

ORDINANCE NO. 2507 NEW SERIES

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A EIGHTH SUPPLEMENT TO SERIES 1999 LEASE AGREEMENT WITH THE CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION RELATING TO THE FINANCING OF CERTAIN IMPROVEMENTS; (2) PLEDGING CERTAIN EXCISE TAXES AND RECEIPTS IMPOSED OR RECEIVED BY THE CITY; (3) APPROVING THE FORM OF AND REQUESTING THE EXECUTION AND DELIVERY BY CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION OF A SERIES 2006 EIGHTH SUPPLEMENTAL TRUST INDENTURE AND SERIES 2006B BONDS AND SUCH EIGHTH SUPPLEMENT TO SERIES 1999 LEASE AGREEMENT AND A BOND PURCHASE AGREEMENT; (4) DELEGATING TO THE CHIEF FINANCIAL OFFICER OF THE CITY THE AUTHORITY TO DESIGNATE AND DETERMINE THE AMOUNT OF ADVANCES AND THE TOTAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES AND OTHER MATTERS WITH RESPECT TO SUCH SERIES 2006B BONDS; (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE; AND (6) DECLARING AN EMERGENCY.

WHEREAS, the City of Glendale Municipal Property Corporation, a nonprofit corporation incorporated and existing pursuant to the laws of the State of Arizona (the "Corporation") was formed to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, including, without limiting the generality of the foregoing, any governmental, civic or community purpose such as financing the cost of acquiring, constructing, reconstructing or improving buildings, equipment or other real and personal properties suitable for use by and for leasing to the City of Glendale, Arizona (the "City"), or its agencies or instrumentalities;

WHEREAS, the Corporation assisted the City in financing or refinancing certain projects of the City as described in the Trust Indenture, dated as of October 1, 1999 (the "1999 Indenture"), from the Corporation to the Trustee;

WHEREAS, in connection with the 1999 Indenture, the City entered into the Series 1999 Lease Agreement, dated as of October 1, 1999 (the "1999 Agreement"), between the City and the Corporation and pursuant to the terms and conditions of such 1999 Agreement the Corporation leases to the City the Premises as defined therein.

WHEREAS, the City has by prior action determined that it was beneficial to its citizens to design, acquire, construct and equip a new multipurpose arena complex (the "Multi-

purpose Project”) on the Arena Property as described in the Ground Lease defined below (the “Multipurpose Property” and together with the Multipurpose Project, the “2002 Project”); and

WHEREAS, in order to finance the costs of the Multipurpose Project, the Corporation and the City have approved a Plan of Finance, initially consisting of the issuance by the Corporation of its City of Glendale Municipal Property Corporation \$2,540,000 Subordinate Excise Tax Revenue Bonds, Series 2002A, and \$5,055,000 Subordinate Excise Tax Revenue Bonds, Series 2002B, respectively (the “2002A Bonds” and “2002B Bonds”, respectively, and collectively the “2002A/B Bonds”) and the subsequent issuance by the Corporation of one or more series of additional excise tax secured bonds (the “Project Bonds”); and

WHEREAS, in connection with the issuance of the 2002A/B Bonds and future Project Bonds, the Corporation and the City entered into a Series 2002 Ground Lease, dated as of June 28, 2002 (the “2002 Ground Lease”), pursuant to which the City leased the Multipurpose Property to the Corporation and the Corporation, pursuant to the First Supplement to Series 1999 Lease Agreement, dated as of June 28, 2002 (the “First Supplemental Agreement”), by and between the City and the Corporation, leased the 2002 Project to the City and the City agreed to acquire, construct and equip the Multipurpose Project; and

WHEREAS, the 2002A/B Bonds are secured by the 1999 Indenture, as supplemented by the Series 2002 Supplemental Trust Indenture (the “First Supplemental Indenture”); and

