
TRUST AGREEMENT

by and between

_____,
as Trustee

and

TOWN OF ORO VALLEY, ARIZONA

Dated as of _____ 1, 2015

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TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of _____ 1, 2015 (the “Trust Agreement”), by and between _____, a national banking association, as trustee (the “Trustee”), and **TOWN OF ORO VALLEY, ARIZONA**, a municipal corporation organized under the laws of the State of Arizona (the “Town”);

WITNESSETH:

WHEREAS, pursuant to a Trust Agreement dated as of September 1, 2005 (the “2005 Trust Agreement”) by and between the Town and The Bank of New York Trust Company, N.A., as Trustee (the “2005 Trustee”), there are outstanding \$3,715,000 of the Town of Oro Valley, Arizona, Excise Tax Revenue Obligations, Series 2005 (the “Series 2005 Obligations”), representing participating interests in payments to be made by the Town to the 2005 Trustee pursuant to a Purchase Agreement dated as of September 1, 2005 (the “2005 Purchase Agreement”) by and between the Town and the 2005 Trustee; and

WHEREAS, the Series 2005 Obligations were executed and delivered to finance the acquisition of certain real property and the construction and installation of improvements thereto; and

WHEREAS, the Town desires to refinance and prepay certain payments due pursuant to the 2005 Purchase Agreement and to redeem in advance of maturity the July 1, 2016 through and including the July 1, 2025 maturities of the Series 2005 Obligations (collectively the “Obligations Being Refunded”); and

WHEREAS, for the purpose of refinancing and prepaying certain payments due pursuant to the 2005 Purchase Agreement and paying costs associated therewith, the Town has heretofore agreed to make certain payments (the “Payments”) to the Trustee and the Trustee has agreed to provide for the redemption in advance of maturity of the Obligations Being Refunded pursuant to an Agreement, dated as of _____ 1, 2015 (the “Agreement”), by and between the Town and the Trustee; and

WHEREAS, the Town has pledged certain revenues (the “Excise Taxes” as defined herein) to the payment of the Payments due under the Agreement; and

WHEREAS, the Town and the Trustee will enter into this Trust Agreement to, among other things, facilitate administration of the defeasance and redemption of the Obligations Being Refunded; and

WHEREAS, for the purpose of obtaining money to be deposited with the Trustee to defease and redeem the Obligations Being Refunded, the Trustee has agreed, at the Town's direction, to execute and deliver the Excise Tax Revenue Refunding Obligations, Series 2015 (Bank Qualified) (the “Obligations”), each evidencing a proportionate interest in the Payments made by the Town under the Agreement, in exchange for the moneys required herein to be deposited to defease and redeem the Obligations Being Refunded;

NOW, THEREFORE, in consideration for the Obligations executed and delivered and Outstanding (as hereinafter defined) under this Trust Agreement, the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Obligations by the Owners (as hereinafter defined), and to secure the payment of the principal thereof and interest components relating to the Obligations, the rights of the Owners of the Obligations and the performance and the observance of the covenants and conditions contained in the Obligations, the Agreement and herein, the Trustee hereby declares an irrevocable trust and acknowledges its acceptance of all right, title and interest in and to the following described trust estate:

A. All right, title and interest of the Trustee, in and to the Agreement, the Payments and any other amounts payable by the Town under the Agreement and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all such revenues, receipts and other sums of money payable or receivable thereunder, (ii) to bring acts and proceedings thereunder or for the enforcement of such rights, and (iii) to do any and all other things which the Trustee is or may become entitled to do thereunder.

B. Except as otherwise provided herein, all right, title and interest of the Trustee in and to amounts on deposit from time to time in the funds and accounts created pursuant hereto, subject to the provisions hereof permitting the application thereof for the purposes and on the terms and conditions set forth herein.

C. All right, title and interest of the Trustee to enforce the Agreement and receive payment from Excise Taxes of amounts due under the Agreement.

D. All rights declared in trust by the Trustee shall be administered by the Trustee according to the provisions hereof and for the equal and proportionate benefit of the Owners of Obligations.

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors and assigns, forever, subject, however, to the rights of the Town, its successors and assigns, under the Agreement.

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the Obligations executed and delivered hereunder and Outstanding; and conditioned, however, that if the Town shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event, this Trust Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereafter set forth.

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.1 shall, for all purposes of this Trust Agreement, have the meanings herein specified.

“Agreement” means the Agreement, dated as of _____ 1, 2015, by and between the Town and the Trustee, together with any duly authorized and executed amendment thereto.

“Annual Current Principal Requirement” means for any Bond Year the amount of principal coming due during such Bond Year on Obligations or Parity Obligations.

“Annual Debt Service Requirement” means for any Bond Year the aggregate of the Annual Mandatory Sinking Fund Redemption Requirement plus the Annual Current Principal Requirement for that Bond Year and the amount required to be deposited to pay interest on any Parity Obligations or Obligations in that Bond Year. For the purpose of compliance with the requirements of Section 6.4 of this Trust Agreement with respect to the proposed issuance of additional Parity Obligations, such proposed Parity Obligations shall be treated as Outstanding for the determination of Annual Debt Service Requirement. For the computation of Annual Debt Service Requirement, (i) Variable Rate Indebtedness shall be treated as bearing interest at the Assumed Interest Rate, (ii) debt service on Credit Enhanced Indebtedness shall be deemed to include any periodic fees payable to the issuer of any liquidity or credit facility as a condition to such issuer’s commitment to purchase such obligations upon tender or to provide moneys necessary for payment of principal of and interest on such obligations when due, and (iii) debt service on Credit Enhanced Indebtedness shall not be based upon the terms of any reimbursement obligation to the issuer of any liquidity or credit facility except to the extent and for periods during which payments are required to be made pursuant to such reimbursement obligation as a result of the issuer’s unreimbursed advances of funds thereunder.

“Annual Mandatory Sinking Fund Redemption Requirement” means the amount of moneys or investments of equivalent value required to be paid in any Bond Year for the payment of, and equal to, the principal amount of Parity Obligations or Obligations, subject to mandatory sinking fund redemption during such Bond Year.

“A.R.S.” means Arizona Revised Statutes, as amended.

“Assumed Interest Rate” means, with respect to Variable Rate Indebtedness, the maximum rate applicable to the Variable Rate Indebtedness in question.

“Bond Year” means, with respect to the Obligations, initially the period from the date of the Obligations to July 1, 20__ and thereafter the one-year period commencing each July 2 and ending on the next forthcoming July 1.

“Business Day” means a day of the year other than Saturday, Sunday or a day on which banks in the State of Arizona are authorized by law or executive order to close or on which the New York Stock Exchange is closed.

“Closing Date” means with respect to any series of Obligations the day when such Obligations, duly executed by the Trustee, are delivered to the original purchaser thereof.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Computation Date” means the first Business Day in June or December of each year.

“Credit Enhanced Indebtedness” means (i) any series of Parity Obligations payment when due of the principal of and interest on which is fully secured by an irrevocable letter of credit, surety bond, insurance policy or other credit facility or arrangement pursuant to which the Town is obligated to reimburse the issuer thereof for advances made thereunder to pay such principal or interest, or (ii) any series of Parity Obligations, a feature of which is an option on the part of the owners thereof to tender, or a requirement that such owners tender, all or a portion of such Parity Obligations to the Town, or a trustee or other fiduciary for such owners, or another party, for payment of a purchase price or similar payment prior to their specified maturity or due date, if and to the extent that a party other than the Town has undertaken to provide the moneys necessary for such payment, or (iii) the Obligations.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the Town or the Trustee relating to the execution, sale and delivery of the Agreement, this Trust Agreement, the Obligations, or any Parity Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations or Parity Obligations, and charges and fees in connection with the foregoing.

“Delivery Costs Fund” means the fund by that name established pursuant to Article III hereof and held by the Trustee.

“Depository Trustee” means any bank or trust company, which may include the Trustee, meeting the requirements of, and designated to act as, Depository Trustee pursuant to Section 13.1 of this Trust Agreement.

“Event of Default” means an event of default under the Agreement, as defined in Section 10 thereof.

