

**CITY CLERK
ORIGINAL**

C-9680
01/29/2015

EXECUTION COPY

CITY OF GLENDALE, ARIZONA

\$100,430,000
SENIOR EXCISE TAX REVENUE REFUNDING
OBLIGATIONS,
SERIES 2015A

\$13,700,000
SENIOR EXCISE TAX REVENUE REFUNDING
OBLIGATIONS,
TAXABLE SERIES 2015B

OBLIGATION PURCHASE CONTRACT

January 29, 2015

City of Glendale, Arizona
5850 W. Glendale Avenue
Glendale, Arizona 85301

The undersigned, J.P. Morgan Securities LLC (the "Representative"), acting for itself and on behalf of Barclays Capital Inc. and Wells Fargo Bank, National Association (collectively, the "Underwriters" and each an "Underwriter") offers to enter into the following obligation purchase agreement (this "Purchase Contract") with the City of Glendale, Arizona (the "City"), which, upon written acceptance by the City of this offer, shall be binding upon the City and the Underwriters. This offer is made subject to written acceptance hereof by the City on or before 5:00 p.m., Mountain Standard Time, on the date indicated above and shall be subject to withdrawal by the Underwriters upon notice delivered to the City by the Representative at any time prior to the acceptance hereof by the City. Terms not otherwise defined in this Purchase Contract shall have the same meanings set forth in the Official Statement (as such term is defined herein). The offer of the Underwriters is made by the Representative signing the signature line provided and delivering the signed page to the City. The acceptance is made by the City signing the signature line provided and delivering the signed page to the Representative. Delivery includes sending in the form of a facsimile or telecopy or via the internet as a portable document format (PDF) file or other replicating image attached to an electronic message. The Representative represents it has been duly authorized to execute this Purchase Contract for and on behalf of each Underwriter and to act on behalf of each Underwriter pursuant to this Purchase Contract.

1. Purchase and Sale of the Obligations.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters shall purchase from the City, all, but not less than all, and the City agrees to cause The Bank of New York Mellon Trust Company, N.A. (the "Trustee") to execute and deliver to the Underwriters all, but not less

than all, of the \$100,430,000 aggregate principal amount of Senior Excise Tax Revenue Refunding Obligations, Series 2015A (the "Tax-Exempt Obligations") and the \$13,700,000 aggregate principal amount of Senior Excise Tax Revenue Refunding Obligations, Taxable Series 2015B (the "Taxable Obligations" and, together with the Tax-Exempt Obligations, the "Obligations"). The City and the Underwriters acknowledge and agree that: (i) the transaction contemplated by this Purchase Contract represents a negotiated transaction and is an "arm's length," commercial transaction between the City and the Underwriters in which each of the Underwriters is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) none of the Underwriters has assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading hereto (irrespective of whether the Underwriters have provided other services or is currently providing other services to the City on other matters); (iii) the Underwriters are acting solely on their own behalf and in their capacity as underwriter for their own accounts, (iv) the only obligations the Underwriters have to the City with respect to the transaction contemplated hereby are expressly set forth in this Purchase Contract; (v) the City has consulted its own legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate; and (vi) the Underwriters have financial and other interests that differ from those of the City.

(b) The principal amounts, the dated date, the payment dates, the prepayment provisions and the interest rates per annum with respect to the Obligations are set forth in the Schedule attached hereto. The Obligations shall be purchased at purchase price of \$134,737,365.32, which represents:

	<u>Tax-Exempt Obligations</u>	<u>Taxable Obligations</u>	<u>TOTAL</u>
Principal Amount:	\$100,430,000.00	\$13,700,000.00	\$114,130,000.00
Plus Premium	20,928,296.10	0.00	20,928,296.10
Less:			
Underwriters' Discount	<u>(277,363.72)</u>	<u>(43,567.06)</u>	<u>(320,930.78)</u>
Total:	<u>\$121,080,932.38</u>	<u>\$13,656,432.94</u>	<u>\$134,737,365.32</u>

(c) The terms of the Obligations shall be as otherwise described in, and shall be executed and delivered by the Trustee pursuant to a First Trust Agreement, to be dated as of March 1, 2015 (the "Trust Agreement"), substantially in the form previously submitted to the Underwriters with only such changes therein as shall be mutually agreed upon among the Underwriters, the City and the Trustee. The Obligations represent undivided proportionate interests in the installment payments (each a "Payment" and, collectively, the "Payments") to be made by the City pursuant to a First Purchase Agreement, to be dated as of March 1, 2015 (the "Purchase Agreement"), between the City and the Trustee, as seller.

