

## ORDINANCE NO. 2497 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GLENDALE, ARIZONA STREET AND HIGHWAY USER REVENUE BONDS, SERIES 2006, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO IMPROVE, CONSTRUCT, RECONSTRUCT AND MAINTAIN STREETS AND HIGHWAYS IN THE CITY AND TO ACQUIRE RIGHTS-OF-WAY FOR THAT PURPOSE AND TO PAY ALL NECESSARY LEGAL, FINANCIAL, ARCHITECTURAL, ENGINEERING AND OTHER COSTS IN CONNECTION THEREWITH AND FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND CERTAIN PRIOR BONDS; PROVIDING FOR THE AWARD OF SAID BONDS; AUTHORIZING THE EXECUTION OF A BOND REGISTRAR AGREEMENT; AUTHORIZING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE UNDERTAKING AND CERTAIN OTHER DOCUMENTS AND THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF THE BONDS; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Title 48, Chapter 4, Article 5, Arizona Revised Statutes, as amended (the "*Act*"), duly called special bond elections were held in the City of Glendale, Arizona (hereinafter referred to as the "*City*"), on March 10, 1987 and November 2, 1999, and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the qualified electors of the City a question as to the issuance and sale of street and highway user revenue bonds of the City in the aggregate principal amount of \$57,770,000 and \$38,050,000, separately, and for the purpose of providing funds to improve, construct, reconstruct and maintain streets and highways in the City and to acquire rights-of-way therefor and to pay all necessary legal, financial, architectural, engineering and contingent costs in connection therewith; and

WHEREAS, the City has previously issued, pursuant to the authorization of such March 10, 1987 election and November 2, 1999 elections, its street and highway user revenue bonds in the aggregate principal amounts of \$47,890,000 and \$22,787,000, respectively; and

WHEREAS, pursuant to a resolution adopted on March 28, 2004, the Council of the City ordered the sale of Street and Highway User Revenue Bonds, Series 2006 (the "*Bonds*"), pursuant to the authorization of such November 2, 1999 special bond election; and

WHEREAS, notice of such sale was duly published and, pursuant to such notice, Bids for the purchase of the Bonds have been timely received; and

WHEREAS, the revenues received by the City from highway user taxes, including motor vehicle fuel taxes, and all other taxes, fees, charges and other monies returned to the City pursuant to Title 28, Chapter 18, Article 2, Arizona Revised Statutes, as amended, for the twelve-month period ending February 28, 2006, the most recent twelve-month period for which information is available, were \$16,518,848 and less than 50% of this amount will be sufficient to pay annually the highest principal and interest requirements on all outstanding bonds of the City issued pursuant to the Act, including the Bonds; and

WHEREAS, Resolution No. 1695 New Series (the "*Master Resolution*") passed and adopted by the Mayor and Council of the City on December 14, 1976, authorized the issuance of City of Glendale, Arizona Street and Highway User Revenue Bonds, Project of 1976 (1977) and prescribed the terms and conditions upon which additional Street and Highway User Revenue Bonds may be issued on a parity basis; and

WHEREAS, all of the conditions prescribed in the Master Resolution for issuing such parity bonds will be met upon the issuance of the Bonds herein authorized; and

WHEREAS, there have been filed with the City Clerk and submitted to the Council of the City at this meeting proposed forms of the following documents:

(a) A preliminary official statement with respect to the Bonds (the "*Preliminary Official Statement*"), the final form of which, upon being completed and conformed to this Ordinance, will be the official statement with respect to the Bonds (the "*Official Statement*"); and

(b) A Bond Registrar Agreement to be dated on or before the date of delivery of the Bonds (the "*Bond Registrar Agreement*"), pursuant to which J.P. Morgan Trust Company, National Association will act as Bond Registrar (as hereinafter defined); and

(c) A Continuing Disclosure Undertaking to be dated the date of Delivery of the Bonds (the "*Undertaking*"); and

WHEREAS, it appears that each of the above-referenced documents which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered by the respective parties named therein to the extent called for thereby for the purposes intended;

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

*Section 1. Purpose.* That for the purpose of providing funds to improve, construct, reconstruct and maintain streets and highways in the City and to acquire rights-of-way for that purpose and to pay all necessary legal, financial, architectural, engineering and contingent costs in connection therewith, the City hereby authorizes the issuance of its Street and Highway User Revenue Bonds, Series 2006, in the aggregate principal amount set forth on Exhibit I attached hereto and made a part hereof.

