

## BUSINESS LOAN AGREEMENT

### (COCHISE COUNTY REVOLVING LINE OF CREDIT)

DATE: July 1, 2024

PARTIES: County: Cochise County, Arizona Board of Supervisors for Cochise County, through the Cochise County Treasurer, as its agent

Bank: Wells Fargo Bank, National Association, a national banking association authorized to do business in the State of Arizona ("Bank")

**AGREEMENT:** Pursuant to Arizona Revised Statutes Sections 11-604.01 *et. seq.*, (together with all amendments and statutes successor thereto, collectively, the "Act"), the Board of Supervisors of a county may enter into an agreement with the financial institution authorized to do business in the State of Arizona for the purpose of obtaining a line of credit for the County (as defined below). The Act further provides that the Cochise County Treasurer is the agent for the County and for each political subdivision of the State of Arizona for which the Cochise County Treasurer acts as treasurer and may take any action required under an agreement without further approval of any governing body of a political subdivision. The Board of Supervisors of Cochise County, Arizona ("County"), the Cochise County Treasurer and Bank intend to enter into this Agreement and the hereafter-described Note to obtain a line of credit pursuant to the Act for County, in the maximum amount of the Commitment Amount Cap (as defined herein), and to evidence such line of credit in this Agreement and the Note. For purposes of this Agreement and the line of credit extended to County evidenced hereunder and in the Note, County shall be acting through the Cochise County Treasurer as its agent pursuant to the Act. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Bank agree as follows:

1. **DEFINITIONS.** In this Agreement, the following terms shall have the following meanings:

"Advance" means a disbursement of funds by Bank to County pursuant to Section 2.1.

"Agreement" means this Business Loan Agreement (Cochise County Revolving Line of Credit) as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

"Anti-Corruption Laws" means: (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which County is located or doing business.

“Anti-Money Laundering Laws” means applicable laws or regulations in any jurisdiction in which County is located or doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

“Authorized Person” means any of the following Persons acting alone:

Catherine L. Traywick  
Cochise County Treasurer

Catherine L. Traywick  
Signature

or any other person authorized to act for County hereunder as shown by a written statement signed by the Cochise County Treasurer and that also shows the specimen signature of such additional Authorized Person.

“Business Day” means a day of the year on which banks are not required or authorized to close in Phoenix, Arizona.

“Collateral” means, collectively, the property, interests in property, and rights to property securing any or all Obligations from time to time, including without limitation, the security interest in the nonrestricted operating revenues received by the Cochise County Treasurer on behalf of County.

“Commitment” means the agreement of Bank to make Advances as provided in this Agreement.

“Commitment Amount” means the lesser of (i) the Commitment Amount Cap, as it may be amended from time to time, or (ii) forty-five percent (45%) of the total amount of nonrestricted operating revenues received by County in the immediately preceding fiscal year.

“Commitment Amount Cap” means initially, the amount of Two Million and No/100 Dollars (\$2,000,000.00) as such amount may be amended in accordance with this Agreement from time to time.

“Default Rate” has the meaning specified in the Note.

“Event of Default” has the meaning specified in the Note.

“Governmental Authority” means any government, any court, and any agency, authority, body, bureau, department, or instrumentality of any government.

“Loan Documents” means, collectively, this Agreement, the Note, the Services Proposal and any other agreements, documents, and instruments from time to time evidencing, guarantying, securing, or otherwise relating to the Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Note” means the Promissory Note, dated of even date herewith, of County payable to Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Obligations” means the respective obligations of County under the Loan Documents.

“Online Portal” has the meaning set forth in Section 2.2 hereof.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107 56 (signed into law October 26, 2001).

“Person” means a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

“Request for Advance” means a request for an Advance substantially in the form of Exhibit C hereto.

“Sanction” or “Sanctions” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC), the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future statute or Executive Order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, or (e) any other Governmental Authority with jurisdiction over County.

“Sanctioned Target” means any target of Sanctions, including: (a) Persons on any list of targets identified or designated pursuant to any Sanctions, (b) Persons, countries, or territories that are the target of any territorial or country-based Sanctions program, (c) Persons that are a target of Sanctions due to their ownership or control by any Sanctioned Target(s), or (d) otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“Scheduled Commitment Expiration Date” means June 30, 2025, subject to earlier termination as provided herein, and subject to extension by mutual agreement of the parties, as described in Section 2.8.

“Services Proposal” means Banking Services awarded to Bank by County on May 2, 2024.

“Servicing Bank Term” means the period, during which Bank provides services to County as servicing bank with such term commencing June 7, 2024, and ending June 30, 2027, subject to extensions of not more than two additional years.

“Unmatured Event of Default” means any condition or event that with notice, passage of time, or both would be an Event of Default.

“Vantage” has the meaning set forth in Section 2.2 hereof.

## 2. REVOLVING LINE OF CREDIT FACILITY.

2.1 Credit Facility. Subject to the terms and conditions of this Agreement, Bank agrees to make Advances to County from time to time on or before the Scheduled Commitment Expiration Date, provided that the outstanding amount of Advances shall not exceed the Commitment Amount. Advances to County shall be on a revolving basis. Advances repaid may be re-borrowed, subject to the terms and conditions of this Agreement. Upon occurrence of an Event of Default or an Unmatured Event of Default, Bank, in its absolute and sole discretion and without notice, may suspend the commitment to make Advances. In addition, upon occurrence of an Event of Default, Bank, in its absolute and sole discretion and without notice, may terminate the commitment to make Advances. The obligation of County to repay Advances is evidenced by the Note as to the amount outstanding thereunder. Although the outstanding principal of the Note may be zero from time to time, the Loan Documents shall remain in full force and effect until the Commitment terminates and all Obligations are paid and performed in full.

2.2 Requests for Advances and Repayments. Each request for an Advance will be made by providing Bank an executed copy of a Request for Advance, or by another means mutually acceptable to Bank and the Cochise County Treasurer. For the avoidance of doubt, the Cochise County Treasurer may submit its request for an Advance through Bank's Wells Fargo Vantage ("Vantage") f/k/a Commercial Electronic Office (CEO) portal (Vantage, or any replacement or successor portal, the "Online Portal").

### 2.3 Advances and Repayments.

Advances will be deposited in and repayments will be withdrawn from the designated account of County with Bank, initially being the account number 4877352971, or such other accounts with Bank as designated in writing by an Authorized Person; provided that such deposits and repayments may be made by way of the Online Portal. County hereby irrevocably authorizes and directs Bank to make such credits and debits in accordance with the terms of this Agreement. The arrangement in this Section 2.3 to debit such demand deposit account for any amounts due under the Loan Documents shall not restrict Bank's right to collect any amounts due under the Loan Documents from any revenues or funds of County otherwise available for payment of such amounts, including, without limitation, all nonrestricted operating revenues of County.

2.4 Advances - Repayment. County agrees to apply all "nonrestricted operating revenues," as such term is described in the Act according to the priorities set forth in the Act. If there remain any amounts outstanding on the Note as of June 30 of any year, County agrees to notify Bank on or before June 30 of such year of the amounts on deposit in the demand deposit account and other accounts of County with Bank which constitute nonrestricted operating revenues.