WHEREAS, the Corporation and the City provided for the issuance of additional Project Bonds as part of the Plan of Finance, consisting of the issuance by the Corporation of its City of Glendale Municipal Property Corporation Subordinate Excise Tax Revenue Bonds, Series 2002C (the “2002C Bonds”), which Series 2002C Bonds were secured by the 1999 Indenture, as supplemented and amended including the Series 2002 Second Supplemental Indenture applicable to the 2002C Bonds (the “Second Supplemental Indenture”), and which Series 2002C Bonds have been paid and discharged and are no longer outstanding; and

WHEREAS, in connection with the issuance of the 2002C Bonds, the Corporation and the City entered into the Second Supplement to Series 1999 Lease Agreement, dated as of December 1, 2002 (the “Second Supplemental Agreement”), which sets forth the obligations of the City with respect to the 2002C Bonds; and

WHEREAS, the City further determined that it was beneficial to its citizens to design, acquire, construct and equip certain public infrastructure (the “2002 Infrastructure Project”) not related to the 2002 Project; and

WHEREAS, the Corporation assisted the City in financing the Infrastructure Project through the issuance by the Corporation of its City of Glendale Municipal Property Corporation Subordinate Excise Tax Revenue Bonds, Series 2002D (the “2002D Bonds” and together with the 2002A/B Bonds and the 2002C Bonds, the “2002 Bonds”), which Series 2002D Bonds were secured by the 1999 Indenture, as supplemented and amended including the Series 2002 Third Supplemental Indenture applicable to the 2002D Bonds (the “Third Supplemental Inden-

ture”), and which Series 2002D Bonds have been paid and discharged and are no longer outstanding; and

WHEREAS, in connection with the issuance of the 2002D Bonds, the Corporation and the City entered into the Third Supplement to Series 1999 Lease Agreement, dated as of December 1, 2002 (the “Third Supplemental Agreement”), which sets forth the obligations of the City with respect to the 2002D Bonds; and

WHEREAS, the Corporation and the City provided for the issuance of additional Project Bonds as part of the Plan of Finance, consisting of the issuance by the Corporation of its City of Glendale Municipal Property Corporation Excise Tax Revenue Bonds, Series 2003A (the “2003A Bonds”) and its Excise Tax Revenue Bonds, Taxable Series 2003B (the “2003B Bonds” and together with the 2003A Bonds, the “2003A/B Bonds”) which 2003A/B Bonds are secured by the 1999 Indenture, as supplemented and amended including the Series 2003 Fourth Supplemental Indenture applicable to the 2003A/B Bonds (the “Fourth Supplemental Indenture”); and

WHEREAS, in connection with the issuance of the 2003A/B Bonds, the Corporation and the City entered into the Fourth Supplement to Series 1999 Lease Agreement, dated as of May 1, 2003 (the “Fourth Supplemental Agreement”), which sets forth the obligations of the City with respect to the 2003A/B Bonds; and

WHEREAS, the Corporation and the City provided for the issuance of additional Project Bonds as part of the Plan of Finance, consisting of the issuance by the Corporation of its City of Glendale Municipal Property Corporation \$2,615,000 Subordinate Excise Tax Revenue Bonds, Series 2003C, and \$7,250,000 Subordinate Excise Tax Revenue Bonds, Series 2003D (the “2003C Bonds” and “2003D Bonds”, respectively, and collectively the “2003C/D Bonds”, and together with the 2003A/B Bonds, the “2003 Bonds”) which 2003C/D Bonds are secured by the 1999 Indenture as supplemented and amended by the Fifth Supplemental Indenture applicable to the 2003C/D Bonds (the “Fifth Supplemental Indenture”); and

WHEREAS, in connection with the issuance of the 2003C/D Bonds, the Corporation and the City entered into the Fifth Supplement to Series 1999 Lease Agreement, dated as of July 1, 2003 (the “Fifth Supplemental Agreement”), which sets forth the obligations of the City with respect to the 2003C/D Bonds; and

