

FIRST DRAFT DATED MARCH 7, 2025

PURCHASE AGREEMENT

By and between

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

and

THE CITY OF GLENDALE, ARIZONA
as Buyer

Dated as of June 1, 2025

Relating to

\$ _____

City of Glendale, Arizona
Senior Lien Water and Sewer Revenue
and Revenue Refunding Obligations, Series 2025

PURCHASE AGREEMENT

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EXHIBIT A – 2024 PROJECT DESCRIPTION

EXHIBIT B – PAYMENT SCHEDULE

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT dated as of June 1, 2025 (this “Agreement”), by and between THE CITY OF GLENDALE, ARIZONA, a municipal corporation and a political subdivision under the laws of the State of Arizona (“Buyer” or “City”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association (“Seller” or “Trustee”), in its capacity as trustee under Trust Agreement dated as of June 1, 2025, by and between Seller and Buyer.

WITNESSETH:

1. Definitions, Term and Payments.

(a) All terms not otherwise defined herein are as defined in the Trust Agreement.

(b) For the purpose of causing the acquisition and ownership of certain improvements and personal property in whole or in part as described on Exhibit A, which is attached to and made a part of this Agreement (the “2025 Project”), under the terms and conditions hereinafter set forth, Seller hereby sells to Buyer and Buyer hereby buys from Seller, the 2025 Project.

(c) Seller agrees to acquire the 2025 Project, or cause the same to be acquired, all in accordance with the instructions of the Buyer, and to pay all costs and expenses attendant thereto. To provide the funds necessary therefor and for the refinancing of purchase payments under the 2015 Agreement, the Seller, as Trustee under the Trust Agreement will execute and deliver the Senior Lien Water and Sewer Revenue and Revenue Refunding Obligations, Series 2025 (the “Obligations”).

(d) Buyer agrees to make purchase Payments hereunder to Seller at the address specified pursuant to Section 21 hereof (or such other address as Seller may designate in writing) as follows:

On June 15 and December 15 of each year commencing December 15, 2025, Buyer shall pay to Seller in the following order of priority the following amounts solely from Net Revenues, prior to payment of the Subordinate Obligations on a pro-rata basis with any other Senior Obligations, for deposit into the Payment Fund:

First: the amount due on the next following July 1 or January 1, respectively, as interest on the Obligations as indicated on Exhibit A, which is attached to and made a part of this Agreement;

Second: on each June 15 only, the amount of principal to come due on the Obligations on the next following July 1 as indicated on Exhibit A; and

Third: any other amount due or to come due on or before the next July 1 or January 1, respectively, pursuant to this Agreement to the Trustee or such other person described in this Agreement.

When all of the above transfers have been made as set forth above for that June 15 or December 15, the remaining Net Revenues may be used for any lawful purpose of Buyer, including debt service payments on any obligations secured by a lien and pledge of the Net Revenues subordinate to the lien and pledge of the Net Revenues securing the Obligations (as well as amounts necessary to pay fees and expenses under the Trust Agreement and hereunder and to comply with the Continuing Disclosure Undertaking (as defined herein)).

Buyer's obligation to make the Payments shall be limited to payment from the subordinate lien pledge of Net Revenues to the payment thereof by Buyer.

(a) The obligations of Buyer to make the Payments from the sources described herein and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach of Seller of any obligation to Buyer or otherwise, or out of indebtedness or liability at any time owing to Buyer by Seller. Until such time as all of the Payments shall have been fully paid or provided for, Buyer (i) will not suspend or discontinue any payments provided for in this Section, (ii) will perform and observe all other agreements contained herein, and (iii) will not terminate the term hereof for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Projects, the taking by eminent domain of title to or temporary use of any or all of the Projects, commercial frustration of purpose, abandonment of the Projects by Buyer, any change in the tax or other laws of the United States of America or of the State of Arizona or any political subdivision of either or any failure of Seller to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this Agreement. Nothing contained in this Section shall be construed to release Seller from the performance of any of the agreements on its part herein or in the Trust Agreement contained and in the event Seller shall fail to perform any such agreements on its part, Buyer may institute such action against Seller as Buyer may deem necessary to compel performance so long as such action does not abrogate the obligations of Buyer contained in the first sentence of this paragraph (e).

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

(c) Buyer has established the following special funds and accounts, which are held by Buyer:

- (1) The Revenue Fund;
- (2) The Senior Payment Account;

(3) The Subordinate Payment Account, into which monthly deposits from Net Revenues are made, for the purpose of collecting amounts to make payments to the trustee under any Subordinate Obligation Agreement related to Subordinate Obligations, including the Obligations; and

(4) The Replacement and Extension Fund.

