cash replenishment of the Debt Service Reserve Account to an amount equal to the difference between the full original amount available under the Qualified Reserve Fund Instrument and the amount then available for further draws or claims. If (A) the issuer of a Qualified Reserve Fund Instrument becomes insolvent or (B) the issuer of a Qualified Reserve Fund Instrument defaults in its payment obligations thereunder or (C) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P “AA-” or a Moody’s “Aa3” (or if the City initially selected a lower rated issuer, the S&P or Moody’s rating on such issuer declines from its initial level and such decline adversely affects the then-current rating pertaining to the Series 2023 Obligations, if then rated by S&P or Moody’s) or (D) the rating of the issuer of the letter of credit falls below a S&P “AA-” (or if the City initially selected a lower rated issuer, the S&P rating on such issuer declines from its initial level and such decline adversely affects the then-current rating pertaining to the Series 2023 Obligations, if then rated by S&P or Moody’s) the obligation to reimburse the issuer of the Qualified Reserve Fund Instrument shall be subordinate to the cash replenishment of the Debt Service Reserve Account.

(iv) If (A) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (B) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P “AA-” or a Moody’s “Aa3” (or if the City initially selected a lower rated issuer, the S&P or Moody’s rating on such issuer declines from its initial level and such decline adversely affects the then-current rating pertaining to the Series 2023 Obligations, if then rated by S&P or Moody’s) or (C) the rating of the issuer of the letter of credit falls below a S&P “AA-” (or if the City initially selected a lower rated issuer, the S&P rating on such issuer declines from its initial level and such decline adversely affects the then-current rating pertaining to the Series 2023 Obligations, if then rated by S&P or Moody’s), the City shall either (1) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or Permitted Investments on deposit in the Debt Service Reserve Account to equal the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement, such amount to be paid over the ensuing five years in equal installments deposited at least semiannually or (2) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of (i)-(iii) above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy is no longer investment grade or (b) the rating of the issuer of the letter of credit is no longer investment

grade or (c) the issuer of the Qualified Reserve Fund Instrument defaults in its payment obligations or (d) the issuer of the Qualified Reserve Fund Instrument becomes insolvent, the City shall either (i) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or Permitted Investments on deposit in the Debt Service Reserve Account to equal the amount that should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Purchase Agreement, such amount to be paid over the ensuing year in equal monthly installments or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements above, as applicable, within six months of such occurrence.

(v) Where applicable, the amount available for draws or claims under the Qualified Reserve Fund Instrument may be reduced by the amount of cash or Permitted Investments deposited in the Debt Service Reserve Account pursuant to clause (d)(i) of the preceding subparagraph (iv).

(vi) Any amounts owed by the City to the issuer of the Qualified Reserve Fund Instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Purchase Agreement for any purpose, *e.g.*, Sections 4.2 and 4.4 of the Purchase Agreement.

(vii) The Trustee shall ascertain the necessity for a claim or draw upon the Qualified Reserve Fund Instrument and provide notice to the issuer of the Qualified Reserve Fund Instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Qualified Reserve Fund Instrument) prior to each Obligation Payment Date.

(viii) Cash on deposit in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on the Qualified Reserve Fund Instrument.

(ix) A Qualified Reserve Fund Instrument may not be provided to replace existing cash or Permitted Investments unless the City obtains, and provides to the Trustee, a Special Counsel's Opinion to the effect that such action will not cause the interest on any Series 2023 Obligations to become includible in gross income for purposes of federal income taxes.

“*Rating Agency*” shall mean Moody’s or S&P, or either of them or their replacements as provided in the definition of each.

“*Record Date*” means (i) with respect to any Obligation Payment Date occurring on the first calendar day of any month, the 15th day of the calendar month next preceding that Obligation Payment Date (regardless of whether such 15th day is a Business Day) or (ii) such other date as may be designated pursuant to Section 2.2(c).

“*Reserve Requirement*” means, if the Debt Service Reserve Account is required to be funded, an amount equal to the greatest amount to be paid in any subsequent Fiscal Year of the City with respect to the Series 2023 Obligations; provided, however, that such amount shall not

exceed the least of (a) ten percent (10%) of the net proceeds of the Series 2023 Obligations at the time of original delivery, (b) the greatest amount to be paid in any subsequent Fiscal Year of the City with respect to the Series 2023 Obligations or (c) one hundred twenty-five percent (125%) of the average annual debt service. If the Debt Service Reserve Account is not required to be funded, the Reserve Requirement is \$0.00.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

“Securities Depository” has the meaning provided in Section 2.8.

“Special Counsel” means an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

“Special Counsel’s Opinion” means an opinion signed by Special Counsel.

“State” means the State of Arizona.

“Trust Agreement Event of Default” means any one of those events set forth in Section 7.1.

Section 1.2 Interpretation.

(a) Any reference herein to the City Council 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 the 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, unless otherwise specified.

Section 1.3 All Series 2023 Obligations Equally and Ratably Secured; Series 2023 Obligations Not General Obligations of the City. All of the Series 2023 Obligations executed and delivered hereunder and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the execution and delivery or maturity of the Series 2023 Obligations, so that all Series 2023 Obligations at any time Outstanding hereunder shall have the same right, lien and preference hereunder and shall all be equally and ratably secured hereby. The Series 2023 Obligations shall be payable solely out of the revenues and other security pledged hereby and shall

not constitute an indebtedness, a general obligation or a pledge of *ad valorem* property taxes of the City within the meaning of any State constitutional provision or statutory limitation. The Series 2023 Obligations shall never constitute or give rise to a pecuniary liability of the City or be a charge against the City's general credit, and the Series 2023 Obligations shall never constitute a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE II AUTHORIZATION AND TERMS OF SERIES 2023 OBLIGATIONS

Section 2.1 Authorization of Series 2023 Obligations. The Trustee is hereby authorized and directed, upon receipt of a request in writing from the City Representative, to prepare, execute and deliver the Series 2023 Obligations to, or upon the direction of, _____, as the [underwriter/initial purchaser] of the Series 2023 Obligations, in the principal amount of \$_____,000. In no event shall the Series 2023 Obligations be deemed a debt or liability of the Trustee.

Section 2.2 Form, Date and Payment Terms of Series 2023 Obligations.

(a) The Series 2023 Obligations shall be dated the date of their initial execution and delivery, be executed and delivered in denominations of \$5,000 of principal each or any integral multiple thereof, and bear interest from the most recent Obligation Payment Date to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the date of their initial execution and delivery. Said interest shall represent the portion of each installment of the Purchase Price designated as interest and coming due during the six-month period preceding each Obligation Payment Date paid pursuant to Section 5.4(i); provided that the first installment shall be for interest from the date of initial execution and delivery of the Series 2023 Obligations to _____ 1, 20__, [but not including _____ 1, 20__]. The proportionate share of the portion of each installment of the Purchase Price designated as interest with respect to any Series 2023 Obligation shall be computed by multiplying the portion of each installment of the Purchase Price designated as principal with respect to such Series 2023 Obligation by the rate of interest applicable to such Series 2023 Obligation (on the basis of a 360-day year of twelve 30-day months).

The Series 2023 Obligations shall mature on July 1 in the years and amounts and bear interest at rates per annum (calculated on the basis of a 360-day year of twelve 30-day months) as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(b) The Series 2023 Obligations shall be executed and delivered only in fully registered form and shall be numbered or otherwise designated in a manner specified by the Trustee so as to distinguish each Series 2023 Obligation from every other Series 2023 Obligation.

(c) Interest on the Series 2023 Obligations shall be payable when due to the Holder in whose name such Series 2023 Obligation is registered at the close of business on the Record Date with respect to each Obligation Payment Date, irrespective of any transfer or exchange of such Series 2023 Obligation subsequent to such Record Date and prior to such Obligation Payment Date, unless there is a default in the payment of interest due on such Obligation Payment Date. In the event of any such default, such defaulted interest shall be payable to the Holder in whose name such Series 2023 Obligation is registered at the close of business on a special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee to the Holders of the Series 2023 Obligations not less than 15 days preceding such special Record Date. Such notice shall be mailed to the Holders in whose name the Series 2023 Obligations are registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer of any Series 2023 Obligation subsequent to the mailing of such notice and on or before the special Record Date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee(s) along with the Series 2023 Obligation(s).

(d) Principal of and redemption premium, if any, and interest on the Series 2023 Obligations shall be payable when due in any coin or currency of the United States of America that is legal tender for the payment of public and private debts. Principal of and redemption premium, if any, on the Series 2023 Obligations shall be payable at the designated corporate trust office of the Trustee upon surrender of the Series 2023 Obligation on or after the maturity date. Payment of interest on the Series 2023 Obligations shall be made by check or draft

mailed to the registered address of the Person entitled thereto; except that, upon the written direction of any Holder of not less than \$1,000,000 in aggregate principal amount of Series 2023 Obligations (which direction shall remain effective for so long as such Holder owns not less than \$1,000,000 in Series 2023 Obligations or until such Holder countermands such written direction in writing), the payment of interest on the Series 2023 Obligations owned by such Holder may be made by wire transfer of immediately available funds to an account located in a bank within the United States pursuant to wire transfer directions issued by such Holder.

(e) Any payment due on any Series 2023 Obligation that is not paid when due shall bear interest at a rate equal to the rate of interest borne on such Series 2023 Obligation, from the date such payment is due until the payment is made. Such interest shall be calculated based upon an assumption of a 360-day year of twelve 30-day months, with such interest compounded semiannually.

Section 2.3 Mutilated, Destroyed, Lost and Stolen Series 2023 Obligations. If (a) any mutilated Series 2023 Obligation is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Series 2023 Obligation, and (b) there is delivered to the Trustee such security or indemnity as the Trustee may require to hold the Trustee harmless, then, in the absence of notice to the Trustee that such Series 2023 Obligation has been acquired by a bona fide purchaser and upon the Holder paying the reasonable expenses of the Trustee and of any security or indemnity obligation required by the Trustee, the Trustee shall execute and deliver, in exchange for such mutilated Series 2023 Obligation or in lieu of such destroyed, lost or stolen Series 2023 Obligation, a new Series 2023 Obligation of like principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Series 2023 Obligation has become, or will on or before the next Obligation Payment Date become, due and payable, the Trustee may, in its discretion, pay such Series 2023 Obligation when due instead of delivering a new Series 2023 Obligation.