*Section 2. Definitions.* The Bonds are issued as parity bonds under the provisions of the Master Resolution. All words and phrases not defined herein which were defined in the Master Resolution shall have the meanings given them in the Master Resolution. In addition, as used herein the following terms shall have the meanings indicated:

*“Compound Interest Bonds”* means bonds which for a stated period of time bear interest, which interest is calculated based on regular compounding, payable only (i) at maturity or earlier redemption or (ii) on a specified date from and after which date, such bonds bear interest payable on a regularly scheduled basis. Bonds described in clause (ii) above shall be deemed to be *“Compound Interest Bonds”* until the specified date on which the compound interest ceases to accrue.

*“Credit Facility”* means a bank, financial institution, insurance company or indemnity company which is employed by the City to perform one or more of the following tasks: (i) the enhancement of the City’s credit by assuring holders of any of the City’s bonds that principal of and interest on said bonds will be paid promptly when due (including the issuance of an insurance policy, surety bond or other form of security for a bond reserve account), or (ii) providing liquidity for the holders of bonds through undertaking to cause bonds to be bought from the holders thereof when submitted pursuant to an arrangement prescribed by a subsequent ordinance or resolution duly enacted by the Mayor and Council of the City.

*Section 3. Authorization of Bonds.* The Bonds shall be issued as fully registered bonds registered as to both principal and interest, in the denominations of \$5,000 or any integral multiple thereof, and shall be dated the date of delivery of the Bonds.

Interest on the Bonds shall be payable on January 1 and July 1 of each year (the *“Interest Payment Dates”*), commencing January 1, 2007 until the principal amount has been paid or provided for. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from June 1, 2007. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds shall mature on July 1 of the years and in the amounts and shall bear interest at the rates shown on Exhibit I attached hereto and made a part hereof.

The Bonds are not subject to redemption prior to their stated maturities.

*Section 4. Book-Entry.* The Bonds shall only be issued in book entry form, except as provided in Section 9 hereof, and (i) one certificate for each Bond maturity in typewritten form shall be registered in the name of the Depository (as defined herein) or its nominee, as registered owner, and immobilized in the custody of the Depository; (ii) the beneficial owners of the Bonds (the *“Beneficial Owners”*) shall have no right to receive the Bonds in the form of physical securities; (iii) ownership of beneficial interests in the principal amounts of \$5,000 or integral multiples thereof shall be shown by book entry on the system maintained and operated by the Depository and its participants, and transfers of the ownership of beneficial interest shall be made only by book entry by the Depository and its participants; and (iv) the Bonds as such shall not be

transferable or exchangeable, except in transfer to another Depository or to another nominee of a Depository.

As provided in Section 8 hereof, the City and the Bond Registrar shall treat the Depository or its nominee in whose name the Bonds are registered in the Bond Registrar as the owner of the Bonds for all purposes. Accordingly, principal and interest payments will be paid to the Depository as the registered owner of the Bonds. All notices required by this Ordinance to be given to the registered owners of Bonds shall be given to the Depository as the registered owner of the Bonds. The transfer of principal and interest and of notices to the Beneficial Owners will be the responsibility of the Depository and its Participants or other nominees of the Beneficial Owners. The City will not be responsible or liable for such transfers or the failure thereof or for maintaining, supervising or reviewing records of the Depository.

For the purposes of this Ordinance, "Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of beneficial interests in Bonds, and to effect transfers of such beneficial interests in the Bonds, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

*Section 5. Execution.* The Bonds shall be signed by the Mayor and attested by the City Clerk (references in this Ordinance to such officers shall include persons acting in the capacity of such officers) in their official capacities. The signature of any or all of such officers may be facsimiles. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance and the Master Resolution unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar (as defined in Section 6 below) as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance and the Master Resolution.