WHEREAS, the City determined that it was beneficial to its citizens to refinance certain public infrastructure (the “2004 Infrastructure Project”) originally financed by the City’s Improvement District No. 57 Improvement Bonds and Improvement District No. 59 Improvement Bonds (the “Prior Bonds”) not related to the 2002 Project ; and

WHEREAS, the Corporation assisted the City in financing the 2004 Infrastructure Project through the issuance by the Corporation of its City of Glendale Municipal Property Corporation \$10,880,000 Excise Tax Revenue Bonds, Series 2004A (the “2004A Bonds”), which Series 2004A Bonds are secured by the 1999 Indenture, as supplemented and amended including the Sixth Supplemental Indenture (the “Sixth Supplemental Indenture”); and

WHEREAS, in connection with the issuance of the 2004A Bonds, the Corporation and the City entered into the Sixth Supplement to Series 1999 Lease Agreement, dated as of April 1, 2004 (the "Sixth Supplemental Agreement"), which set forth the obligations of the City with respect to the 2004A Bonds;

WHEREAS, the City has pledged certain excise taxes to the Tourism and Sports Authority (the "Authority"), doing business as the Arizona Sports and Tourism Authority (the "AzSTA Pledge"), pursuant to the Memorandum of Agreement, dated November 1, 2004, by and among the City, the Authority and B&B Holdings, Inc., d/b/a Arizona Cardinals (the "Team"), and signed on behalf of the City on November 16, 2004, on behalf of the Authority on May 12, 2005 and on behalf of the Team on May 11, 2005. Such AzSTA Pledge, by its terms, is on a subordinate basis to the Senior Bonds (defined below) and bonds issued on a parity therewith;

WHEREAS, the City has determined that it will be beneficial to its citizens to design, acquire, construct and equip certain public safety facilities and other infrastructure projects (the "2006A Project") not related to the 2002 Project; and

WHEREAS, the Corporation will assist the City in financing the 2006A Project through the issuance by the Corporation of its City of Glendale Municipal Property Corporation Excise Tax Revenue Bonds, Series 2006A (the "2006A Bonds"), which Series 2006A Bonds shall be secured by the 1999 Indenture, as supplemented and amended including by the Eighth Supplemental Indenture, subject to the terms thereof; and

WHEREAS, in connection with the issuance of the 2006A Bonds, the Corporation and the City will enter into the Seventh Supplement to Series 1999 Lease Agreement, dated as of June 1, 2006 (the "Seventh Supplemental Agreement") which shall set forth the obligations of the City with respect to the 2006A Bonds; and

WHEREAS, the City has determined that it will be beneficial to its citizens to design, acquire, construct and equip certain public infrastructure and convention and media facilities near the site of the 2002 Project (the "2006B Project"); and

WHEREAS, the Corporation desires to assist the City in financing the 2006B Project through the issuance by the Corporation of its City of Glendale Municipal Property Corporation Subordinate Excise Tax Revenue Bonds, Series 2006B (the "2006B Bonds"), which Series 2006B Bonds shall be secured by the 1999 Indenture, as supplemented and amended including by the Eighth Supplemental Indenture (collectively, with the prior Supplemental Indentures hereinabove defined the "Indenture"); and

WHEREAS, in connection with the issuance of the 2006B Bonds, the Corporation and the City will enter into the Eighth Supplement to Series 1999 Lease Agreement, dated as of June 1, 2006 (the "Eighth Supplemental Agreement" and together with the 1999 Agreement as supplemented and amended, the "City Leases"), which shall set forth the obligations of the City with respect to the 2006B Bonds; and

WHEREAS, Bank of America, N.A. (the "Bank") will purchase the 2006B Bonds pursuant to a Bond Purchase Agreement by and among the Corporation, the City and the Bank (the "Purchase Agreement") will be secured by certain lease payments to be paid by the City

pursuant to the Eighth Supplement Agreement, for which payment the City has pledged its Unrestricted Excise Taxes as defined in the Eighth Supplemental Agreement, all as more fully described herein and in the Basic Documents (defined below); and