Section 2.4 Execution of Series 2023 Obligations. All Series 2023 Obligations shall be executed by and in the name of the Trustee by manual signature of an authorized representative of the Trustee. If any authorized representative of the Trustee whose signature appears on any Series 2023 Obligation ceases to be such authorized representative before the date of initial execution and delivery of the Series 2023 Obligations, such signature shall nevertheless be effective.

Section 2.5 Registration, Transfer and Exchange of Series 2023 Obligations.

(a) All Series 2023 Obligations executed and delivered hereunder shall be negotiable, subject to the provisions for registration and transfer thereof contained herein or in the Series 2023 Obligations.

(b) So long as any Series 2023 Obligations are Outstanding, the Trustee shall maintain at its offices books for the registration and transfer of Series 2023 Obligations and shall provide for the registration and transfer of any Series 2023 Obligation under such reasonable regulations as the Trustee may prescribe. The Trustee shall act as registrar for purposes of exchanging and registering Series 2023 Obligations in accordance with the provisions hereof.

(c) Each Series 2023 Obligation shall be transferable only upon the registration books maintained by the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any Series 2023 Obligation, the Trustee shall authenticate and deliver, in the name of the transferee, one or more new Series 2023 Obligations, of the same aggregate principal amount and maturity as the surrendered Series 2023 Obligation.

(d) Any Series 2023 Obligation, upon surrender thereof to the Trustee together with written instructions satisfactory to the Trustee, duly executed by the registered Holder or his attorney duly authorized in writing, may, at the option of the registered Holder thereof, be exchanged for Series 2023 Obligations of any other authorized denominations, with an equal aggregate principal amount and the same maturity.

(e) All Series 2023 Obligations surrendered in any exchange or transfer of Series 2023 Obligations shall forthwith be cancelled by the Trustee.

(f) In connection with any such exchange or transfer of Series 2023 Obligations the Holder 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 with respect to such exchange or transfer.

Section 2.6 Persons Deemed Owners. The Person in whose name any Series 2023 Obligation shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal of and premium, if any, and interest or any applicable premium on any Series 2023 Obligation shall be made only to or upon the written order of the registered Holder thereof (subject to provisions in this Trust Agreement regarding the Record Date). Such payment shall be conclusively valid and effectual to satisfy and discharge the liability upon such Series 2023 Obligation to the extent of the amount so paid.

Section 2.7 Non-Presentation of Series 2023 Obligations. In the event any Series 2023 Obligation shall not be presented for payment when the principal thereof and premium, if any, becomes due, either at maturity or otherwise, if moneys sufficient to pay the principal of, premium, if any, and interest on, such Series 2023 Obligation shall have been deposited hereunder for such payment, all liability to the Holder thereof for the payment of such Series 2023 Obligation shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys as provided herein, including specifically Section 10.3, without liability for interest thereon, for the benefit of the Holder of such Series 2023 Obligation, who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Trust Agreement or on, or with respect to, said Series 2023 Obligation.

Section 2.8 Book-Entry. The Trustee or the City may from time to time enter into, and discontinue, an agreement with a “clearing agency” (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended (the “Securities Depository”), which is the owner of the Series 2023 Obligations, to establish procedures with respect to the Series 2023 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 Series 2023 Obligation so long as the Series 2023 Obligations are subject to such agreement. With respect to Series 2023 Obligations registered in the name of a Securities Depository (or its nominee), the Trustee shall not have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Series 2023 Obligations. The City has entered into an agreement with DTC and while such agreement is in effect the procedures established therein shall apply to the Series 2023 Obligations notwithstanding any other provisions of this Trust Agreement to the contrary. As long as DTC is the Securities Depository with respect to the Series 2023 Obligations, the Trustee shall be a “DTC Direct Participant.”

**ARTICLE III
REDEMPTION OF SERIES 2023 OBLIGATIONS**

Section 3.1 Right to Redeem. The Series 2023 Obligations shall be subject to redemption prior to maturity, in any order of maturity, as directed by the City, at such times, to the extent and in the manner provided herein.

Section 3.2 Redemption of Series 2023 Obligations.

(a) Optional Redemption of the Series 2023 Obligations. The Series 2023 Obligations maturing on or prior to July 1, 20__, are not subject to optional redemption prior to maturity. The Series 2023 Obligations maturing on and after July 1, 20__, are subject to redemption, at the option of the City, in whole or in part on any date on or after July 1, 20__, in increments of \$5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity (as provided in Section 3.3 below) by payment of the principal amount of each Series 2023 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

(b) Principal represented by the Series 2023 Obligations maturing on July 1, 20__ will be subject to mandatory redemption and will be redeemed on July 1 of the respective years set forth below and in the principal amounts set forth below, by payment of a redemption price equal to the principal amount of the Series 2023 Obligations then called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

Series 2023 Obligations due July 1, 20__

Redemption Date (July 1)	Principal Amount
	\$

*

*Maturity

(c) Whenever Series 2023 Obligations subject to mandatory redemption are redeemed (other than pursuant to mandatory redemption) or delivered to the Trustee for cancellation, the principal amount of the Series 2023 Obligations so retired shall satisfy and be credited against the mandatory redemption requirements for such Series 2023 Obligations for such years as the City may direct.

Section 3.3 Selection of Series 2023 Obligations to be Redeemed. If less than all of the Series 2023 Obligations of the same maturity are to be redeemed upon any redemption of Series 2023 Obligations hereunder, the Trustee shall select the Series 2023 Obligations to be redeemed, from among those of the applicable maturity, by lot. In making such selection, the Trustee shall treat each Series 2023 Obligation as representing that number of Series 2023 Obligations of the lowest authorized denomination as is obtained by dividing the original principal amount of each such Series 2023 Obligation by such minimum denomination.

Section 3.4 Partial Redemption of Series 2023 Obligations. Upon the selection and notice of redemption and the surrender of any Series 2023 Obligation for redemption in part only, the Trustee shall execute and deliver to or upon the written order of the Holder thereof, at the expense of the City, a new Series 2023 Obligation(s) of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2023 Obligation surrendered.

Section 3.5 Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Series 2023 Obligations so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2023 Obligations on such date. If on the date fixed for redemption moneys or Defeasance Obligations sufficient for payment of the redemption price and accrued interest on such date are held by the Trustee as provided herein, interest on the Series 2023 Obligations so called for redemption shall cease to accrue, such Series 2023 Obligations shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys or Defeasance Obligations held by the Trustee and the amount of such Series 2023 Obligations so called for redemption shall be deemed paid and no longer Outstanding.

Section 3.6 Notice of Redemption.

(a) Whenever redemption of Series 2023 Obligations is to be made, the Trustee shall give notice of the redemption of such Series 2023 Obligations, which notice shall specify the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2023 Obligations are to be redeemed, the numbers or other distinguishing marks of such Series 2023 Obligations so to be redeemed, including CUSIP numbers, and, in the case of Series 2023 Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2023 Obligation to be redeemed the redemption price thereof, as appropriate, of such Series 2023 Obligation or the specified portion thereof in the case of a Series 2023 Obligation to be redeemed in part only, together with interest accrued to the redemption date on such Series 2023 Obligations or portion thereof so to be redeemed and that, from and after such date, the Series 2023 Obligations being redeemed will cease to accrue interest. Notwithstanding

the foregoing, no notice of redemption shall be sent unless (i) the Trustee has on deposit sufficient funds to effect such redemption or (ii) the redemption notice states that redemption is contingent upon receipt of such funds prior to the redemption date. Such redemption notices may state that no representation is made as to the correctness or accuracy of the CUSIP numbers printed therein or on the Series 2023 Obligations.

(b) Such notice shall be given by mailing a copy of such notice, first class United States mail postage prepaid, not less than 30 days nor more than 60 days before the redemption date, to all Holders of any Series 2023 Obligations or portions of Series 2023 Obligations that are to be redeemed at their last addresses appearing upon the registry books. Such notice shall be mailed a second time to any Holder of Series 2023 Obligations that have been called for redemption if such Holder has not presented such Series 2023 Obligations for payment of the redemption price within 60 days after the redemption date. Failure to mail any such notice, or a defect in such notice, as to any Series 2023 Obligation shall not affect the validity of the proceedings for the redemption of any other Series 2023 Obligation, and failure to mail such second notice shall not affect the validity of the proceedings for the redemption of any Series 2023 Obligation.

ARTICLE IV FORM OF SERIES 2023 OBLIGATIONS

The Series 2023 Obligations shall be substantially in the form set forth in *Exhibit A* hereto with such additions, omissions, insertions and variations as are consistent with the provisions hereof.

ARTICLE V REVENUES AND FUNDS

Section 5.1 Creation of Funds and Accounts. The Trustee shall create (a) the Obligation Fund, which shall contain the following accounts: (i) the Interest Account, (ii) the Principal Account and (iii) the Debt Service Reserve Account, and (b) the Delivery Costs Fund. Such funds and accounts shall be held in trust for the benefit of the Holders.

Section 5.2 Application of Series 2023 Obligation Proceeds. The Trustee shall receive \$_____, being the proceeds of the sale of the Series 2023 Obligations (including original issue premium, net of underwriters' discount and the premium paid to the Insurer for the Policy). The Trustee shall (i) deposit proceeds of the sale of the Series 2023 Obligations in an amount equal to \$_____ to the Delivery Costs Fund and (ii) transfer the balance of the proceeds of the sale of the Series 2023 Obligations to the City for deposit to the Improvements Fund.

Section 5.3 Flow of Funds Into the Obligation Fund. The following payments to the Trustee shall be applied in the following manner:

(i) The Trustee shall deposit to the Interest Account amounts paid pursuant to Section 3.3(b)(ii) of the Purchase Agreement. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement and Section 5.4(iii)(C) of this Trust Agreement shall also be deposited into the Interest Account.)

(ii) The Trustee shall deposit to the Principal Account amounts paid pursuant to Section 3.3(b)(iii) of the Purchase Agreement as well as the total of any amounts received for any redemption of Series 2023 Obligations. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement and Section 5.4(iii)(C) of this Trust Agreement shall also be deposited into the Principal Account.)

(iii) The Trustee shall deposit to the Debt Service Reserve Account amounts paid pursuant to Section 3.3(b)(iv) of the Purchase Agreement. No deposit need be made into the Debt Service Reserve Account if the amount on deposit therein plus the maximum amount of the Qualified Reserve Fund Instrument contained therein equals the Reserve Requirement. The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Account.

Section 5.4 Flow of Funds Out of the Obligation Fund. Amounts in the following accounts shall be applied in the following manner:

(i) Amounts in the Interest Account shall be used to pay interest on the Series 2023 Obligations as it becomes due.