*Section 6. Registrar and Paying Agent.* J.P. Morgan Trust Company, National Association, is hereby appointed to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds. The Mayor, the City Manager or the Chief Financial Officer shall sign and deliver, and the City Clerk shall attest, on behalf of the City, the Bond Registrar Agreement, in substantially the form submitted to this Council with such additions, deletions and modifications not inconsistent with this Ordinance as the officer executing such agreement shall approve. The Chief Financial Officer is authorized and directed on behalf of the City to provide for payment of the services rendered and for reimbursement of expenses incurred from the proceeds of the Bonds to the extent available or from other funds lawfully available therefor.

*Section 7. Payment of Bonds.* The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Subject to Section 9 hereof, (a) principal and premium, if any, shall be payable when due upon presentation and surrender of the Bonds at the principal corporate trust office of the Bond Registrar and (b) interest on a Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was

registered in the Bond Register, at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the “regular record date”) at that person’s address appearing on the Bond Register (as defined in Section 8 below), or at such other address as is furnished to the Bond Registrar, in writing, by the registered owner before the regular record date. Any interest which is not timely paid or duly provided for shall cease to be payable to the person who is shown as the registered owner thereof (or of one or more predecessor bonds) as of the regular record date, and shall be payable to the registered owner hereof (or of one or more predecessor bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar whenever monies become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners not less than ten days prior thereto.

*Section 8. Registration and Exchange.* So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the “Bond Register”). Subject to the provisions of Section 7 above, (a) the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Ordinance and the Master Resolution, (b) payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of that person, and (c) neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the City’s liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the principal corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the principal corporate trust office of the Bond Registrar, together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the registered owner equal in the aggregate to the unmaturing principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of exchanged or transferred Bonds, the City shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. All fees and costs associated with the exchange or transfer, including any tax or other governmental charges required to be paid with respect to the exchange or transfer, shall be paid by the registered owner requesting the exchange or the transferor, as appropriate. The City or the Bond Registrar may require that those fees and costs, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and

benefit under this Ordinance and the Master Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be canceled by the Bond Registrar. The City may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Bonds that the City may have acquired in any manner whatsoever, and those Bonds shall be promptly canceled by the Bond Registrar. The canceled Bonds shall be retained for a period of time and then returned to the City or destroyed by the Bond Registrar as directed by the Mayor of the City.

The City and the Bond Registrar will not be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

In case any Bond becomes mutilated or destroyed or lost, the City shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner's paying the reasonable expenses and charges of the City in connection therewith and, in the case of the Bond destroyed or lost, filing with the City Clerk by the registered owner evidence satisfactory to the City that such Bond was destroyed or lost, and furnishing the City with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

*Section 9. Book-Entry Depository.* Notwithstanding any provision of this Ordinance or of any Bond to the contrary, the City may enter into an agreement with the registered owner of a Bond in the custody of a Depository providing for making all payments to that registered owner of payments of principal and interest on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of funds) other than as provided in this Ordinance and in the Bond, without prior presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the City; *provided*, that payment in any event shall be made to the person who is the registered owner of that Bond, on the date or other date duly agreed upon that principal and premium is due, and, with respect to the payment of interest, as of the applicable regular record date or special record date or other date as duly agreed upon as the case may be.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a Book Entry System, the City may attempt to have established a securities depository/book entry relationship with another qualified Depository. If the City does not or is unable to do so, the City and the Bond Registrar, after the Bond Registrar has made provision with the Depository for notification of the Beneficial Owners by the then Depository, shall permit withdrawal of the Bonds from the Depository, and authenticate and deliver replacement Bonds in fully registered form in the denominations of \$5,000 or any integral multiple thereof to the assignees of the Depository or its nominee. If the event is not the result of City action or inaction, such

withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing definitive Bonds) of those persons requesting such authentication and delivery.

To provide for the procedures relating to the book entry system for the Bonds, the Mayor, the City Manager or the Chief Financial Officer is authorized and directed to execute, acknowledge and deliver, in the name and on behalf of the City, the DTC Letter Agreement, in substantially the form submitted to the City Council.

*Section 10.* The Bonds shall be in substantially the following form, the officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Ordinance:

(Form of Face of Bond)

REGISTERED  
NO.