“Excise Taxes” means all unrestricted excise, transaction, franchise, privilege and business taxes, state-shared sales and income taxes, fees for licenses and permits, fines, bed and rental taxes, and state revenue-sharing, now or hereafter validly imposed by the Town or contributed, allocated and paid over to the Town and not earmarked by the contributor for a contrary or inconsistent purpose. Revenues generated by the Town from development impact fees

will not be deemed Excise Taxes for purposes of this Trust Agreement and the Agreement. Revenues received by the Town from vehicle license taxes charged by the State will not be deemed Excise Taxes for purposes of this Trust Agreement and the Agreement. Pursuant to Ordinance No. (O)14-17, the Town imposed an additional 0.5% transaction privilege tax to fund the needs of the Town's Community and Recreation Center. The revenues generated by the additional 0.5% transaction privilege tax will not be deemed Excise Taxes for purposes of this Trust Agreement and the Agreement. The Town may impose taxes for restricted purposes the revenues from which will not be Excise Taxes and will not be pledged to the payment of the amounts due pursuant to the Agreement.

“Existing Parity Obligations” means Town of Oro Valley Municipal Property Corporation, Excise Tax Revenue Refunding Bonds, Series 2007 (\$17,810,000 principal amount issued, \$15,380,000 outstanding); Town of Oro Valley, Arizona, Excise Tax Revenue Obligations, Series 2010 (Federally Taxable – New Clean Renewable Energy Bonds – Direct Payment) (\$2,445,000 principal amount issued, \$1,780,000 outstanding); Town of Oro Valley, Arizona, Excise Tax Revenue Obligations, Series 2012 (\$2,580,000 principal amount issued, \$2,180,000 outstanding); and Town of Oro Valley, Arizona, Excise Tax Revenue Refunding Obligations, Series 2013 (\$6,355,000 principal amount issued, \$3,960,000 outstanding).

“Fiscal Year” means the period commencing each July 1 and ending June 30 of the succeeding calendar year, unless otherwise determined and designated by the Town, and the Excise Taxes shall be accounted for on that basis.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by written notice to the Trustee.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Town or the Trustee.

“Interest Payment Date” means each of the dates specified in Section 2.4 hereof on which interest is due and payable with respect to the Obligations.

“Maximum Annual Debt Service Requirement” means the greatest Annual Debt Service Requirement required to be paid in any Bond Year ending then or thereafter on or under the Outstanding Parity Obligations and Obligations.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by written notice to the Trustee.

“Obligations” means the \$ _____ aggregate principal amount of Town of Oro Valley, Arizona, Excise Tax Revenue Refunding Obligations, Series 2015 (Bank Qualified), to be executed and delivered pursuant hereto.

“Obligations Being Refunded” means the outstanding portion of the Series 2005 Obligations.

“Original Purchaser” means _____, as original purchaser of the Obligations.

“Outstanding”, when used as of any particular time with respect to Obligations, means (subject to the provisions of Section 9.3 hereof) all Obligations theretofore executed and delivered by the Trustee hereunder except:

(1) Obligations theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Obligations for the payment or redemption of which funds or noncallable United States Obligations in the necessary amount shall have theretofore been deposited with a Depository Trustee (whether upon or prior to the maturity or redemption date of such Obligations, provided that, if such Obligations are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.4 hereof or provision satisfactory to the Trustee shall have been made for the giving of such notice); and

(3) Obligations in lieu of or in exchange for which other Obligations shall have been executed and delivered by the Trustee pursuant to Section 2.9 hereof.

When used as of any particular time with respect to Parity Obligations, Outstanding means all such Parity Obligations theretofore executed and delivered under the applicable authorizing document except: those which have been cancelled or surrendered for cancellation; those for which payment or redemption has been irrevocably provided for with funds or noncallable United States Obligations in the necessary amount and all other actions have been taken as required under the authorizing documents for the payment thereof; and those in lieu of or in exchange for which other Parity Obligations shall have been executed and delivered pursuant to the authorizing documents.

“Owner” or any similar term, when used with respect to a Parity Obligation or Obligation means the person in whose name such Parity Obligations or Obligation shall be registered.

“Parity Obligations” means and includes the Existing Parity Obligations and any bonds, lease-purchase agreements, purchase agreements or other obligations authorized on a parity with the Obligations as to their lien on Excise Taxes in accordance with the terms and conditions of Section 6.4 hereof.

“Payment Date” means any date on which a Payment is due from the Town pursuant to the Agreement.

“Payment Fund” means the fund by that name established and held by the Trustee pursuant to Article V hereof.

“Payments” means all payments required to be paid by the Town on any date pursuant to Section 1 of the Agreement and as set forth in Exhibit A to the Agreement.

“Permitted Investments” means any of the following, if and to the extent the same are at the time legal for the investment of the Town’s money:

A. For all purposes, including defeasance investments in refunding escrow accounts:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:

- U.S. Treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association (GNMA)
- State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. For all purposes other than defeasance investments in refunding escrow accounts:

- (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration

- Federal Financing Bank

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies

(3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(5) Investments in a money market mutual fund rated "AAAm" or "AAAm-G" or better by S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice;

(a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow

is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(7) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P;

“Qualified Investor” means a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor (excluding natural persons) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, who executes the Certificate of Qualified Investor.

“Record Date” means the close of business of the Trustee on the fifteenth day of the month preceding an Interest Payment Date.

“Registrar” means the Trustee.

“Reserve Fund” means the fund of that name established and, if funded, held by the Trustee pursuant to Article V hereof for the Obligations and all Parity Obligations (other than those for which a separate reserve fund is established or for which no reserve fund is required).

“Reserve Fund Guarantor” shall mean the issuer of the Reserve Fund Guaranty.

“Reserve Fund Guaranty” shall mean a letter of credit, surety bond or similar arrangement representing the irrevocable obligation of the Reserve Fund Guarantor to pay to the Trustee upon request made by the Trustee up to an amount stated therein for application as provided in Section 5.8 hereof.

“Reserve Fund Guaranty Agreement” shall mean the reimbursement agreement, loan agreement or similar agreement between the Town and a Reserve Fund Guarantor with respect to repayment of amounts advanced under the Reserve Fund Guaranty.

“Reserve Fund Guaranty Coverage” shall mean the amount available at any particular time to be paid to the Trustee under the terms of the Reserve Fund Guaranty.

“Reserve Fund Requirement” means, if the Reserve Fund is required to be funded, an amount equal to the least of (1) ten percent (10%) of the stated principal amount of the then Outstanding Obligations, provided, however, that the incremental increase of the Reserve Fund Requirement with respect to an issue of Parity Obligations does not exceed ten percent (10%) of the stated principal amount of such issue, (2) the Maximum Annual Debt Service Requirement or (3) one hundred twenty-five percent (125%) of the average Annual Debt Service Requirement. During the 5-year build up of the Reserve Fund, if funding of the Reserve Fund is required, the Reserve Fund Requirement on any date shall be that portion of the Reserve Fund Requirement which was required to have been deposited by such date. If the Reserve Fund is not required to be funded, the Reserve Fund Requirement is \$0.00.

“Reserve Fund Value” means the aggregate of the Reserve Fund Guaranty Coverage and the value of moneys and investments credited to the Reserve Fund, the value of investments to be the Value at Market.

“Series 2005 Obligations” means the \$6,215,000 aggregate principal amount of Town of Oro Valley, Arizona, Excise Tax Revenue Obligations, Series 2005, dated September 29, 2005, issued pursuant to the 2005 Trust Agreement and representing participating interests in the 2005 Purchase Agreement.

“S&P” means Standard & Poor’s Financial Services LLC, a division of The McGraw-Hill Financial Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by notice to the Trustee.

“State” means the State of Arizona.

“Term of the Agreement” means the time during which the Agreement is in effect, as provided in Section 1 of the Agreement.

“Town” means the Town of Oro Valley, Arizona, a municipal corporation and a political subdivision of the State of Arizona.

“Town Representative” means the Town Manager, the Assistant Town Manager or the Finance Director or any other person authorized by the Town Manager or the Council of the Town to act on behalf of the Town with respect to this Trust Agreement.

“Trust Agreement” means this Trust Agreement, together with any amendments or supplements hereto permitted to be made hereunder.

“2005 Purchase Agreement” means the Purchase Agreement dated as of September 1, 2005, by and between the Town and The Bank of New York Trust Company, N.A., as seller.

“2005 Trust Agreement” means the Trust Agreement dated as of September 1, 2005, by and between the Town and The Bank of New York Trust Company, N.A., as trustee.

“Trustee” means _____, or any successor thereto acting as Trustee pursuant to this Trust Agreement and in its capacity as Trustee under the Agreement.

“United States Obligations” means any bonds or other obligations which are direct obligations of or fully guaranteed as to timely payment of principal, interest and any premium by the United States of America (including Refcorp Strips).