(ii) Amounts in the Principal Account shall be used to retire Series 2023 Obligations by payment on their scheduled maturity date, mandatory redemption date or optional redemption date.

(iii) (A) Amounts in the Debt Service Reserve Account shall be used to pay the interest on, or to retire at their scheduled maturity or mandatory redemption date, the Series 2023 Obligations in the event that no other money of the City is available therefor or for the retirement (including by defeasance pursuant to Section 10.2) of all of the Series 2023 Obligations then Outstanding. If and to the extent that money has been deposited in the Debt Service Reserve Account, all such money shall be used (or investments purchased with such money shall be liquidated and the proceeds applied as required) prior to any drawing under a Qualified Reserve Fund Instrument.

(B) Notwithstanding anything herein or in the Purchase Agreement to the contrary, if, after the City has been required to make deposits to the Debt Service Reserve Account pursuant to Section 3.3(b)(iv) of the Purchase Agreement, the Pledged Revenues for two consecutive Fiscal Years equal or exceed 175 percent of the aggregate Principal Requirement and the Interest Requirement on all Series 2023 Obligations, Parity Obligations and Additional Obligations then Outstanding for the corresponding Bond Year for such Fiscal Years (as certified in writing by the City to the Trustee), any moneys and/or Qualified Reserve Fund Instruments held in the Debt Service Reserve Account may, at the written request of the City, be released to or as directed in writing by the City and (except as otherwise limited by the terms of any Qualified Reserve Fund Instrument) used by the City for any lawful purpose, and the City's obligation to maintain the Reserve Requirement in the Debt Service Reserve Account shall terminate, subject to Section 3.3(b)(iv) of the Purchase Agreement for funding the Debt Service

Reserve Account if the circumstances described in Section 3.3(b)(iv) of the Purchase Agreement occur.

(C) If on July 2 of any year the amount in the Debt Service Reserve Account exceeds an amount equal to the Reserve Requirement and if the City is not then in default under the Purchase Agreement, the Trustee shall withdraw the amount of any such excess from such account and shall apply such amount, first and on a *pro-rata* basis, to pay amounts due with respect to the Qualified Reserve Fund Instrument, including by transferring amounts in the “*reimbursement fund*” established to reimburse the provider of the Qualified Reserve Fund Instrument for any payments made by the provider thereof until the corresponding costs with respect thereto are paid, second, as a deposit to the Interest Account, and third, if the amount in the Interest Account is equal to or greater than the interest due on the Series 2023 Obligations on the next Obligation Payment Date, as a deposit to the Principal Account.

(D) The Trustee is also directed to draw on a Qualified Reserve Fund Instrument in accordance with the terms included in the definition of Qualified Reserve Fund Instrument.

Section 5.5 Delivery Costs Fund. Proceeds from the sale of the Series 2023 Obligations, in the amount listed in Section 5.2, shall be deposited in the Delivery Costs Fund. The Trustee shall disburse moneys in the Delivery Costs Fund only upon a requisition signed by the City Representative, substantially in the form attached hereto as *Exhibit B* entitled “*Delivery Costs Requisition*”, setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the person or persons to whom such amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund. Amounts remaining in the Delivery Costs Fund after _____ 1, 2024, or such earlier date as the City has notified the Trustee in writing that all Delivery Costs have been paid, shall be transferred to the City for deposit to the Interest Account.

The Trustee shall be responsible for the safekeeping and investment, upon and in accordance with the written direction of the City Representative, of the moneys held in the Delivery Costs Fund in Permitted Investments and the payment thereof in accordance with this Section. Notwithstanding the foregoing, the Trustee shall be entitled to rely conclusively on the requisitions and written orders supplied to it by the City Representative in connection with disbursements made pursuant to this Section.

Section 5.6 Investment of Moneys Held by Trustee.

(a) Moneys in all funds and accounts held by the Trustee shall be invested by the Trustee, as soon as possible upon receipt of immediately available funds at its designated corporate trust office, to the fullest amount possible, in Permitted Investments as directed, in writing, by the City Representative; provided that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof. In the event no investment direction is given to the Trustee by the City, then the

Trustee shall invest moneys in investments described in a money market fund permitted by clause 7 of the definition of Permitted Investments.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made and (ii) the Trustee maintains separate records for each fund and account and such investments are accurately reflected therein.

(c) The Trustee may make any investment permitted by this Section, through or with its own commercial banking or investment departments, as agent or principal, unless otherwise directed by the City Representative. The Trustee may conclusively rely upon such written direction from the City 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 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

(d) In computing the amount in any fund or account, Permitted Investments purchased as an investment of moneys therein shall be valued at market. In determining market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

(e) The Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to make any required payment or transfer from the fund or account for which such investment was made.

(f) The City shall not knowingly use or direct or permit the use of any moneys of the City in its possession or control in any manner that would cause any Series 2023 Obligation to be an “arbitrage bond” within the meaning ascribed to such term in section 148 of the Code, or any successor section of the Code. The City shall comply with and take all actions required by any arbitrage or similar certificate and will continue to do so until all such obligations under such arbitrage or similar certificate have been fulfilled, notwithstanding any satisfaction or discharge of this Trust Agreement.

Section 5.7 Liability of Trustee for Investments. The Trustee shall not be liable for any loss resulting from the making of any investment made in accordance with the provisions hereof, except for its own negligence or willful misconduct.

Section 5.8 Investment Income. Except as otherwise provided herein, interest income and gain received, or loss realized, from investments or moneys in any fund or account shall be credited, or charged, as the case may be, to such respective fund or account.

ARTICLE VI CERTAIN COVENANTS

Section 6.1 Payment of Principal and Interest. Subject to the limited liability and sources of payment specified herein, the Series 2023 Obligations shall be promptly paid in the amounts due at the place, on the dates and in the manner provided herein and in said Series 2023 Obligations according to the terms thereof. The amounts due on the Series 2023 Obligations are payable solely from moneys held or received by the Trustee hereunder, all of which are hereby specifically assigned and pledged to such payment in the manner and to the extent specified herein and nothing herein or in the Series 2023 Obligations shall be construed as assigning or pledging any other funds or assets of the City.

Section 6.2 Performance of Covenants. Subject to the limited liability and sources of payment described herein and except to the extent assigned to the Trustee hereunder, the City shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Series 2023 Obligation executed, authenticated and delivered hereunder and in all proceedings of the City pertaining thereto.

Section 6.3 Instruments of Further Assurance. The City shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as may be reasonably necessary or proper, or as reasonably required by the Trustee, to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Trustee the rights and benefits provided herein for the payment of the principal of and premium, if any, and interest on the Series 2023 Obligations in the manner and to the extent contemplated herein.

Section 6.4 Rights under Purchase Agreement. The Trustee may enforce all rights under the Purchase Agreement for and on behalf of the Holders, whether or not the City is then in default hereunder.

Section 6.5 Protection of Lien. The City shall not make or create or agree to permit to be made or created any assignment or lien on a parity with or having priority or preference over the assignment and lien hereof upon the interests granted hereby or any part thereof except as otherwise specifically provided in the Purchase Agreement. No obligation, the payment of which is secured by property or revenues pledged hereunder, shall be executed and delivered by the City except in lieu of, or upon transfer of registration or exchange of, any Series 2023 Obligation except as provided in the Purchase Agreement.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following is a “Trust Agreement Event of Default”:

(a) If payment of any installment of interest on any Series 2023 Obligation is not made in full when the same becomes due and payable;

(b) If payment of the principal or redemption premium, if any, on any Series 2023 Obligation is not made in full when the same becomes due and payable;

(c) If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of all or any part of the interests pledged hereunder and such custody or control continues for more than 60 days;

(d) If the City defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions on its part to be performed as provided herein or in the Series 2023 Obligations and such default continues for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Trustee, unless within such 30 days the City shall commence and diligently pursue in good faith appropriate corrective action to the satisfaction of the Trustee; the Trustee may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25 percent in principal amount of the Series 2023 Obligations then Outstanding; or

(e) If any event of default provided by Section 7.1 of the Purchase Agreement occurs.

Section 7.2 Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Trust Agreement Event of Default and in accordance with Article VII hereof and Article VII of the Purchase Agreement, the Trustee may, and upon the written request of the Holders of not less than a majority in principal amount of the Series 2023 Obligations Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Holders hereunder and the Series 2023 Obligations by such suits, actions or proceedings as the Trustee, being advised by counsel, deems expedient, including but not limited to, an action for the recovery of any amounts due hereunder for the breach of this Trust Agreement, and the Trustee may pursue any other remedy afforded by law or in equity, including the remedy of specific performance. The Trustee shall also have those remedies provided pursuant to Article VII of the Purchase Agreement, subject to any limitations on such remedies set forth in such Article VII.

(b) Regardless of the happening of a Trust Agreement Event of Default and subject to Section 7.7, the Trustee, if requested in writing by the Holders of not less than a majority in principal amount of the Series 2023 Obligations then Outstanding shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it deems necessary or expedient (i) to prevent any impairment of the security hereunder by any acts that may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders,

provided that such request is in accordance with law and the provisions hereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Series 2023 Obligations not making such request.

Section 7.3 No Acceleration. In no event shall the Trustee have the right to accelerate or cause to become immediately due and payable, or payable in advance of their scheduled maturity dates, any amounts due under this Trust Agreement other than as a result of optional redemption pursuant to Article III if this Trust Agreement and then only to the extent of the amount to be so redeemed.

Section 7.4 Application of Revenues and Other Moneys After Default.

(a) During the continuance of a Trust Agreement Event of Default all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article together with all moneys held by the Trustee hereunder shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the Obligation Fund, and all amounts held by the Trustee hereunder shall be applied as follows; provided, that if the amount available shall not be sufficient to pay in full any amount or amounts then due, then to the payment thereof ratably in a manner consistent with Section 3.3 of the Purchase Agreement, according to the amounts due to the Persons entitled thereto, without any discrimination or preference:

First: To the payment of all installments of interest then due (including interest on amounts not paid when due on the Series 2023 Obligations); and

Second: To the payment of the unpaid Principal Installments or redemption price of any Series 2023 Obligations that have become due, whether at maturity or by call for redemption, in the order of their due dates.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal of the Series 2023 Obligations to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Series 2023 Obligation until such Series 2023 Obligation is presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

(c) Whenever all principal of and interest on the Series 2023 Obligations that has become due has been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid and the Obligation Fund contains the amounts then required to be credited thereto, any balance remaining shall be paid to the City.