Buyer covenants and agrees that Revenues of the Systems shall be applied as follows:

(i) All Revenues shall be deposited as received by Buyer into the Revenue Fund. Amounts in the Revenue Fund shall be used first to pay Current Expenses of the Systems.

(ii) Amounts remaining in the Revenue Fund shall next be transferred to the Senior Payment Account through monthly deposits on the 10th day of each month over the months until due, as nearly equal as practicable, in amounts sufficient to pay the principal of and interest on the Senior Obligations next falling due and to remedy any prior deficiencies.

(iii) After the deposits and transfers described in (i) and (ii) above, amounts remaining in the Revenue Fund shall be transferred into the Subordinate Payment Account in monthly deposits equal to (a) one-sixth of the interest next coming due on all Subordinate Obligations, (b) one-twelfth of the principal next coming due on all Subordinate Obligations, and (c) a proportional amount of any other payments due under Subordinate Obligation Agreements over the months until due.

(iv) After the deposits and transfers described in (i) through (iii) above, amounts remaining in the Revenue Fund shall be transferred to the Replacement and Extension Fund until such fund contains an amount at least equal to 1.00% of the Revenues of the Systems received in any fiscal year. Amounts in the Replacement and Extension Fund may only be used to remedy deficiencies in the Senior Payment Account or the Senior Reserve Fund, to make improvements, additions, extensions, replacements or repairs to the Systems or to pay principal of, premium, if any, and interest on obligations payable from Net Revenues junior to the lien of the Senior Obligations.

(v) Any Net Revenues not required for the preceding purposes is surplus and may be used by Buyer for any lawful purpose.

(vi) The term of this Agreement is through July 2, 20__ or such earlier or later date on which all Payments due hereunder have been paid, subject to prior termination upon Buyer's exercise of its rights to prepay the Payments as set forth in Section 13 herein.

2. Pledge of Net Revenues; Limited Obligations.

(a) Buyer hereby pledges for the payment of the purchase price hereunder and all other amounts payable pursuant hereto the Net Revenues. Buyer intends that this pledge shall be a senior lien pledge upon such amounts of said Net Revenues as will be sufficient to make the Payments pursuant hereto when due. Buyer agrees and covenants to make said Payments from such Net Revenues, except to the extent it chooses to make the Payments from other funds pursuant to Section 4. Such pledge of, and lien on, the Net Revenues is hereby irrevocably made and created for the prompt and punctual payment of the amounts due hereunder according to the terms hereof, and to create and maintain the funds and accounts as specified in this Agreement or as may be specified in the Trust Agreement. All of the Payments are coequal as to the pledge of and lien on the Net Revenues pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from Net Revenues or security therefor. The pledge and lien shall be on a parity with the pledge of and lien on such Net Revenues for the payments due with respect to any other Senior Obligation Agreement. Buyer shall remit to the Trustee (or other appropriate trustee with respect to Senior Obligations) from Net Revenues all amounts due under this Agreement and with respect to any other Senior Obligation Agreements in the amounts and at the times and for the purposes as required herein.

(b) Buyer's obligation to make payments of any amounts due under this Agreement, including amounts due after default or termination hereof, is limited to payment from the Net Revenues and shall in no circumstances constitute a general obligation of, or a pledge of the full faith and credit of, Buyer, the State of Arizona, or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem taxes.

(c) Buyer shall cause such calculations of rebate obligation with respect to the Obligations to be made as and when necessary to determine amounts necessary to be held to pay rebate with respect to the Obligations and to identify Net Revenues which are available for payment with respect to Senior Obligations.

. All Net Revenues in excess of amounts, if any, required to be deposited with or held by the Trustee (or other appropriate trustee with respect to the Senior Obligations or the Subordinate Obligations) for payments due under this Agreement or the Trust Agreement, or with respect to Senior Obligations or the Subordinate Obligations, respectively, shall constitute surplus revenues and may be used by Buyer for any lawful purpose for the benefit of Buyer, including the payment of obligations subordinate to the Senior Obligations and the Subordinate Obligations to which such Net Revenues may from time to time be pledged. If at any time the moneys in the funds and accounts held for payment of amounts due under this Agreement or with respect to other Senior Obligations are not sufficient to make the deposits and transfers herein or therein required, any such deficiency shall be made up, subject to the claims thereon of Senior Obligations, from the first moneys thereafter received and available for such transfers under the terms hereof, and the transfer of any such sum or sums to said fund or accounts as may be necessary to make up any such deficiency shall be in addition to the then current transfers required to be made pursuant hereto.