2.5 Advances in Excess of Commitment Amount. If with or without the approval of Bank the aggregate outstanding amount of Advances to County at any time exceeds the Commitment Amount, County shall repay the excess immediately upon demand by Bank.

2.6 Authority to Amend Commitment. In accordance with the provisions of the Act, the Cochise County Treasurer on behalf of County is hereby authorized to request Bank to amend this Agreement and the Note from time to time with respect to the following matters:

2.6.1 To extend the Scheduled Commitment Expiration Date, as described in Section 2.8.

2.6.2 To increase or decrease the Commitment Amount Cap, provided that the Commitment Amount Cap shall not be increased to an amount which exceeds \$4,000,000, without such amendment being approved by resolution adopted by the Cochise County Board of Supervisors.

2.6.3 County understands, acknowledges and agrees that any request of Bank pursuant to this Section 2.6 shall be decided by Bank (in each instance) acting in Bank's sole and absolute discretion.

2.7 Procedure to Amend Commitment. The Agreement and Note may be amended by a written amendment substantially in the form attached hereto as Exhibit B (the "Addendum") executed by Bank and by the Cochise County Treasurer on behalf of County. Each amendment, when dated and fully executed, shall be construed to amend all prior versions of this Agreement and Note, whether or not it is actually attached to all copies of this Agreement or the Note.

2.8 Extension of Scheduled Commitment Expiration Date. The Commitment provided to County hereunder shall be in effect initially for fiscal year 2024-2025. County and Bank (acting in its sole and absolute discretion) may agree to extend the Commitment for each fiscal year thereafter through the execution of the Addendum extending the Scheduled Commitment Expiration Date from June 30, 2025, to June 30, 2026, for fiscal year 2025-2026 and to June 30, 2027, for fiscal year 2026-2027; provided that if the Bank Services Term is extended beyond June 30, 2027, County and Bank (acting in its sole and absolute discretion) may agree to further extend the Commitment for subsequent fiscal years by extending the Scheduled Commitment Expiration Date to June 30 of the next calendar year. Notwithstanding the foregoing, nothing set forth herein authorizes the Commitment to be extended beyond the expiration of the Servicing Bank Term.

### 3. CONDITIONS PRECEDENT TO ADVANCES.

3.1 CONDITIONS PRECEDENT TO INITIAL ADVANCE. Bank must receive the following items, in form and content acceptable to Bank, before Bank is required to make any Advances to County under this Agreement.

3.1.1 Legal Opinion of County. A written opinion of the legal counsel for County, in a form satisfactory to Bank, opining on the following:

(a) Authorization. The execution, delivery, and performance by County of the Loan Documents have been duly authorized by all requisite action by or on behalf of County.

(b) Enforceability. The Loan Documents have been duly executed and delivered on behalf of County. The Loan Documents are legal, valid, and binding obligations of County, enforceable in accordance with their terms against County, except as such enforceability may be limited by Arizona Revised Statutes Sections 42-17101 *et. seq.*, bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

3.1.2 Loan Documents. An executed original of this Agreement and the Note.

3.1.3 County Resolution. A copy of the resolution of the County approving this Agreement and the Note.

3.1.4 County's Financial Statement and Annual Budget. A copy of County's published Annual Financial Statement for the fiscal year ended June 30, 2023 (and Bank reserves the right to receive copies of (i) County's financial statements for fiscal years thereafter and (ii) the adopted budget for County for each fiscal year) and such other information and documents as Bank may reasonably request.

3.2 CONDITIONS PRECEDENT TO ALL ADVANCES. Bank shall be obligated to make an Advance when requested on behalf of County only if the following conditions precedent are satisfied.

3.2.1 Representations and Warranties Accurate. The representations and warranties by County in the Loan Documents are correct on and as of the date of this Agreement and, except as County shall have otherwise notified Bank in writing prior to the date thereof, on and as of the date of each Advance, before and after giving effect to such Advance and to the application of the proceeds of such Advance, as though made on and as of such date.

3.2.2 No Violation of Limits on Advances. The making of the Advance to County would not result in the outstanding amount of Advances exceeding the Commitment Amount.

3.3 Bank's Waiver of Conditions. Bank may elect, in its absolute and sole discretion, to waive any of the foregoing conditions precedent. Any such waiver shall be effective only if (i) it is in writing executed by Bank, (ii) it specifically identifies the condition precedent, and (iii) describes the particular Advance as to which such condition precedent is waived. Any such waiver shall be limited to the condition(s) precedent specifically described therein. Delay or failure by Bank to insist on satisfaction of any condition precedent of an Advance shall not be a waiver of such condition precedent or any other condition precedent. If County is unable to satisfy any condition precedent of an Advance, the making of the Advance shall not preclude Bank from thereafter declaring the condition or event causing such inability to be an Event of Default.

#### 4. COUNTY REPRESENTATIONS AND WARRANTIES.

4.1 Closing Representations and Warranties. County represents and warrants to Bank as of the date of this Agreement:

4.1.1 Existence and Authorization. County is a duly formed, organized and validly existing political subdivision of the State of Arizona. The execution, delivery, and performance by County of the Loan Documents have been duly authorized by all requisite action by or on behalf of County.

4.1.2 No Approvals. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Person is required in connection with the execution, delivery, or performance by County of the Loan Documents that has not been obtained.

4.1.3 No Conflicts. The execution, delivery, and performance by County of the Loan Documents will not conflict with, or result in a violation of or a default under: any applicable law, ordinance, regulation, or rule (federal, state, or local); any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which County is a party or by which County or any of the assets or property of County is bound; or any agreement, document, or instrument to which County is a party or by which County or any of the assets or property of County is bound.

4.1.4 Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents have been duly executed and delivered on behalf of County. The Loan Documents are legal, valid, and binding obligations of County, enforceable in accordance with their terms against County, except as such enforceability may be limited by Arizona Revised Statutes Sections 42-17101 *et. seq.*, bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

4.1.5 Accurate Information. All information in any loan application, financial statement, certificate, or other document and all other information delivered by or on behalf of County to Bank in obtaining the Commitment is correct and complete in all material respects, and there are no omissions therefrom that result in any such information being incomplete, incorrect, or misleading in any material respect as of the date thereof.

4.1.6 County's Financial Condition. No material adverse change from County's financial condition or operations as reflected in the Annual Financial Statement for the fiscal year ended June 30, 2023, shall have occurred as of the date of this Agreement.

4.1.7 Litigation. There is no lawsuit, tax claim, or other dispute pending or overtly threatened against County which, if lost, would materially impair County's financial condition or County's ability to repay any amount payable under this Agreement, except as have been or will be disclosed in writing to Bank.

4.1.8 Purpose of Advances. This Agreement is made pursuant to the Act. The purpose of Advances is to provide funds for the general operations of County; provided, however, proceeds may not be used for any expenses, costs, or reimbursements relating to County's sponsorship of charter schools without the prior written consent of Bank.

4.1.9 No Event of Default or Unmatured Event of Default. No Event of Default and no Unmatured Event of Default has occurred and is continuing.