“Value at Market” or “Market Value” means the indicated bid value of the investment or investments to be valued as shown in The Wall Street Journal or any publication

having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

“*Variable Rate Indebtedness*” means any series of Parity Obligations the rate of interest on which is not established at the time of issuance as one or more numerical rates applicable throughout the term thereof or for specified periods during the term thereof, such that at the time of issuance or at the time of any calculation with respect thereto the numerical rate of interest which will be in effect during all remaining portions of the term thereof cannot be determined.

Section 1.2. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

ARTICLE II

EXCISE TAX REVENUE REFUNDING OBLIGATIONS

Section 2.1. Authorization of the Obligations.

(a) The Trustee is hereby authorized and directed to execute and deliver to the Original Purchaser, Obligations in an aggregate principal amount of \$ _____ evidencing proportionate ownership interests in the Payments made by the Town under the Agreement.

(b) The Trustee shall not at any time while the Obligations are Outstanding execute additional bonds or obligations payable from the Payments. The Obligations shall in no event be deemed an obligation or debt of the Trustee.

Section 2.2. Date. Each Obligation shall be dated _____, 2015, and interest with respect thereto shall be payable from such date, or from the most recent Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Obligations.

Section 2.3. Maturities and Interest Rates. The Obligations shall be in the denomination of \$5,000 or any integral multiple thereof, except that no Obligation may have principal maturing in more than one year. The Obligations shall mature on the dates and in the principal amounts, and interest with respect thereto shall be computed at the rates, as shown below:

Maturity Dates <u>(July 1)</u>	Principal <u>Amounts</u>	Interest <u>Rates</u>
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Section 2.4. Form of Obligations; Interest on Obligations. The Obligations shall be in fully registered certificated form.

Interest on the Obligations shall be payable semiannually on January 1 and July 1 of each year commencing _____ 1, 20__, to and including the date of maturity [or prior redemption, if applicable, whichever is earlier]. Said interest shall represent the portion of Payments designated as interest and coming due during the six-month period (or such shorter period from the date of the Obligations) preceding each Interest Payment Date with respect to the Obligations.

The proportionate share of the portion of Payments designated as interest with respect to any Obligation shall be computed by multiplying the portion of Payments designated as principal with respect to such Obligation by the rate of interest applicable to such Obligation (on the basis of a 360-day year of twelve 30-day months).

Section 2.5. Form. The fully registered form of the Obligations and the assignment to appear thereon shall be substantially in the form set forth in Exhibit A, attached hereto and incorporated herein. The Obligations may only be sold to a Qualified Investor.

Section 2.6. Execution. The Obligations shall be executed by and in the name of the Trustee by the manual signature of an authorized representative of the Trustee. If any authorized representative whose signature appears on any Obligation ceases to be such officer before the Closing Date, such signature shall nevertheless be as effective as if the authorized representative had remained in office until the Closing Date. Any Obligation may be executed on behalf of the Trustee by such person as at the actual date of the execution of such Obligation shall be the authorized representative of the Trustee although at the nominal date of such Obligation such person shall not have been such authorized representative of the Trustee. No Obligation shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Trust Agreement unless and until executed and delivered by the Trustee. The execution by the Trustee upon any Obligation shall be conclusive evidence that the Obligation so executed has been duly authorized and delivered hereunder and is entitled to the security and benefit of this Trust Agreement.

Section 2.7. Reserved.

Section 2.8. Transfer and Exchange.

(a) Transfer of Obligations. Any maturity of an Obligation may be transferred only in whole and only to a “qualified investor,” which means a qualified institutional buyer, as such term is defined in Rule 144A, of the Securities Act of 1933, as amended or an accredited investor (excluding natural persons) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, who executes a Certificate of Qualified Investor in the form attached to the form of Obligation, attached as Exhibit 1 included in Exhibit A hereto, and who agrees to comply with all applicable federal and state securities laws. Any Obligation may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.12 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Obligation for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Obligation or Obligations shall be surrendered for transfer, the Trustee shall execute and deliver a new Obligation or Obligations in fully registered form of the same series, maturity and interest rate and for a like aggregate principal amount.

(b) Exchange of Obligations. Obligations may be exchanged at the designated corporate trust office of the Trustee for a like aggregate principal amount of Obligations of authorized denominations of the same series, maturity and interest rate. In connection with any such exchange or transfer of Obligations, the Owner requesting such exchange or transfer shall, as

a condition precedent to the exercise of the privilege of making such exchange or transfer, remit to the Trustee an amount sufficient to pay any tax, or other governmental charge required to be paid, other than one imposed by the Town, or any fee or expense of the Trustee or the Town with respect to such exchange or transfer.

Section 2.9. Obligations Mutilated, Lost, Destroyed or Stolen. If any Obligation shall become mutilated, the Trustee, at the expense of the Owner of said Obligation, shall execute and deliver a new Obligation of like tenor, series, maturity and amount in exchange and substitution for the Obligation so mutilated, but only upon surrender to the Trustee of the Obligation so mutilated. Any mutilated Obligation so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the Obligation Owner. If any Obligation shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Obligation Owner, shall execute and deliver a new Obligation of like tenor, series, maturity and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Obligation delivered under this Section 2.9 and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.9. Any Obligation executed and delivered under the provisions of this Section 2.9 in lieu of any Obligation alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Obligations secured by this Trust Agreement. The Trustee shall not be required to treat both the original Obligation and any replacement Obligation as being Outstanding for the purpose of determining the principal amount of Obligations which may be executed and delivered hereunder or for the purpose of determining any percentage of Obligations Outstanding hereunder, but both the original and replacement Obligation shall be treated as one and the same. Notwithstanding any other provision of this Section 2.9, in lieu of delivering a new Obligation for an Obligation which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Obligation upon receipt of the aforementioned indemnity.

Section 2.10. Payment.

(a) Payment of interest due with respect to any Obligation on any Interest Payment Date shall be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the Record Date immediately preceding such Interest Payment Date, such interest to be paid by wire transfer in immediately available funds to an account in the United States of America designated by the Owner; provided, however, that such Owner may alternatively request to be paid by check mailed by first class mail to such Owner at his address as it appears on such registration books. The principal with respect to the Obligations shall be payable in lawful money of the United States of America upon surrender when due at the designated office of the Trustee.

Section 2.11. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Obligation Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or

by any bank, trust company or other depository for such Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Obligations shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Obligations by any person and the amount, the maturity and the numbers of such Obligations and the date of his holding the same be proved on the registration books maintained pursuant to Section 2.12 hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Obligation shall bind every future Owner of the same Obligation in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.12. Obligation Register. The Trustee will keep or cause to be kept, at its designated office, sufficient books for the registration and transfer of the Obligations which shall at all times during regular business hours be open to inspection by the Town and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Obligations as hereinbefore provided.

Section 2.13. Payment of Unclaimed Amounts. In the event any check for payment of interest on an Obligation is returned to the Trustee unendorsed or is not presented for payment within two (2) years (subject to applicable escheat law) from its payment date or any Obligation is not presented for payment of principal at the maturity, if funds sufficient to pay such interest or principal due upon such Obligation shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Obligation who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Obligation or amounts due thereunder. The Trustee's obligation to hold such funds shall continue for two years and six months (subject to applicable escheat law) following the date on which such interest or principal payment became due at which time the Trustee shall surrender such unclaimed funds so held to the Town, whereupon any claim of whatever nature by the Owner of such Obligation arising under such Obligation shall be made upon the Town.

ARTICLE III

APPLICATION OF PROCEEDS; DELIVERY COSTS FUND

Section 3.1. Application of Proceeds. The proceeds received by the Trustee from the sale of the Obligations shall forthwith be set aside by the Trustee in the following respective funds:

(1) The Trustee shall transfer \$_____ to the 2005 Trustee to prepay and defease the Obligations Being Refunded; and

(2) The Trustee shall deposit the amount of \$_____ to the Delivery Costs Fund.

Section 3.2. Establishment and Application of Delivery Costs Fund.

(a) The Trustee shall establish a special trust fund designated as the “Town of Oro Valley 2015 Delivery Costs Fund” (hereinafter referred to as the “Delivery Costs Fund”), shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as provided in this Article III.

(b) Amounts in the Delivery Costs Fund shall be disbursed for Delivery Costs. Disbursements from the Delivery Costs Fund shall be made by the Trustee upon receipt of a certificate requesting disbursement executed or approved by the Town Representative. Each such certificate shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Delivery Costs and the person or persons to whom said amounts are to be disbursed.