REGISTERED  
\$

CITY OF GLENDALE, ARIZONA  
STREET AND HIGHWAY USER REVENUE BOND,  
SERIES 2006

INTEREST RATE:	MATURITY DATE:	DATED AS OF:	CUSIP:
___% per annum	July 1, ____	Date of Delivery	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Glendale, Arizona (the "City"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on January 1 and July 1 of each year (the "Interest Payment Dates"), commencing January 1, 2007. This Bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor Bonds) is registered (the "registered owner" or "owner") on the Register maintained by the Bond Registrar, initially J.P. Morgan Trust Company, National Association. Principal is payable upon presentation and surrender of this Bond at the principal corporate trust office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Interest Payment Date to the registered owner of this Bond (or one or

more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar whenever monies become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners not less than ten days prior thereto.

This Bond is one of a series of \$\_\_\_\_\_ Street and Highway User Revenue Bonds, Series 2006, issued for the purpose of providing funds to improve, construct, reconstruct and maintain streets and highways in the City and to acquire rights-of-way for that purpose and to pay all necessary legal, financial, architectural, engineering and contingent costs in connection therewith (the "Bonds"), under authority of and pursuant to the laws of the State of Arizona, particularly Title 48, Chapter 4, Article 5, Section 48-681, *et seq.*, of the Arizona Revised Statutes (the "Act"), the Charter of the City, the requisite majority vote of the electors of the City cast at a special election held on November 2, 1999, upon the question of issuing bonds in the original principal amount of \$38,050,000 and Ordinance No. \_\_\_\_ New Series, passed by the Council of the City on April 11, 2006 (the "Bond Ordinance").

The Bonds are issuable only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Bond Registrar, by the registered owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Bond Registrar, together with a request for exchange or an assignment, signed by the registered owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Ordinance. All fees and costs associated with the exchange or transfer, including any tax or governmental charges payable in connection therewith, shall be paid by the owner requesting the exchange or the transferor, as appropriate. The City or the Bond Registrar may also require that such fees and charges be paid prior to the procedure for exchange or transfer. The City and the Bond Registrar may deem and treat the registered owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

The Bonds are not subject to redemption prior to their stated maturities.

The issue of bonds of which this Bond is one are issued on a parity with certain other bonds of the City previously issued pursuant to the terms and conditions of Resolution No. 1695 New Series adopted by the Mayor and Council of the City on December 14, 1976, (the "Parity Resolution"). Under the provisions of the Parity Resolution and the Bond Ordinance, the City can also issue additional Parity Bonds from time to time.

This Bond and all Bonds of this series, and all the Parity Bonds issued pursuant to the Act, whether issued prior to or subsequent to this issuance of the Bonds, are special obligations of the City payable solely from and secured by an irrevocable lien on and pledge of all revenues received by the City from taxes, fees, charges and other moneys collected by the State of Arizona and returned to the City for street and highway purposes pursuant to Section 28-1598, Arizona Revised Statutes, as provided in the Parity Resolution. This Bond and the interest hereon are enforceable exclusively from the revenues pledged thereto in the Bond Ordinance. This Bond does not constitute a general obligation or debt of the City within the meaning of any statutory, charter or constitutional provisions, and the owner hereof shall have no right to compel the exercise of the taxing power of the City to pay the principal of or interest on the Bonds.

Reference is made to the Bond Ordinance for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Bond Registrar and the registered owners, and the terms and conditions upon which the Bonds are issued and secured. The registered owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Ordinance.

It is hereby certified and recited that all acts and conditions necessary to be performed by the City or to have been met precedent to and in the issuance of the Bonds in order to make them legal, valid and binding special obligations of the City, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; and that no statutory, charter or constitutional limitation on indebtedness has been exceeded in issuing the Bonds.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the City of Glendale, Arizona has caused this Bond to be executed in its name by the facsimile signatures of the Mayor and attested to by the facsimile signature of its City Clerk, all as of April \_\_\_\_\_, 2006.

CITY OF GLENDALE, ARIZONA

\_\_\_\_\_  
(facsimile)  
Mayor

ATTEST:

\_\_\_\_\_  
(facsimile)  
City Clerk

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the Bond Ordinance referred to above.

