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FIRST EXCISE TAX PURCHASE AGREEMENT

by and between

_____,
as Seller

and

THE TOWN OF PARADISE VALLEY, ARIZONA,
as Purchaser

Dated as of March 12, 2020

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FIRST EXCISE TAX PURCHASE AGREEMENT

THIS FIRST EXCISE TAX PURCHASE AGREEMENT, dated as of March 1, 2020 (this "Agreement"), by and between the TOWN OF PARADISE VALLEY, ARIZONA, a municipal corporation under the laws of the State of Arizona (the "Town"), as purchaser hereunder, and _____, a national banking association, as trustee under the First Excise Tax Trust Agreement, dated as of even date herewith (the "Trust Agreement"), but in its separate capacity as seller (the "Seller") hereunder,

W I T N E S S E T H:

WHEREAS, pursuant to Resolution No. 2020-06 adopted on March 12, 2020, the Mayor and Common Council of the Town determined to finance the costs of the Project (as such term and all other terms not otherwise defined herein are defined in the Trust Agreement); and

WHEREAS, for the purpose of financing the costs of the Project, the Mayor and Common Council of the Town requested that the Trustee sell and execute and deliver the Obligation; and

WHEREAS, the Town is a municipal corporation duly incorporated and validly existing under the laws of the State; the Constitution and the laws of the State authorize the Town to enter into this Agreement and the transactions contemplated by this Agreement; the Town has duly authorized and executed this Agreement; this Agreement is a lawful, valid and binding obligation of the Town, enforceable against the Town in accordance with its terms; all required procedures for execution and performance of this Agreement, including publication of notice, public hearing or competitive bidding, if applicable, have been or will be complied with in a timely manner; the Payments will be paid when due out of funds which are legally available for such purposes; neither the execution and delivery of this Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Town is now a party or by which the Town is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Town; and the Project complies with all applicable environmental laws, rules and regulations (including, without limitation, all federal, state and local laws) and 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 Project; and

WHEREAS, the Seller has full legal authority and is duly empowered to enter into this Agreement and has taken all actions necessary to the execution and delivery hereof;

NOW THEREFORE, pursuant to law and for and in consideration of the mutual covenants hereinafter contained, it is hereby agreed as follows:

Section 1. Term and Payments.

(a) In order to finance the costs of the Project, the Town sells and conveys any interests it has in the Project to the Seller, without warranty, for the sum of \$10.00 and other valuable consideration had and received. For the amounts payable pursuant hereto (including the Payments), the Seller in turn hereby sells and conveys back to the Town, without recourse, representation or warranty, and the Town hereby purchases from the Seller, any interests the Seller has in the Project. The Seller shall have no further obligation to provide funds for the Project, and the Town shall be entitled to sole and exclusive possession of the Project.

(b) As the purchase price, the Town shall pay the Payments to the Seller. (The Interest Portion is interest for purposes of the Code.) Upon the occurrence of an Event of Taxability, in addition to the Interest Portion, the Town shall pay the Gross-up Amount.

The Town shall also pay to the Seller its fees and expenses in accordance with the provisions of the Trust Agreement and to the United States of America any amounts required by Section 11(b).

The Town shall receive a credit against amounts so due, equal to any amounts held in the Payment Fund in excess of the amount then required to be in the Payment Fund. If the balance available in the Payment Fund after a Payment is insufficient to make the next required payments of principal and interest due on the Obligation on the next date for payment thereof, the Town shall pay any such deficiency in sufficient time to prevent default in the payment of principal of or interest on the Obligation falling due on such date.

(c) This Agreement shall be deemed and construed to be a “*net purchase agreement*,” and the Payments shall be an absolute net return to the Seller, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein. The obligation of the Town to pay the amounts described in paragraph (b) hereof (including the Payments) from the sources described herein and to comply with the other provisions hereof 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 by the Seller of any obligation to the Town or otherwise, or out of indebtedness or liability at any time owing to the Town by the Seller. Until such time as all of the payments described in paragraph (b) hereof (including the Payments) shall have been fully paid or provided for, the Town (i) shall not suspend or discontinue the same, (ii) shall comply with the other provisions hereof, and (iii) shall not terminate this Agreement 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 Project, the taking by *eminent domain* of title to or temporary use of any or all of the Project, commercial frustration of purpose, abandonment of the Project by the Town, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the 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 the Seller from the performance of any of the agreements on its part herein or in the Trust Agreement contained and in the event the Seller shall fail to perform any such agreements on its part, the Town may institute such action against the Seller as

the Town may deem necessary to compel performance so long as such action does not abrogate the obligations of the Town contained in the first sentence of this paragraph.