Section 7.5 Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Trustee or the Holders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute on or after the date hereof, to the extent consistent with this Trust Agreement and the Purchase Agreement.

Section 7.6 Remedies Vested in Trustee. Any cause of action (including the right to file proof of claims) hereunder or under any of the Series 2023 Obligations may be enforced by the Trustee, without the possession of any of the Series 2023 Obligations or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding may be brought without the necessity of joining as plaintiffs or defendants any Holders of the Series 2023 Obligations. Subject to the provisions of Section 7.4, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Series 2023 Obligations. Nothing in this Trust Agreement shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Series 2023 Obligations or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holders so affected.

Section 7.7 Individual Holder Action Restricted.

(a) No Holder of any Series 2023 Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder except for the right to institute any suit, action or proceeding in equity or at law for the enforcement of the Trustee's duties and powers hereunder upon the occurrence of all of the following events:

(i) The Holders of at least a majority in principal amount of Series 2023 Obligations Outstanding have made written request to the Trustee to proceed to exercise the powers granted herein; and

(ii) Such Holders have offered to indemnify the Trustee as provided in Section 8.2(v); and

(iii) The Trustee has failed or refused to exercise the duties or powers herein granted for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) During such 60 day period no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a greater majority in principal amount of Series 2023 Obligations then Outstanding.

(b) No one or more Holders of Series 2023 Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Series 2023 Obligations Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Series 2023 Obligation (i) to receive payment of the principal of or premium, if any, or interest on such Series 2023 Obligation, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Series 2023 Obligation may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the moneys, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Series 2023 Obligations.

Section 7.8 Termination of Proceedings. In case any proceeding taken on account of a Trust Agreement Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Holders, then the City, the Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights and powers of the Trustee and the Holders shall continue as if no such proceeding had been taken.

Section 7.9 Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any Holder of the Series 2023 Obligations to exercise any right or power accruing upon any Trust Agreement Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Trust Agreement Event of Default or an acquiescence therein. Every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive in writing any Trust Agreement Event of Default that in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) In case of any waiver by the Trustee of a Trust Agreement Event of Default hereunder, the City, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Trust Agreement Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Trust Agreement Event of Default in accordance with this Section.

Section 7.10 Notice of Default.

(a) Within 30 days after (i) the occurrence of a Trust Agreement Event of Default under Section 7.1(a) or (b) of which the Trustee is deemed to have notice, or (ii) receipt by the Trustee of actual knowledge or written notice of a Trust Agreement Event of Default under Section 7.1(c), (d) or (e), the Trustee shall, unless such Trust Agreement Event of Default has been cured, give written notice thereof by first class mail to each Holder of a Series 2023 Obligation then Outstanding, provided that, except in the case of a default in the payment of Principal Installments or the redemption price of or interest on any of the Series 2023 Obligations, the

Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Holders.

(b) The Trustee shall immediately notify the City of (i) the occurrence of a Trust Agreement Event of Default under Section 7.1(a) or (b) and (ii) when the Trustee has received actual knowledge or written notice of a Trust Agreement Event of Default under Section 7.1(c), (d) or (e).

Section 7.11 Limitation of Liability.

(a) Except for the payment of amounts pursuant to the Purchase Agreement when due 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 Holders with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Series 2023 Obligations, or the distribution of applicable portions of the Purchase Price to the Holders by the Trustee.

(b) The City shall not have any obligation or liability to any of the other parties or to the Holders with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement; nor shall the Trustee have any obligation or liability to any of the other parties or to the Holders with respect to the performance by the City of any duty imposed upon it under this Trust Agreement.

Section 7.12 Limitations on Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Holders that may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Holders shall be entitled, as above set forth, to every other right and remedy provided in this Trust Agreement and, to the extent consistent with the provisions of this Trust Agreement, by law.

**ARTICLE VIII
THE TRUSTEE**

Section 8.1 Certain Duties and Responsibilities of Trustee.

(a) Except during the continuance of a Trust Agreement Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement, and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement; but in the case of any such certificates or opinions that are required by any provision hereof or of the Purchase Agreement, the Trustee shall be under a duty to examine the same to determine whether or not they conform

on their face to the requirements of this Trust Agreement or the Purchase Agreement on their face.

(b) In case a Trust Agreement Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.

(c) No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith and without negligence or willful misconduct by a president or vice-president of the board of directors, the president or vice-president of the executive committee of the board of directors, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence or in accordance with the direction of the Holders of the Outstanding Series 2023 Obligations as provided herein 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 and

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial 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 adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the City for all reasonable costs, expenses, attorneys' and other fees and expenses, and all other reasonable disbursements, including its own fees and expenses, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence or willful misconduct.

(d) Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.2 Certain Rights of Trustee. Except as otherwise provided in Section 8.1:

(i) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, obligation, note or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(ii) Any request or direction of the City mentioned herein shall be sufficiently evidenced by a certificate of the City Representative, and any action of the City Council of the City may be sufficiently evidenced by a copy of a resolution certified by the Clerk or Assistant Clerk of the City to have been duly adopted by the City Council of the City and to be in full force and effect on the date of such certification and delivered to the Trustee.

(iii) Whenever in the administration of this Trust Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of the City Representative.

(iv) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(v) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement or by the Purchase Agreement at the request or direction of any of the Holders pursuant to this Trust Agreement unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(vi) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, direction, consent, order, obligation, promissory note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Trustee may engage agents and attorneys to assist it in executing any of the trusts or powers hereunder or performing any duties hereunder and shall not be liable for the negligence or misconduct of such agents and attorneys so long as the Trustee exercises due care in the selection thereof.

(viii) The Trustee shall not be responsible for the recording or filing of any documents relating to the Purchase Agreement or this Trust Agreement.

(ix) 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 misconduct. 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 premises.

(x) In acting or omitting to act as Trustee and Seller pursuant to the Purchase Agreement, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement, including, but not limited to, this Article 8.

(xi) In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the existence, furnishing or use of the Series 2023 Projects in accordance with this Trust Agreement or the Purchase Agreement.

Section 8.3 Employment of Experts. The Trustee is authorized to employ as its agents such attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Trustee), as it reasonably may deem necessary to assist it to carry out any of its obligations hereunder, and shall be reimbursed by the City for all reasonable expenses and charges in so doing.

Section 8.4 Enforcement of Performance by Others. Except as provided in Section 8.1 or otherwise specifically provided herein, it shall not be the duty of the Trustee to see that any duties and obligations herein imposed upon the City are performed.

Section 8.5 Right to Deal in Series 2023 Obligations and Take Other Actions. The Trustee may in good faith buy, sell or hold and deal in any Series 2023 Obligations with like effect as if it were not such Trustee and may commence or join in any action that a Holder is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof or of the Purchase Agreement is to be construed to limit or restrict the right of the Trustee to engage in such business with the City or any Holder. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required hereby and by the Purchase Agreement, constitute a breach of the standard of care on the part of the Trustee, but neither shall engaging in such business abrogate, alter or diminish any duty or obligation of the Trustee as Trustee hereunder.

Section 8.6 Removal and Resignation of Trustee.

(a) The Trustee may resign with 30 days' written notice to the City from the trusts created hereby by giving written notice of the resignation to the City and any Paying Agents and by mailing written notice of the resignation to the Holders as their names and addresses appear on the register it maintains with respect to the Series 2023 Obligations at the close of business 15 days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee. Any such resignation of the Trustee shall also automatically be deemed a resignation by the Trustee as Seller.

(b) The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the City and any Paying Agents and signed by (i) the City Representative or (ii) by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Series 2023 Obligations then Outstanding. The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee by an instrument signed by the City or by any court of competent jurisdiction upon the application of the City, or the Holders of not less a majority in aggregate principal amount of the Series 2023 Obligations then Outstanding under this Trust Agreement. Any removal shall not take effect until a successor Trustee has been appointed. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation or removal is given, the Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

(c) In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the City shall be entitled to appoint a successor Trustee acceptable to the City.

(d) If the Holders of a majority of the principal amount of Series 2023 Obligations then Outstanding object to the successor Trustee so appointed by the City and if such Holders designate another Person qualified to act as the Trustee, the City shall then appoint as the Trustee the Person so designated by the Holders.

(e) Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall be a trust company or bank having the powers of a trust company as to trusts, qualified to do trust business in the State and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least \$200,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(f) Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, power and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

(g) Each successor Trustee, not later than ten days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Holder of a Series 2023 Obligation.

(h) 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 shall be the successor to such Trustee without the execution or filing of any paper or any further act, provided such company shall be eligible as a successor Trustee under this Trust Agreement.

Section 8.7 Proof of Claim. The Trustee shall have the right and power to take actions in the name and place of the City or the Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all of the Holders.

Section 8.8 Trustee's Fees and Expenses.

(a) The Trustee shall be entitled to be paid from time to time reasonable compensation for all services rendered by it hereunder; to reimbursement upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct; and, together with the Trustee's officers, directors, agents and employees to be indemnified by the City, for, from and against any loss, liability, claim, suit, cost, judgment, damages or expense (including without limitation legal fees and expenses) arising out of or in connection with the acceptance or administration of this trust or its duties under this Trust Agreement, the Purchase Agreement and any other document or transaction contemplated in connection with this Trust Agreement or the Purchase Agreement. The Trustee's right to indemnity shall not extend to claims, suits and actions successfully brought against the Trustee for, or losses, liabilities or expenses incurred as a result of the Trustee's own negligence, bad faith or willful misconduct. In the event any action or proceeding is instituted or pending against the Trustee by reason of or in connection with the acceptance or administration of this trust or the Trustee's duties hereunder, the City may, at its election, assume the defense of any such action or proceeding with counsel satisfactory to the Trustee. If any such action or proceeding includes any claims alleging the Trustee's own negligence, bad faith or willful misconduct, the Trustee shall be liable for the expenses (including reasonable attorneys' fees), if any, of the City in connection with assuming the defense of such action or proceeding if it is determined by a final judgment of a court of competent jurisdiction that the Trustee is not entitled to be indemnified as authorized in this Section. Any settlement of any such action or proceeding shall not, of itself, create a presumption as to the merits of any claims alleging the Trustee's own negligence, bad faith or willful misconduct. The Trustee's rights to compensation, reimbursement and indemnity while serving as Trustee hereunder shall survive resignation or removal of the Trustee or discharge of this Trust Agreement.

(b) Any provision hereof to the contrary notwithstanding, if the City fails, within 30 days of receiving an itemized invoice and back-up documentation, to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the

Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any moneys on hand in any fund or account created pursuant hereto not needed for the next upcoming payment of principal of or interest on the Series 2023 Obligations and from amounts in the Debt Service Reserve Account that are in excess of the Reserve Requirement.