WHEREAS, the Board of Directors of the Corporation has indicated that they desire to assist the City in financing the 2006B Project; and

WHEREAS, there have been presented to the City Council of the City at the meeting of the City Council of the City at which this Ordinance is being adopted (i) the proposed form of the Eighth Supplemental Agreement; (ii) the proposed form of the Eighth Supplemental Indenture (including the form of 2006B Bonds); and (iii) the proposed form of the Purchase Agreement (the items above referred to herein as the "Basic Documents"); and

WHEREAS, the Corporation has not made and does not intend to make any profit by reason of any business or venture in which it may engage or by reason of the assistance it renders the City in financing the 2006B Project, and no part of the net earnings of the Corporation, if any, shall ever inure to the benefit of any person, firm or corporation except the City; and

WHEREAS, this Council desires to authorize the execution and delivery of the Basic Documents and such other documents as may be necessary in connection with the execution and delivery of said Basic Documents, the pledge of Unrestricted Excise Taxes (as defined herein) for the payment of the amounts due under the Eighth Supplemental Agreement and the issuance of the 2006B Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, ARIZONA, THAT:

SECTION 1. In addition to words and terms elsewhere defined in this Ordinance, the capitalized words and terms used herein shall have the meaning given in Article 1 of the Eighth Supplemental Agreement.

SECTION 2. The lease of the 2002 Project from the City to the Corporation as set forth in the Ground Lease and the lease of the 2002 Project from the Corporation as set forth in the First Supplemental Agreement is hereby reaffirmed; and the rent specified in the City Leases for the 2002 Project for those periods specified in the Eighth Supplemental Agreement (the "Lease Payments") will at least be sufficient to pay the principal and interest on the 2006B Bonds and other obligations secured by the Eighth Supplemental Agreement is hereby approved (but subject to the limitations on the source of City payments as set forth in Section 3). The Mayor and City Clerk of the City are hereby authorized and directed to execute the Eighth Supplemental Agreement on behalf of the City in substantially the form on file with the City Clerk and presented to this Council with such modifications, insertions and changes as may be approved by the executing officials, which approval shall be conclusively evidenced by their execution of the Eighth Supplemental Agreement.

SECTION 3. For the payment of the Lease Payments and other amounts due and payable under the Eighth Supplemental Agreement authorized in Section 2 hereof, there are hereby pledged, on a subordinate basis to the Senior Bonds (defined below) and on a parity of lien with the Subordinate Bonds (defined below), with such exceptions as set forth in the Eighth

Supplemental Agreement, all excise, transaction, privilege, franchise and income taxes which the City now collects, which it may collect in the future, or which are allocated or apportioned to the City by the State of Arizona (the "State") or any political subdivision thereof, or by any other governmental unit or agency, (the "Unrestricted Excise Taxes"), except for Restricted Excise Taxes which are (i) the City's share of any excise, transaction privilege, franchise and income taxes which under State law must be expended for other purposes, such as the motor vehicle fuel tax, and (ii) excise taxes, transaction privilege, franchise and income taxes of the City collected now or hereafter which have been approved at an election within the City and restricted to certain uses, such as the City's existing Public Safety Tax and Transportation Tax. It is intended that this pledge shall be a parity lien upon such amounts of said Unrestricted Excise Taxes, equal to the pledge of Unrestricted Excise Taxes payable pursuant to the Subordinate Agreements, and subordinate to any pledge on a parity with the Senior Agreements, as more fully set forth in the Eighth Supplemental Agreement. It is intended that this pledge of Unrestricted Excise Taxes will be sufficient to make the Lease Payments pursuant to the Eighth Supplemental Agreement and the City agrees and covenants to make said Lease Payments from such Unrestricted Excise Taxes, except to the extent that it chooses to make such payments from other funds, as permitted by law. Neither the Eighth Supplemental Agreement nor the promise to pay pursuant thereto nor the 2006B Bonds constitute a general obligation of the City nor shall the City be liable for the payments under the Eighth Supplemental Agreement from ad valorem taxes.