(c) On the earlier of _____ 1, 20__, or when all Delivery Costs associated with the Obligations have been paid (as shown by a certificate of a Town Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the Delivery Costs Fund to the Payment Fund, and the Delivery Costs Fund shall be closed.

ARTICLE IV

REDEMPTION OF OBLIGATIONS

Section 4.1. [Optional Redemption]. The Obligations are not subject to redemption prior to their stated maturity.]

ARTICLE V

PAYMENTS; PAYMENT FUND; RESERVE FUND

Section 5.1. Trustee's Rights in Agreement. The Trustee under the Agreement holds in trust hereunder all of its rights and duties in the Agreement, including but not limited to all of the Trustee's rights to receive and collect all of the Payments and all other amounts required to be deposited in the Payment Fund pursuant to the Agreement or pursuant hereto. All Payments and such other amounts to which the Trustee may at any time be entitled shall be paid directly to the Trustee in trust, and all of the Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder.

Section 5.2. Establishment of Payment Fund. The Trustee shall establish a special fund designated as the "Town of Oro Valley 2015 Payment Fund" (which shall also be known as the "Payment Fund"). All moneys at any time deposited by the Trustee in the Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Obligations. So long as any Obligations are Outstanding, the Town shall have no beneficial right or interest in the Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.3. Deposits. Subject to the provisions of Section 6.1 hereof, the Town shall make Payments as shown on Exhibit A to the Agreement, taking into account any moneys on deposit in the Payment Fund as a credit towards any portion of the Payment allocated to interest then due to be deposited in the Payment Fund. The Trustee, not less than ten Business Days prior to each Payment Date, shall notify the Town of the amount required to be paid after taking into account interest earnings which will be transferred to the Payment Fund in accordance herewith, on or before such Payment Date. All amounts received by the Trustee as Payments shall be deposited in the Payment Fund.

Section 5.4. Application of Moneys. All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest with respect to the Obligations as the same shall become due and payable, in accordance with the provisions of Article II hereof.

Section 5.5. Transfers of Investment Earnings to Payment Fund. Subject to Section 7.7 pertaining to arbitrage rebate, the Trustee shall, at least annually fifteen days prior to each July 1 Interest Payment Date, transfer any remaining income or profit on the investment of moneys in the funds hereunder to the Payment Fund.

Section 5.6. Surplus. Any surplus remaining in any of the funds created hereunder, after payment of all Obligations, including accrued interest, if any, and payment of any applicable fees to the Trustee, or provision for such payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Town.

Section 5.7. Separate Funds and Accounts. Moneys and investments properly paid into and held in the funds and accounts established hereunder shall not be subject to the claims of the owners of any Parity Obligations, except to the extent applicable for the Reserve

Fund or moneys drawn on a Reserve Fund Guaranty, and the Owners of the Obligations shall have no claim or lien upon any moneys or investments properly paid into and held in the funds and accounts established under the proceedings for any Parity Obligations other than the Reserve Fund (unless a separate reserve fund is established) or moneys drawn on a Reserve Fund Guaranty (unless a separate reserve fund guaranty is obtained).

Section 5.8. Reserve Fund. The Trustee shall establish a special fund designated as the “Town of Oro Valley 2015 Reserve Fund” (which shall also be known as the “Reserve Fund”). So long as the aggregate amount of Excise Taxes herein pledged and received by or on behalf of the Town during the prior Fiscal Year is at least 250% of the highest aggregate Annual Debt Service Requirement for the current or any future Bond Year for the Obligations and all Parity Obligations, then the Town is not obligated to fund the Reserve Fund. If such Excise Taxes are less than 250% of such Annual Debt Service Requirement, the Town shall, in addition to the payments provided under the Agreement, pay to the Trustee for deposit into the Reserve Fund, on each Interest Payment Date, one-tenth of the Maximum Annual Debt Service Requirement on the Obligations and any Parity Obligation, except those for which a separate reserve fund is established or no reserve fund is required until the amount in the Reserve Fund equals the Reserve Fund Requirement. If at the close of any Fiscal Year, such Excise Taxes are less than 250% of such Annual Debt Service Requirement, the Town shall so notify the Trustee in writing.

The Reserve Fund shall be an integrated and indivisible common Reserve Fund established and required hereunder for the Obligations and all Parity Obligations except to the extent that the Town establishes a separate reserve fund for the Parity Obligations or no reserve fund is required for such Parity Obligations. Amounts in the Reserve Fund shall be available to be applied as provided herein.

Amounts in the Reserve Fund shall be drawn out by the Trustee and used to make payment of principal and interest on the Obligations, and on any Parity Obligations for which a separate reserve fund is not established, in the event that amounts in the Payment Fund or other funds held for payment of principal and interest on such Obligations or Parity Obligations are insufficient.

In the event that after funding the Reserve Fund the Reserve Fund Value is less than the Reserve Fund Requirement, the Town shall, in addition to the payments provided under the Agreement, immediately pay to the Trustee an amount sufficient to cause the Reserve Fund Value to equal the Reserve Fund Requirement.

In lieu of funding with cash payments, the Town may deliver to the Trustee a Reserve Fund Guaranty. The Trustee is authorized and directed to execute (if necessary), deliver and comply with all of the terms and conditions of any Reserve Fund Guaranty and Reserve Fund Guaranty Agreements and related restrictions or directions in connection with the Obligations and any Parity Obligations.

In connection with the issuance of any additional Parity Obligations, if the above conditions requiring the funding of the Reserve Fund have occurred and if the Town elects to fund the reserve fund with respect to such Parity Obligations, the Reserve Fund shall be funded in an

amount equal to the Reserve Fund Requirement which applies after the issuance of such Parity Obligations or the Town shall deliver to the Trustee a Reserve Fund Guaranty complying with the requirements of Section 5.9 hereof, or a combination of the foregoing. Notwithstanding the foregoing, the Town reserves the right to not require a reserve fund with respect to Parity Obligations or to establish a separate reserve fund for any or all issues of Parity Obligations which may, in lieu of the Reserve Fund created herein, be funded (if the above conditions for funding the Reserve Fund occur) with the Reserve Fund Requirement applicable to such issue or covered by a Reserve Fund Guaranty or a combination thereof, provided that amounts to be paid into any such separate reserve fund or to pay the Reserve Fund Guarantor, other than from proceeds of such issue, shall be made on a parity with payments into the Reserve Fund hereby established and shall not exceed, in any Bond Year, the proportionate deficit payment allocable to such separate reserve fund. For the purposes hereof, "proportionate deficit payment" means an amount which bears the same proportion to the deficit in a given separate reserve fund that the amount available to remedy deficits in the Reserve Fund and all separate reserve funds bears to the aggregate deficit or deficits in the Reserve Fund and all separate reserve funds.

With respect to the Obligations or any Parity Obligations with respect to which a Reserve Fund Guaranty is then in effect, if on the Business Day preceding any day on which Payments or other debt service is due on the Obligations or Parity Obligations there are not to the knowledge of the Trustee on deposit in the applicable payment fund and the Reserve Fund sufficient moneys to pay all Payments or debt service to become due on such date, the Trustee shall immediately notify the Reserve Fund Guarantor of such deficiency and shall do all things necessary under the terms of the Reserve Fund Guaranty to realize and receive on or before such date or as soon thereafter as is practicable moneys in the amount of such deficiency. All amounts received by the Trustee as payments under the Reserve Fund Guaranty shall be deposited to the Reserve Fund.

To the extent any moneys have been withdrawn from the Reserve Fund by the Trustee, no portion of the Excise Taxes shall be considered surplus revenues or available to the Town until such Excise Taxes, or other available moneys, have first been applied to the extent required to reimburse the Reserve Fund for any such withdrawal or to increase the Reserve Fund Value to the Reserve Fund Requirement. If a Reserve Fund Guaranty is in effect with respect to any obligations, reimbursements to the Reserve Fund for such obligations shall be applied, first, to the extent a Reserve Fund Guaranty Agreement so requires, to pay to the Reserve Fund Guarantor any amounts owed to it pursuant to the Reserve Fund Guaranty Agreement and then to the Reserve Fund.

If on any Computation Date, the Reserve Fund Value exceeds the Reserve Fund Requirement, such excess shall be transferred to the Payment Fund or other applicable payment fund in proportion to the amounts next to come due on the Obligations and any Parity Obligations for which a separate reserve fund is not established or for which no reserve fund is required except, with respect to the Obligations or any issue of Parity Obligations with respect to which a Reserve Fund Guaranty is in effect, as may otherwise be provided in the Reserve Fund Guaranty Agreement.