(d) The proceeds of the Obligations will be used (i) to refund certain prior outstanding bonds (the "Bonds Being Refunded") issued by the City of Glendale Municipal Property Corporation (the "Corporation") in accordance with the terms of a Depository Trust Agreement, dated as of March 1, 2015 (the "Depository Trust Agreement") among the City, the Corporation and The Bank of New York Mellon Trust Company, N.A., as Depository Trustee (the "Depository Trustee"), and (ii) to pay costs relating to the execution and delivery of the Obligations, as more fully described in the Official Statement.

2. Public Offering. The Underwriters shall make a bona fide public offering of all of the Obligations at prices not to exceed the public offering prices or yields set forth on the Schedule hereto and may subsequently change such offering prices or yields, in their sole discretion, without any requirement of prior notice. The Underwriters may offer and sell any portion of the Obligations to certain dealers (including dealers depositing the Obligations into investment trusts) and others at prices lower than the public offering prices stated on the Schedule hereto. The Underwriters also reserve the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Obligations at a level above that which might be otherwise be prevailing in the open market, and (ii) to discontinue such stabilizing, if commenced, at any time. A "bona fide public offering" shall include an offering to a number of institutional investors or registered investment companies, regardless of the number of such investors to which the Obligations are sold.

3. The Official Statement.

(a) The Preliminary Official Statement, dated January 16, 2015 (the "Preliminary Official Statement"), relating to the Obligations has been prepared for use in connection with the public offer, sale and distribution of the Obligations by the Underwriters, and the City hereby ratifies the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Obligations. The City hereby deems the Preliminary Official Statement "final" (except for permitted omissions), as of its date, for purposes of Section (b)(1) of Section 240.15c2-12, of the General Rules and Regulations promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"). The Preliminary Official Statement with only such changes therein as shall be necessary to conform to the terms of this Purchase Contract and any other changes as are accepted by the Underwriters, dated as of the date hereof, shall be hereinafter called the "Official Statement," provided that if the Official Statement shall be amended or supplemented prior to the date of delivery of the Obligations, the term "Official Statement" shall refer to such amended or supplemented document. The City will prepare, or cause to be prepared, the Official Statement, in word-searchable PDF format as described in Rule G-32 promulgated by the Municipal Securities Rulemaking Board (the "MSRB") and will provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one business day prior to the Closing (as defined herein) to enable the Underwriters to comply with MSRB Rule G-32. The Representative hereby agrees to file the Official Statement with the MSRB.

(b) The City represents that the governing body of the City reviewed and approved information relating to the City in the form of Preliminary Official Statement available to its members at the meeting at which the Ordinance (as defined herein) was adopted and directed the City Manager of the City to make such modifications and changes thereto as were

necessary in connection with the sale of the Obligations. The City hereby authorizes the Official Statement and the information therein contained to be used by the Underwriters in connection with the public offering and sale of the Obligations. The City shall provide, or cause to be provided, in either event without charge, to the Underwriters as soon as practicable after the date of acceptance of this Purchase Contract (in any event, not later than seven business days after the acceptance of this Purchase Contract and in sufficient time to accompany any confirmation from the Underwriters that requests payment from any customer) copies of the Official Statement that is complete as of the date of its delivery to the Underwriters in such quantity as the Underwriters shall request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(c) If, after the date of this Purchase Contract to and including the date the Underwriters are no longer required to provide the Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) or (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the end of the underwriting period for the Obligations), the City becomes aware of any fact or event that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the City shall notify the Representative and provide the Representative with such information as it may from time to time request. If, in the opinion of the City or the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the City shall forthwith prepare and furnish, at the City's own expense (in a form and manner approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement, as so amended and supplemented, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the City shall furnish at its expense such legal opinions, certificates, instruments and other documents as the Representative may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. Unless otherwise notified in writing by the Representative, the City can assume that the "end of the underwriting period" for purposes of the Rule is the Closing.

4. Representations and Warranties and Agreements of the City. The undersigned, on behalf of the City, but not acting individually, hereby represents and warrants to and covenants with the Underwriters that:

(a) The City is duly created and validly existing municipal corporation pursuant to the Constitution and laws of the State of Arizona (the "State"), and has full and legal right, power and authority, and at the date of the Closing shall have full legal right, power and authority pursuant to Ordinance No. 2918 New Series passed, adopted and approved by the Mayor and Council of the City on November 24, 2014 (the "Ordinance"), authorizing the sale and execution and delivery of the Obligations, (i) to enter into, execute and deliver this Purchase Contract; the Purchase Agreement; the Trust Agreement; the Depository Trust Agreement; a

written undertaking by the City to provide ongoing disclosure about the City for the benefit of certain owners of the Obligations, as required pursuant to paragraph (b)(5) of the Rule, in form and substance satisfactory to the Representative and counsel to the Underwriters (the "Undertaking"), which shall be substantially in the form described in the Official Statement, with such changes as may be agreed to in writing by the Representative and all documents required hereunder and thereunder to be executed and delivered by the City (this Purchase Contract, the Purchase Agreement, the Trust Agreement, the Depository Trust Agreement and the Undertaking are hereinafter referred to as the "City Documents"), (ii) to cause the sale and execution and delivery of the Obligations to the Underwriters as provided herein, (iii) to carry out and consummate the transactions contemplated by the City Documents, the Ordinance and the Official Statement, (iv) to pledge the Unrestricted Excise Taxes as described in the Official Statement, and (v) to approve, execute and authorize the use and distribution, as applicable, of the Preliminary Official Statement and the Official Statement, and the City has complied, and shall at the Closing be in compliance in all respects, with all applicable provisions of law and the City Documents as they pertain to such transactions;