4.1.10 Anti-Money Laundering and Anti-Corruption Laws; Sanctions.

County has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Anti-Money Laundering Laws and Anti-Corruption Laws. To the best of County's knowledge, after due care and inquiry, no officer, director or agent acting on behalf of County or any affiliate of County is under investigation for an alleged violation of Anti-Money Laundering Laws or Anti-Corruption Laws by a Governmental Authority that enforces such laws. County is not a Sanctioned Target and is not owned or controlled by, or is acting or purporting to act for or on behalf of, directly or indirectly, a Sanctioned Target. County has instituted, maintains and complies with policies, procedures and controls reasonably designed to assure compliance with Sanctions. To the best of County's knowledge, after due care and inquiry, no officer, director or agent acting on behalf of County or any affiliate of County is under investigation for an alleged violation of Sanction(s) by a Governmental Authority that enforces Sanctions. County shall notify Bank in writing not more than one Business Day after first becoming aware of any breach of this Section.

4.2 Sovereign Immunity. Each request for an Advance on behalf of County shall be a representation and warranty by County to Bank that except as provided in Arizona Revised Statutes Sections 12-820 *et. seq.* and otherwise with respect to matters not relating to contracts, County does not have sovereign immunity rights with respect to contracts under the laws of the State of Arizona.

4.3 Representations and Warranties Upon Requests for Advances. Each request for an Advance on behalf of County shall be a representation and warranty by County to Bank that the representations and warranties in this Section 4 are correct and complete as of the date of the Advance, except as County shall have otherwise notified Bank in writing prior to the date thereof, and that the conditions precedent in Section 3.1 are satisfied as of the date of the Advance.

5. COUNTY AFFIRMATIVE COVENANTS. County agrees that:

5.1 Existence. County shall continue to be a validly existing political subdivision of the State of Arizona.

5.2 Books and Records: Access By Bank. County shall maintain a system of accounting for and appropriate books and records showing its receipt and use of (i) nonrestricted operating revenues, (ii) proceeds of Advances, and (iii) other funds available for expenditure for the general operations of County. During business hours, after an Event of Default, County shall give representatives of Bank access to all assets, property, books, records, and documents of County and shall permit such representatives to inspect such assets and property and to audit, copy, examine, and make excerpts from such books, records, and documents.

5.3 Information and Statements. County shall furnish to Bank: (i) as soon as available and in any event within two hundred seventy (270) days after the end of each fiscal year of County, copies of annual financial reports, (ii) as soon as available and in any event prior to sixty (60) days after the beginning of each fiscal year, County's budget for such fiscal year, as adopted, (iii) any other information and documents given to any securities rating agency or other Person in connection with the indebtedness of County and (iv) such additional information and statements as Bank may request, from time to time.

5.4 Law; Judgments; Material Agreements; Approvals and Permits. County shall comply with all laws, ordinances, regulations, and rules (federal, state, and local) and all judgments, orders, and decrees of any arbitrator, other private adjudicator, or Governmental Authority relating to County or the assets, business, operations, or property of County. County shall comply in all material respects with all material agreements, documents, and instruments to which County is a party or by which County or any of the assets or property of County is bound or affected.

5.5 Further Assurances. County shall promptly execute, acknowledge, and deliver and, as appropriate, cause to be duly filed and recorded such additional agreements, documents, and instruments and do or cause to be done such other acts as Bank may reasonably request from time to time to better assure, perfect, preserve, and protect the rights and remedies of Bank under the Loan Documents.

5.6 Use of Advances.

5.6.1 County shall use proceeds of Advances only to pay expenses incurred in its general operations (collectively, "Operating Expenses") and shall be limited to the extent set forth in Section 4.1.8 hereof. County shall only use proceeds of Advances to pay then due Operating Expenses, and shall only receive such Advances when it has no other available funds to pay such Operating Expenses. County shall not use the Advances to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

5.6.2 County shall not, directly or indirectly use any of the proceeds of Advances to fund, finance or facilitate any activities, business or transactions that would be prohibited by Anti-Money Laundering Laws or Anti-Corruption Laws.

5.6.3 County shall not, directly or indirectly use any of the proceeds of Advances to fund, finance or facilitate any activities, business or transactions: (i) that are prohibited by Sanctions, (ii) that would be prohibited by U.S. Sanctions if conducted by a U.S. Person, or (iii) that would be prohibited by Sanctions if conducted by Bank, or any other party to this Agreement. County shall notify Bank in writing not more than one Business Day after first becoming aware of any breach of this Section.

5.7 Registration of Warrants. The Cochise County Treasurer, as agent for County, shall perform its obligations under the Act, including without limitation, under Arizona Revised Statutes Section 11-604.01.E thereof, which Act is hereby incorporated herein by reference.

5.8 Security Interest Grants. County shall not grant or suffer to exist any lien, claim, or encumbrance to or in favor of any person or entity other than Bank covering the nonrestricted operating revenues of County (it being understood that Tax Anticipation Notes, General Obligation Bonds, and other payment-source-specific financing commitments of County

deal with operating revenues which are restricted and thus are not “nonrestricted operating revenues”). County and Bank agree that Bank is entitled to a security interest in the nonrestricted operating revenues received by the Cochise County Treasurer on behalf of County to the extent of any credit extended under this Agreement.

5.9 Policies and Procedures. County shall maintain in effect policies and procedures that address matters relating to compliance by County and its directors, officers, employees and agents with Sanctions, Anti-Money Laundering Laws and Anti-Corruption Laws.

5.10 Source of Repayment and Collateral. County shall not fund any repayment of any Advance with proceeds, or provide as collateral any property, that is directly or indirectly derived from any transaction or activity that is prohibited by Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws, or that could otherwise cause Bank or any other party to this Agreement to be in violation of Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws

5.11 Sovereign Immunity. To the fullest extent permitted by law, County agrees that, from the date hereof, this Agreement and the Loan Documents are fully enforceable in accordance with the provisions thereof and hereby expressly waives rights to sovereign immunity, if any, except for such rights granted under the Arizona Revised Statutes Sections 12-820 *et. seq.* and otherwise with respect to matters not relating to contracts.

6. BANK’S OBLIGATIONS TO COUNTY ONLY. The obligations of Bank under this Agreement are for the benefit of County only. No other Person shall have any rights hereunder or be a third-party beneficiary hereof.

7. SURVIVAL. The representations, warranties, and covenants of County in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of Advances.

8. INTEGRATION, ENTIRE AGREEMENT, CHANGE DISCHARGE, TERMINATION, WAIVER APPROVAL, CONSENT, ETC. The Loan Documents contain the complete understanding and agreement of County and Bank and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations on the matters set forth in the Loan Documents. No provision of the Loan Documents may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the parties thereto. Delay or failure by Bank to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision. Acceptance of late payments shall not be a waiver of the time of the essence provision, the right of Bank to require that subsequent payments be made when due, or the right of Bank to declare an Event of Default if subsequent payments are not made when due. Any approval, consent, or statement that a matter is satisfactory by Bank under the Loan Documents must be in writing executed by Bank and shall be construed to apply only to the Persons and facts specifically set forth in the writing. Delay or failure by County to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision.