Any investment earnings allocated to the Reserve Fund after deduction of amounts to be set aside for rebate to the federal government pursuant to this Trust Agreement shall be used

first to cause the amount on deposit in the Reserve Fund to equal the Reserve Fund Requirement or to reimburse any amounts drawn on the Reserve Fund Guaranty and any interest thereon and, to the extent not necessary for such purpose, shall be transferred by the Trustee to the Payment Fund or to any other payment fund for Outstanding Parity Obligations for which a separate reserve fund is not established.

Section 5.9. Reserve Fund Guaranty. If at any time the Town shall deliver to the Trustee (i) a Reserve Fund Guaranty, (ii) an opinion of Independent Counsel, as described in Section 11.4 hereof, stating that the delivery of such Reserve Fund Guaranty to the Trustee is authorized under this Trust Agreement and complies with the terms hereof and thereof, (iii) evidence that the Reserve Fund Guarantor is rated “AA” or better by S&P, and (iv) evidence satisfactory to the Trustee that Moody’s, if the Obligations are rated by Moody’s, or S&P, if the Obligations are rated by S&P, or Fitch, if the Obligations are rated by Fitch, or any combination of the foregoing, as applicable, has reviewed the proposed Reserve Fund Guaranty and that (x) the issuance of the Reserve Fund Guaranty to the Trustee and (y) if a Reserve Fund Guaranty is then in effect with respect to the Reserve Fund, the substitution of the proposed Reserve Fund Guaranty for the Reserve Fund Guaranty then in effect, will not, by itself, result in a reduction or withdrawal of its rating on the Obligations, and if such rating on the new Reserve Fund Guaranty shall be in effect on the date of such issuance and, if applicable, substitution, then the Trustee shall accept such Reserve Fund Guaranty and promptly surrender the previously held Reserve Fund Guaranty, if any, to the issuer thereof for cancellation. If a Reserve Fund Guarantor with a “AA” or better rating from S&P cannot be substituted, the Town shall fund the Reserve Fund with cash payments made to the Trustee in the amount of the Reserve Fund Requirement and such payments shall be made by the Town during the five-year build-up of the Reserve Fund.

ARTICLE VI

PLEDGE; LIEN; PARITY OBLIGATIONS

Section 6.1. Pledge. Payments and all other amounts due under the Agreement are payable from a pledge of, and secured by a lien on, the Excise Taxes as may be necessary for their prompt and punctual payment. Said pledge of, and said lien on, the Excise Taxes, is irrevocably made and created by the Town pursuant to the Agreement for the prompt and punctual payment of amounts due under the Agreement according to its terms, and to create and maintain the funds as hereinafter specified therein and herein. None of the Obligations shall be entitled to priority or distinction one over the other in the application of the Excise Taxes hereby pledged to the payment thereof, regardless of the issue of the Obligations in series, or the delivery of any of the Obligations prior to the delivery of any other of the Obligations of said series, or regardless of the time or times the Obligations mature. All of the Obligations are coequal as to the pledge of and lien on the Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Taxes or security therefor.

Section 6.2. Protection of Lien. The Trustee and the Town hereby agree not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien hereof upon the interests granted hereby or any part thereof. The Trustee and the Town agree that no obligations the payment of which is secured by a superior or equal claim on or interest in property or revenues pledged hereunder will be issued by either except in lieu of, or upon transfer of registration or exchange of, any Obligation as provided herein and except for Parity Obligations.

Section 6.3. Existing Parity Pledge. The pledge of Excise Taxes under the Agreement is on a parity with the pledge of the Excise Taxes to payments due on or with respect to the Existing Parity Obligations.

Section 6.4. Parity Obligations. The Town reserves the right to issue additional Parity Obligations payable from and secured by an equal lien on the Excise Taxes with the Obligations herein authorized and for the purpose or purposes as specified by law, but no such additional Parity Obligations shall be issued unless all of the following conditions are met:

(a) All deposits in the funds and accounts created under Article V hereof must be current.

(b) A certificate of the Finance Director of the Town or other officer acting as chief fiscal officer of the Town shall have been received and placed on file with the Trustee to evidence that all conditions precedent set forth in this Section 6.4 have been satisfied and the aggregate amount of Excise Taxes herein pledged and received by or on behalf of the Town during the Fiscal Year next preceding the date of issuance of any such additional Parity Obligations is at least equal to 200% of the highest aggregate Annual Debt Service Requirement (including such Parity Obligations) for the Obligations and any Parity Obligations for the Bond Years in which the Obligations or any Parity Obligations are Outstanding.

If the Town issues Parity Obligations to refund the Obligations or one or more series of other Parity Obligations by providing for payment of the amounts due thereon in advance of their maturity then, for purposes of this Trust Agreement, such refunded Obligations or Parity Obligations to the extent they will no longer be Outstanding after the refunding, will be treated as not Outstanding for the purpose of determining the Annual Debt Service Requirement.

(c) If the Parity Obligations proposed to be issued constitute Variable Rate Indebtedness, the proceedings authorizing the issuance of such Parity Obligations shall specify a maximum interest rate payable on such Parity Obligations.

(d) The obligation to make payments on the Parity Obligations from Excise Taxes shall not be subject to acceleration for any reason and such payments shall not be made immediately due and payable prior to their scheduled due date.

Parity Obligations may include any long term obligation or deferred payment for property including, without limitation, installment purchase or lease-purchase agreements. For the purpose of this Section 6.4, payments on installment purchase or lease-purchase agreements shall be deemed to include a principal component and an interest component and references in this Trust Agreement to the payment of principal, interest and premium shall include the payment of lease purchase or installment purchase payments. On or before the date of issuance of any Parity Obligations, the Town shall deliver to the Trustee in writing a description of the Parity Obligations, the dates and amounts due thereon and shall further provide the Trustee with a copy of the proceedings authorizing the Parity Obligations.

ARTICLE VII

MONEYS IN FUNDS; INVESTMENT; ARBITRAGE REBATE FUND

Section 7.1. Held in Trust. Except as otherwise provided herein, the moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Obligations, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Town, the Trustee or any Owner of Obligations.

Section 7.2. Investments Authorized. Upon written order of the Town Representative, moneys held by the Trustee hereunder shall be invested and reinvested by the Trustee in Permitted Investments listed in Section 1.1 hereof. The Town Representative may by written order filed with the Trustee direct such investment in specific Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 7.2 and may invest in funds which are Permitted Investments to which the Trustee or any of its affiliates provide services as an investment advisor. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. Amounts in the Payment Fund may be invested only in Permitted Investments which (i) are rated no lower than the underlying rating on the Obligations or (ii) secured by obligations which are so rated. Absent written direction of the Town, the Trustee shall invest moneys held under this Trust Agreement uninvested. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee may rely on the investment directions of the Town as to both the suitability and legality of the directed investments. The Town acknowledges that regulations of the Comptroller of the Currency grant the Town the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Town specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

Section 7.3. Accounting. The Trustee shall furnish to the Town, not less than semiannually, an accounting (which may be in the form of its customary statement) of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 7.2 hereof.

Section 7.4. Allocation of Earnings. Subject to Section 7.7 pertaining to arbitrage rebate, Section 5.5 pertaining to annual transfers to the Payment Fund and Section 5.8 pertaining to the Reserve Fund, any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein.

Section 7.5. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at Market Value. The Trustee may sell at the price obtainable, or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Section 7.6. Arbitrage Covenant. The Town hereby covenants with the Owners of the Obligations that it will make no use of the proceeds of the Obligations or other moneys which would cause the obligations of the Town under the Agreement to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code.

Section 7.7. Tax Covenants. In consideration of the acceptance and execution of the Agreement by the Trustee and the purchase by the Obligation holders, from time to time, and in consideration of retaining the exclusion of interest income from gross income on the Agreement and the Obligations for federal income tax purposes, the Town covenants with the Trustee and the Obligation holders from time to time to neither take nor fail to take any action, which action or failure to act is within its power and authority and would result in interest income on the Agreement or the Obligations to become subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the Agreement or such laws as they may be modified or amended.

The Town agrees that it will comply with such requirement(s) and will take any such action(s) as are necessary to prevent interest income on the Agreement or the Obligations from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by special counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Agreement; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Agreement; and limiting the use of the proceeds of the Agreement and property financed thereby.