. Buyer may, at Buyer's sole option, make the Payments from its other funds as permitted by law and as Buyer shall determine from time to time, but Seller acknowledges that it has no claim hereunder to such other funds. No part of the purchase price payable pursuant to this Agreement shall be payable out of any ad valorem taxes imposed by Buyer or from bonds or other obligations, the payment of which Buyer's general taxing authority is pledged, unless (i) the same shall have

been duly budgeted by Buyer according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State of Arizona, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State of Arizona.

. So long as any amounts due hereunder remain unpaid or unprovided for, Buyer shall not create, suffer or permit any lien upon the Net Revenues senior to the lien hereof. So long as any amounts due hereunder remain unpaid or unprovided for, Buyer shall not create, suffer or permit any lien upon the Net Revenues on a parity herewith except for any Senior Obligations upon compliance with the requirements therefor set forth in the Trust Agreement.

. Buyer covenants and agrees that it shall at all times establish, fix, maintain and collect rates, fees and other charges for all water and services furnished by the Water and Sewer Systems fully sufficient at all times to produce Net Revenues in each Fiscal Year which:

(a) will equal at least 120% of the debt service coming due in such Fiscal Year on all Senior Obligations then Outstanding (if obligations of the types described in Section 6.4(c) through Section 6.4(f) of the Trust Agreement are included in the calculation of debt service, the appropriate Assumed Amortization Period and Assumed Interest Rate shall be used); and

(b) will remedy all deficiencies in payments into any of the funds and accounts mentioned herein from prior Fiscal Years (including repaying any credit provider of Senior Obligations) and meet all requirements for principal of and interest on any obligations payable from the Net Revenues.

. In addition to the Payments to be made pursuant to Section 1, Buyer agrees to pay, and, to the extent permitted by law, to indemnify and hold Seller harmless for, from and against, all license, sales, use, real or personal property, gross receipts or other taxes, levies, imposts, duties or charges, together with any penalties, fines or interest thereon (collectively, the "Taxes") imposed against or on Seller, Buyer or the Projects by any federal, state or local government or taxing authority upon or with respect to the Projects or the purchase, ownership, lease, rental, possession, operation, return, sale or use of, or receipt of rental payments or other payments or receipts for, the Projects, except any federal or state income taxes, if any, payable by Seller. Seller shall give Buyer ten (10) days' written notice before proceeding to pay any such Taxes. Buyer may in good faith and by appropriate proceedings contest any such Taxes prior to payment so long as Buyer shall have provided such security for the payment of any such Taxes pending the outcome of such proceedings as Seller shall reasonably approve.

. Buyer shall pay all charges for gas, water, steam, electricity, light, heat or power, telephone or other utility service furnished to or used on or in connection with the Projects (including charges for installation of such services). There shall be no abatement of Payments on account of the unavailability or interruption of any such services, all of which shall be the responsibility of Buyer.

. During the term of this Agreement, Buyer shall use the Projects for municipal purposes. Buyer will not acquire, construct, install, use, operate or maintain the Projects improperly, carelessly, or in violation of any applicable law, ordinance, rule or regulation of any governmental authority, or in a manner contrary either to the nature of the Projects or that contemplated by this

Agreement. Buyer shall provide, at its expense, all permits and licenses, if any, necessary for the acquisition, construction, installation, furnishing, equipping, relocation, operation, maintenance and use of the Projects by Buyer.

. At its own expense, Buyer shall during the term of this Agreement service, repair and maintain the Projects as provided in Section 28(a)(1) herein.

11. Indemnification.

(a) To the extent permitted by law (and except to the extent caused by or resulting from Seller's fraud, deceit, bad faith, willful misconduct or negligence), Buyer shall indemnify, protect, save and keep harmless Seller and its agents, employees, officers and directors for, from and, at Buyer's expense, defend Seller and its agents, employees, officers and directors against any and all liability, obligations, losses, damages, penalties, claims, actions, costs and expenses (including but not limited to reasonable attorneys' fees) of whatsoever kind and nature imposed on, incurred by or asserted against Seller or its agents, employees, officers and directors which in any way relate to or arise out of this Agreement or the reasonable and necessary actions or omissions of Seller relating to this Agreement, or the violation or breach by Buyer of any of its representations, warranties or covenants herein or the ownership, delivery, rental, lease, possession, use, operation, condition, sale, return or other disposition of the Projects, including, without limitation: (a) noncompliance with any applicable provisions of the Americans with Disabilities Act and regulations issued thereunder; (b) any actual or alleged environmental condition in, on or at the Projects; (c) any generation, processing, handling, transportation, storage, treatment or disposal of any Regulated Substance in, on, at or from the Projects; or (d) any presence or Release of any Regulated Substance in, on, at or from the Projects. For the purposes of this Agreement: (i) "Environmental Law" shall mean any federal, state or local environmental or health or safety law, regulation or rule, including, without limitation, any judicial or administrative statement of general or specific applicability; (ii) "Regulated Substance" shall mean any substance, material or waste regulated by any Environmental Law; and (iii) "Release" shall mean any release, including, without limitation, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment.