Date of Authentication:

J.P. Morgan Trust Company, National Association, as Bond Registrar

By \_\_\_\_\_  
Authorized Representative

**REGISTRABLE AT AND PAYABLE BY:**

\_\_\_\_\_

**ASSIGNMENT**

**[FORM OF ASSIGNMENT]**

**LEGAL OPINION**

The following is a form of the text of the opinion rendered to the original purchaser of the Bonds by Greenberg Traurig, LLP in connection with the original issuance of the Bonds. That opinion is dated as of and premised on the transcript of proceedings examined and law in effect on the date of the original delivery of the Bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(facsimile)  
City Clerk

**[Form of Legal Opinion]**

*Section 11. Sale of Bonds.* Having received and reviewed bid proposals for Purchase of Bonds submitted in accordance with the Notice Inviting Proposals for Purchase of Bonds as set forth in the Preliminary Official Statement, this Council hereby determines that the proposal of the underwriter(s), (collectively, the "*Purchaser*") with the premium or discount and at the interest rates, all as set forth on Exhibit I attached hereto and made a part hereof, results in the lowest actuarial yield and was the best proposal from a reasonable bidder for the purchase of the Bonds and the Bonds are hereby awarded and sold to the Purchaser. The Mayor or the Chief Financial Officer shall cause the Bonds to be prepared and shall have the Bonds signed, authenticated and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Purchaser upon payment of the par value thereof plus the net premium or discount set forth on Exhibit I.

*Section 12. Application of Proceeds.* The proceeds from the sale of the Bonds shall be paid into the proper fund or funds and those proceeds are appropriated and shall be used solely for the purposes for which the Bonds are being issued. The proceeds of the Bonds shall be invested pursuant to State law.

*Section 13. Pledge of Revenues.* All of the revenues received by the City from taxes, fees, charges and other moneys collected by the State of Arizona and returned to the City for street and highway purposes pursuant to Title 28, Chapter 18, Article 2, Arizona Revised Statutes, as amended, are hereby pledged to the payment of principal of and interest on the Bonds and bonds previously or hereafter issued on a parity therewith pursuant to the provisions of the Master Resolution (the "*Parity Bonds*"), and the Bonds shall be equally and ratably secured by an irrevocable lien on such revenues.

During each year that the Bonds and all other Parity Bonds are outstanding, an amount of such revenues sufficient to pay the next maturing principal and interest installment of the Bonds

and all other Parity Bonds, when collected, will be set aside in a separate fund for such purpose, which shall be designated the *“Interest and Redemption Fund”*. Such fund is irrevocably pledged for the payment of the principal of and interest on the Bonds and all other Parity Bonds when and as the same fall due.

If at any time there are sufficient moneys or investments in the Interest and Redemption Fund to pay all principal and interest due or to become due on all of the Bonds, then no further revenues need be set aside for the payment of the principal of or interest on the Bonds.

*Section 14. Parity Bonds.* The Bonds shall be on a parity with those bonds authorized in the Master Resolution of the City and any other bonds heretofore or hereafter issued as parity bonds pursuant to the Master Resolution, and owners of the Bonds shall enjoy the same parity of lien and rights of enforcement enjoyed by the bonds authorized in the Master Resolution and bonds on a parity therewith. Upon their issuance, the Bonds will be on a parity with the outstanding portions of: the \$14,655,000 Street and Highway User Revenue Bonds, Series June 1, 2004 and the \$8,750,000 Street and Highway User Revenue Bonds, Series June 1, 2000. The City reaffirms all covenants and conditions applicable to parity bonds contained in the Master Resolution and in any ordinances or resolutions authorizing the issuance of parity bonds (collectively the *“Parity Legislation”*) and agrees that all such covenants and conditions therein shall also apply to all Bonds herein authorized and all funds created or continued by the Master Resolution and the Parity Legislation are hereby ordered expanded, as necessary so as to service the increased requirements caused by the issuance of the Bonds.

The City Council further covenants and agrees on behalf of the City that the City will at all times comply with every law, regulation or guideline required by Article 5 of Chapter 9 of Title 28, Arizona Revised Statutes, or any other law to secure the maximum amount of taxes, fees, charges and other moneys collected by the State and returned to the City for street and highway purposes pursuant to Title 28, Chapter 18, Article 2, Arizona Revised Statutes.

The Bonds shall not constitute a debt or general obligation of the City within the meaning of any constitutional, charter or statutory debt limitation, nor shall payment of the Bonds or interest or redemption premiums thereon be enforceable out of any funds other than the revenues pledged to such payment, nor shall the owner of any Bond have the right to compel any exercise of the taxing power of the City to make such payment.