In the event the Town is required to rebate any earnings and profits from the investments of the Obligations, the Trustee shall establish a separate “Arbitrage Rebate Fund.” The Arbitrage Rebate Fund shall be held separate and apart from all other funds and accounts held by the Trustee. The Arbitrage Rebate Fund shall be funded with earnings and profits from the investment of the Obligation proceeds on an annual basis. The Town must compute, or engage professionals to compute, the exact amount of earnings which need to be deposited into the Arbitrage Rebate Fund no later than 30 days after each anniversary of the Obligation issuance unless and until advised by such professionals that further calculation of rebate amounts is not necessary.

No later than 60 days after each fifth anniversary of the Obligation issuance, upon receipt from the Town, the Trustee shall file a Form 8038-T completed by the Town and delivered

to the Trustee, and remit the payment required by Section 148(f)(3) of the Code, as directed by the Town with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. Such payment shall be from moneys contained in the Arbitrage Rebate Fund. In addition, upon the redemption of the last Obligation of the issue, upon receipt from the Town, the Trustee shall file, within 60 days after the last redemption, a Form 8038-T completed by the Town and delivered to the Trustee and remit, as directed by the Town, the final payment as required by Section 148(f)(3) of the Code. In the event there is insufficient moneys in the Arbitrage Rebate Fund to make a payment when due, the Town shall pay to the Trustee from Excise Taxes or other money lawfully available therefor the amount necessary to provide the Trustee with an amount sufficient to make such payment when due.

ARTICLE VIII

THE TRUSTEE

Section 8.1. Appointment of Trustee. _____ is hereby appointed Trustee by the Town for the purpose of executing and delivering the Agreement and receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Town covenants that it will maintain as Trustee a bank or trust company with a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or State authority, so long as any Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section 8.1 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to redeem the Obligations when duly presented for payment at maturity and to cancel all Obligations upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Obligations paid and discharged.

Section 8.2. Liability of Trustee; Standard of Care. The recitals of facts, covenants and agreements herein and in the Obligations contained shall be taken as statements, covenants and agreements of the Town, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Trust Agreement or of the Obligations or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Obligations assigned to or imposed upon them, respectively, including but not limited to the Trustee's obligations under Section 7.7 hereof. Prior to the occurrence of an Event of Default hereunder, or after the timely cure or waiver of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in this Trust Agreement and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent indenture trustee would exercise under the circumstances in the conduct of the Trustee's corporate trust business.

Section 8.3. Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such bank or company shall be eligible under Section 8.1 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 8.4. Protection and Rights of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Obligation or to take any action at his request unless such Obligation shall be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the Town with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the Town Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may become the Owner of the Obligations with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the Town with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The recitals, statements and representations by the Town contained herein or in the Obligations shall be taken and construed as made by and on the part of the Town and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power hereunder or for anything whatever in connection with the funds established hereunder, except only for its own willful misconduct or negligence.

No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

The Trustee shall not be accountable for the use or application by the Town or any other party of any funds (including the proceeds of the Obligations) which the Trustee has released in accordance with the terms hereof.

The Trustee undertakes to perform such duties and only such duties as are specifically set forth herein and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee.

Notwithstanding any provision herein or in the Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default under Section 10(a)(1) of the Agreement, unless the Trustee has actual notice thereof or is specifically notified in writing of such default by the Town or the Owners of at least 25% in aggregate principal amount of the Obligations then Outstanding.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty, and the Trustee shall not be answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds established hereunder, except only for its own willful misconduct or negligence. The Trustee shall have no responsibility or liability with respect to any information, statements or recitals distributed with respect to the issuance of these Obligations.

Before taking any action under this Trust Agreement relating to an Event of Default or in connection with its duties under this Trust Agreement other than making payments of principal and interest on the Obligations as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Obligations then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

In acting or omitting to act pursuant to the Agreement, and any other document executed in connection herewith, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement, including, but not limited to, this Article VIII and Section 11.3.

Section 8.5. Compensation of Trustee. The Town shall from time to time, as agreed upon between the Town and the Trustee, pay to the Trustee reasonable compensation for its services, and shall reimburse the Trustee for all its advances and expenditures, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder.

Section 8.6. Removal of Trustee. The Town (but only if no Event of Default has occurred and is continuing), or the Owners of a majority in aggregate principal amount of all Obligations Outstanding, by written directive, at any time and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company authorized to do business in the State of Arizona, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by Federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section 8.6, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice to the Town. Upon receiving such notice of resignation, the Town shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the Town does not appoint a successor trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. The Trustee and the Town shall execute any documents reasonably required to affect the transfer of rights and obligations of the Trustee to the successor trustee. Upon such acceptance, the successor trustee shall mail notice thereof to the Obligation Owners at their respective addresses set forth on the Obligation registration books maintained pursuant to Section 2.12 hereof.

Notwithstanding the foregoing, in the event the Trustee merges or becomes consolidated with any other entity which resulting entity is otherwise qualified to be a successor trustee hereunder, such resulting entity shall assume all rights, obligations and duties of the Trustee hereunder and under the Agreement without the execution or filing of any papers or any further act on the part of either party hereto.

Section 8.7. Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee hereunder and to hold title to property or to take any other action which may be desirable or necessary.

Section 8.8. Commingling. The Trustee may commingle any of the funds held by it pursuant hereto in a separate fund or funds for investment purposes only; provided, however, that all funds held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 8.9. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed hereunder, which shall be available for inspection by the Town, or any of their agents, at any time during regular business hours. The Trustee shall provide the Town Representative with semiannual reports of funds transactions and balances.

Section 8.10. Force Majeure. The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources or energy, material or supplies in the open market, litigation or arbitration involving a party, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Section 8.11. Facsimile Instruction. The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Town elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee’s understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Town agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

ARTICLE IX

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 9.1. Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Owners of the Obligations and the Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of Obligations disqualified as provided in Section 9.3 hereof, shall have been filed with the Trustee. No such modification or amendment shall (i) extend or have the effect of extending the fixed maturity of any Obligation or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Obligation, or (ii) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of the Agreement without the express consent of the Owners of the Obligations, or (iii) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 9.2 hereof.

(b) This Trust Agreement and the rights and obligations of the Owners of the Obligations and the Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only (i) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Trustee or the Town, (ii) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, or (iii) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interests of the Owners of the Obligations as evidenced by the Opinion of Counsel delivered pursuant to Section 11.4 hereof. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be.

Section 9.2. Procedure for Amendment With Written Consent of Obligation Owners. This Trust Agreement and the Agreement may be amended by supplemental agreement as provided in this Section 9.2 in the event the consent of the Owners of the Obligations are required pursuant to Section 9.1 hereof. A copy of such supplemental agreement, together with a request to the Obligation Owners for their consent thereto, shall be mailed by the Trustee to each Owner of an Obligation at his address as set forth on the Obligation registration books maintained pursuant to Section 2.12 hereof, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section 9.2 provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of a majority in principal amount of the Obligations then Outstanding (exclusive of Obligations disqualified as provided in Section 9.3 hereof) and a notice shall have been mailed as hereinafter in this Section 9.2 provided. The

consent of an Owner of an Obligation shall be effective only if accompanied by proof of ownership of the Obligations for which such consent is given, which proof shall be such as is permitted by Section 2.11 hereof. Any such consent shall be binding upon the Owner of the Obligation giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section 9.2 provided for has been mailed.

After the Owners of the required percentage of Obligations shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Obligations in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Obligations and will be effective as provided in this Section 9.2 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Obligations at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60 day period.

Section 9.3. Disqualified Obligations. Obligations owned or held by or for the account of the Town or by any person directly or indirectly controlled by, or under direct or indirect common control with the Town (except any Obligations held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations provided for herein and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; except that in determining whether the Trustee shall be protected in relying upon any such vote, consent, waiver or other action of an Owner, only Obligations which the Trustee actually knows to be owned or held by or for the account of the Town or by any person directly or indirectly controlled by, or under direct or indirect common control with the Town (except any Obligations held in any pension or retirement fund) shall be disregarded unless all Obligations are so owned or held, in which case such Obligations shall be considered Outstanding for the purpose of such determination.

Section 9.4. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article IX, this Trust Agreement or the Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Obligations Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Agreement, as the case may be, for any and all purposes.

The Trustee may require each Obligation Owner, before his consent provided for in this Article IX shall be deemed effective, to reveal whether the Obligations as to which such consent is given are disqualified as provided in Section 9.3 hereof.

Section 9.5. Endorsement or Replacement of Obligations Delivered After Amendments. The Trustee may determine that Obligations delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Obligation Outstanding at such effective date and presentation of his Obligation for the purpose at the office of the Trustee, a suitable notation shall be made on such Obligation. The Trustee may determine that the delivery of substitute Obligations, so modified as in the opinion of the Trustee is necessary to conform to such Obligation Owners' action, which substitute Obligations shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Obligation then Outstanding, such substitute Obligation shall be exchanged at the principal office of the Trustee, without cost to such Owner, for an Obligation of the same character then Outstanding, upon surrender of such Outstanding Obligation.