Section 8.9 Destruction of Series 2023 Obligations. Upon payment of or surrender to the Trustee for cancellation of any Series 2023 Obligation, the Trustee shall destroy such Series 2023 Obligation.

Section 8.10 Reports; Records. The Trustee shall quarterly, or at such other intervals as the Trustee and the City shall from time to time agree upon (but in no event more frequently than monthly), prepare and submit to the City reports covering all moneys received and all payments, expenditures and investments made as the Trustee hereunder since the last previous such report. The Trustee's records shall be kept in accordance with corporate trust industry standards and shall be available for inspection by the City, or any of its agents, at any time, upon reasonable prior notice, during regular business hours.

Section 8.11 Separate or Co-Trustee.

(a) At any time or times, solely for the purpose of meeting any legal requirements of any jurisdiction other than the State, the City and the Trustee shall have power to appoint, and, upon the request of the Trustee or of the Holders of at least a majority in principal amount of Series 2023 Obligations then Outstanding and the City shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons, approved by the Trustee and, unless a Trust Agreement Event of Default has occurred and is continuing, reasonably acceptable to the City, either to act as co-trustee or co-trustees, jointly with the Trustee of all or any part of the pledged property, or to act as separate trustee or separate trustees of all or any part of the pledged property, and to vest in such Person or Persons, in such capacity, such title to the pledged property or any part thereof, and such rights, powers, duties, trusts or obligations as the City and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

(b) If the City fails to join in such appointment within 30 days after the receipt by it of a request to do so, or if a Trust Agreement Event of Default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

(c) The City shall execute, acknowledge and deliver all such instruments as may reasonably be required by any such co-trustee or separate trustee for more fully and certainly vesting in such co-trustee or separate trustee the property, rights, powers and duties intended to be vested in such co-trustee or separate trustee.

(d) Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(i) The Series 2023 Obligations shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations hereby conferred upon the Trustee in respect to the custody, control and management of moneys, papers, securities and other personal property shall be exercised, solely by the Trustee.

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(iii) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee and such co-trustee or separate trustee shall abide by such request.

(iv) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(v) The Trustee may at any time, by any instrument in writing, with the concurrence of the City, accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case a Trust Agreement Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee. Upon the request of the Trustee, the City shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.

(vi) No Trustee or any Paying Agent hereunder shall be personally liable by reason of any act or omission of any other trustee or paying agent hereunder, nor will the act or omission of any trustee or paying agent hereunder be imputed to any other trustee or paying agent.

(vii) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(viii) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

(e) Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) with such title to the pledged property or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment subject to all the terms hereof. Every such acceptance shall be filed with the Trustee. To the extent permitted by law, any co-trustee or

separate trustee may, at any time by an instrument in writing signed by the Trustee and any co-trustee or separate trustee, constitute the Trustee, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

(f) In case any co-trustee or separate trustee shall dissolve, cease to exist, become incapable of acting, resign or be removed, the title to the pledged property, and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 8.12 Recitals and Representations.

(a) The recitals, statements and representations contained herein, or in any Series 2023 Obligation (excluding the Trustee's authentication on the Series 2023 Obligations or any recitals or representations concerning the Trustee or its powers) shall not be taken or construed as made by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

(b) The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof, of the Series 2023 Obligations, or the validity or sufficiency of insurance to be provided, if any, or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. In the absence of its own bad faith, willful misconduct or negligence, the Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. Except as to defaults described in Sections 7.1(a) and (b) of which the Trustee is deemed to have notice, the Trustee shall have no duty of inquiry with respect to any default or Event of Default described herein and shall not be deemed to have notice of any default or Event of Default unless the Trustee has actual knowledge thereof or receives written notice of a default or a Trust Agreement Event of Default from any Holder.

(c) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or other disclosure or sales material prepared or distributed in connection with the execution and delivery of the Series 2023 Obligations.

**ARTICLE IX
SUPPLEMENTS TO TRUST AGREEMENT AND AMENDMENTS TO
PURCHASE AGREEMENT**

Section 9.1 Supplements Not Requiring Consent of Holders. The City acting through the City Representative and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more supplements to this Trust Agreement for one or more of the following purposes:

(i) To cure any ambiguity or formal defect or omission herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder provided such action shall, in the opinion of counsel delivered to the Trustee under Section 9.3(a), not materially adversely affect the interests of the Holders;

(ii) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(iii) To secure additional revenues or provide additional security or reserves for payment of the Series 2023 Obligations or to add a Qualified Reserve Fund Instrument and necessary, related provisions therefor;

(iv) 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;

(v) To provide for the appointment of a successor trustee or co-trustee pursuant to the terms of Section 8.6 and Section 8.11;

(vi) To permit Series 2023 Obligations in bearer form if the City and the Trustee receive a Special Counsel's Opinion that such action will not cause the interest on any Series 2023 Obligations to become includible in gross income for purposes of federal income taxes;

(vii) To preserve the exclusion of the interest on the Series 2023 Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur obligations (specifically not limited to the Series 2023 Obligations authorized hereby) the interest on which is likewise exempt from federal and State income taxes and

(viii) To adopt procedures for the disclosure of information to Holders and to others in accordance with any guidelines for such purpose promulgated by the American Bankers Association or some other similar national organization, as such guidelines may be made applicable to this Trust Agreement by agreement of the Trustee and the City.

Section 9.2 Supplements Requiring Consent of Holders.

(a) Other than supplements referred to in Section 9.1 and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Holders of not less than a majority in principal amount of the Series 2023 Obligations then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by the City Representative and the Trustee of such supplement as shall be deemed necessary and desirable by the City and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular respect, any of the terms or provisions contained herein; provided, however, nothing in this Section or Section 9.1 shall permit or be construed as permitting a supplement that would:

(i) extend the stated maturity of or time for paying interest on any Series 2023 Obligation or reduce the principal amount of or rate of interest payable on any Series 2023 Obligation without the consent of the Holder of such Series 2023 Obligation;

(ii) prefer or give a priority to any Series 2023 Obligation over any other Series 2023 Obligation without the consent of the Holder of such Series 2023 Obligation;

(iii) reduce the principal amount of Series 2023 Obligations then Outstanding, the consent of the Holders of which is required to authorize such Supplement, without the consent of the Holders of all Series 2023 Obligations then Outstanding;

(iv) increase the principal amount of Series 2023 Obligations then Outstanding, the request of the Holders of which is required by Section 7.1(d), without the consent of the Holders of all Series 2023 Obligations then Outstanding; or

(v) reduce the redemption price of any Series 2023 Obligation upon optional redemption or reduce any period of time prior to commencement of any optional redemption period set forth in Section 3.2 without the consent of the Holders of such Series 2023 Obligation.

(b) If at any time the City requests the Trustee to enter into a Supplement pursuant to this Section, the Trustee shall, upon being satisfactorily and specifically indemnified by the City with respect to expenses with respect to such Supplement, cause notice of the proposed execution of such Supplement to be mailed by first class mail, postage pre-paid, to all registered Holders of Series 2023 Obligations then Outstanding at their addresses as they appear on the registration books provided for in this Trust Agreement. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail, or the failure of such Holder to receive, the notice required by this Section, and any such failure shall not affect the validity of such Supplement when consented to and approved as provided in this Section. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

(c) If within such period as shall be prescribed by the City, following the mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the principal amount or number of Series 2023 Obligations Outstanding specified in subsection (a) for the Supplement in question which instrument or instruments shall refer to the proposed Supplement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee and the City may execute such Supplement in substantially such form, without liability or responsibility to any Holder of any Series 2023 Obligation, whether or not such Holder shall have consented thereto.

(d) Any such consent shall be binding upon the Holder of the Series 2023 Obligation giving such consent and upon any subsequent Holder of such Series 2023 Obligation and of any Series 2023 Obligation executed and delivered in exchange therefor

(whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Series 2023 Obligation giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the execution by the Trustee of such Supplement, such revocation. At any time after the Holders of the required principal amount or number of Series 2023 Obligations shall have filed their consents to the Supplement, the Trustee shall make and file with the City a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required amount or number of the Series 2023 Obligations Outstanding shall have consented to and approved the execution of such Supplement as herein provided, no Holder of any Series 2023 Obligation shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

(f) S&P and Moody's, if maintaining a rating on the Series 2023 Obligations, shall be provided a copy of any proposed supplement or any amendment to the Purchase Agreement at least 15 days prior to the execution of such Supplement or amendment.

Section 9.3 Execution and Effect of Supplements.

(a) In executing any Supplement permitted by this Article, the Trustee and the City shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted by this Trust Agreement and complies with the terms hereof. The Trustee may but shall not be obligated to enter into any such Supplement that affects the Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplement in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplement shall form a part hereof for all purposes and every Holder of a Series 2023 Obligation theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Series 2023 Obligation authenticated and delivered after the execution and delivery of any Supplement in accordance with this Article may, and if required by the Trustee shall, bear a notation in a form approved by the Trustee as to any matter provided for in such Supplement. The Trustee may execute and deliver new Series 2023 Obligations modified to conform, in the opinion of the Trustee, to any such Supplement in exchange for and upon surrender of Series 2023 Obligations then Outstanding upon receipt of a Special Counsel's Opinion to the effect that such action will not cause the interest on any Series 2023 Obligation to become includible in gross income for purposes of federal income taxes.

Section 9.4 Amendments to Purchase Agreement Not Requiring Consent of Holders. The Trustee may, without the consent of or notice to any of the Holders, consent to and join with the City in the execution and delivery of any amendment, change or modification of the Purchase Agreement that is required (i) by the provisions thereof; (ii) to cure any ambiguity or formal defect or omission therein or to correct or supplement any provision therein which may be

inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising thereunder provided such action shall, in the opinion of counsel delivered to the Trustee under this Section, not materially adversely affect the interests of the Holders; (iii) to add a Qualified Reserve Fund Instrument so long as any payments with regard to the new Qualified Reserve Fund Instrument are paid no sooner, or in an amount greater, than amounts required to be paid pursuant to Section 3.3(b)(iv) of the Purchase Agreement; and (iv) to amend the description of the Series 2023 Projects; (v) to preserve the exclusion of the interest on the Series 2023 Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur bonds or other obligations (specifically not limited to the Series 2023 Obligations authorized hereby) the interest on which is likewise exempt from federal and State income taxes; and (vi) in connection with any other change in the Purchase Agreement, which in the opinion of counsel delivered to the Trustee will not materially adversely affect the interests of the Holders or, in the opinion of the Trustee, the Trustee. In executing any amendment to the Purchase Agreement, the Trustee shall be entitled to receive and rely on an Opinion of Counsel stating that such amendment is authorized or permitted under this Trust Agreement and under the Purchase Agreement and complies with the terms hereof and of the Purchase Agreement.