(d) Any of the payments described in paragraph (b) hereof (including the Payments) due on a day which is not a Business Day may be made on the next Business Day and will be deemed to have been made on the date due.

(e) Amounts payable to the Seller shall be paid by means instructed to the Town in writing.

Section 2. Pledge; Limited Obligations.

(a) The revenues from the Excise Taxes have been pledged by the Town to the payment of all amounts described in Subsection 1(b) hereof (including the Payments), and payment of such amounts shall be secured by a paramount and first lien on and pledge of the revenues from the Excise Taxes on parity with the pledge and lien hereby granted by the Town for the payment and security of the 2016 Agreement and the other of the Parity Obligations. All of the Payments are coequal as to the pledge of and lien on the revenues from the Excise Taxes and share ratably, without preference, priority or distinction, as to the source or method of payment from the revenues from the Excise Taxes or security therefor.

(b) The Town shall remit to the Seller from the revenues from the Excise Taxes all amounts due under this Agreement in the amounts and at the times and for the purposes as required herein. The obligation of the Town to make payments of any amounts due under this Agreement, including amounts due after default hereof, is limited to payment from the revenues from the Excise Taxes and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of the Town, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

(c) The Town may, at the sole option of the Mayor and Common Council of the Town, make payments due pursuant to Section 1 hereof from its other funds as permitted by law and as the Town shall determine from time to time, but the 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* property taxes imposed by the Town or from bonds or other obligations, the payment of which the Town's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by the Town according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

Section 3. Surplus and Deficiency of the Revenues from the Excise Taxes. Subject to the rights with respect to the revenues from the Excise Taxes with respect to the 2016 Agreement and the other of the Parity Obligations, the revenues from the Excise Taxes in excess of amounts, if any, required to be deposited with or held by the Seller for payments due under this Agreement shall constitute surplus revenues and may be used by the Town for any lawful purpose for the benefit of the Town, including the payment of obligations to which the revenues from the Excise Taxes may from time to time be pledged on a basis subordinate hereto. If at any time the

moneys in the funds held for payment of amounts due under this Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of this Agreement and, with respect to payment from the revenues from the Excise Taxes, *pro rata*, with amounts due with respect to the 2016 Agreement and the other of the Parity Obligations, and the transfer of any such sum or sums to said fund 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.

Section 4. Parity Obligations. The Town shall not encumber the revenues from the Excise Taxes on a basis prior or paramount to the lien and pledge provided for under Section 2(a) hereof. So long as any amounts due hereunder remain unpaid or unprovided for, the Town shall not further encumber the revenues from the Excise Taxes on a basis equal to the pledge hereunder unless: (i) the revenues from the Excise Taxes, in the most recently completed fiscal year of the Town, shall have amounted to at least two (2) times the highest combined interest and principal requirements for any succeeding fiscal year of the Town for this Agreement, the 2016 Agreement and the other of the Parity Obligations secured or so proposed to be secured by such pledge of the revenues from the Excise Taxes on a parity of lien therewith; and (ii) so long as amounts due under the 2016 Agreement remain unpaid or unprovided for, the Town complies with the terms of the 2016 Agreement for incurrence of Parity Obligations. For purposes of this Section, any variable rate indebtedness shall be assumed to bear interest at the maximum permissible rate.

Section 5. Town Control over Revenue Collection. To the extent permitted by applicable law, the revenues from the Excise Taxes shall be retained and maintained so that the amounts received from the revenues from the Excise Taxes, all within and for the most recently completed fiscal year of the Town, shall have been equal to at least two (2) times the total of interest and principal requirements for the current fiscal year of the Town for this Agreement, the 2016 Agreement and the other of the Parity Obligations. If the revenues from the Excise Taxes for any such fiscal year shall not have been equal to at least two (2) times the total of the interest and principal requirements for the current fiscal year of the Town for this Agreement, the 2016 Agreement and the other of the Parity Obligations or if at any time it appears that the revenues from the Excise Taxes will not be sufficient to meet such requirements, the Town shall, to the extent permitted by applicable law, impose new exactions of the type of the Excise Taxes which will be part of the Excise Taxes or increase the rates for the Excise Taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year of the Town in order that (a) the revenues from the Excise Taxes will be sufficient to meet all current requirements hereunder, and (b) the revenues from the Excise Taxes will be reasonably calculated to attain the level as required by the first sentence of this subsection. The "Excise Tax Fund" established pursuant to the 2016 Agreement is hereby expanded to provide for the purposes of this Agreement and, after paying therefrom amounts for the purposes described in the 2016 Agreement and herein, such fund may be reduced to zero, indirectly by transferring any such balance to the Annual Fund of the Town.