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

that Buyer will not represent and defend Seller then Seller may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion and in an effort to minimize any claims for indemnity made hereunder. If Seller determines it is necessary to retain separate counsel, it may do so at Buyer's expense.

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

(a) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, Seller has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Projects for any particular purpose or the conformity of the Projects to any plans, specifications, construction contract, purchase order, model or sample, or as to its design, construction, delivery, installation and operation or its suitability for use by Buyer. All such risks shall be borne by Buyer without in any way excusing Buyer from its obligations under this Agreement and Seller shall not be liable to Buyer for any damages on account of such risks. Except with respect to any acts by Seller which are not undertaken either (i) at Buyer's request, or (ii) with Buyer's prior approval, Buyer agrees to waive all claims against Seller growing out of providing for the Projects. Seller shall have no liability to Buyer for any failure of any vendor to perform any contract in any respect. In the event of any defect in any item of the Projects or other claim with respect to the Projects, Buyer understands and agrees that Buyer's recourse will be against the seller of the Projects to Seller, and not against Seller. For such purpose, Seller hereby assigns and transfers to Buyer the right, title and interest of Seller in and to all representations and warranties relating to the Projects from the seller thereof. Seller further designates Buyer as its attorney-in-fact granting to Buyer the right to initiate and take all actions necessary to enforce any and all purchase contracts and all such warranties and service agreements.

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

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

(d) Buyer represents, promises and warrants that the Projects comply with Title III of the Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities if and to the extent such Act and regulations apply to the Projects.

13. Prepayment; Providing for Payment.

(a) Section 4.1 of the Trust Agreement permits the Buyer to prepay the principal component of any Payment relating to the Obligations.

(b) Buyer may provide for the payment of any Payment in advance of the scheduled payment date in any one or more of the following ways:

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

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

(3) by depositing with a Depository Trustee, in trust for such purpose, any Qualified Permitted Investments which are noncallable, in such amount as shall be certified to Seller and Buyer, by a national firm of certified public accountants or other financial or consulting firm acceptable to both Seller and Buyer, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with Seller and available for such Payment, to make, or cause to be made, such Payment, as and when the same becomes due and payable at maturity.

. Seller shall cause the Projects to be transferred directly to Buyer by Seller.

15. Defaults and Remedies.

(a) The occurrence of one or more of the following events shall constitute an Event of Default, whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(1) Buyer's failure to make any Payment when the same shall become due as provided herein or in any of the Senior Obligation Agreements;

(2) Buyer's failure to perform or observe any other covenant, condition or agreement required to be performed or observed by Buyer hereunder or under the Trust Agreement and continuation of such failure for a period of thirty (30) days after written notice thereof from Seller to Buyer; provided, however, that if the failure cannot be corrected within the applicable time period, Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Buyer within the applicable period and diligently pursued until the default is corrected;

(3) Any representation or warranty made by Buyer hereunder or in the Trust Agreement shall be untrue in any material respect as of the date made and not made true in all material respects within thirty (30) days of notice thereof from Seller to Buyer;

(4) Buyer shall make, permit or suffer any unauthorized assignment or transfer hereof or any interest herein; or

(5) Buyer becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for Buyer or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for Buyer or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against Buyer and, if instituted against Buyer, is consented to or acquiesced in by Buyer or is not dismissed within sixty (60) days.

(b) Upon the occurrence of any Event of Default specified in subsection 15(a) hereof, Seller shall give written notice of such Event of Default to Buyer and may in Seller's sole discretion, pursue or exercise any of the following remedies or rights, provided that such election or commencement to exercise any such remedy or right shall not preclude Seller from concurrently or separately electing or exercising any other remedy not inconsistent therewith:

(1) Enforce this Agreement by appropriate legal or other action to collect all amounts due or accruing hereunder or under the Trust Agreement and to cause Buyer to pay or perform its other obligations hereunder or under the Trust Agreement when and as the same shall be required to be paid or performed hereunder or thereunder, and for damages for the breach hereof and of the Trust Agreement, which damages shall be the amounts payable hereunder at the times herein set forth without acceleration plus the reasonable costs of collection, including reasonable attorneys' fees; or

(2) Pursue and exercise any other remedy available at law or in equity and all other remedies permitted under the Trust Agreement. No other remedy exercised by Seller under this Section shall excuse any of Buyer's obligations hereunder.