The Bonds shall never be construed to be either tax supported revenue bonds as defined in Section 48-688.F., Arizona Revised Statutes, or general obligation bonds within the meaning of Section 35-451, *et seq.*, Arizona Revised Statutes.

Any Parity Bonds hereafter issued may be issued as Compound Interest Bonds or variable rate bonds pursuant to Section 48-688.C., Arizona Revised Statutes. If any Parity Bonds are authorized to bear interest at a variable rate, the maximum rate of interest which such Parity Bonds may bear under the terms of the legislation authorizing the issuance shall be the rate used in determining the annual interest requirements for purposes of Section 48-689, Arizona Revised Statutes. The ordinance authorizing the issuance of any Parity Bonds may make such provision for a Credit Facility as the governing board determines necessary, including provisions for

payment to the provider of such Credit Facility from the revenues described in this Section 13, on a basis which in any year is subordinate to the rights of the owners of the Bonds and Parity Bonds.

The City reserves the right to establish one or more separate bond reserve accounts for any issue or issues of Parity Bonds which may be held and applied solely for the benefit of such Parity Bonds, in accordance with a subsequent ordinance or resolution; any such bond reserve account may contain either invested cash, an insurance policy, a surety bond or any other form of security deemed advisable by the City and the purchasers of such Parity Bonds but only if there is filed with the City Clerk an opinion of nationally-recognized bond counsel to the effect that the creation of such bond reserve account will not adversely affect the tax-exempt status of interest on any Bonds or Parity Bonds outstanding. Any obligations with respect to payments into such a bond reserve account shall have a lien on the revenues described in this Section 13 that is subordinate to the rights of the holders of the Bonds and the Parity Bonds to receive principal of and interest on the Bonds and Parity Bonds.

The City further reserves the right, if it deems it necessary in order to acquire such insurance policy, surety bond or other form of security, to amend this Ordinance without the consent of any of the holders of the Bonds in the following respects:

(1) to provide that repayment of any drawdown under such insurance policy, surety bond or other form of security shall be secured by a lien on the revenues described in this Section 13 that is subordinate only to the rights of the holders of the Bonds and the Parity Bonds to receive payment of principal of and interest on the Bonds and Parity Bonds; and

(2) to grant to the provider of said insurance policy, surety bond or other form of security such additional rights as it may demand, *provided* that such amendment shall not, in the written opinion of nationally-recognized bond counsel filed with the City Clerk, impair or reduce the security hereby granted to the holders of the Bonds, the Parity Bonds or any of them.

*Section 15. Official Statement.* The Preliminary Official Statement is approved and the distribution of the same by the Purchaser is hereby ratified. The City Manager is authorized and directed to complete, approve and execute on behalf of the City and in his official capacity, the Official Statement, with such modifications, changes and supplements as he shall approve as being necessary or desirable for its purposes. The City Manager, as well as any other official of the City, is further authorized to use and distribute, or authorize the use and distribution of, the final Official Statement and supplements thereto in connection with the original issuance of the Bonds as may in his judgment be necessary or appropriate. The City Manager, as well as any other official of the City, is authorized to sign and deliver, on behalf of the City, such certificates in connection with the accuracy of the Preliminary Official Statement and the final Official Statement and any amendment thereto as may, in the judgment of the official executing such certificate, be necessary or appropriate.

*Section 16. Continuing Disclosure Undertaking.* The Mayor, the City Manager or the Chief Financial Officer of the City is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking in substantially the same form as now before the City, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the City shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

*Section 17. Tax Covenants.* The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as a preference item under Section 57 of the Code.

The City further covenants (a) that it will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, (b) that it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purposes of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Mayor, the City Manager, the City Treasurer, the Chief Financial Officer or any other officer of the City having responsibility for issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Bonds as the City is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain

calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the City for inclusion in the transcript of the proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Bonds.