Section 6. Certain Matters with Respect to the Project; Town Appointed as Agent.

(a) (i) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, the 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 Project for any particular purpose or the conformity of the Project to any plans, specifications, construction contract, purchase order, model or sample, or as to their design, construction, delivery, installation, construction oversight and operation or their suitability for use by the Town after completion. All such risks shall be borne by the Town without in any way excusing the Town from its obligations under this Agreement, and the Seller shall not be liable to the Town for any damages on account of such risks. Except with respect to any acts by the Seller which are not undertaken at the request of the Town or with the prior approval of the Town, the Town waives all claims against the Seller growing out of the acquisition of the Project. The Seller shall have no liability to the Town for any failure of any contractor to perform any contract or other undertaking with respect to the Project in any respect. The Seller shall have no obligation to obtain or insure compliance with any required permits or approval procedures with respect to the Project. In the event of any defect in any item of the Project or other claim with respect to the Project, recourse of the Town shall be against the contractors, manufacturers, suppliers, etc. of the Project and, where applicable, the person selling the property to the Seller, and not against the Seller. For such purpose, the Seller hereby assigns and transfers to the Town the right, title and interest of the Seller in and to all representations, warranties, guarantees and service agreements relating to the Project made or entered into by the Seller and by any contractor, manufacturers, suppliers, etc. of the Project. Town shall have the right to initiate and take all actions necessary to enforce any and all construction contracts and all such warranties and service agreements. The Seller is entering into this Agreement solely as the Seller, shall not be personally liable hereunder and shall be afforded the same rights, protections, immunities and indemnities acting hereunder as afforded to it as the Trustee under the Trust Agreement. Notwithstanding anything to the contrary herein, at no time shall the Seller be listed in the chain of title to the Project. Provisions governing the rights, immunities and protections of the Trustee under the Trust Agreement are herein incorporated by reference into this agreement as though fully set forth herein.

(ii) The Town, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Agreement, peaceably and quietly, have, hold and enjoy the Project, without suit, trouble or hindrance from the Seller. The Town hereby grants and conveys to the Seller, and all persons claiming by, through or under the Seller, including its successors and assigns under the Trust Agreement and the Owners for whom it acts, a nonexclusive easement upon, in and to the Project for the purpose of permitting the Project to be maintained upon the premises.

(iii) Notwithstanding any other terms or provisions of this Agreement, the interest of the Seller in the Project is solely in its capacity as the Seller for the financing of the Project, and the Seller shall not have the power, authority or obligation to assume any responsibility for the overall management or maintenance of the Project, including, without limitation, any day-to-day decision-making or operational aspects of the Project.

(b) The Seller is irrevocably appointed by the Town as its sole and exclusive agent to act for and on behalf of the Seller in acquiring, constructing, installing, improving or otherwise providing for the Project. As such agent, the Town shall have full authority to do all things necessary to bring about the financing of the Project. The Seller shall not be liable, responsible or accountable for the acts of the Town as its agent hereunder, and the Town hereby assumes all responsibility for the performance of such duties. The Town, as agent for the Seller, shall be responsible for acquiring the Project. The Town shall have full authority to do all things necessary to bring about the financing of the Project. The Seller shall not be liable, responsible or accountable for the acts of the Town as its agent hereunder, and the Town hereby assumes all responsibility for the performance of such duties. Should any shortfall or deficiency occur in the Acquisition Fund, the Town shall immediately pay such amounts to the Trustee for deposit in the Acquisition Fund

Section 7. Providing for Payment. The Town may provide for the payment of the Payments in any one or more of the following ways:

(a) by paying the Payments as provided herein as and when the same become due and payable at their scheduled due dates pursuant to Section 1 hereof or on a date on which they can be prepaid;

(b) by depositing with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with the Seller and available for the Payments is fully sufficient to make, or cause to be made, the Payments at their scheduled due dates; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable, in such amount as shall be certified to the Seller and the Town, by a national firm of certified public accountants acceptable to the Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with the Seller and available for the Payments, to make, or cause to be made, the Payments at their scheduled due dates.