(c) Seller, upon the bringing of a suit to collect the Payments in default, may as a matter of right, without notice and without giving bond to Buyer or anyone claiming under Buyer, (i) have a receiver appointed of all the Net Revenues which are so pledged for the payment of amounts due hereunder, with such powers as the court making such appointment shall confer; and Buyer does hereby irrevocably consent to such appointment and (ii) seek and obtain injunctive relief.

(d) The obligation of Buyer to make the Payments is not subject to acceleration and the Payments may not be made immediately due and payable for any reason.

(e) Notwithstanding any Event of Default hereunder, Seller shall have no right to interfere with Buyer's ownership, possession or use of the Projects.

16. Assignment.

(a) Except as otherwise provided herein, Buyer shall not assign, transfer, pledge or hypothecate or otherwise dispose of this Agreement or any interest therein, and any assignment in contravention hereof shall be void.

(b) Subject to the terms of the Trust Agreement, all and every part of the right, title and interest of Buyer in and to this Agreement and all payments of any kind due or which become due to Trustee hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement.

In the event Seller becomes merged or consolidated with any other entity and the resulting entity meets the requirements for a successor trustee under the Trust Agreement, then the resulting entity shall assume all rights, responsibilities and duties of Seller hereunder without the execution or filing of any papers or any further act on the part of either party and "Seller" hereunder shall refer to such resulting party.

. Seller does hereby irrevocably appoint Buyer as its sole and exclusive agent to act for and on behalf of Seller in providing for the Projects. As such agent, Buyer shall have full authority to do all things necessary to bring about the refinancing of the Projects. Seller shall not be accountable for the acts of Buyer as its agent hereunder and Buyer hereby assumes all responsibility for the performance of such duties. Buyer may arrange for transfer of the Projects directly to Buyer.

. If Buyer fails to make any payment or fails to perform or comply with any of its covenants or obligations hereunder, Seller may, but shall not be required to, make such payment or perform or comply with such covenants and obligations on behalf of Buyer and the amount of any such payment and the expenses (including but not limited to reasonable attorney's fees) incurred by Seller in performing or complying with such covenants and obligations, as the case may be, together with interest thereon at the rate per annum equal to the lower of the maximum rate permitted by law or the Default Rate shall be deemed additional rent payable by Buyer within fifteen (15) days after demand.

. Buyer shall comply with and carry out all of the provisions of the Continuing Disclosure Undertaking, dated of even date with the date of original execution and delivery of the Obligations (the "Continuing Disclosure Undertaking"), provided that such costs of compliance shall be payable solely from the Net Revenues. Notwithstanding any other provision of this Agreement, failure of Buyer to comply with the Continuing Disclosure Undertaking shall not be considered an Event of Default; however, the Trustee may (and, at the request of the Original Purchaser of the Obligations or the owners of at least 25% aggregate principal amount in outstanding Obligations and receipt of indemnity to its satisfaction, shall) take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause Buyer to comply with its obligations under this Section. The Trustee is not responsible for monitoring or verifying compliance by Buyer with the Continuing Disclosure Undertaking.

20. Miscellaneous.

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

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

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

(d) Seller shall have the right at any time or times, by notice to Buyer, to designate or appoint any person or entity to act as agent or trustee for Seller for any purposes hereunder.

(e) Buyer agrees to pay interest at the rates necessary to pay the interest components specified in Exhibit A.

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

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

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

(i) This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

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

If to Seller:

U.S. Bank Trust Company, National Association
1101 West Washington Street
Tempe, Arizona 85281
Attention: Global Corporate Trust

If to Buyer:

City of Glendale, Arizona
Finance Department
5850 West Glendale Avenue
Suite 302
Glendale, Arizona 85301
Attn: Budget and Finance Director
Tel.: 623-930-2483

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall be marked to indicate "URGENT MATERIAL ENCLOSED." The provisions of Section 8.4(i) of the Trust Agreement with respect to the Trustee's acceptance of instructions and directions delivered by Electronic Means and Section 13.3 of the Trust Agreement with respect to the use of electronic signatures to sign documents are incorporated into this Agreement as if expressly set forth herein.

(a) No direction for the making of any investment or other use of the proceeds of any of the Obligations shall be made which would cause the Obligations to be "arbitrage bonds" as that term is defined in section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in section 141 (or any successor provision thereto) of the Code, and the requirements of such sections and related regulations of the Code shall be complied with throughout the term of the Obligations. City shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the execution and delivery of the Obligations for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the portion of each of the Payments, denominated as and comprising interest pursuant to this Agreement and received by the Owners (the "Interest Portion"). In consideration of the purchase and acceptance of the Obligations by the owners from time to time thereof and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, City shall, and the appropriate officials of City are hereby directed, to take all action required to retain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(b) City shall take all necessary and desirable steps, as determined by the Mayor and Council of City, to comply with the requirements hereunder in order to ensure that the Interest Portion is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event City receives a Special Counsel's Opinion (as such term is defined in the next Section) that either compliance with such requirement is not required to maintain the exclusion from gross income of the Interest Portion or compliance with some other requirement will meet the requirements of the Code. In the

event City receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(c) If for any reason any requirement hereunder is not complied with, City shall take all necessary and desirable steps, as determined by City, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and City shall pay any required interest or penalty under hereinafter described Regulations section 1.148-3(h) with respect to the Code.