Section 9.5 Amendments to Purchase Agreement Requiring Consent of Holders.

(a) Except for amendments, changes or modification to the Purchase Agreement referred to in Section 9.4 hereof and subject to the terms, provisions and limitations contained in this Article and not otherwise, the Trustee may consent to and join with the City in the execution and delivery of any amendment, change or modification to the Purchase Agreement only upon the consent of the Holders of not less than a majority in principal amount of Series 2023 Obligations then Outstanding, given as provided in this Section; provided, however, no such amendment, change or modification may affect the obligation of the City to make payments under the Purchase Agreement or reduce the amount of or extend the time for making such payments without the consent of the Holders of all Series 2023 Obligations then Outstanding.

(b) If at any time the City shall request the consent of the Trustee to any such amendment, change or modification to the Purchase Agreement, the Trustee shall, upon being satisfactorily indemnified by the City with respect to expenses, cause notice of the proposed amendment, change or modification to be given in the same manner as provided in Section 9.2 with respect to Supplements hereto. Such notice shall briefly set forth the nature of the proposed amendment, change or modification and shall state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

(c) If the consent to and approval of the execution of such amendment, change or modification is given by the Holders of not less than the aggregate principal amount or number of Series 2023 Obligations specified in subsection (a) within the time and in the manner provided by Section 9.2 with respect to Supplements hereto, but not otherwise, such amendment, change or modification may be consented to, executed and delivered upon the terms and conditions and with like binding effect upon the Holders as provided in Section 9.2 and Section 9.3 with respect to Supplements hereto.

ARTICLE X
SATISFACTION AND DISCHARGE

Section 10.1 Discharge.

(a) If payment of all principal of and premium, if any, and interest on all of the Series 2023 Obligations in accordance with their terms and as provided herein and in Section 3.7 of the Purchase Agreement is made, or is provided for in accordance with this Article, and if all other sums, if any, payable hereunder shall be paid, then the pledges, liens, estates and security interests granted hereby shall cease. Thereupon, at the request of the City, and upon receipt by the Trustee of an Opinion of Counsel addressed to the City and the Trustee stating that all conditions precedent to the satisfaction and discharge of the lien hereof have been satisfied, the Trustee shall execute and deliver proper instruments (prepared and provided to the Trustee by or on behalf of the City) acknowledging such satisfaction and discharging the lien hereof and the Trustee shall transfer all property held by it hereunder, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the Series 2023 Obligations, to the City or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection herewith.

(b) The City may at any time surrender to the Trustee for cancellation any Series 2023 Obligations previously executed and delivered that the City may have acquired in any manner whatsoever and such Series 2023 Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.2 Providing for Payment of Series 2023 Obligations.

(a) Payment of all or any part of the Series 2023 Obligations in authorized denominations may be provided for by the deposit with the Trustee or a Depository Trustee of moneys and/or Defeasance Obligations that are not redeemable in advance of their maturity dates. Amounts in the Debt Service Reserve Account may be included as part of such deposit only if all of the Series 2023 Obligations are to be defeased. If moneys are deposited for such purposes, such moneys, together with amounts then on deposit with the Trustee and available for paying the principal or redemption price of and accrued interest on the Series 2023 Obligations, shall be fully sufficient to pay when due the principal or redemption price of and accrued interest on such Series 2023 Obligations. If moneys and Defeasance Obligations are deposited, the moneys and the maturing principal of and interest income on such Defeasance Obligations shall be sufficient, as evidenced by a certificate of an independent nationally recognized certified public accountant or firm of such accountants, to pay when due the principal or redemption price of and interest on such Series 2023 Obligations. The moneys and Defeasance Obligations shall be held by the Trustee or the Depository Trustee irrevocably in trust for the Holders of such Series 2023 Obligations solely for the purpose of paying the principal or redemption price of and interest on such Series 2023 Obligations as the same shall mature, come due or become payable upon redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable to the Trustee or Depository Trustee as to the dates upon which any such Series 2023 Obligations are to be redeemed prior to their respective dates.

(b) Notwithstanding the foregoing, no deposit under subsection (a) above shall be deemed a payment of such Series 2023 Obligation as aforesaid until the earlier of: (i) proper notice of redemption of such Series 2023 Obligation shall have been given in accordance with the provisions of Section 3.6 hereof or, in the event said Series 2023 Obligation is not to be redeemed within the next succeeding sixty (60) days, until the City shall have given the Trustee irrevocable instructions in form satisfactory to the Trustee, to notify, as soon as practicable, the Holder of such Series 2023 Obligation in accordance with Section 3.6 hereof, that the deposit required by subsection (a) above has been made with the Trustee and that said Series 2023 Obligation is deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption price, if any, on said Series 2023 Obligation, plus interest thereon to the due date or redemption date thereof or (ii) the maturity of such Series 2023 Obligation.

(c) If payment of Series 2023 Obligations is so provided for, the Trustee or the Depository Trustee shall mail a notice so stating to each Holder of a Series 2023 Obligation so provided for.

(d) Series 2023 Obligations, the payment of which has been provided for in accordance with this Section, shall no longer be deemed Outstanding hereunder or secured hereby. The obligation in respect of such Series 2023 Obligations shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the moneys or Defeasance Obligations deposited with the Trustee or the Depository Trustee to provide for the payment of such Series 2023 Obligations.

(e) No Series 2023 Obligation may be so provided for if, as a result thereof or of any other action in connection with which the provisions for payment of such Series 2023 Obligation is made, the interest payable on any Series 2023 Obligations is made includible in gross income for purposes of federal income taxes. The Trustee and the City may rely upon a Special Counsel's Opinion to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Series 2023 Obligations.

Section 10.3 Payment of Series 2023 Obligations After Discharge. Notwithstanding the discharge of the lien hereof as in this Article provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Series 2023 Obligations and the registration, transfer, exchange and replacement of Series 2023 Obligations as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of or premium, if any, or interest on any Series 2023 Obligation remaining unclaimed for two years after the same shall become due and payable at maturity or by declaration as provided herein, shall then be paid to the City (without liability for interest) and the Holders of that Series 2023 Obligation shall be entitled to look only to the City for payment thereof and all liability of the Trustee or any Paying Agent with respect to such moneys shall cease at that time. The obligations of the Trustee under this Section shall be subject, however, to the requirements of any applicable law regarding the disposition of unclaimed property.

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Evidence of Acts of Holders.

(a) Any request, direction, consent or other instrument provided hereby to be signed and executed by the Holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Series 2023 Obligations, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Trustee and the City, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(i) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(ii) The ownership of Series 2023 Obligations shall be proved by the register of such Series 2023 Obligations.

(b) Nothing in this Section shall be construed as limiting the Trustee to the proof specified in subsection (a) above, it being intended that the Trustee may accept any other evidence that it may deem sufficient.

(c) Any action taken or suffered by the Trustee pursuant to any provision hereof, upon the request or with the assent of any Person who at the time is the Holder of any Series 2023 Obligation, shall be conclusive and binding upon all future Holders of the same Series 2023 Obligation.

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Trust Agreement or the Series 2023 Obligations is intended or shall be construed to give to any Person other than the parties hereto, the City and the Holders of the Series 2023 Obligations any legal or equitable right, remedy or claim under or in respect to this Trust Agreement or any covenants, conditions and provisions herein contained.

Section 11.3 Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Series 2023 Obligations executed and delivered pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 11.4 Holidays. When the date on which principal of or interest or premium on any Series 2023 Obligation is due and payable is not a Business Day, payment may be made on Series 2023 Obligations presented at such place of payment on the next Business Day

with effect as though payment were made on the due date, and, if such payment is made, no additional interest shall accrue from and after such due date. When any other action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with effect as though performed on the appointed day or within the specified period.

Section 11.5 Governing Law. This Trust Agreement and the Series 2023 Obligations are contracts made under the laws of the State of Arizona and shall be governed and construed in accordance with such laws.

Section 11.6 Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to the Trustee, addressed to it at 2777 East Camelback Road, Suite 350, Phoenix, Arizona 85016, Attention: Corporate Trust Services;

(ii) If to the registered Holder of a Series 2023 Obligation, addressed to such Holder at the address shown on the registration books kept pursuant hereto;

(iii) If to the City, addressed to it at P.O. Box 1466, Mesa, Arizona 85211, Attention: Deputy City Manager and Chief Financial Officer; and

(iv) If to S&P, addressed to it at 55 Water Street, New York, New York 10041.

(v) If to Moody's, addressed to it at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007.

(b) The parties listed above may from time to time by notice in writing to the others designate a different address or addresses for notices hereunder.

Section 11.7 Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one instrument.

Section 11.8 Waiver of Personal Liability. No official, officer, agent, financial advisor, counsel or employee of the City shall be individually or personally liable for the payment of the principal amount or redemption price of or interest on the Series 2023 Obligations; but nothing herein contained shall relieve any such official, officer, agent, financial advisor, counsel or employee from the performance of any official duty provided by law.

Section 11.9 Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the

limitations contained herein. Except as provided herein, the trust under this Trust Agreement shall not be assigned to any other person, corporation, partnership or trustee unless the Trustee is required by law to divest, or does divest, itself of its trust department or unless the Trustee shall sell or assign substantially all of its corporate trust business in which event the trust hereunder shall be continued by the Trustee's successor in interest.

Section 11.10 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Trustee acknowledges that this Trust Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the City may within three (3) years after its execution cancel any contract (including this Trust Agreement) 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 to the contract with respect to the subject matter of the contract. The Trustee shall take all such actions as possible to avoid violation of such statute.

(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 by the City. 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 by the City during the Trustee's normal business hours by the City. 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 solely to the extent permitted by law. The City shall, to the extent permitted by law, preserve the confidentiality of any information, records or papers the City views, accesses or otherwise obtains during any and every such random inspection, including without limitation, such information.