Section 8. Term of Agreement. This Agreement shall not terminate so long as any payments are due and owing pursuant to the Obligation. Subject to Section 7 hereof, upon full payment or provision for payment and in consideration of the timely payment of all of the amounts described in Subsection 1(b) hereof (including the Payments) and provided that the Town has performed all the covenants and agreements required by the Town to be performed, this Agreement shall cease and expire. The obligations of the Town under this Agreement, including, without limitation, its obligation to pay the Payments, shall survive any action brought as provided in the next Section hereof, and the Town shall continue to pay the Payments and perform all other obligations provided in this Agreement; provided, however, that the Town shall be credited with any amount received by the Seller pursuant to actions brought under the next Section hereof.

Section 9. Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts described in Subsection 1(b) hereof (including the Payments) at the time when

the same are to be paid as provided herein or in the Trust Agreement, (B) the violation by the Town of any other covenant or provision of this Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the 2016 Agreement or the other of the Parity Obligations, or (D) the insolvency or bankruptcy of the Town as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of the Town or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the amounts described in Subsection 1(b) hereof (including the Payments) as required hereunder or under the Trust Agreement on the due date or the nonpayment of principal or interest due with respect to the 2016 Agreement or the other of the Parity Obligations on their due dates; (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Agreement not cured within sixty (60) days after notice in writing from the Seller specifying such default, and (C) in the case of any other default under the 2016 Agreement or the other of the Parity Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, the Seller may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by the Town under the Trust Agreement or this Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of the Town under the Trust Agreement or this Agreement, and with respect to the revenues from the Excise Taxes, without notice and without giving any bond or surety to the Town or anyone claiming under the Town, have a receiver appointed of the revenues from the Excise Taxes which are pledged to the payment of amounts due hereunder, with such powers as the court making such appointment shall confer (and the Town does hereby irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

Each right, power and remedy of the Seller provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by the Seller of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies. The failure to insist upon strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the rights of the Seller to insist upon a strict compliance by the Seller with all the covenants and conditions hereof. The Town shall, upon not less than 10 days' prior request by the Seller, execute, acknowledge and deliver to the Seller a statement in writing

certifying that this Agreement is unmodified and in full force and effect (or, if this Agreement has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the amounts payable hereunder have been paid in advance, if any.

(b) The Seller shall in no event be in default in the performance of any of its obligations hereunder unless and until the Seller shall have failed to perform such obligation within 30 days or such additional time as is reasonably required to correct any such default after notice by the Town properly specifying wherein the Seller has failed to perform any such obligation. No default by the Seller shall relieve the Town of its obligations to make the various payments herein required, so long as the Obligation remains outstanding; however, the Town may exercise any other remedy available at law or in equity to require the Seller to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made by the Seller under the Trust Agreement.

Section 10. Assignment.

(a) Except as otherwise provided herein, the Town 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 the Town in and to this Agreement and all payments of any kind due or which become due to the Seller hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement.

Section 11. Federal Law Provisions.

(a) (i) As described in further detail in the Tax Certificate, no direction by the Town for the making of any investment or other use of the proceeds of the Obligation or of the Project shall be made or omitted from being made which would cause the Obligation 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 Obligation. Particularly, the Town shall be the owner of the Project for federal income tax purposes. The Town shall not enter into any management or service contract with any entity other than a governmental entity for the operation of any portion of the Project unless the management or service contract complies with the requirements of such authority as may control at the time or any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Project. Also, the payment of principal and interest with respect to the Obligation shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Obligation, or amounts treated as proceeds of the Obligation, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds may be so invested for an initial temporary period until needed for the purpose for which the Obligation is being executed and delivered, may be so used in making investments in a *bona fide* debt service fund or may be invested in obligations issued by the United States Treasury. The Town 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 Obligation (initially those in subsection (b) and the Tax Certificate) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In consideration of the purchase and acceptance of the Obligation by the Owner and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, the Town shall, and the appropriate officials of the Town 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.

(ii) (A) The Town shall take all necessary and desirable steps, as determined by the Mayor and Common Council of the Town, 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 the Town receives a Special Counsel's Opinion 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 relating to such exclusion. In the event the Town receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(B) If for any reason any requirement hereunder is not complied with, the Town shall take all necessary and desirable steps, as determined by the Town, 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 the Town shall pay any required interest or penalty under hereinafter described Regulations section 1.148-3(h) with respect to the Code.

(C) The Town designates the Obligation as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. It is represented and covenanted that the Town and all subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, during the current calendar year have not issued and will not issue tax-exempt obligations designated as qualified tax-exempt obligations in an aggregate amount, including the Obligation, exceeding \$10,000,000.

(D) Written procedures have been established for the Town to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Regulations and to monitor the requirements of section 148 of the Code relating to arbitrage, with which the Town will comply.