(a) Terms not otherwise defined in Subsection (b) hereof shall have the meanings given to them in the arbitrage certificate of City delivered in connection with the execution and delivery of the Obligations.

(b) The following terms shall have the following meanings:

Bond Yield is as indicated in such arbitrage certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Obligations as determined under Regulations section 1.148-4(b).

The present value of all such payments shall be computed as of the date of issue of the Obligations and using semiannual compounding on the basis of a 360-day year.

Gross Proceeds shall mean:

(i) any amounts actually or constructively received by City from the sale of the Obligations but excluding amounts used to pay accrued interest on the Obligations within one year of the date of issuance of the Obligations;

(ii) transferred proceeds of the Obligations under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii) and

(iv) replacement proceeds of the Obligations within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Obligations in the event City or Trustee encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under the Trust Agreement.

Investment Property shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

Issue Price is as indicated in such arbitrage certificate, which is the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters of wholesalers) at which price a substantial amount of the Obligations was reasonably expected to be sold, less any bond insurance premium and reserve surety bond premium. Issue price shall be determined as provided in Regulations section 1.148-1(b).

Nonpurpose Investment shall mean any Investment Property acquired with Gross Proceeds and which is not acquired to carry out the governmental purposes of the Obligations.

Payment shall mean any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

Rebate Requirement shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

Receipt shall mean any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

Regulations shall mean the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

Special Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by City.

(c) Within 60 days after the end of each Bond Year, City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Obligations (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Obligations (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Obligation, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Obligation).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(d) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(e) For purposes of Subsection (d), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(1) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(2) Except as provided in Subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(3) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(f) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(1) the yield on reasonably comparable direct obligations of the United States; and

(2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(g) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(1) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider

about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with City or any other person (whether or not in connection with the Obligations), and that the bid is not being submitted solely as a courtesy to City or any other person for purposes of satisfying the requirements in the Regulations that City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligations.

(2) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(3) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligations (e.g., a lead underwriter within 15 days of the issue date of the Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If City uses an agent to conduct the bidding, the agent may not bid.

(4) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(5) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(7) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(8) City retains until three years after the last outstanding Obligation is retired, (i) a copy of the guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by City and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviate from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(h) Such experts and consultants shall be employed by City to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Obligations.

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(a) Section 38-511, Arizona Revised Statutes, provides that Buyer may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Buyer is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, Buyer may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Buyer from any other party to the contract arising as a result of the contract. Seller shall not knowingly take any action which would permit Buyer to cancel this Agreement under this provision.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, Seller 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 Seller of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of Seller by Buyer. Buyer retains the legal right to randomly inspect the papers and records of Seller to ensure that Seller is complying with the above-mentioned warranty. Seller shall keep such papers and records open for random inspection during normal business hours by Buyer. Seller shall cooperate with the random inspections by Buyer including granting Buyer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) To the extent applicable, pursuant to Section 35-393 et seq., Arizona Revised Statutes, Seller hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If Buyer determines that Seller's certification above is false or that it has breached such agreement, Buyer may impose remedies as provided by law.

(d) Pursuant to Section 35-394, Arizona Revised Statutes, the Trustee hereby certifies it does not currently, and for the duration of this Purchase 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 the Trustee without any current independent investigation or without any future independent investigation for the duration of this Purchase Agreement. If the Trustee becomes aware during the duration of this Purchase Agreement that it is not in compliance with such certification, the Trustee shall take such actions as provided by law, including providing the required notice to the City. If the City determines that the Trustee is not in compliance with the foregoing certification and has not taken remedial action, the City shall terminate the Trustee's role as the Trustee hereunder pursuant to Article VIII of the Trust Agreement.

. Notwithstanding any other terms or provisions hereof, Seller's interest in the Projects is solely for the purpose of facilitating the refinancing of the Projects and Seller shall not have the power, authority or obligation to assume any responsibility for the overall management of the Projects, including, without limitation, any day-to-day decision making or operational aspects of

the Projects. Except for an Event of Default under Section 15(a)(1), Seller shall have no duty or obligation to monitor the City's compliance with the terms of this Agreement or to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements of the City except as set forth in the Trust Agreement.