(b) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized all necessary action to be taken by it for (i) including adoption of the Ordinance by the Mayor and Council of the City for the execution and delivery and sale of the Obligations, (ii) the approval, execution and delivery of, and the performance by the City of the obligations on its part contained in, the Obligations and the City Documents, and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the City Documents and the Ordinance, including, without limitation, the refunding of the Bonds Being Refunded, (x) authorizes the execution and delivery of the other documents and the Obligations as well as the approval, execution and authorization of the use and distribution of the Preliminary Official Statement and the Official Statement and the sale of the Obligations to the Underwriters, (y) has been duly and validly adopted by the Mayor and Council of the City, and (z) is in full force and effect;

(c) This Purchase Contract has been duly executed and delivered by the City, and the other of the City Documents (when such City Documents are executed and delivered by the other parties thereto) will constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Obligations, when executed and delivered and paid for in accordance with the Trust Agreement and this Purchase Contract, shall constitute legal, valid and binding obligations entitled to the benefits of the Trust Agreement and enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and, upon the execution and delivery of the Obligations as aforesaid, the Purchase Agreement and the Trust Agreement shall provide, for the benefit of the holders from time to time of the Obligations, the legally valid and binding pledge and lien they purport to create as set forth in the Purchase Agreement and the Trust Agreement;

(d) The City is not in material breach of or default in any material respect with respect to any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond,

note, resolution, agreement or other instrument to which the City is a party or to which the City is, or any of its property or assets are, otherwise subject; no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the City pursuant to any of the foregoing or the City Documents and the execution and delivery of the Obligations and the City Documents and the adoption of the Ordinance and compliance with the provisions on the part of the City contained therein shall not conflict with or constitute a material breach of or default pursuant to any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is, or any of its property or assets are, otherwise subject nor shall any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City to be pledged to secure the Obligations or pursuant to the terms of any such law, regulation or instrument, except as provided by the Obligations and the City Documents;

(e) All authorizations, approvals, licenses, permits, consents, orders and other matters of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City, of its obligations pursuant to the City Documents and the Obligations have been duly obtained, except for such approvals, consents and orders as may be required pursuant to the "blue sky" or securities laws of any jurisdiction in connection with the offering and sale of the Obligations, and including particularly, but not by way of limitation, the filing of all reports required to be filed by the City pursuant to Section 35-501, Arizona Revised Statutes;

(f) The Obligations and the City Documents conform to the descriptions thereof contained in the Official Statement, and the proceeds of the sale of the Obligations shall be applied as described in the Official Statement;

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened against the City (i) affecting the existence of the City or the titles of its officers to their respective offices; or (ii) affecting or seeking to prohibit, restrain or enjoin the sale or execution and delivery of the Obligations or the levy, collection or pledge, as applicable, of the Unrestricted Excise Taxes, as described in the Official Statement, or the refunding of the Bonds Being Refunded; or (iii) in any way contesting or affecting the validity or enforceability of the Obligations or the City Documents or contesting the exclusion from gross income of interest with respect to the Tax-Exempt Obligations for Federal income tax purposes or the exemption from taxation of interest with respect to the Tax-Exempt Obligations for State income tax purposes; or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (v) contesting the formation or powers of the City or any authority for the sale and execution and delivery of the Obligations, the adoption of the Ordinance or the execution and delivery of the City Documents; or (vi) which, if decided adversely to the City, would have a materially adverse effect on the financial condition of the City nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Obligations or the City Documents;

(h) The City has not granted a lien on, made a pledge of or agreed to apply the Unrestricted Excise Taxes or other moneys payable pursuant to the Purchase Agreement, except as provided or permitted in the Purchase Agreement or as described in the Official Statement;

(i) As of the date hereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) Unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Purchase Contract, at all times subsequent to the acceptance by the City hereof, during the period up to and including the date of the Closing, the Official Statement, as of its date, did not, as of the date hereof, does not and, as of the Closing, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances pursuant to which they were made, misleading;

(k) If the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Purchase Contract, at the time of each amendment or supplement thereto and (unless subsequently again amended or supplemented pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of the Closing, the Official Statement shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances pursuant to which made, not misleading;