9. BINDING EFFECT. The Loan Documents shall be binding upon and shall inure to the benefit of Bank and County and their successors and assigns, provided, however, that County may not assign any of its rights or delegate any of its obligations under the Loan Documents and any purported assignment or delegation shall be void, and provided further that Bank may sell participations in or assign all or portions of the loan commitment contained in this Agreement, and may exchange financial information about County, but not financial information with regard to employees of County, with actual or potential participants or assignees; provided, however, such actions shall not be taken by Bank without the prior written approval of County, which approval shall not be unreasonably withheld.

10. COSTS, EXPENSES, AND FEES. County agrees to pay on demand all external and internal costs, expenses, and fees (including, without limitation, as applicable, inside and outside attorneys and paralegals costs, expenses, and fees) of Bank (i) in enforcement of the Loan Documents and exercise of the rights and remedies of Bank, (ii) in defense of the legality, validity, binding nature, and enforceability of the Loan Documents and the perfection and priority of the liens and encumbrances granted in the Loan Documents, (iii) in gaining possession of, holding, preserving, and protecting the Collateral, (iv) otherwise in relation to the Loan Documents, the Collateral, or the rights and remedies of Bank under the Loan Documents or relating to the Collateral, and (v) in preparing for the foregoing, whether or not any legal proceeding is brought or other action is taken. Such costs, expenses, and fees shall include, without limitation, all such costs, expenses, and fees incurred in connection with any bankruptcy, receivership, replevin, or other court proceedings (whether at the trial or appellate level). County agrees to pay interest on such costs, expenses, and fees at the Default Rate from the date incurred by Bank until paid in full. Such interest shall be computed on the basis of a 365-day year and actual days elapsed.

11. SEVERABILITY. If any provision or any part of any provision of the Loan Documents is unenforceable, the enforceability of the other provisions or the other provisions and the remainder of the subject provision, respectively, shall not be affected and they shall remain in full force and effect.

12. CHOICE OF LAW. The Loan Documents shall be governed by the law of the State of Arizona, without giving effect to conflict of laws principles.

13. TIME OF ESSENCE. Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

14. NOTICES AND DEMANDS. All demands or notices under the Loan Documents shall be in writing (including, without limitation, telecopy, telegraphic, telex, or cable communication) and mailed, telecopied, telegraphed, telexed, cabled, or delivered to the respective party hereto at the address specified at the end of this Section 14 or such other address as shall have been specified in a written notice. Any demand or notice mailed shall be mailed first-class mail, postage-prepaid, return-receipt-requested and shall be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the date shown on the return-receipt. Any demand or notice not mailed will be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the time the receipt of the telecopy, telegram, telex, or cable is mechanically confirmed.

*Addresses for Notices to County:*

Cochise County Treasurer  
1415 Melody Lane, Building E  
Bisbee, Arizona 85603  
Attention: Catherine L. Traywick  
Telephone: (520) 432-8400  
Email: [trsweb@cochise.az.gov](mailto:trsweb@cochise.az.gov)

*Address for Notices to Bank:*

Wells Fargo Bank, National Association  
2410 South Power Road, Floor 01  
Mesa, Arizona 85209  
Attention: Stephany Jordan-Slider  
Telephone: (480) 215-2969  
Email: [Stephany.Jordan@wellsfargo.com](mailto:Stephany.Jordan@wellsfargo.com)

15. RESCISSION OR RETURN OF PAYMENTS. If at any time or from time to time, whether before or after payment and performance of the Obligations in full, all or any part of any amount received by Bank in payment of, or on account of, any Obligation is or must be, or is claimed to be, avoided, rescinded, or returned by Bank to County or any other Person for any reason whatsoever (including, without limitation, bankruptcy, insolvency, or reorganization of County or any other Person), such Obligation and any liens, security interests, and other encumbrances that secured such Obligation at the time such avoided, rescinded, or returned payment was received by Bank shall be deemed to have continued in existence or shall be reinstated, as the case may be, all as though such payment had not been received.

16. HEADINGS. The headings at the beginning of each section of the Loan Documents are solely for convenience and are not part of the Loan Documents.

17. MULTIPLE CREDIT ACCOMMODATIONS. If from time to time County has more than one loan or other credit accommodation with Bank, County agrees that, unless otherwise agreed by Bank and County in writing, (i) the Loan Documents and the agreements, documents, and instruments evidencing and relating to such other loan(s) and credit accommodation(s) shall all remain in effect and neither shall supersede the other, regardless of whether the Loan Documents and such other agreements, documents, and instruments have differing terms, conditions, and requirements, and (ii), regardless of any such differences, County shall comply with all the terms, conditions, and requirements of the Loan Documents and of such other agreements, documents, and instruments.

18. SECURITY INTEREST. Pursuant to the Act, Bank is entitled to and County hereby grants to Bank a security interest in the nonrestricted operating revenues received by the Cochise County Treasurer on behalf of County and in all proceeds of such nonrestricted operating revenues to secure the Obligations.

19. WAIVER OF SPECIAL DAMAGES. COUNTY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT COUNTY MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. USURY LAWS. Notwithstanding any other provision of this Agreement, the parties agree that the maximum rate or rates of interest to be charged by Bank hereunder shall not exceed the maximum rates permitted under the Act, as it exists on the date hereof. This Section covers the transactions described in this Agreement and any other agreements with Bank or its affiliates executed in connection with this Agreement, to the extent they are subject to Arizona usury laws (collectively, the "Transactions"). County understands and believes that the Transactions comply with Arizona usury laws. However, if any interest or other charges paid or payable in connection with the Transactions are ever determined to exceed the maximum amount permitted by law, County agrees that:

(a) the amount of interest or other charges payable or paid by County pursuant to the Transactions shall be reduced to the maximum amount permitted by law; and

(b) any excess amount previously collected from County in connection with the Transactions which exceeded the maximum amount permitted by law will be credited against the then outstanding principal balance of the Note. If the outstanding principal balance of the Note has been repaid in full, the excess amount paid will be refunded to County.

21. COUNTERPARTS. This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

22. TERMINATION UPON CONFLICT OF INTEREST. This Agreement may be subject to termination under the circumstances described in and as provided in Section 38-511 of the Arizona Revised Statutes. If this Agreement is terminated pursuant to said Section 38-511, all Advances made for the benefit of County and all accrued and unpaid interest thereon shall, to the fullest extent permitted by applicable law, be due and payable immediately.

23. JURY WAIVER. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, COUNTY AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN COUNTY AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

24. ARM'S LENGTH TRANSACTION. County acknowledges and agrees that the transaction described in this Agreement is an arm's length commercial transaction between County and Bank in which (a) Bank is acting solely as a principal and not as an advisor, including, without limitation, a "Municipal Advisor," as such term is defined in Section 15B of the Securities and

Exchange Act of 1934, as amended, and the related final rules (the “Municipal Advisor Rules”), agent or a fiduciary of County, (b) Bank is relying on the bank exemption in the Municipal Advisor Rules, (c) Bank has not provided any advice or assumed any advisory or fiduciary responsibility in favor of County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not Bank, or any affiliate of Bank, has provided other services or advised, or is currently providing other services or advising County on other matters), (d) Bank has financial and other interests that differ from those of County, and (e) County has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

25. LEGAL ARIZONA WORKERS ACT COMPLIANCE ARIZONA REVISED STATUTES SECTION 41-4401. The parties warrant that at all times during the term of this Agreement they will comply with all state and federal immigration laws applicable to the parties and their employees, and with the requirements of Arizona Revised Statutes Section 23-214 (A). The parties shall further ensure that each subcontractor who performs work under this Agreement will likewise comply with all applicable state and federal immigration laws. Failure to comply with this provision shall constitute a material breach of this Agreement. County retains the right to inspect the paperwork of any contractor or subcontractor that is employed within the United States of America to ensure compliance with such laws. Such inspection shall require the execution of a confidentiality agreement in form and substance provided by Bank.