. This Agreement may be amended only in writing, duly executed by the parties, and subject to the conditions and requirements set forth in the Trust Agreement.

. Seller is acting hereunder in its capacity as Trustee under the Trust Agreement and the term "Seller", when used herein, shall also mean the Trustee as defined in the Trust Agreement. Any provisions governing the rights, immunities and protections of the Trustee under the Trust Agreement are incorporated by reference into this Agreement as being applied to this Agreement as though fully set forth herein.

28. Special Covenants with Respect to Systems.

(a) *In General.* Buyer makes the following covenants with each and every successive holder of any of the Senior Obligations so long as any of said Senior Obligations remain Outstanding.

(1) *Maintenance of the Water and Sewer Systems in Good Condition.* Buyer shall (i) maintain the Water and Sewer Systems in good condition, (ii) operate the same in a proper and economical manner and at reasonable cost, and (iii) faithfully and punctually perform all duties with reference to the Water and Sewer Systems required by the Constitution and laws of the State of Arizona.

(2) *Insurance.* Buyer shall maintain insurance on the Water and Sewer Systems (which may take the form of or include an adequately-funded program of self-insurance), for the benefit of the holder or holders of Senior Obligations and Subordinate Obligations payable wholly or in part from the Net Revenues, for the full insurable value of all buildings and machinery and equipment therein, against loss or damage by fire, lightning, tornado or winds, and all other combustible property against loss or damage by fire or lightning, and other coverages and amounts of insurance, (including public liability and damage to property of others to the extent deemed prudent by Buyer), normally carried by others on similar operations. The cost of such insurance may be paid as a Current Expense. All money received for losses under any such insurance policies, except public liability policies, is hereby pledged by Buyer as security for the Obligations until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by repairing the property damaged or replacing the property destroyed or by depositing the same in the Replacement and Extension Fund. Adequate provision for making good such loss and damage shall be made with due diligence and within a reasonable period of time. Insurance proceeds not used in making such provision shall be deposited in said Replacement and Extension Fund. Such insurance proceeds shall be payable to Buyer by appropriate clause to be attached to or inserted in the policies. Self-insurance may be

maintained for the Water and Sewer Systems either separately or in connection with any general self-insurance program maintained by Buyer.

(b) *No Sale, Lease or Encumbrance, Exceptions.* Except as described below, Buyer irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of the Water and Sewer Systems as a whole until all of the Obligations and all interest thereon shall have been paid in full or provision for payment has been made in accordance with the Trust Agreement.

Buyer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Water and Sewer Systems in the following manner, if any one of the following conditions exists: (1) such property is not necessary for the operation of the Water and Sewer Systems, (2) such property is not useful in the operation of the Water and Sewer Systems, (3) such property is not profitable in the operation of the Water and Sewer Systems, or (4) the property disposed of in any Fiscal Year is less than 5% of the total value of the Water and Sewer Systems and the disposition of such property will be advantageous to the Water and Sewer Systems. In addition, Buyer may sell, lease or otherwise dispose of any of the property comprising part of the Water and Sewer Systems if the proceeds of such disposition (a) are used or are set aside to be used solely to purchase property expected to generate equal or greater Net Revenues, as certified by a Consultant in a statement filed with the Chief Financial Officer or Budget and Finance Director of Buyer, or (b) are used to pay all indebtedness on the property disposed of, or (c) are deposited in the applicable debt service fund for Senior Obligations and Subordinate Obligations.

In addition Buyer may sell to Maricopa County or any other political subdivision of the State of Arizona or any agency of any one or more of them, any portion of the Water and Sewer Systems if there is filed with the Chief Financial Officer or Budget and Finance Director of Buyer a certificate executed by the Consultant showing that, in his opinion, the proposed sale will not reduce the Net Revenues to be received by the Water and Sewer Systems in the full Fiscal Year next succeeding such sale to an amount less than 120% of debt service coming due in such Fiscal Year on all Senior Obligations and Subordinate Obligations then Outstanding calculated as set forth in Section 6(a) hereof. In making such computation, the Consultant shall consider such matters as he deems appropriate including: (i) anticipated diminution of Net Revenues; (ii) anticipated increase or decrease in Current Expenses attributable to the sale, and (iii) reduction in annual principal and interest requirements attributable to the application of the sale proceeds to the making of provision for payment of Senior Obligations and Subordinate Obligations heretofore Outstanding. Such sale may include a partial interest in a water or sewer facility owned or to be owned in whole or in part by Buyer. All proceeds of any such sale shall be deposited into the Replacement and Extension Fund or the debt service funds for Senior Obligations and Subordinate Obligations.