Section 9.6. Amendatory Endorsement of Obligations. The provisions of this Article IX shall not prevent any Obligation Owner from accepting any amendment as to the particular Obligations held by him, provided that proper notation thereof is made on such Obligations.

ARTICLE X

COVENANTS; NOTICES

Section 10.1. Compliance With and Enforcement of Agreement. The Town covenants and agrees with the Owners of the Obligations to perform all obligations and duties imposed on it under the Agreement.

The Town will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default under the Agreement.

Section 10.2. Observance of Laws and Regulations. The Town will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Town, including its right to exist and carry on business as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 10.3. Prosecution and Defense of Suits. The Town shall promptly prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Obligation Owner harmless for, from and against all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 10.4. Further Assurances. The Trustee (at the Town's written direction) and the Town will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Agreement, and for the better assuring and confirming unto the Owners of the Obligations the rights and benefits provided herein.

Section 10.5. Notification to the Town of Failure to Make Payments. The Trustee shall notify the Town of any failure by the Town to make any Payment or other payment required under the Agreement to be made to the Trustee, in writing and within one (1) Business Day of any such failure. Such notice shall not be a prerequisite for the occurrence of an Event of Default hereunder or under the Agreement.

ARTICLE XI

LIMITATION OF LIABILITY

Section 11.1. Limited Liability of the Town. Except for the payment of Payments from Excise Taxes when due in accordance with the Agreement and the performance of the other covenants and agreements of the Town contained in the Agreement, the Town shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Obligations with respect to this Trust Agreement, or the terms, execution, delivery or transfer of the Obligations, or the distribution of Payments to the Owners by the Trustee.

Section 11.2. No Liability of the Town for Trustee Performance. The Town shall have no obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the performance by the Trustee of any duty imposed upon it hereunder.

Section 11.3. Indemnification of the Trustee. To the extent permitted by law, the Town shall indemnify and save the Trustee and its officers, directors, agents and employees harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (a) any breach or default on the part of the Town in the performance of any of its obligations hereunder and under any other agreement made and entered into for purposes of the defeasing the Obligations Being Refunded; or (b) the Trustee's exercise and performance of its powers and duties hereunder, under the Agreement and any document executed in connection hereunder or therewith. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence or breach of duty under this Trust Agreement by the Trustee, or by its officers, agents, employees, successors or assigns. The Town's obligations hereunder shall remain valid and binding notwithstanding the maturity and payment of the Obligations or resignation or removal of the Trustee.

The Trustee, promptly after determining that any event or condition which requires or may require indemnification by the Town hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, shall notify the Town in writing of such circumstances or action (the "Notification"). Upon giving of the Notification, the Trustee shall cooperate fully with the Town in order that the Town may defend, compromise or settle any such matters or actions which may result in payment by Town hereunder. The Town shall give the Trustee notice of its election within 15 days after receiving the Notification whether the Town, at its sole cost and expense, shall represent and defend the Trustee in any claim or action which may result in a request for indemnification hereunder. If the Town timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise or otherwise interfere with the defense or undertakings of the Town hereunder. The Town shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the Town shall pay all losses and the Trustee shall be fully released from such claim or action. If the Town either fails to timely give its notice or notifies the Trustee that the Town will not represent and defend the Trustee, the Trustee may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion and in an effort to minimize any claims for indemnity made hereunder. In the event the Town is required to and does indemnify the Trustee

as herein provided, the rights of the Town shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

Section 11.4. Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF OBLIGATION OWNERS

Section 12.1. Trustee's Rights Held in Trust. As provided herein, the Trustee holds in trust hereunder all of the Trustee's rights in and to the Agreement, including without limitation all of the Trustee's rights to exercise such rights and remedies conferred on the Trustee pursuant to the Agreement as may be necessary or convenient to enforce payment of the Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of Excise Taxes.

Section 12.2. Remedy. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and upon request of the Owners of 25% in aggregate principal amount of the Obligations and indemnified to its satisfaction from any liability or expense shall, exercise one or more of the following remedies:

(a) The Trustee may proceed to protect and enforce its rights and the rights of the holders of the Obligations hereunder by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in the Agreement, or in aid of the execution of any power granted herein or in the Agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of the rights or interests under the Obligations, this Trust Agreement and/or the Agreement. All rights of action hereunder or under any of the Obligations or under the Agreement may be enforced by the Trustee without the possession of any of the Obligations or the production thereof on any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment shall be for the ratable benefit of the Owners of the Obligations.

(b) The Trustee, upon the bringing of a suit to enforce any of its rights hereunder or under the Agreement, as a matter of right without notice and without giving bond to the Town or anyone claiming under them, may (i) have a receiver appointed of all of the property encumbered hereby and of the earnings, income, rents, issues and profits thereof, and of all the Excise Taxes which are pledged for the payment of the payments under the Agreement, pending such proceedings, with such powers as the court making such appointment shall confer, including such powers as may be necessary or usual in such cases for the collection and proper disbursement of the Excise Taxes pledged for the payment of the payments under the Agreement, and the Town does hereby irrevocably consent to such appointment and (ii) seek and obtain such injunctive relief as may be appropriate.

(c) The Trustee is hereby appointed, and the successive respective Owners by taking and owning the Obligations, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney-in-fact of the respective Owners, with authority to make or file, in the respective names of the Owners or in behalf of all Owners as a class, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of all sums becoming distributable on account thereof; to execute any and all acts and things for and in behalf of all Owners as a class, as may be necessary or advisable, in the opinion of the Trustee, in order to have

the respective claims of the Owners against the Town allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the Town shall be a party. The Trustee shall have full powers of substitution and delegation in respect of any such powers.

(d) Notwithstanding anything herein or in the Agreement to the contrary, there shall be no right under any circumstances (i) to accelerate the maturities of the Obligations or (ii) to declare any Payment not then past due or in default to be immediately due and payable.

Section 12.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XII or Section 10 of the Agreement shall be applied by the Trustee in the order following upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Trustee and of the Obligation Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel, and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations for principal and interest, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 12.4. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Section 12.5. Non-Waiver. Nothing in this Article XII or in any other provision of this Trust Agreement or in the Obligations, shall affect or impair the obligation of the Town to pay or prepay the Payments as provided in the Agreement, or affect or impair the right of action, which is absolute and unconditional, of the Obligation Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or of any Owner of any of the Obligations to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or the Owners of Obligations may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Obligation Owners.

Section 12.6. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Obligations

then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Obligations Outstanding.

Section 12.7. Limitation on Obligation Owners' Right to Sue. No Owner of any Obligation executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Obligations of any remedy hereunder; it being understood and intended that no one or more Owners of Obligations shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Obligations.

The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision hereof.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Defeasance. If and when all Outstanding Obligations shall be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest with respect to all Obligations Outstanding, as and when the same become due and payable;

(b) by depositing with a Depository Trustee, in trust for such purpose, at or before maturity, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all Obligations Outstanding, including all principal and interest and premium, if any;

(c) by depositing with a Depository Trustee, in trust for such purpose, any noncallable United States Obligations in such amount as shall be certified to the Trustee and the Town by a national firm of certified public accountants acceptable to both the Trustee and the Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all Obligations (including all principal and interest) at their respective maturity dates, which deposit may be made in accordance with the provisions of Section 9 of the Agreement;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the Town with respect to all Outstanding Obligations shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Payments paid by or on behalf of the Town from funds deposited pursuant to paragraphs (b) or (c) of this Section, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such Payments under the Agreement.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) through (c) of this Section, which are not required for the payment to be made to Owners, shall be paid over to the Town.

Any Obligation or portion thereof in authorized denominations may be paid and discharged as provided in this Section 13.1; provided, however, that if any such Obligation or portion thereof will not mature within 60 days of the deposit referred to in paragraphs (b) or (c) of this Section 13.1, the Trustee shall give notice of such deposit by first class mail to the Owners.

After provision for the Obligations has been made under (c) above, at the direction of the Town, all or any part of the United States Obligations held by the Depository Trustee may be liquidated and the proceeds therefrom together with all or any portion of the moneys held by the Depository Trustee may be used to acquire other United States Obligations which the Depository Trustee shall hold provided that thereafter the moneys and United States Obligations held by the Depository Trustee shall remain sufficient, as evidenced by a certificate of a national

firm of certified public accountants to pay and discharge all Obligations (including all principal and interest) at their respective maturity dates.