26. BOYCOTT OF ISRAEL. If Bank engages in for-profit activity and has 10 or more employees, and if this Agreement has a value of \$100,000 or more, Bank certifies it is not currently engaged in, and agrees for the duration of this Agreement to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.

27. NO USE OF FORCED LABOR. To the extent applicable under Arizona Revised Statutes Section 35-394, Bank hereby certifies it does not currently, and for the duration of this Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People’s Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China. The foregoing certification is made to the best knowledge of Bank without any current independent investigation or without any future independent investigation for the duration of this Agreement. If Bank becomes aware during the duration of this Agreement that it is not in compliance with such certification, Bank shall take such actions as provided by law, including providing the required notice to County. If County determines that Bank is not in compliance with the foregoing certification and has not taken remedial action upon one hundred eighty (180) days after such noncompliance, County shall terminate this Agreement.

28. PATRIOT ACT NOTICE. Bank hereby notifies County that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies County, which information includes the name and address of County and other information that will allow Bank to identify County in accordance with the Patriot Act. County hereby agrees that it shall promptly provide such information upon request by Bank.

[SIGNATURE PAGES FOLLOW]

DATED as of the date first above stated.

COCHISE COUNTY, ARIZONA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair  
Cochise County Board of Supervisors

*ATTEST:*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Clerk of the Board  
Cochise County Board of Supervisors

COCHISE COUNTY TREASURER,  
As Agent for Cochise County, Arizona

By:   
Name: Catherine L. Traywick  
Title: Cochise County Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: Stephany Jordan-Slider  
Title: Executive Director

[Signature Page to Cochise County Business Loan Agreement]

**Exhibit A**  
**To**  
**Business Loan Agreement**

**SPECIMEN OF PROMISSORY NOTE**

**THIS NOTE IS IN FULLY REGISTERED FORM AND IS NOT TRANSFERABLE  
EXCEPT ON THE REGISTRATION BOOKS OF COUNTY**

**COCHISE COUNTY REVOLVING LINE OF CREDIT**

**PROMISSORY NOTE**

Wells Fargo Bank, National Association  
2410 South Power Road, Floor 01  
Mesa, Arizona 85209

Date: July 1, 2024

Principal Amount: Commitment Amount Cap (as defined in and subject to adjustment from time to time in accordance with the hereinafter defined Loan Agreement).

1. PROMISE TO PAY AND INTEREST. For value received, the undersigned, COCHISE COUNTY, ARIZONA, ACTING THROUGH THE COCHISE COUNTY TREASURER, AS ITS AGENT (“County”) promises to pay to or on the order of WELLS FARGO BANK, NATIONAL ASSOCIATION, or registered assigns (“Bank”) at its above office, or at such other place as Bank may designate in writing, in lawful money of the United States of America, the principal sum equal to the Commitment Amount Cap or, if different, the unpaid amount disbursed by Bank by having made Advances (as such term is defined in and subject to the Business Loan Agreement (Cochise County Revolving Line of Credit) of even date herewith (the “Loan Agreement”), between County and Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time), as shown on the records of Bank which, when in agreement with the records of County, shall (absent manifest error) be conclusive as to such unpaid amount, with interest thereon from the date advanced at the Interest Rate (as hereinafter defined).

2. INTEREST RATE. The Interest Rate (the “Interest Rate”) during each calendar quarter shall be the rate per annum equal to the rate per annum most recently publicly announced by Bank, or Bank’s successors, in Phoenix, Arizona, as Bank’s “prime rate”, as in effect from time to time, provided that in no event shall the Interest Rate at any time exceed one hundred ten percent (110%) of the previous quarter’s weighted average prime rate among the top three financial institutions by asset size in the State of Arizona. The Interest Rate will be redetermined by Bank on each day that the “prime rate” changes and any changes in the Interest Rate will be effective on and after the date of such change and until the next change. The “prime rate” is set by Bank based on various factors, including Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its

customers at, above, or below its “prime rate.” Notwithstanding the foregoing, in no event shall the Interest Rate at any time be less than zero percent (0.00%).

3. REQUIRED PAYMENTS; PAYMENT ON MATURITY. Prior to June 30, 2025, or if the Scheduled Commitment Expiration Date under the Loan Agreement has been extended by mutual agreement between County, acting through its agent, the Cochise County Treasurer, and Bank (acting in its sole and absolute discretion), such Scheduled Commitment Expiration Date (the “Maturity Date”), payments under this Note shall be made as County receives “nonrestricted operating revenues”, as such term is used in the Act. On the Maturity Date, County shall pay to Bank the unpaid principal, all accrued and unpaid interest, and all other amounts (“Other Amounts”) payable by County to Bank under the Loan Documents (as defined in the Loan Agreement).

4. INTEREST ON PRINCIPAL; DEFAULT RATE. Principal shall bear interest at the Interest Rate from the date of disbursement until the due date thereof, whether by acceleration or otherwise. Principal, interest, and Other Amounts not paid when due and any judgment therefor shall bear interest from its due date or the judgment date, as applicable, until paid at a rate (the “Default Rate”) per annum equal to one hundred ten percent (110.00%) of the previous quarter’s weighted average prime rate among the top three financial institutions by asset size in the State of Arizona (unless a lower maximum rate of interest is then applicable under the Act, in which case, the Default Rate shall be such lower rate of interest under the Act), and such interest shall be immediately due and payable.

5. INTEREST ACCRUAL. All interest under the Loan Documents shall be computed on the basis of a 365-day year and accrue on a daily basis for the actual number of days elapsed. County agrees to pay an effective rate of interest that is the sum of (i) the Interest Rate and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid in connection herewith that are determined to be interest or in the nature of interest.

6. PAYMENT IN FULL PRIOR TO THE MATURITY DATE. Notwithstanding any other provision herein or in the Loan Documents, County shall pay to Bank all outstanding principal, interest and Other Amounts on June 30 of each year. So long as County makes such payment, County shall, subject to the provisions of the Loan Agreement, continue to be entitled to Advances pursuant to the Loan Agreement prior to the commitment expiration date specified therein. Principal, interest, and Other Amounts not paid on June 30 of each year shall bear interest from June 30 until paid at the Default Rate, and such interest shall be immediately due and payable.

7. APPLICATION OF PAYMENTS. At the option of Bank, payments shall be applied to principal, interest, and Other Amounts in such order as Bank shall determine.

8. PREPAYMENT. County may prepay the outstanding principal balance hereof, in whole or in part, at any time prior to the Maturity Date without penalty or premium.