(b) (i) Undefined terms used in this subsection shall have the meanings given to them in the Code and the Regulations.

(ii) Unless an exception is available to the satisfaction of the Town Representative, within 60 days after the end of each Bond Year, the Town shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(A) 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 Obligation (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 Obligation (determined as of the last day of such Bond Year); and

(B) 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 Rebate Payment required to be made under this Section shall be filed on or before the date such payment is due, with the Internal Revenue Service at the appropriate location and with required forms and other materials, currently by addressing it to IRS Service Center, Ogden, Utah 84201, and accompanying it with IRS Form 8038-T.

(iii) 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.

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

(A) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing purchaser 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.

(B) Except as provided in Subsection (v) or (vi), 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.

(C) 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.

(v) 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:

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

(B) 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.

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

(A) 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 the Town or any other person (whether or not in connection with the Obligation), and that the bid is not being submitted solely as a courtesy to the Town or any other person for purposes of satisfying the requirements in the Regulations that the Town receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligation.

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

(C) 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 Obligation (e.g., a lead underwriter within 15 days of the issue date of the Obligation 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 the Town uses an agent to conduct the bidding, the agent may not bid.

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

(E) 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.

(F) 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).

(G) 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.

(H) The Town retains until three years after the last outstanding Obligation is retired, (1) a copy of the guaranteed investment contract, (2) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any

administrative costs paid by the Town and a copy of the provider's certification described in (G) above, (3) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (4) 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.

(vii) Such experts and consultants shall be employed by the Town 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 Obligation.

(c) The Seller has no duty or obligations under this Section 11 and has no duty to monitor the Town's compliance with this Section 11.

Section 12. Covenant as to Conflict of Interest; Other Statutory Restrictions.

(a) To the extent applicable by provision of law, the Seller acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein and which provides that the Town may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by the Town if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Seller covenants not to employ as an employee, an agent or, with respect to the subject matter of this Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Seller within three years from the execution of this Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by the Town. No basis exists for the Town to cancel this Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the 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 the Seller of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of the Seller by the Town. To the extent permitted by law, the Town retains the legal right to randomly inspect the papers and records of the Seller to ensure that the Seller is complying with the above-mentioned warranty. The Seller shall keep such papers and records open for random inspection during normal business hours by the Town. The Seller shall cooperate with the random inspections by the Town including granting the Town entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential. To the extent permitted by law, the Town shall preserve the confidentiality of any information, records or papers the Town needs, accesses or otherwise obtains during any and every such random inspection, including, without limitation, such information.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the 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 the Town determines that the Seller’s certification above is false or that it has breached such agreement, the Town may impose remedies as provided by law.

Section 13. Miscellaneous.

(a) No covenant or obligation herein to be performed by the Town may be waived except by the written consent of the 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 the Seller from invoking such remedy at any later time prior to the cure by the Town of the condition giving rise to such remedy.

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

(c) The recitals set forth at the beginning of this Agreement are incorporated in this Agreement by this reference. This Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, supplemented, altered or changed in any respect except by a written document signed by both the Seller and the Town, subject to the restrictions with regard thereto provided by the Trust Agreement.

(d) Any term or provision of this Agreement 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.

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

(f) 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 the right, title or interest of the Seller herein shall be and have the rights of a third party beneficiary hereunder.

(g) 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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

The Seller:

_____, as seller

By _____
_____, Vice President

The Town:

TOWN OF PARADISE VALLEY, ARIZONA, a
municipal corporation under the laws of the State of
Arizona, as purchaser

By _____
Mayor

ATTEST:

By _____
Town Clerk

APPROVED AS TO FORM:

By _____
Town Attorney

SCHEDULE

Payment Date	Principal	Interest Portion*	Total Payment
02/01/2021	\$ 650,000	\$ 76,990.33	\$ 726,990.33
08/01/2021	645,000	40,875.00	685,875.00
02/01/2022	675,000	37,359.75	712,359.75
08/01/2022	670,000	33,681.00	703,681.00
02/01/2023	675,000	30,029.50	705,029.50
08/01/2023	680,000	26,350.75	706,350.75
02/01/2024	685,000	22,644.75	707,644.75
08/01/2024	685,000	18,911.50	703,911.50
02/01/2025	690,000	15,178.25	705,178.25
08/01/2025	695,000	11,417.75	706,417.75
02/01/2026	700,000	7,630.00	707,630.00
08/01/2026	700,000	3,815.00	703,815.00
TOTALS	\$8,150,000	\$324,883.58	\$8,474,883.58

* This is subject to modification as provided in the definition of such term.