(l) The City shall apply, or cause to be applied, the proceeds from sale of the Obligations as provided in and subject to all of the terms and provisions of the City Documents and shall not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for Federal or State income tax purposes of the interest with respect to the Tax-Exempt Obligations;

(m) The City shall furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Underwriters may reasonably request (i) to (A) qualify the Obligations for offer and sale pursuant to the "blue sky" or other securities laws and regulations of such States and other jurisdictions in the United States as the Underwriters may designate and (B) determine the eligibility of the Obligations for investment pursuant to the laws of such States and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the distribution of the Obligations (provided, however, that the City shall not be required to qualify as a foreign corporation or to file any general or special consents to service of process pursuant to the laws of any jurisdiction) and shall advise the Underwriters immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Obligations for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The audited financial statements of the City contained in the Official Statement fairly present the financial position and results of operations and changes in fund balances of the City as of the dates and for the periods therein set forth; the City has no reason to

believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied; since June 30 of the last fiscal year presented in the audited financial statements of the City included in the Official Statement, the City has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the City that is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business and, prior to the Closing, there will be no adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the City;

(o) The City is not a party to any litigation or other proceeding pending or overtly threatened that, if decided adversely to the City, would have a materially adverse effect on the financial condition of the City; and except as disclosed in the Official Statement, the City is not a party to any contract or agreement or subject to any restriction, the performance of or compliance with which may have a material adverse effect on the financial condition, operations or prospects of the City or ability of the City to comply with all the requirements set forth in the Official Statement, the Ordinance, the City Documents or the Obligations;

(p) Prior to the Closing, and to the extent it may legally agree to do so, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Obligations without the prior approval of the Representative;

(q) The representations of the City set forth herein and in the Ordinance and the City Documents are, as of the date hereof, true and correct, and between the date hereof and the date of the Closing, the City shall not take any action that will cause the representations and warranties made herein to be untrue as of the date of the Closing;

(r) The officers and officials of the City executing the Official Statement and the City Documents and the Obligations and the officers and officials of the City listed on the certificate of the City to be delivered at the Closing have been or will have been duly appointed and are or will be qualified to serve as such officers and officials of the City, and any certificate, signed by any official of the City authorized to do so in connection with the transactions contemplated by this Purchase Contract shall be deemed a representation and warranty by the City to the Underwriters as to the statements made therein;

(s) The City is the only "obligated person" (as defined in the Rule) with respect to the Obligations, and there have not been and, as of the Closing, there will not have been, any instances during the preceding five years in which the City failed to comply, in all material respects, with any previous continuing disclosure agreement made by the City for purposes of the Rule, except as disclosed under "CONTINUING DISCLOSURE" in the Official Statement; and

(t) The execution and delivery of the Obligations and the refunding of the Bonds Being Refunded will result in a present value debt service savings, net of all costs associated with the Obligations, of at least two and one-half percent (2.5%) as required by the Ordinance.

5. Closing. The Closing shall take place at 8:00 a.m. Mountain Standard Time, on March 5, 2015 (the "Closing"), at the offices of the Greenberg Traurig, LLP, or at such other time, date and place as shall have been mutually agreed upon by the City, the Trustee and the Underwriters. On the date of Closing, the Trustee will, subject to the terms and conditions hereof, execute, deliver and register the Obligations in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") pursuant to the executed Blanket Issuer Letter of Representations between the City and DTC and delivered to the Trustee pursuant to DTC's "F.A.S.T." delivery procedures. Also on the date of Closing, the Underwriters will, subject to the terms and conditions hereof, accept delivery of the Obligations and the items identified in Section 6(k) hereof and pay the purchase price of the Obligations as set forth in Section 1 of this Purchase Contract by wire transfer payable in immediately available funds to the Trustee (the "Closing").

6. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties, covenants and agreements of the City contained herein and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the obligations of the Underwriters pursuant to this Purchase Contract to purchase, to accept delivery of and to pay for the Obligations shall be conditioned upon the performance by the City of its obligations to be performed hereunder and pursuant to such documents and instruments at or prior to the Closing and shall also be subject to the following additional conditions, including the delivery by the City of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriters:

(a) The representations and warranties of the City contained herein and in the City Documents shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) All representations, warranties and covenants made herein, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Underwriters notwithstanding any investigation heretofore or hereafter made by the Underwriters or on their behalf, and that all representations, warranties and covenants made by the City herein and therein and all of the Underwriters' rights, hereunder and thereunder shall survive the offering of the Obligations;

(c) The City and the Trustee shall have performed and complied with all covenants, agreements and conditions required by the City Documents to be performed or complied with by it prior to or at the Closing;

(d) As of the date of the Closing, (i) the City Documents and the Obligations shall be in full force and effect in the form heretofore approved by the Underwriters and shall not have been amended or modified; (ii) the Official Statement shall not have been amended or supplemented, except in any such case as may have been agreed to by the Representative; and (iii) all actions of the City required to be taken by the City shall be performed in order for Special Counsel and counsel to the Underwriters to deliver their respective opinions referred to hereafter;