Buyer reserves the right to transfer the Water and Sewer Systems as a whole to any political subdivision or agency of one or more political subdivisions of the State of Arizona to which may be delegated the legal authority to own and operate the Water and Sewer Systems on behalf of the public, and which undertakes in writing, filed with the Chief

Financial Officer or Budget and Finance Director of Buyer, Buyer's obligations hereunder; provided that there shall be first filed with the Chief Financial Officer or Budget and Finance Director of Buyer (i) an opinion of nationally recognized bond counsel to the effect that (A) such sale will not cause interest on any Senior Obligations to become subject to federal income taxation, (B) such sale will not materially diminish the security of the owners of the Senior Obligations and Subordinate Obligations (which opinion may be based on the Consultant's report described in clause (ii) below) and (C) the obligations of Buyer hereunder have been validly assumed by such transferee and are the valid and legally binding obligations of such transferee and (ii) an opinion of a Consultant expressing the view that such transfer in and of itself will not result in Net Revenues in the full Fiscal Year next succeeding such transfer being less than 120% of debt service coming due in such Fiscal Year on all Senior Obligations and Subordinate Obligations then Outstanding calculated as set forth in Section 6(a) hereof. In reaching this conclusion, the Consultant shall take into consideration such factors as he may deem significant including any rate schedule to be imposed by said political subdivision or agency.

(c) *Books, Records and Accounts.* Buyer shall cause to be kept proper records and accounts of the Water and Sewer Systems in accordance with standard accounting practices and procedures customarily used for systems of similar nature, shall cause such books, records and accounts to be properly audited by an independent certified public accountant and shall require such auditors to complete their report within 180 days after the close of the Fiscal Year. The audit shall contain, but shall not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a statement of changes in equity of the Systems and any other statement required by law or accounting convention, and an opinion by such auditor disclosing any material financial default on the part of Buyer in the performance of any covenant herein. A copy of such annual audit shall be made available to any owner of the Senior Obligations or Subordinate Obligations on request.

(d) *No Free Service.* No free water or service shall be furnished by the Water and Sewer Systems to Buyer or any department thereof or to any person, firm or corporation, public or private, or to any public agency or instrumentality. The reasonable cost and value of all water and service rendered to Buyer and its various departments by the Water and Sewer Systems, shall be charged against Buyer and will be paid for as the service occurs from Buyer's current funds. All payment so made shall be considered Revenues.

(e) *Satisfaction of Liens.* Buyer will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments and other governmental charges, if any, lawfully imposed upon the Water and Sewer Systems or any part thereof or upon the Net Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the Water and Sewer Systems or the revenues or any part thereof or which might impair the security of the Senior Obligations or the Subordinate Obligations, except when Buyer in good faith contests its liability to pay the same.

(f) *Disconnection of Water for Non-Payment.* Buyer shall diligently enforce payment of all bills for water and sewer services supplied by the Water and Sewer Systems. If a bill becomes delinquent and remains so for a period to be determined in accordance with Buyer policy from time to time, Buyer will discontinue water service in accordance with Arizona law to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for such payment satisfactory to Buyer shall have been made. Buyer will do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the Water and Sewer Systems.

(g) *Payments to Owners.* All payments falling due on the Subordinate Obligations for principal and interest shall be made by Buyer from the Net Revenues or, at Buyer's option, other legally available revenues to the owners thereof when due in full and all reasonable and authorized charges made by the Trustee and any paying agent banks shall be paid by Buyer.

(h) *No Loss of Lien on Revenues.* Buyer shall not do, or omit to do, or suffer to be done or to be omitted any matter or thing whatsoever whereby the lien of the Senior Obligations or Subordinate Obligations on the Net Revenues or any part thereof might or could be lost or impaired.

(i) *No Competing System.* Buyer will not, to the extent permitted by law, grant a franchise or permit for the operation of any competing water and sewer systems in Buyer.

(j) *Deposit to Replacement and Extension Fund.* Buyer shall make deposits to the Replacement and Extension Fund as provided in Section 1(g)(v) herein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first day of June, 2025.

SELLER:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association

By _____
Mary J. Ambriz-Reyes
Vice President

BUYER:

CITY OF GLENDALE, ARIZONA, a municipal corporation and political subdivision under the laws of the State of Arizona

By _____
Its Assistant City Manager

Attest:

City Clerk

Approved as to Form:

City Attorney

EXHIBIT A

202 PROJECT DESCRIPTION

The 2024 Project consists of the following amounts for the following purposes:

<u>Water Projects</u>	<u>Fund</u>	<u>Project #</u>	<u>Project Budget</u>
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<u>Sewer Projects</u>	<u>Fund</u>	<u>Project #</u>	<u>Project Budget</u>
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Total

EXHIBIT B

PAYMENT SCHEDULE

Payments are due on June 15 and December 15 preceding each Payment Date.

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
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