The City has pledged to the payment of rental payments under the 1999 Agreement related to the 1999 Bonds, its Excise Taxes and any net revenues derived by the City from the Premises. The City has pledged to the payment of rental payments under the Eighth Supplemental Agreement its Unrestricted Excise Taxes, on a subordinate pledge to the pledge under the Senior Agreements. The City has pledged to the payment of rental payments under the Subordinate Agreements, its Unrestricted Excise Taxes on a subordinate basis to the pledge under the Senior Agreements; no revenues or other payments of any kind derived by the City from the 2002 Project are pledged as security for the obligations of the City under any City Leases. Neither the MPC Trustee, nor the Corporation, nor the holders of any Senior Bonds (defined below) or Subordinate Bonds (defined below) shall have any interest, claim or lien against the 2002 Project or the revenues or other payments of any kind derived by the City from the 2002 Project. Neither the AMFP Trustee nor the holders of the 2002 Bonds and Series 14 Certificates, 2003D Bonds and Series 16 Certificates and 2006B Bonds shall have any interest, claim or lien against the Premises or the revenues or other payments of any kind derived by the City from the Premises.

"Senior Agreements" means the Series 1999 Lease Agreement related to the 1999 Bonds, the Fourth Supplemental Agreement related to the 2003A/B Bonds, the Sixth Supplemental Agreement related to the 2004A Bonds and the Seventh Supplemental Agreement related to the 2006A Bonds and any other agreement with a parity pledge therewith as to Unrestricted Excise Taxes.

"Senior Bonds" means the 1999 Bonds, the 2003A/B Bonds, the 2004A Bonds, the 2006A Bonds and any other bonds or obligations secured by a parity pledge therewith as to Unrestricted Excise Taxes.

“Subordinate Agreements” means the First Supplemental Agreement, the Fifth Supplemental Agreement and the Eighth Supplemental Agreement related to the 2002B Bonds, the 2003D Bonds and the 2006B Bonds, respectively, the AzSTA Pledge and any other agreements with a parity pledge therewith as to Unrestricted Excise Taxes, which pledge is subordinate to the pledge under the Senior Agreements.

“Subordinate Bonds” means the 2002B Bonds and Series 14 Certificates, the 2003D Bonds and Series 16 Certificates, the 2006B Bonds, the AzSTA Pledge and any other bonds or obligations secured by a parity pledge therewith as to Unrestricted Excise Taxes, which pledge is subordinate to the pledge under the Senior Agreements with respect to the Senior Bonds.

SECTION 4. The City Council of the City hereby finds and determines that the financing, in part, of the 2006B Project pursuant to the terms of the Eighth Supplemental Indenture and the Eighth Supplemental Agreement and through the issuance and the sale of the 2006B Bonds are in furtherance of the purposes of the City and in the public interest will enhance the standard of living within the City and within the State.

SECTION 5. (A) The City Council of the City hereby approves the issuance of the 2006B Bonds as provided in the Eighth Supplemental Indenture.

(B) (1) The 2006B Bonds shall be executed and delivered in the aggregate principal amount of not to exceed \$87,000,000; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be dated and shall bear interest as determined by the Chief Financial Officer of the City; shall be payable as determined by the Chief Financial Officer of the City, with respect to interest and shall be fully registered certificates without coupons, all as provided in the Eighth Supplemental Indenture.

(2) The Chief Financial Officer of the City is hereby authorized and directed (a) to determine on behalf of the City the following: (i) the total principal amount of the 2006B Bonds (but not to exceed \$87,000,000 and the amount of any Advances (as defined in the Purchase Agreement)); (ii) the final principal and maturity schedule of the 2006B Bonds (but the final maturity thereof to be no later than June 1, 2036); (iii) the interest rates each on the 2006B Bonds (but not to exceed 8%); (iv) the provisions for redemption in advance of maturity of the 2006B Bonds; (v) the provisions for credit enhancement, if any, with respect to the 2006B Bonds including for a debt service reserve fund and (vi) the sale date, dated date, price and terms of the 2006B Bonds and (b) to approve the dated date of the Eighth Supplemental Indenture.