9. NO COUNTERCLAIMS, DEDUCTIONS, ETC. All payments and other obligations of County under the Loan Documents will be made and performed without counterclaim, deduction, defense, deferment, reduction, or set-off.

10. EVENTS OF DEFAULT. Each of the following shall be an event of default (“Event of Default”):

(a) Failure by County to pay when due (i) any amount payable by County under any of the Loan Documents, or (ii) any other indebtedness of County to Bank.

(b) Failure by County to perform any material obligation not involving the payment of money, or to comply with any other term or condition applicable to County, in any of the Loan Documents.

(c) Any representation or warranty made by County in any of the Loan Documents or otherwise or any information delivered by County to Bank in obtaining or hereafter in connection with the credit evidenced by this Note is or becomes materially incomplete, incorrect, or misleading from the representations or warranties made of the date of this Note or as of the date made or delivered.

(d) The occurrence of any change or other event that Bank determines has or will materially and adversely affect (i) any or all property, interests in property, or rights to property securing the obligations of County under the Loan Documents, including without limitation the security interest in the nonrestricted operating revenues received by the Cochise County Treasurer on behalf of County (collectively, the “Collateral”) as security for the obligations of County under the Loan Documents, (ii) the financial condition of County, or (iii) the ability of County to pay the monetary obligations of County under the Loan Documents.

(e) County (i) is unable or admits in writing County’s inability to pay County’s monetary obligations as they become due, (ii) is generally not paying its debts as they become due, (iii) makes a general assignment for the benefit of creditors, or (iv) applies for, consents to, or acquiesces in, appointment of a trustee, receiver, or other custodian for County or any or all of the property of County, or in the absence of such application, consent, or acquiescence by County a trustee, receiver, or other custodian is appointed for County or any or all of the property of County.

(f) Commencement of any case under the Bankruptcy Code (Title 9 of the United States Code) or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal or state law by or against County.

(g) Attachment, garnishment, levy of execution, or seizure by legal process of any or all Collateral of County, except any pre-judgment attachment or garnishment of any or all Collateral.

(h) Any legal proceeding or other action against or affecting any or all Collateral of County is commenced (including, without limitation, any prejudgment attachment or garnishment) and is not quashed, stayed, or released within twenty (20) days.

(i) Any Collateral of County is sold, disposed of, or otherwise transferred by County after the date of this Note, not in the ordinary course of operations of County.

(j) Any Collateral of County becomes subject to any lien or security interest, other than the security interest granted to Bank in this Note.

(k) Any Collateral of County is lost, stolen, suffers substantial damage or destruction, or is used in violation of any law, ordinance, regulation, or rule (federal, state, or local).

(l) County abandons or, except for expenditure of funds included in the Collateral in the ordinary operations of County, ceases to have exclusive possession of any Collateral or any books and records of County relating to the Collateral.

(m) County or any other person on behalf of County claims that any Loan Document is not legal, valid, binding, and enforceable against County, that any lien, security interest, or other encumbrance securing any of the obligations under the Loan Documents is not legal, valid, binding, and enforceable, or that the priority of any lien, security interest, or other encumbrance securing any of the obligations in the Loan Documents is different than the priority set forth in the Act (except as such priority may be affected by the laws regarding garnishment of wages of County's employees and federal and state tax liens for withholding taxes of County's employees).

(n) The occurrence of any condition or event that is a default or is designated as a default, an event of default, or an Event of Default in any other Loan Document or in any agreement, document, or instrument relating to any other indebtedness of County to Bank.

(o) The occurrence of any condition or event that is designated as a default or an event of default and the expiration of any cure period with respect to any other indebtedness of County to any other person.

(p) The failure of County to repay to Bank within five (5) Business Days of written notice from Bank to County the amount by which the outstanding amount of Advances exceeds the Commitment.

11. RIGHTS AND REMEDIES OF BANK. Upon occurrence of an Event of Default, Bank may, at its option, in its absolute and sole discretion, and without demand or notice, (i) declare the obligations in the Loan Documents to be immediately due and payable, whereupon the obligations in the Loan Documents shall be immediately due and payable, and (ii) exercise any or all other rights and remedies of Bank concurrently or consecutively in such order as Bank elects. The rights and remedies of Bank shall be cumulative and non-exclusive. Delay, discontinuance, or failure to exercise any right or remedy of Bank shall not be a waiver thereof, or of any other right or remedy of Bank, or of the time, of the essence provision. Exercise of any right or remedy of Bank shall not cure or waive any Event of Default or invalidate any act done in response to any Event of Default.

12. LIMIT OF LIABILITY OF BANK. In exercising rights and remedies, neither Bank nor any affiliate thereof or any stockholder, director, officer, employee, agent, or representative of Bank or any affiliate thereof shall have any liability for any injury to the assets, business,

operations, or property of County or any other liability to County, other than for its own gross negligence or willful misconduct.

13. PROVISIONS IN LOAN AGREEMENT GOVERN THIS AGREEMENT. This Note is subject to certain terms and provisions in the Loan Agreement, to which reference is made for a statement of such terms and provisions.

14. WAIVER OF STATUTE OF LIMITATIONS. County waives, to the full extent permitted by law, the right to plead any statutes of limitations as a defense to any or all obligations under the Loan Documents.

15. WAIVERS BY COUNTY. County (i) waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents), and (ii) agrees that Bank may enforce this Note and any other Loan Documents against County without first having sought enforcement against any Collateral.

16. JURY WAIVER. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, COUNTY AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN COUNTY AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

17. WAIVER OF SPECIAL DAMAGES. COUNTY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT COUNTY MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

[SIGNATURE PAGE FOLLOWS]

DATED as of the date first above stated.

COCHISE COUNTY, ARIZONA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Chair

Cochise County Board of Supervisors

*ATTEST:*

Exhibit A

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Clerk of the Board  
Cochise County Board of Supervisors

COCHISE COUNTY TREASURER,  
As Agent for Cochise County, Arizona

By: Catherine L. Traywick  
Name: Catherine L. Traywick  
Title: Cochise County Treasurer

**Exhibit B**  
**To**  
**Business Loan Agreement**

**FORM OF ADDENDUM**  
**(COCHISE COUNTY REVOLVING LINE OF CREDIT)**

ADDENDUM NO. \_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

PARTIES: County: Cochise County, Arizona Board of Supervisors for Cochise County, through the Cochise County Treasurer, as its agent

Bank: Wells Fargo Bank, National Association, a national banking association authorized to do business in the State of Arizona (“Bank”)

RECITAL:

Bank and County are parties to that certain Business Loan Agreement (Cochise County Revolving Line of Credit), dated July 1, 2024 (the “Agreement”), and County has made payable to Bank that certain Promissory Note, dated July 1, 2024 (the “Note”), as the Agreement and the Note have been amended, modified, extended, renewed, restated, or supplemented. Bank and County desire to enter into this Addendum No. \_\_\_\_ (this “Addendum”) to modify the Agreement and the Note, as described herein.

AGREEMENT:

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and County agree as follows:

1. Definitions. Unless otherwise defined in this Addendum, the capitalized words and phrases used herein shall have the meanings as described in the Agreement.