(e) As of the date of the Closing, all official action of the City relating to the Obligations and the City Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(f) As of or prior to the Closing, the City Documents shall have been duly executed and delivered by the City and the Trustee shall have duly executed and delivered the Obligations;

(g) As of the date of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the City, from those set forth in the Official Statement that, in the judgment of the Representative, is material and adverse and that makes it, in the judgment of the Representative, impractical to market the Obligations on the terms and in the manner contemplated in the Official Statement;

(h) As of the date of the Closing, no "event of default" shall have occurred or be existing pursuant to the City Documents nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an event of default pursuant to the City Documents;

(i) The City shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(j) All steps to be taken, all instruments and other documents to be executed and all other legal matters in connection with the transactions contemplated by this Purchase Contract shall be reasonably satisfactory in legal form and effect to the Underwriters;

(k) On the date of or prior to the Closing, the Underwriters shall have received two copies of the transcript of all proceedings of the City relating to the execution and delivery of the Obligations, certified, as necessary, by appropriate officials of the City, including, but not limited to, the following opinions, certificates and other documents:

(1) The unqualified approving opinions of Greenberg Traurig, LLP, as Special Counsel as to the Obligations, dated the date of the Closing, addressed to the City and substantially in the forms included in the Official Statement;

(2) A supplemental opinion of Special Counsel addressed to the Underwriters, substantially to the effect that:

i. the Obligations are exempted securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and it is not necessary, in connection with the offering and sale of the Obligations, to register the Obligations under the 1933 Act or to qualify the Trust Agreement under the Trust Indenture Act; and

ii. the statements and information contained in the Official Statement under the captions "THE 2015 OBLIGATIONS," "PLAN OF REFUNDING," "SECURITY AND SOURCES OF PAYMENT FOR THE 2015 OBLIGATIONS", "TAX

MATTERS – TAX-EXEMPT OBLIGATIONS," "CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS IN RESPECT OF THE TAXABLE OBLIGATIONS," "ERISA CONSIDERATIONS" and "CONTINUING DISCLOSURE" (other than information relating to the City's compliance with prior undertakings, as to which no opinion need be expressed) and Appendices C, D, and E fairly and accurately summarized the matters purported to be summarized therein;

(3) An opinion of Counsel to the City or supplemental opinion of Special Counsel or both, addressed to the Underwriters, to the effect that:

i. The City is a municipal corporation and political subdivision, duly created, organized and existing under the laws of the State, and has full legal right, power and authority (A) to enter into, execute and deliver the City Documents and the Tax Agreement (defined below), (B) to sell and cause the Trustee to execute and deliver the Obligations to the Underwriters as provided herein, and (C) to carry out and consummate the transactions contemplated by the City Documents and the Official Statement, and the City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents as they pertain to such transactions;

ii. By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized all necessary action to be taken by it for (A) the adoption of the Ordinance and the execution and delivery of the City Documents and the Tax Agreement and the sale, execution and delivery of the Obligations, (B) the approval, execution and delivery of, and the performance by the City of the obligations on its part, contained in the Obligations and the City Documents, and (C) the consummation by it of all other transactions contemplated by the Official Statement and the City Documents;

iii. The City Documents have been duly authorized, executed and delivered by the City and constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights and, in the case of the Continuing Disclosure Undertaking, subject to annual appropriations and, in the case of the Purchase Agreement, subject to the indemnification provisions thereof being subject to limitation under applicable securities laws;

iv. The distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the City;

v. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under the City Documents and the Obligations have been obtained;

vi. There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened affecting the corporate existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale or execution and delivery of the Obligations or the collection and pledge of the Unrestricted Excise Taxes securing the payment of principal of and interest on the Obligations pursuant to the Trust Agreement or in any way contesting or affecting the validity or enforceability of the Obligations, the City Documents, or contesting the exclusion from gross income of interest on the Tax-Exempt Obligations for federal income tax purposes or State income tax purposes or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the City or any authority for the execution and delivery of the Obligations, the adoption of the Ordinance or the execution and delivery of the City Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations or the City Documents; and

vii. The adoption of the Ordinance and the execution and delivery of the City Documents and compliance by the City with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the City a material breach of or a default under any agreement or instrument to which the City is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the City is subject;

(4) An opinion of Squire Patton Boggs (US) LLP, as counsel to the Underwriters, dated the date of the Closing, addressed to the Underwriters and in form and substance reasonably satisfactory thereto;