(3) The other terms and provisions of the 2006B Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange and number shall be as set forth in the Eighth Supplemental Indenture and are hereby approved.

SECTION 6. Subject to the limitations and determinations described hereinabove, the 2006B Bonds shall be sold to the Original Purchaser pursuant to the Purchase Agreement upon the terms and conditions contained in the Purchase Agreement and is hereby authorized and approved.

SECTION 7. The forms, terms and provisions of the Eighth Supplemental Agreement, the Eighth Supplemental Indenture and the Purchase Agreement, in substantially the forms of such documents (including the exhibits thereto) presented at the meeting of the City Council of the City at which this Ordinance is being adopted, are hereby approved. The Mayor of the City or any other member of the City Council of the City are hereby authorized and directed to execute and deliver, and the City Clerk of the City to attest, the Eighth Supplemental Agreement and the Purchase Agreement, with such insertions, omissions and changes as shall be approved by the Mayor or the Chief Financial Officer of the City, the execution of such documents being conclusive evidence of such approval and particularly of approval and acceptance of the covenants contained therein by the City Council of the City on behalf of the City.

SECTION 8. The City Council of the City hereby requests the Corporation to take any and all action necessary in connection with the execution and delivery of the Eighth Supplemental Agreement, the Eighth Supplemental Indenture and the 2006B Bonds and requests that the Corporation execute and deliver the Eighth Supplemental Agreement and the Eighth Supplemental Indenture and any other documents necessary in connection therewith and hereby acknowledges that the Corporation is acting on behalf of and at the direction of the City for all purposes of the 2006B Project.

SECTION 9. The City Manager or the Chief Financial Officer of the City is authorized to enter into such agreements as he determines necessary in conjunction with obtaining bond insurance or a reserve fund surety bond, if any or an interest rate cap.

SECTION 10. The Mayor, the City Manager, the Assistant Manager, the Clerk and the Chief Financial Officer of the City are hereby authorized and directed to do all such acts and things to execute, acknowledge and deliver all such documents (including, without limitation, tax compliance certificates, security agreements and financing statements or any amendments to such documents and all closing documents) as may in their discretion be deemed necessary or desirable to carry out and comply with the terms, provisions and intent of this Ordinance, the Eighth Supplemental Agreement, the Purchase Agreement, the Eighth Supplemental Indenture and the 2006B Bonds and all exhibits to any of the foregoing. All of the acts of the officers of the City which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, shall be and the same are hereby ratified, confirmed and approved in all respects.

SECTION 11. After any of the 2006B Bonds are delivered to the purchaser thereof, upon receipt of payment therefor, this Ordinance shall be and remain irrevocable until the 2006B Bonds and the interest thereon shall have been fully paid, canceled and discharged.

SECTION 12. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 13. All orders and Ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order or Ordinance or any part thereof.

SECTION 14. The immediate operation of the provisions of this Ordinance is necessary for the public peace, health and safety of the residents and citizens of the City for the reason that the bonds herein authorized must be sold at the earliest possible time in order to obtain the most advantageous terms and timely funds essential for City Council approved projects, an emergency is, therefore, declared to exist, and this Ordinance shall be in full force and effect immediately upon its passage and adoption by the Mayor and Council of the City of Glendale, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State.

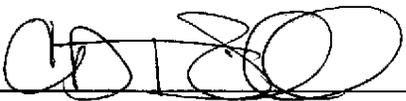
PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 23rd day of May, 2006.

  
MAYOR

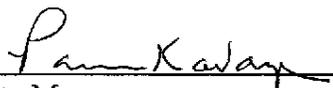
ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney

REVIEWED BY:

  
City Manager