2. Modification to Scheduled Commitment Expiration Date. The Scheduled Commitment Expiration Date is hereby extended from June 30, 20\_\_ to June 30, 20\_\_. After the Effective Date, all references in the Agreement to the Scheduled Commitment Expiration Date shall mean and refer to June 30, 20\_\_.

Exhibit B

3. Commitment Amount Cap/Principal Amount of Note. County hereby requests Bank to modify the Commitment Amount Cap to be \_\_\_\_\_ and No/100 Dollars (\$ \_\_\_\_\_) (the "Revised Cap Amount") and upon Bank's approval of such modification the Commitment Amount Cap and the Principal Amount of the Note shall be deemed modified to reflect the Revised Cap Amount. Thereafter, all references in the Agreement and in the Note to the Commitment Amount Cap shall mean and refer to the Revised Cap Amount.

4. Full Force and Effect. Except as modified in this Addendum, the terms and conditions of the Loan Documents remain unchanged and in full force and effect.

5. Representations and Warranties. County hereby represents and warrants to Bank that the representations and warranties in Section 4 of the Agreement are correct and complete as of the Effective Date, except as County shall have otherwise notified Bank in writing prior to the Effective Date.

6. Governing Law. This Addendum shall be deemed to be a contract made under the laws of the State of Arizona for all purposes and shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, Bank and County have caused this Addendum to be executed and delivered as of the Effective Date.

COCHISE COUNTY TREASURER,  
As Agent for Cochise County, Arizona

By: Catherine L. Traywick  
Name: Catherine L. Traywick  
Title: Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit C**  
**To**  
**Business Loan Agreement**

**FORM OF REQUEST FOR ADVANCE**

Dated as of: [ \_\_\_\_\_ ]

Wells Fargo Bank, National Association  
2410 South Power Road, Floor 01  
Mesa, Arizona 85209  
Attention: Stephany Jordan-Slider  
Telephone: (480) 215-2969  
Email: [Stephany.Jordan@wellsfargo.com](mailto:Stephany.Jordan@wellsfargo.com)

Ladies and Gentlemen:

This irrevocable Request for Advance is delivered to you pursuant to Section 2.2 of that certain Business Loan Agreement (Cochise County Revolving Line of Credit), dated July 1, 2024 (the "Agreement"), between Cochise County, Arizona ("County") and Wells Fargo Bank, National Association ("Bank"). Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Agreement.

1. The Cochise County Treasurer hereby requests that Bank make an Advance to County in the aggregate principal amount of \$[\_\_\_\_\_]. (Complete with an amount in accordance with Section 2 of the Agreement.)

2. The Cochise County Treasurer requests that such Advance be made on the following Business Day: [\_\_\_\_\_].

3. The Cochise County Treasurer hereby irrevocably authorizes Bank to disburse the proceeds of the Advance by crediting or wiring such proceeds to County's deposit account number 4877352971.

4. All of the conditions applicable to the Advance requested herein as set forth in the Agreement have been satisfied as of the date hereof and will remain satisfied to the date of such Advance.

IN WITNESS WHEREOF, the undersigned has executed this Request for Advance as of the day and year first written above.

Exhibit C

COCHISE COUNTY TREASURER,  
As Agent for Cochise County, Arizona

By Catherine L. Traywick  
Name: Catherine L. Traywick  
Title: Treasurer

**THIS NOTE IS IN FULLY REGISTERED FORM AND IS NOT TRANSFERABLE  
EXCEPT ON THE REGISTRATION BOOKS OF COUNTY**

**COCHISE COUNTY REVOLVING LINE OF CREDIT**

**PROMISSORY NOTE**

Wells Fargo Bank, National Association  
2410 South Power Road, Floor 01  
Mesa, Arizona 85209

Date: July 1, 2024

Principal Amount: Commitment Amount Cap (as defined in and subject to adjustment from time to time in accordance with the hereinafter defined Loan Agreement).

1. PROMISE TO PAY AND INTEREST. For value received, the undersigned, COCHISE COUNTY, ARIZONA, ACTING THROUGH THE COCHISE COUNTY TREASURER, AS ITS AGENT (“County”) promises to pay to or on the order of WELLS FARGO BANK, NATIONAL ASSOCIATION, or registered assigns (“Bank”) at its above office, or at such other place as Bank may designate in writing, in lawful money of the United States of America, the principal sum equal to the Commitment Amount Cap or, if different, the unpaid amount disbursed by Bank by having made Advances (as such term is defined in and subject to the Business Loan Agreement (Cochise County Revolving Line of Credit) of even date herewith (the “Loan Agreement”), between County and Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time), as shown on the records of Bank which, when in agreement with the records of County, shall (absent manifest error) be conclusive as to such unpaid amount, with interest thereon from the date advanced at the Interest Rate (as hereinafter defined).

2. INTEREST RATE. The Interest Rate (“Interest Rate”) during each calendar quarter shall be the rate per annum equal to the rate per annum most recently publicly announced by Bank, or Bank’s successors, in Phoenix, Arizona, as Bank’s “prime rate”, as in effect from time to time, provided that in no event shall the Interest Rate at any time exceed one hundred ten percent (110%) of the previous quarter’s weighted average prime rate among the top three financial institutions by asset size in the State of Arizona. The Interest Rate will be redetermined by Bank on each day that the “prime rate” changes and any changes in the Interest Rate will be effective on and after the date of such change and until the next change. The “prime rate” is set by Bank based on various factors, including Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its customers at, above, or below its “prime rate.” Notwithstanding the foregoing, in no event shall the Interest Rate at any time be less than zero percent (0.00%).

3. REQUIRED PAYMENTS; PAYMENT ON MATURITY. Prior to June 30, 2025, or if the Scheduled Commitment Expiration Date under the Loan Agreement has been extended by mutual agreement between County, acting through its agent, the Cochise County Treasurer, and Bank (acting in its sole and absolute discretion), such Scheduled Commitment Expiration Date (the “Maturity Date”), payments under this Note shall be made as County receives “nonrestricted

operating revenues”, as such term is used in the Act. On the Maturity Date County shall pay to Bank the unpaid principal, all accrued and unpaid interest, and all other amounts (“Other Amounts”) payable by County to Bank under the Loan Documents (as defined in the Loan Agreement).

4. INTEREST ON PRINCIPAL; DEFAULT RATE. Principal shall bear interest at the Interest Rate from the date of disbursement until the due date thereof, whether by acceleration or otherwise. Principal, interest, and Other Amounts not paid when due and any judgment therefor shall bear interest from its due date or the judgment date, as applicable, until paid at a rate (“Default Rate”) per annum equal to one hundred ten percent (110.00%) of the previous quarter’s weighted average prime rate among the top three financial institutions by asset size in the State of Arizona (unless a lower maximum rate of interest is then applicable under the Act, in which case, the Default Rate shall be such lower rate of interest under the Act), and such interest shall be immediately due and payable.

5. INTEREST ACCRUAL. All interest under the Loan Documents shall be computed on the basis of a 365-day year and accrue on a daily basis for the actual number of days elapsed. County agrees to pay an effective rate of interest that is the sum of (i) the Interest Rate and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid in connection herewith that are determined to be interest or in the nature of interest.