(5) A certificate, dated the date of Closing and signed by the Mayor, the City Manager and the Director of Finance and Technology of the City, to the effect that to the best of their knowledge (i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect if made on the date of the Closing; (ii) there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body pending or threatened in any way affecting the existence of the City or the titles of its officials to their respective positions, or seeking to restrain or to enjoin the sale or delivery of the Obligations, or the refunding of the Bonds Being Refunded or the levy, collection, receipt or pledge, as applicable, of the Unrestricted Excise Taxes to pay all the Payments, or the imposition thereof, or in any way contesting or affecting the validity or enforceability of the Obligations or the City Documents, or contesting in any way the completeness or accuracy of the Official Statement or the exclusion from gross income of interest with respect to the Tax-Exempt Obligations, or contesting the powers of the City or its authority with respect to the Obligations or the City Documents and (iii) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(6) A certificate, dated the date of Closing and signed by the Mayor, the City Manager and the Director of Finance and Technology of the City, to the effect that to the best of their knowledge after due investigation (i) the Official Statement does not contain any

untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances pursuant to which they were made, not misleading; (ii) the financial statements of the City contained in the Official Statement fairly present the financial position and results of operations and changes in fund balances of the City as of the dates and for the periods therein set forth and the City has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied; (iii) since June 30 of the last fiscal year presented in the audited financial statements of the City included in the Official Statement, the City has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the results of operations or financial condition of the City that is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business, nor are there any deficits in any fund of the City except as disclosed in the Official Statement; (iv) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein with respect to the City in order to make the information therein in the light of the circumstances pursuant to which they were made or set forth not misleading in any material respect; and (v) the City has complied with all of the terms of this Purchase Contract and the City Documents to be complied with by it prior to or concurrently with the Closing;

(7) A specimen of the Tax-Exempt Obligations and a specimen of the Taxable Obligations;

(8) A certified copy of the Ordinance;

(9) A counterpart original of the Official Statement manually executed on behalf of the City by the City Manager;

(10) A non-arbitrage certificate with respect to the Tax-Exempt Obligations of the City in form and substance satisfactory to Special Counsel (the "Tax Agreement");

(11) A filing copy of the Information Return Forms 8038 G for the Tax-Exempt Obligations and of the Report Relating to Bond and Security Issuance (Arizona Department of Revenue) for the Obligations;

(12) An executed copy of each of the other of the City Documents;

(13) A certificate or certificates, dated the date of the Closing, signed by an authorized representative of the Trustee and in form and substance satisfactory to Special Counsel and the Representative, in which such official to the best of his/her knowledge after due investigation states that (i) the representations and warranties of the Trustee contained in the Purchase Agreement, the Trust Agreement and the Depository Trust Agreement (collectively for purposes of this paragraph, the "Trustee Documents") are true and correct in all material respects as of the date of the Closing, the Trustee has duly executed and delivered the Trustee Documents and the Trustee has complied with all agreements and satisfied all conditions on its part to be performed or satisfied pursuant to the Trustee Documents at or prior to the Closing and (ii) no

litigation is pending or threatened against the Trustee before any judicial, quasi-judicial or administrative forum (A) to restrain or enjoin the performance by the Trustee of its obligations and duties pursuant to the Trustee Documents, (B) in any way contesting or affecting any authority for, or the validity of, the Obligations or the applications of the proceeds of the Obligations or (C) in any way contesting the existence or corporate trust powers of the Trustee, together with evidence of the authority of the Trustee to execute and deliver the Trustee Documents and execute and deliver the Obligations and an incumbency certificate;

(14) (i) A letter from Standard & Poor's Financial Services LLC business, confirming that the Obligations have been rated "AA+" and (b) a letter from Moody's Investors Service, Inc., confirming that the Obligations have been rated "A3" which ratings shall be in effect on the date of Closing;

(15) A copy of the fully-executed DTC Blanket Issuer Letter of Representations;

(16) A certificate from the Depository Trustee with respect to the Bonds Being Refunded under a Depository Trust Agreement, to the effect that moneys or defeasance obligations sufficient to effectuate the refunding of the Bonds Being Refunded have been received and that such moneys or defeasance obligations have been deposited and are being held in the Depository Trust established by the Depository Trust Agreement;

(17) A copy of a special report prepared by Grant Thornton LLP, independent certified public accountants, addressed to the City, the Depository Trustee, Special Counsel and the Underwriters, verifying the arithmetical computations of (a) the adequacy of the maturing principal and interest on the obligations and uninvested cash on hand under the Depository Trust Agreement to pay, when due, the principal of and interest on the Bonds Being Refunded and (b) the yields on the Tax-Exempt Obligations and amounts held under the Depository Trust Agreement derived from proceeds of the Tax-Exempt Obligations;

(18) Such opinions of counsel as are required in connection with the prepayment of the Bonds Being Refunded, pursuant to terms of the applicable controlling documents for the Bonds Being Refunded; and

(19) Such additional opinions, letters, certificates, instruments and other documents as the Representative or counsel to the Underwriters may reasonably deem necessary to satisfy conditions to the execution and delivery of the Obligations and to evidence the truth and accuracy as of the date of the Closing, or prior to such time, of the representations, warranties and covenants of the City and the due performance or satisfaction by the City of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Obligations contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay

for the Obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriters set forth in Section 8(c) hereof shall continue in full force and effect.