(c) To the extent applicable, 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 Trust 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 11.11 Instructions. The Trustee shall have the right to accept and act upon Instructions given pursuant to this Trust Agreement by Authorized Officers and delivered using Electronic Means; *provided, however*, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the

City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's good faith reliance upon and compliance with such Instructions, to the extent consistent with the terms of this Trust Agreement, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to, in the absence of the Trustee's bad faith or willful misconduct, assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.12 Force Majeure. The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, "acts of God", terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

ARTICLE XII PROVISIONS RELATING TO THE POLICY AND THE INSURER

Section 12.1 Applicability of this Article. Notwithstanding anything herein or in the Purchase Agreement to the contrary, the provisions of this Article shall be applicable and shall supersede any conflicting provisions herein or in the Purchase Agreement so long as the Policy is in effect and, except with respect to amounts already due to the Insurer thereunder against which the following shall not be a defense and with regard to which the Insurer will be treated like any other Holder of the Series 2023 Obligations, there is no Insurer Default.

Section 12.2 Notice and Other Information to be Given to the Insurer.

(a) The City will provide the Insurer with all notices and other information it is obligated to provide (i) under the Series 2023 Continuing Disclosure Undertaking and (ii) to the Holders of the Series 2023 Obligations or the Trustee under the Purchase Agreement or this Trust Agreement.

(b) The notice address of the Insurer is: _____, _____, _____, Attention: _____, Re: Policy No. _____, Telephone: _____, Telecopier _____, Email: _____. In each case in which notice or other communication refers to a Trust Agreement Event of Default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the Insurer's general counsel at the same address and at _____ or at Telecopier: _____ and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 12.3 Defeasance.

(a) Defeasance Obligations shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise may be authorized under State law and approved by the Insurer.

(b) At least three (3) Business Days prior to any defeasance with respect to the Series 2023 Obligations, the City shall deliver to the Insurer draft copies of an escrow agreement, a Special Counsel's Opinion regarding the validity and enforceability of the escrow agreement and the defeasance of the Series 2023 Obligations and a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Insurer and shall be in form and substance satisfactory to the Insurer. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, a Special Counsel's Opinion that such substitution will not adversely affect the exclusion from gross income of the Holders of the Series 2023 Obligations of the interest on the Series 2023 Obligations for federal income tax purposes and the prior written consent of the Insurer, which consent will not be unreasonably withheld.

(ii) The City will not exercise any prior optional redemption of the Series 2023 Obligations secured by the escrow agreement or any other redemption other than mandatory redemption unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding obligations, and (B) as a condition to any such redemption there shall be provided to the Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The City shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.

Section 12.4 Trustee.

(a) The Insurer shall receive prior written notice of any name change of the Trustee or the resignation or removal of the Trustee. Any Trustee must be (i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (ii) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (iii) otherwise approved by the Insurer in writing.

(b) No removal, resignation or termination of the Trustee shall take effect until a successor, meeting the requirements above or acceptable to the Insurer, shall be qualified and appointed.

Section 12.5 Amendments, Supplements and Consents. The Insurer's prior written consent is required for all amendments and supplements to the Purchase Agreement or this Trust Agreement, with the exceptions noted below. The City shall send copies of any such amendments or supplements to the Insurer and the rating agencies which have assigned a rating to the Series 2023 Obligations.

(a) Any amendments or supplements to the Purchase Agreement and this Trust Agreement shall require the prior written consent of the Insurer with the exception of amendments or supplements:

(i) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the Purchase Agreement or this Trust Agreement or in any supplement thereto,

(ii) To grant or confer upon the Holders of the Series 2023 Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders of the Series 2023 Obligations,

(iii) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Purchase Agreement or this Trust Agreement other conditions, limitations and restrictions thereafter to be observed,

(iv) To add to the covenants and agreements of the City in the Purchase Agreement and this Trust Agreement other covenants and agreements thereafter to be observed by the City or to surrender any right or power therein reserved to or conferred upon the City, or

(v) To issue additional parity debt in accordance with the requirements set forth in the Purchase Agreement and this Trust Agreement.

(b) Whenever the Purchase Agreement or this Trust Agreement requires the consent of Holders of the Series 2023 Obligations, the Insurer's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, either of the Purchase Agreement or this Trust Agreement that adversely affects the rights or interests of the Insurer shall be subject to the prior written consent of the Insurer.

(c) Any reorganization or liquidation plan with respect to the City must be acceptable to the Insurer. The Trustee and each Holder hereby appoint the Insurer as their agent and attorney-in-fact with respect to the Series 2023 Obligations and agree that the Insurer may at any time during the continuation of any Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any Claim, (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Holder delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Holder with respect to the Series 2023 Obligations in conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(d) Upon the occurrence and continuance of a Trust Agreement Event of Default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders of the Series 2023 Obligations or the Trustee for the benefit of the Holders of the Series 2023 Obligations under the Purchase Agreement or this Trust Agreement. No Trust Agreement Event of Default may be waived without the Insurer's written consent.

(e) Upon the occurrence and continuance of a Trust Agreement Event of Default, the Insurer shall be deemed to be the sole Holder of the Series 2023 Obligations for all purposes under the Purchase Agreement or this Trust Agreement, including, without limitation, for purposes of exercising remedies and approving amendments.

(f) No grace period shall be permitted for payment defaults on the Series 2023 Obligations. No grace period for a covenant default shall exceed thirty (30) days without the prior written consent of the Insurer.

(g) If an Insurer Default shall occur and be continuing, then, notwithstanding anything in subsection (a) through (e) above to the contrary, (i) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Policy, to the extent of such payment, the Insurer shall be treated like any other Holder for all purposes, including giving of consents, and (ii) if the Insurer has not made any payment under the Policy, the Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Insurer makes a payment under the Policy, in which event, the foregoing clause (i) shall control.

Section 12.6 The Insurer as Third-Party Beneficiary. The Insurer is recognized as and shall be deemed to be a third-party beneficiary of the Purchase Agreement and this Trust

Agreement and may enforce the provisions of the Purchase Agreement and this Trust Agreement as if it were a party thereto.

Section 12.7 Payment Procedure Under the Policy.

(a) In the event that principal of and/or interest due on the Series 2023 Obligations shall be paid by the Insurer pursuant to the Policy, the Series 2023 Obligations shall as to the Insurer and to the extent of such payment: (i) remain Outstanding, (ii) not be defeased or otherwise satisfied and not be considered paid by the City, and (iii) the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the Holders shall continue to exist as to, and shall run to the benefit of, the Insurer, and the Insurer shall be subrogated to the rights of such Holders, all as more fully set forth in this Section.

(b) In the event that on the second Business Day prior to any payment date on the Series 2023 Obligations, the Trustee has not received sufficient moneys to pay all principal of and interest on the Series 2023 Obligations due on such payment date, the Trustee shall immediately notify the Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify the Insurer or its designee.

(c) In addition, if the Trustee has notice that any Holder of the Series 2023 Obligations has been required to disgorge payments of principal of or interest on the Series 2023 Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify the Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Insurer.

(d) The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Series 2023 Obligations as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Series 2023 Obligations, the Trustee shall (A) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such Holders of the Series 2023 Obligations in any legal proceeding related to the payment and assignment to the Insurer of the claims for interest on the Series 2023 Obligations, (B) receive as designee of the respective Holders (and not as paying agent) in accordance with the tenor of the Policy payment from the Insurer with respect to the claims for interest so assigned, (C) segregate all such payments in a separate account (the “_____”) to only be used to make scheduled payments of principal of and interest on the Series 2023 Obligations, and (D) disburse the same to such respective Holders; and

(ii) If there is a deficiency in amounts required to pay principal of the Series 2023 Obligations, the Trustee shall (A) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such Holders of the Series 2023 Obligations in any legal proceeding related to the payment of such

principal and an assignment to the Insurer of the Series 2023 Obligations surrendered to the Insurer, (B) receive as designee of the respective Holders (and not as paying agent) in accordance with the tenor of the Policy payment therefore from the Insurer, (C) segregate all such payments in the _____ to only be used to make the scheduled payments of principal of and interest on the Series 2023 Obligations, and (D) disburse the same to such Holders.

The Trustee shall designate any portion of payment of principal on the Series 2023 Obligations paid by the Insurer, whether by virtue of mandatory redemption, maturity or other advancement of payment, on its books as a reduction in the principal amount of the Series 2023 Obligations registered to the then current Holder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2023 Obligation to the Insurer, registered in the name directed by the Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2023 Obligation shall have no effect on the amount of principal or interest payable by the City on any Series 2023 Obligation or the subrogation or assignment rights of the Insurer.

(e) Payments with respect to claims for interest on and principal of the Series 2023 Obligations disbursed by the Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the City with respect to such Series 2023 Obligations, and the Insurer shall become the Holder of such unpaid Series 2023 Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Purchase Agreement and this Trust Agreement shall not be discharged or terminated unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(f) Irrespective of whether any such assignment is executed and delivered, the City and the Trustee agree for the benefit of the Insurer that:

(i) The City and the Trustee recognize that to the extent the Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Series 2023 Obligations, the Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the City, with interest thereon, as provided and solely from the sources stated in the Purchase Agreement, this Trust Agreement and the Series 2023 Obligations; and

(ii) The City and the Trustee will accordingly pay to the Insurer the amount of such principal and interest, with interest thereon as provided in the Purchase Agreement, this Trust Agreement and the Series 2023 Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Series 2023 Obligations to Holders, and will otherwise treat the Insurer as the Holder of such rights to the amount of such principal and interest.

Section 12.8 Exercise of Rights by the Insurer.

(a) The rights granted to the Insurer under the Purchase Agreement and this Trust Agreement to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Holders of the Series 2023 Obligations and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Holders of the Series 2023 Obligations or any other person is required in addition to the consent of the Insurer.

(b) The Insurer shall be entitled to pay principal of or interest on the Series 2023 Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Policy) in accordance with the Purchase Agreement or this Trust Agreement, whether or not the Insurer has received a claim upon the Policy.

(c) So long as the Series 2023 Obligations are Outstanding or any amounts are due and payable to the Insurer, the City shall not sell, lease, transfer, encumber or otherwise dispose of the System (as defined in the Purchase Agreement) or any material portion thereof, except upon obtaining the prior written consent of the Insurer.

(d) No contract shall be entered into or any action take by which the rights of the Insurer or security for or source of payment of the Series 2023 Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(e) If an event of default occurs under any agreement pursuant to which any obligation of the City has been incurred or issued and that permits the holder of such obligation or trustee to accelerate the obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Series 2023 Obligations or the Insurer, as the Insurer may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Trust Agreement and the Purchase Agreement for which the Insurer or the Trustee, at the direction of this Insurer, shall be entitled to exercise all available remedies under this Trust Agreement or the Purchase Agreement, at law and in equity. For purposes of the foregoing, "obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Series 2023 Obligations.

[Signature page follows.]