*Section 18. Ratification of Prior Actions.* All actions of the officers and agents of the City which are in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance and sale of the Bonds as contemplated by this Ordinance whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The Mayor, the City Manager, the Chief Financial Officer, the City Treasurer, the City Clerk and other appropriate officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Ordinance. Any of such officers are further authorized to provide for insurance of the Bonds if it is determined that such issuance will result in debt service savings on the Bonds. If bond insurance is obtained with respect to any of the Bonds, any of such officers are authorized to execute and deliver, on behalf of the City, appropriate agreements with the bond insurer, the Bond Registrar with provisions concerning, without limitation, any of the following: (i) the terms of the bond insurance and the premium to be paid for it, (ii) procedures for payments under the bond insurance and reimbursement of amounts advanced including subrogation to the rights of bondholders paid, (iii) voting rights, (iv) remedies and (v) notices and providing of information with respect to the Bonds.

*Section 19. All Conditions Met.* This Council determines that all acts and conditions necessary under the Master Resolution, the Act and other applicable laws to be performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding special obligations of the City, have been performed and met, or will at the time of delivery of the Bonds have been performed and met, in regular and due form as required by law; and that no statutory, charter or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

*Section 20. Open Meeting.* This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

*Section 21. Severability.* If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

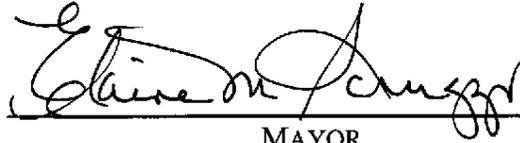
*Section 22. Ordinance a Contract.* This Ordinance shall constitute a contract between the City and the registered owners of the Bonds and shall not be repealed or amended in any

manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

*Section 23. Amendments.* The City, from time to time and at any time, subject to the conditions and restrictions in this Ordinance contained, may enact one or more ordinances or resolutions or both which thereafter shall form a part hereof, to make such modifications in the provisions hereof as may be deemed necessary by the City to accommodate the issuance of Parity Bonds or subordinate lien bonds which: (i) are Compound Interest Bonds, or (ii) bear interest at a variable rate, or (iii) which are payable as to principal on dates other than July 1 or as to interest on dates other than January 1 and July 1, but only if such modifications, in the written opinion of nationally-recognized bond counsel filed with the City Clerk, do not result in materially diminishing the security hereby granted to the registered owners of any Bonds or Parity Bonds at the time outstanding. Any such supplemental ordinance or resolution authorized by the provisions of this section may be enacted by the City without the consent of or notice to the registered owners of any of the Bonds or Parity Bonds at the time outstanding.

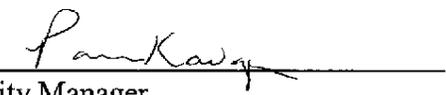
*Section 24. Emergency.* In order for the City to obtain funds in a favorable interest market and prior to the end of the City's fiscal year, the immediate operation of the provisions of this Ordinance is necessary for the preservation of the public peace, health and safety of the City and for the further reason that the street improvements to be financed with the proceeds of the Bonds are urgently needed to enhance the safety of vehicular traffic and thereby protect the health and safety of the inhabitants of the City; therefore, an emergency is hereby declared to exist and this Ordinance is enacted as an emergency measure and shall be in full force and effect from and after the passage and adoption by the Council of the City, as required by law, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED and APPROVED by the City Council of the City of Glendale, Arizona, this 11<sup>th</sup> day of April, 2006.

  
MAYOR

ATTEST:  
  
City Clerk [SEAL]

APPROVED AS TO FORM:  
  
City Attorney

REVIEWED BY:  
  
City Manager

**EXHIBIT I**

**HURF**

A. Identification of Winning bidder (the "Purchaser" for purposes of Section 10):  
Stone & Youngberg LLC

B. Principal Amount of Bonds for purposes of Section 1:  
\$15,745,000

C. Bond Terms for purposes of Section 2:

<b>Maturity Date</b>	<b>Amount \$</b>	<b>Interest Rate %</b>
07/01/2007	\$1,215,000	5.000%
07/01/2008	1,370,000	5.000
07/01/2009	1,425,000	4.000
07/01/2010	1,485,000	4.000
07/01/2011	1,540,000	4.000
07/01/2012	1,605,000	4.000
07/01/2013	1,670,000	4.500
07/01/2014	1,735,000	4.500
07/01/2015	1,805,000	4.000
07/01/2016	1,895,000	4.000

D. Redemption Terms for purposes of Section 3 and the Bond form

The Bonds are not subject to redemption prior to their stated maturities.

E. Premium or discount for purposes of Section 11: \$187,113.75 representing premium