7. Termination. The Underwriters shall have the right to cancel its obligation to purchase the Obligations if, between the date of this Purchase Contract and the Closing, the market price or marketability of the Obligations shall be materially adversely affected, in the sole judgment of the Representative, by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, Federal income taxation or State income taxation upon interest received on obligations of the general character of the Tax-Exempt Obligations as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the Federal income tax consequences or State income tax consequences, as applicable, of any of the transactions contemplated herein;

(b) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Obligations, including any or all underlying arrangements, are not exempt from registration pursuant to the requirements of the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification pursuant to or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Obligations, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the Federal securities law as amended and then in effect;

(c) Any state "blue sky" or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Obligations as described herein, or issued a stop order or similar ruling relating thereto;

(d) A general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any

governmental authority or any national securities exchange, or a general banking moratorium shall have been declared by Federal, State of New York, or State officials authorized to do so;

(c) The New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Obligations or as to obligations of the general character of the Obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(f) Any amendment to the Federal or State Constitution or action by any Federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the City's pledge of any portion of the Unrestricted Excise Taxes;

(g) Any event occurring, or information becoming known which, in the judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances pursuant to which they were made, not misleading;

(h) There shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial condition of the City;

(i) The United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) Any fact or event shall exist or have existed that, in the Representative's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) There shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the City's obligations (including the rating to be accorded the Obligations);

(l) The purchase of and payment for the Obligations by the Underwriters, or the resale of the Obligations by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(m) United States Treasury Certificate of Indebtedness, Notes or Bonds-State and Local Government Series or acceptable open market securities shall be unavailable for purchase and/or delivery in the amounts, maturities and prices or yields required pursuant to the Depository Trust Agreement.

8. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the obligations of the City hereunder, including, but not limited to (i) the cost of preparation and printing of the Obligations, the Preliminary Official Statement, the Official Statement and the City Documents in reasonable quantities and all other documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby, (ii) the fees and disbursements of Special Counsel, counsel to the City, the Trustee and the Depository Trustee; (iii) the fees and disbursements of any other accountants, and other experts, consultants or advisers retained by the City; (iv) the fees for bond ratings and of DTC and (v) reasonable miscellaneous, normally occurring, "out-of-pocket" expenses including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs incurred by the Underwriters in connection with bond ratings or the sale and execution and delivery of the Obligations. The City acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Obligations.

(b) The Underwriters shall pay (i) all advertising expenses in connection with the public offering of the Obligations, (ii) fees and disbursements of counsel to the Underwriters, and (iii) all other expenses incurred by it in connection with the public offering of the Obligations.

(c) The City shall pay for any expenses incurred by the Underwriters on behalf of the City's employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging and entertainment of those employees.

(d) If this Purchase Contract shall be terminated by the Underwriters because of any failure or refusal on the part of the City to comply with the terms or to fulfill any of the conditions of this Purchase Contract, the City shall reimburse the Underwriters for all "out-of-pocket" expenses (including the fees and disbursements of counsel to the Underwriters) reasonably incurred by the Underwriters in connection with this Purchase Contract and the offering contemplated hereunder.

9. Notices. Any notice or other communication to be given to the City pursuant to this Purchase Contract may be given by delivering the same in writing at the address set forth on the first page of this Purchase Contract to the attention of the City Manager, and any notice or other communication to be given to the Underwriters pursuant to this Purchase Contract may be given by delivering the same in writing to J.P. Morgan Securities LLC, 383 Madison Avenue, 8th Floor, New York, NY 10179, Attention: Jamison Feheley.

10. Parties in Interest. This Purchase Contract as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City, the Trustee and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Purchase Contract may not be assigned by the City. All of the representations, warranties and agreements of the City contained

in this Purchase Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Obligations pursuant to this Purchase Contract and (iii) any termination of this Purchase Contract.

11. Effectiveness. This Purchase Contract shall become effective upon the acceptance hereof by the City and the Trustee, and shall be valid and enforceable at the time of such acceptance.

12. Choice of Law; Venue. This Purchase Contract shall be governed by and construed in accordance with the law of the State. The venue for any proceedings on any and all controversies arising pursuant to this Purchase Contract will be Maricopa County, Arizona.

13. Severability. If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

14. Business Day. For purposes of this Purchase Contract, "business day" means any day on which the New York Stock Exchange is open for trading.