IN WITNESS WHEREOF, the City has caused these presents to be signed in the name and on its behalf by its duly authorized officer and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

UMB BANK, N.A., as Trustee

By _____
[Kenneth Hoffman, Vice President]

CITY OF MESA, ARIZONA

By _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Greenberg Traurig, LLP, Special Counsel

EXHIBIT A-1

FORM OF SERIES 2023 OBLIGATION

[Insert Legend of Securities Depository As Appropriate]

UTILITY SYSTEMS REVENUE OBLIGATION, SERIES 2023
EVIDENCING A PROPORTIONATE INTEREST OF THE HOLDER HEREOF
IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID
BY THE CITY OF MESA, ARIZONA, PURSUANT TO AN
INSTALLMENT PURCHASE AGREEMENT,
DATED AS OF _____ 1, 2023
AS ASSIGNED TO
UMB BANK, N.A., AS TRUSTEE

No: _____

Denomination: _____

INTEREST

MATURITY

RATE:

DATE:

DATED:

CUSIP:

_____%

July 1, 20__

_____, 2023

590545 ____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS
(\$____,000.00)

The registered owner identified above, or registered assigns, as the registered owner of this Utility Systems Revenue Obligation, Series 2023 (this "*obligation*"), is the owner of an undivided proportionate interest in the right to receive certain installments of the "Purchase Price" pursuant to that certain Installment Purchase Agreement, dated as of _____1, 2023 (the "*Purchase Agreement*"), by and between UMB Bank, n.a., a national association authorized to exercise trust powers in the State of Arizona, in its capacity as seller (the "*Seller*"), and the City of Mesa, Arizona, a municipal corporation of the State of Arizona, as purchaser (the "*City*"), which installments and certain other rights and interests under the Purchase Agreement have been assigned to UMB Bank, n.a., in its capacity as trustee (together with any successor thereto, the "*Trustee*"), pursuant to that certain Trust Agreement, dated as of _____ 1, 2023 (the "*Trust Agreement*"), by and between the City and the Trustee.

The registered owner of this obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the maturity date set forth above, the principal amount set forth above, representing a portion of the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on _____ 1, 20__, and semiannually on _____ 1 and _____ 1 of each year thereafter (each an "*Obligation Payment Date*") until payment in full of said portion of principal, the registered owner's proportionate share of the

installments of the Purchase Price denominated as interest coming due during the six month period (or portion thereof) immediately preceding each of such dates; provided that the first installment shall be for interest from the date of initial execution and delivery to _____ 1, 20___. Said proportionate share of the portion of such installments designated as interest is the result of the multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

The proportionate share of the portion of the installments of the Purchase Price denominated as interest is payable when due to the person in whose name this obligation is registered at the close of business on the 15th day of the calendar month next preceding each Obligation Payment Date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this obligation is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the person in whose name such obligation is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the holders of the obligations not less than 15 days preceding such special record date. Such notice shall be mailed to the holder in whose name this obligation is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer on any obligation subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the obligation or obligations. (Any payment due hereon that shall not be paid when due shall bear interest at the rate of interest, compounded semiannually, set forth above from the date such payment is due until the payment is made.)

Principal of and premium, if any, and interest on this obligation are payable in lawful money of the United States of America that on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check mailed by the Trustee as paying agent to the registered address of the person entitled thereto; *provided, however,* that the Trust Agreement provides that upon certain circumstances the payments of interest on this obligation may, at the direction of the person in whose name this obligation is registered, be made by wire transfer of immediately available funds. The proportionate share of the portion of the installments of the Purchase Price denominated as principal and any premium payable upon redemption, if any, when due, shall be paid upon surrender of this obligation at the designated corporate trust office of the Trustee.

This obligation is one of a series, limited in aggregate principal amount of \$_____,000 (the "*Series 2023 Obligations*"), which have been executed and delivered under the Trust Agreement and are limited, special revenue obligations, payable solely from the sources (particularly the Purchase Agreement) and in the manner described in the Trust Agreement, in order to acquire certain property comprising a portion of the utility systems of the City. The Series 2023 Obligations are junior in lien to bonds of the City payable from such revenues, and on a parity with other obligations previously incurred by the City. The payments to be made by the City pursuant to the Purchase Agreement are to be in an amount sufficient to make the payments due on the Series 2023 Obligations, and payments by the City under the Purchase Agreement are to be made from, and secured by, a pledge of certain revenues, proceeds and receipts to be derived by the City from its water, electrical, natural gas, wastewater and solid waste

systems. Under the restrictions set out in the Purchase Agreement, additional parity obligations may be incurred by the City payable from such revenues. For a more complete statement of the provisions made to secure payment of the Series 2023 Obligations, the revenues from and conditions under which this obligation is payable, statements of the terms under which the Purchase Agreement may be modified and the general covenants and provisions pursuant to which this obligation is issued, reference is made to the Trust Agreement.

This obligation shall not constitute a debt of the City, the State of Arizona or any political subdivision thereof within the meaning of any provision of the Constitution or laws of the State of Arizona and shall not constitute or give rise to a pecuniary liability of the City, the State of Arizona or any other political subdivision thereof or a charge against the general credit or taxing powers of any of them. This obligation and the interest hereon are enforceable exclusively from the revenues pledged thereto in the Purchase Agreement, and no holder hereof shall have the right to compel any exercise of the taxing power of the City to pay this obligation or the interest hereon.

Counterparts or copies of the Trust Agreement and the other documents referred to herein are on file at the designated office of the Trustee, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Trustee, the City, and the registered owners of the Series 2023 Obligations under such documents, to all of which the registered owner hereof, by acceptance of this obligation, assents.

The Series 2023 Obligations maturing on or prior to July 1, 20__, are not subject to optional redemption prior to maturity. The Series 2023 Obligations maturing on and after July 1, 20__, are subject to redemption, in whole or in part, on any date on or after July 1, 20__, in increments of \$5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity (as provided in the Trust Agreement) by payment of the principal amount of each Series 2023 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

The Series 2023 Obligations maturing on July 1, 20__ are subject to mandatory redemption prior to their stated maturity, and will be redeemed on July 1 of the respective years set forth below and in the principal amounts set forth below, by payment of a redemption price equal to the principal amount of the Series 2023 Obligations then called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

Maturing July 1, 20__

Redemption Date (July 1)	Principal Amount
-----------------------------	---------------------

*Maturity

Whenever Series 2023 Obligations subject to mandatory redemption are redeemed (other than pursuant to mandatory redemption) or delivered to the Trustee for cancellation, the principal amount of the Series 2023 Obligations so retired shall satisfy and be credited against the mandatory redemption requirements for such Series Obligations for such years as the City may direct.

Notice of redemption shall be mailed not less than 30 days nor more than 60 days prior to the date set for redemption to each registered owner of a Series 2023 Obligation to be so redeemed at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any Series 2023 Obligation shall not affect the validity of the proceedings for the redemption of any other Series 2023 Obligation. On the specified redemption date all Series 2023 Obligations called for redemption shall cease to bear interest and shall no longer be secured by the Trust Agreement provided funds for redemption are on deposit at the place of payment at that time.

The registered owner of this obligation shall have no right to enforce the provisions of the Trust Agreement or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

The Trust Agreement and other documents referred to therein may be modified or amended to the extent permitted by and as provided therein. Certain amendments, modifications or changes that would affect the rights of registered owners of Series 2023 Obligations may be made only with the consent of a majority of the registered owners of the Series 2023 Obligations then outstanding under the Trust Agreement, as provided in the Trust Agreement. Any such consent by the registered owner of this obligation shall be conclusive and binding upon such registered owner and all subsequent registered owners. However, as to certain other amendments that will not materially adversely affect the interests of the registered owners, no consent of any owner shall be required.

The Series 2023 Obligations are and shall be executed and delivered only in fully registered form. Subject to the limitations provided for in the Trust Agreement, this obligation may be exchanged for a like aggregate principal amount payable at maturity of Series 2023 Obligations of the same maturity in authorized denominations.

The Series 2023 Obligations are transferable by the registered owner thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Trust Agreement and upon surrender and cancellation of this obligation. Upon such transfer a new Series 2023 Obligation or Series 2023 Obligations of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be executed and delivered to the transferee in exchange.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Trust Agreement in connection with any exchange or transfer.

The Trustee and any paying agent may treat the registered owner of this obligation as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

As used herein, the term “owner” means the person who at the time of nonpayment of a Series 2023 Obligation is entitled under the terms of such Series 2023 Obligation to payment thereof.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the execution and delivery of this obligation have existed, have happened and have been performed in due form, time and manner as required by law.

IN TESTIMONY WHEREOF, this obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date: _____, 2023.

UMB BANK, N.A., as Trustee

By _____
Authorized Representative

(INSERT INSURANCE STATEMENT HERE, IF APPLICABLE)

FORM OF ASSIGNMENT

The following abbreviations, when used in the inscription on the face of the within obligation, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common	UNIF GIFT/TRANS MIN ACT -- _____ (Cust.)
TEN ENT -- as tenants by the entireties	Custodian for _____ Under Uniform (Minor)
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	Gifts/Transfers to Minors Act of _____ (State)

Additional abbreviations may also be used, though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Please Print or Typewrite Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee) the within obligation and all rights thereunder, and irrevocably constitutes and appoints _____ attorney to transfer the within obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee).

Notice: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within obligation in every particular without alteration or enlargement or any change whatsoever.

(END OF FORM OF SERIES 2023 OBLIGATION)

EXHIBIT B

DELIVERY COSTS REQUISITION

Pursuant to Section 5.5 of the Trust Agreement, dated as of _____ 1, 2023 (the “*Trust Agreement*”), between the City of Mesa, Arizona (the “*City*”), and UMB Bank, n.a., as trustee (the “*Trustee*”), the undersigned City Representative (as defined in the Trust Agreement) hereby requests and authorizes the Trustee pursuant to the Trust Agreement, as custodian of the Delivery Costs Fund established pursuant to the Trust Agreement, to pay out of the moneys deposited in the Delivery Costs Fund to the persons listed as payee and in the amounts on the Exhibit hereto.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

- (a) Each item for which disbursement is requested hereunder is properly payable out of the Delivery Costs Fund and none of these items has formed the basis for any disbursement heretofore made from said Delivery Costs Fund.
- (b) Each such item is or was a necessary Delivery Cost as defined in the Trust Agreement.
- (c) This statement and all exhibits hereto shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.
- (d) This statement constitutes approval by the City of the disbursement hereby requested and authorized.

Dated

City Representative