6. PAYMENT IN FULL PRIOR TO THE MATURITY DATE. Notwithstanding any other provision herein or in the Loan Documents, County shall pay to Bank all outstanding principal, interest and Other Amounts on June 30 of each year. So long as County makes such payment, County shall, subject to the provisions of the Loan Agreement, continue to be entitled to Advances pursuant to the Loan Agreement prior to the commitment expiration date specified therein. Principal, interest, and Other Amounts not paid on June 30 of each year shall bear interest from June 30 until paid at the Default Rate, and such interest shall be immediately due and payable.

7. APPLICATION OF PAYMENTS. At the option of Bank, payments shall be applied to principal, interest, and Other Amounts in such order as Bank shall determine.

8. PREPAYMENT. County may prepay the outstanding principal balance hereof, in whole or in part, at any time prior to the Maturity Date without penalty or premium.

9. NO COUNTERCLAIMS, DEDUCTIONS, ETC. All payments and other obligations of County under the Loan Documents will be made and performed without counterclaim, deduction, defense, deferment, reduction, or set-off.

10. EVENTS OF DEFAULT. Each of the following shall be an event of default (“Event of Default”):

(a) Failure by County to pay when due (i) any amount payable by County under any of the Loan Documents, or (ii) any other indebtedness of County to Bank.

(b) Failure by County to perform any material obligation not involving the payment of money, or to comply with any other term or condition applicable to County, in any of the Loan Documents.

(c) Any representation or warranty made by County in any of the Loan Documents or otherwise or any information delivered by County to Bank in obtaining or hereafter in connection with the credit evidenced by this Note is or becomes materially incomplete, incorrect, or misleading from the representations or warranties made of the date of this Note or as of the date made or delivered.

(d) The occurrence of any change or other event that Bank determines has or will materially and adversely affect (i) any or all property, interests in property, or rights to property securing the obligations of County under the Loan Documents, including without limitation the security interest in the nonrestricted operating revenues received by the Cochise County Treasurer on behalf of County (collectively, the "Collateral") as security for the obligations of County under the Loan Documents, (ii) the financial condition of County, or (iii) the ability of County to pay the monetary obligations of County under the Loan Documents.

(e) County (i) is unable or admits in writing County's inability to pay County's monetary obligations as they become due, (ii) is generally not paying its debts as they become due, (iii) makes a general assignment for the benefit of creditors, or (iv) applies for, consents to, or acquiesces in, appointment of a trustee, receiver, or other custodian for County or any or all of the property of County, or in the absence of such application, consent, or acquiescence by County a trustee, receiver, or other custodian is appointed for County or any or all of the property of County.

(f) Commencement of any case under the Bankruptcy Code (Title 9 of the United States Code) or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal or state law by or against County.

(g) Attachment, garnishment, levy of execution, or seizure by legal process of any or all Collateral of County, except any pre-judgment attachment or garnishment of any or all Collateral.

(h) Any legal proceeding or other action against or affecting any or all Collateral of County is commenced (including, without limitation, any prejudgment attachment or garnishment) and is not quashed, stayed, or released within twenty (20) days.

(i) Any Collateral of County is sold, disposed of, or otherwise transferred by County after the date of this Note, not in the ordinary course of operations of County.

(j) Any Collateral of County becomes subject to any lien or security interest, other than the security interest granted to Bank in this Note.

(k) Any Collateral of County is lost, stolen, suffers substantial damage or destruction, or is used in violation of any law, ordinance, regulation, or rule (federal, state, or local).

(l) County abandons or, except for expenditure of funds included in the Collateral in the ordinary operations of County, ceases to have exclusive possession of any Collateral or any books and records of County relating to the Collateral.

(m) County or any other person on behalf of County claims that any Loan Document is not legal, valid, binding, and enforceable against County, that any lien, security interest, or other encumbrance securing any of the obligations under the Loan Documents is not legal, valid, binding, and enforceable, or that the priority of any lien, security interest, or other encumbrance securing any of the obligations in the Loan Documents is different than the priority set forth in the Act (except as such priority may be affected by the laws regarding garnishment of wages of County's employees and federal and state tax liens for withholding taxes of County's employees).

(n) The occurrence of any condition or event that is a default or is designated as a default, an event of default, or an Event of Default in any other Loan Document or in any agreement, document, or instrument relating to any other indebtedness of County to Bank.

(o) The occurrence of any condition or event that is designated as a default or an event of default and the expiration of any cure period with respect to any other indebtedness of County to any other person.

(p) The failure of County to repay to Bank within five (5) Business Days of written notice from Bank to County the amount by which the outstanding amount of Advances exceeds the Commitment.

11. RIGHTS AND REMEDIES OF BANK. Upon occurrence of an Event of Default, Bank may, at its option, in its absolute and sole discretion, and without demand or notice, (i) declare the obligations in the Loan Documents to be immediately due and payable, whereupon the obligations in the Loan Documents shall be immediately due and payable, and (ii) exercise any or all other rights and remedies of Bank concurrently or consecutively in such order as Bank elects. The rights and remedies of Bank shall be cumulative and non-exclusive. Delay, discontinuance, or failure to exercise any right or remedy of Bank shall not be a waiver thereof, or of any other right or remedy of Bank, or of the time, of the essence provision. Exercise of any right or remedy of Bank shall not cure or waive any Event of Default or invalidate any act done in response to any Event of Default.

12. LIMIT OF LIABILITY OF BANK. In exercising rights and remedies, neither Bank nor any affiliate thereof or any stockholder, director, officer, employee, agent, or representative of Bank or any affiliate thereof shall have any liability for any injury to the assets, business, operations, or property of County or any other liability to County, other than for its own gross negligence or willful misconduct.

13. PROVISIONS IN LOAN AGREEMENT GOVERN THIS AGREEMENT. This Note is subject to certain terms and provisions in the Loan Agreement, to which reference is made for a statement of such terms and provisions.

14. WAIVER OF STATUTE OF LIMITATIONS. County waives, to the full extent permitted by law, the right to plead any statutes of limitations as a defense to any or all obligations under the Loan Documents.

15. WAIVERS BY COUNTY. County (i) waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents), and (ii) agrees that Bank may enforce this Note and any other Loan Documents against County without first having sought enforcement against any Collateral.

16. JURY WAIVER. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, COUNTY AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN COUNTY AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

17. WAIVER OF SPECIAL DAMAGES. COUNTY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT COUNTY MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

[SIGNATURE PAGE FOLLOWS]

DATED as of the date first above stated.

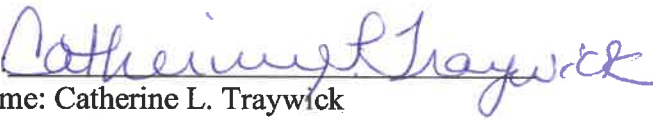
COCHISE COUNTY, ARIZONA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair  
Cochise County Board of Supervisors

*ATTEST:*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Clerk of the Board  
Cochise County Board of Supervisors

COCHISE COUNTY TREASURER,  
As Agent for Cochise County, Arizona

By:   
Name: Catherine L. Traywick  
Title: Cochise County Treasurer