15. Section Headings. Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

16. Counterparts. This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document

17. Notice Concerning Cancellation of Contracts. As required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the State, its political subdivisions (including the City) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or

commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section is not intended to expand or enlarge the rights of the City hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Purchase Contract and covenants that it shall take no action which would result in a violation of such Section.

(Signature Page Follows)

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Contract and return it to the Underwriters. This Purchase Contract shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Sincerely,

J.P. MORGAN SECURITIES LLC, for itself
and on behalf of the Underwriters

Shawn Bralle

By _____
Authorized Representative

Accepted and agreed to at _____
____.m. this ____ day of _____, 2015

CITY OF GLENDALE, ARIZONA

By _____
City Manager

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

(Signature Page to Obligation Purchase Contract)

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Contract and return it to the Underwriters. This Purchase Contract shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Sincerely,

J.P. MORGAN SECURITIES LLC, for itself
and on behalf of the Underwriters

By _____
Authorized Representative

Accepted and agreed to at 4:55
p.m. this 29 day of January, 2015

CITY OF GLENDALE, ARIZONA

By [Signature]
City Manager

ATTEST:

By [Signature]
City Clerk

APPROVED AS TO FORM:

By [Signature]
City Attorney

(Signature Page to Obligation Purchase Contract)

SCHEDULE
CITY OF GLENDALE, ARIZONA

\$100,430,000
CITY OF GLENDALE, ARIZONA
SENIOR EXCISE TAX REVENUE
REFUNDING OBLIGATIONS,
SERIES 2015A

Dated Date: Date of Delivery

Interest Payment Dates: Each July 1 and January 1, commencing July 1, 2015

Payment Schedule

<u>Payment Date</u> <u>(July 1)</u>	<u>Payment</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2018	\$ 1,115,000	5.000%	0.950%
2019	5,185,000	5.000	1.170
2020	5,540,000	5.000	1.380
2021	5,890,000	5.000	1.620
2022	6,240,000	5.000	1.870
2023	7,945,000	5.000	2.060
2024	9,010,000	5.000	2.240
2025	9,545,000	5.000	2.380
2026	10,090,000	5.000	2.530*
2027	8,000,000	5.000	2.630*
2028	8,470,000	5.000	2.710*
2029	8,240,000	5.000	2.760*
2030	8,745,000	5.000	2.810*
2031	6,415,000	5.000	2.860*

* Yield calculated to first optional prepayment date, July 1, 2025.

\$13,700,000
CITY OF GLENDALE, ARIZONA
SENIOR EXCISE TAX REVENUE
REFUNDING OBLIGATIONS,
TAXABLE SERIES 2015B

Dated Date: Date of Delivery

Interest Payment Dates: Each July 1 and January 1, commencing July 1, 2015

Payment Schedule

<u>Payment Date</u> <u>(July 1)</u>	<u>Payment</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2031	\$2,830,000	3.929%	3.929%
2032	9,745,000	3.979	3.979
2033	1,125,000	4.029	4.029

Prepayment Provisions

Optional Prepayment of Tax-Exempt Obligations. The Tax-Exempt Obligations maturing on and prior to July 1, 2025 will not be subject to prepayment prior to their stated payment dates. The Tax-Exempt Obligations maturing on and after July 1, 2026 will be subject to optional prepayment prior to their stated payment dates, at the direction of the City, in whole or in part in denominations of \$5,000 or integral multiples thereof from stated payment dates selected by the City and within any stated payment date by lot as described below, on July 1, 2025 and on any date thereafter, at a prepayment price equal to the principal amount of Tax-Exempt Obligations being prepaid plus accrued interest to the date fixed for prepayment, without premium.

Make-Whole Optional Prepayment of Taxable Obligations. All of the Taxable Obligations are subject to optional prepayment on any date prior to their stated payment dates, at the direction of the City, in whole or in part, from stated payment dates selected by the City, at a prepayment price equal to the greater of:

- (1) 100% of the principal amount of the Taxable Obligations to be prepaid; or
- (2) the sum of the present values of the remaining scheduled payments of principal and interest to the stated payment date of such Taxable Obligations to be prepaid, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Obligations are to be prepaid, discounted to the date on which such Taxable Obligations are to be prepaid on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (hereinafter defined) plus 25 basis points; plus, in either case, accrued interest on such Taxable Obligations to be prepaid to the prepayment date.

“Treasury Rate” means, as of the prepayment date, the yield to maturity as of such prepayment date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), that has become publicly available at least two business days prior to the prepayment date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the prepayment date to maturity; provided, however, that if the period from the prepayment date to maturity is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Calculation of Prepayment Price. At the request of the City or the Trustee, the prepayment price of the Taxable Obligations to be prepaid at the option of the City will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City’s expense to calculate such prepayment price. The City and the Trustee may conclusively rely on the determination of such prepayment price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance and such prepayment price shall be conclusive and binding on the owners of the Taxable Obligations.