No Payment or Obligation may be so provided for and no liquidation or acquisition of United States Obligations may be made if, as a result thereof, or of any other action in connection with which the provisions for payment of such Payment or Obligation is made, the interest payable on any Obligation is thereby made includable in gross income for federal income tax purposes. Notwithstanding the foregoing, prior to any defeasance authorized pursuant to paragraphs (b) or (c) of this Section, the Trustee, the Depository Trustee, and the Town shall receive an opinion of nationally recognized bond counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Payments or Obligations.

The Depository Trustee shall be any bank or trust company, which may be the Trustee, designated by the Town, with a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by federal or State of Arizona authority.

Section 13.2. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed hereunder, which shall be available for inspection by the Town and any Owner, or the agent of any of them, at any time during regular business hours.

Section 13.3. Notices. All written notices to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Town: Town of Oro Valley, Arizona
 11000 N. La Cañada Drive
 Oro Valley, Arizona 85737-7015
 Attn: Finance Director

With copy to: Gust Rosenfeld P.L.C.
 One East Washington, Suite 1600
 Phoenix, Arizona 85004-2553
 Attn: Scott W. Ruby

If to Trustee: _____

Section 13.4. Covenant as to Conflict of Interest. A.R.S. Section 38-511 provides that the Town may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of 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 of the contract with respect to the subject matter of the contract. In addition, the Town 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 Town from any other party to the contract arising as a result of the contract.

Section 13.5. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of Arizona.

Section 13.6. Binding Effect and Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Town or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements herein contained by or on behalf of the Town or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.7. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

Section 13.8. Destruction of Cancelled Obligations. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the Town of any Obligations, the Trustee may, in lieu of such cancellation and delivery, destroy such Obligations and, upon the Town's request, deliver a certificate of such destruction to the Town.

Section 13.9. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles", "Sections", and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 13.10. Parties Interested Herein. Nothing in this Trust Agreement or the Obligations, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Town, the Trustee, and the Owners of the Obligations, any legal or equitable right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, provisions and agreements herein contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town, the Trustee, and the Owners of the Obligations.

Section 13.11. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.12. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Obligations shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Obligations pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases hereof may be held illegal, valid or unenforceable.

Section 13.13. E-Verify Requirements. To the extent applicable under A.R.S. Section 41-4401, the Trustee and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. Section 23-214(A). The Trustee or its subcontractors' breach of the above-mentioned warranty shall be deemed a material breach of this Trust Agreement and may result in the termination of the Trustee's services by the Town. The Town retains the legal right to randomly inspect the papers and records of the Trustee or its subcontractor employees who work on this Trust Agreement to ensure that the Trustee and its subcontractors are complying with the above-mentioned warranty.

The Trustee and its subcontractors warrant to keep the papers and records open for random inspection during normal business hours by the Town. The Trustee and its subcontractors shall cooperate with the Town's random inspections including granting the Town entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

[Remainder of page intentionally left blank.]

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

_____, as Trustee

By _____
Its _____

TOWN OF ORO VALLEY, ARIZONA, as
Town

By _____
Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

EXHIBIT A

Registered Number: _____

Denomination: _____

RESTRICTIONS ON TRANSFER. THIS OBLIGATION MAY BE TRANSFERRED ONLY IN WHOLE AND ONLY TO A "QUALIFIED INVESTOR," AS SUCH TERM IS DEFINED IN RULE 144A OF THE SECURITIES ACT OF 1933, AS AMENDED, OR AN ACCREDITED INVESTOR (EXCLUDING NATURAL PERSONS) AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, WHO EXECUTES THE CERTIFICATE OF QUALIFIED INVESTOR.

**EXCISE TAX REVENUE REFUNDING OBLIGATION,
SERIES 2015
(BANK QUALIFIED)**

Evidencing a Proportionate Interest of the Owner Hereof in
Payments to be Made Pursuant to an Agreement by

TOWN OF ORO VALLEY, ARIZONA

to

_____,
as Trustee

Interest Rate	Maturity Date	Dated Date
_____%	July 1, 20__	_____, 2015

Registered Owner: _____

Principal Amount: _____ AND 00/100 DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Excise Tax Revenue Refunding Obligation, Series 2015 (Bank Qualified) (the "Obligation") is the owner of an undivided proportionate interest in the right to receive certain Payments thereof under and defined in that certain Agreement (the "Agreement"), dated as of _____ 1, 2015, by and between _____ (the "Trustee"), and the Town of Oro Valley, Arizona, a municipal corporation and a political subdivision existing under the laws of the State of Arizona (the "Town"), which Payments and other rights and interests under the Agreement are held by the Trustee in trust under a Trust Agreement dated as of _____ 1, 2015 (the "Trust Agreement") by and between the Town and the Trustee.

The registered owner of this Obligation is entitled to receive, subject to the terms of the Agreement, on the maturity date set forth above, the principal amount set forth above, representing a portion of the Payments designated as principal coming due during the preceding twelve months, and to receive semiannually on January 1 and July 1 of each year commencing _____ 1, 20__ (the "Payment

Dates”) until payment in full of said portion of principal, the registered owner’s proportionate share of the Payments designated as interest coming due during the six months immediately preceding each of the Payment Dates. Said proportionate share of the portion of the Payments designated as interest is the result of the multiplication of the aforesaid portion of the Payments designated as principal by the rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve months of thirty days each. Principal of and interest on this Obligation are payable in lawful money of the United States of America to the registered owner or to any other registered owner hereof, as shown on the registration books maintained by the Trustee, at the address appearing therein at the close of business on the fifteenth day of the calendar month next preceding that interest payment date (the “Record Date”).

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal pertaining to the Obligations. The Trustee’s sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement.

The recitals, statements and representations made in this Obligation shall be taken and construed as made by and on the part of the Town, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

This Obligation has been executed and delivered by the Trustee pursuant to the terms of the Trust Agreement. The Town is authorized to enter into the Agreement and the Trust Agreement under the laws of the State of Arizona and by resolution of the Mayor and Council of the Town adopted _____, 2015 (the “Resolution”). Reference is hereby made to the Agreement and the Trust Agreement (copies of which are on file with the Trustee) for a description of the terms on which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the rights, duties and immunities of the Trustee and the rights and obligations of the Town under the Agreement, to all of the provisions of which Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees.

The Obligations are payable from Payments to be made by the Town pursuant to the Agreement. The Town is required under the Agreement to make Payments from all of the Town’s unrestricted excise, transaction, franchise, privilege and business taxes, state-shared sales and income taxes, fees for licenses and permits, bed and rental taxes and state revenue-sharing now or hereafter validly imposed by the Town or contributed, allocated and paid over to the Town and not earmarked by the contributor for a contrary or inconsistent purpose (the “Excise Taxes”), which Payments are sufficient to pay, when due, the annual principal and interest due with respect to the Obligations. The obligation of the Town to make Payments does not represent or constitute a general obligation of the Town, the State of Arizona or any political subdivision thereof for which the Town or the State of Arizona or any political subdivision thereof is obligated to levy or pledge any form of taxation nor does the obligation to make Payments under the Agreement constitute an indebtedness of the Town, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Payments and all other amounts due under the Agreement are payable from a pledge of, and secured by a lien on, the Excise Taxes as may be necessary for their prompt and punctual payment. Said pledge of, and said lien on, the Excise Taxes, is irrevocably made and created by the Town pursuant to the Agreement for the prompt and punctual payment of amounts due under the Agreement according to its terms, and to create and maintain the funds as hereinafter specified therein and herein. None of the Obligations shall be entitled to priority or distinction one over the other in the application of the Excise Taxes hereby pledged to the payment thereof, regardless of the issue of the Obligations in series, or the delivery of any of the Obligations prior to the delivery of any other of the Obligations of said series, or

regardless of the time or times the Obligations mature. All of the Obligations are coequal as to the pledge of and lien on the Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Taxes or security therefor. The pledge of Excise Taxes under the Agreement is on a parity with the pledge of Excise Taxes to payments due on or with respect to the Existing Parity Obligations and any additional Parity Obligations (as defined in the Trust Agreement).

For further definitions, a description of the terms on which the Obligations are executed and delivered, a more complete statement of the income and revenues from which, and conditions under which, this Obligation is payable, the conditions under which additional Obligations or Parity Obligations may be authorized, the conditions under which a Reserve Fund must be funded and when it can be used, a statement of the terms under which the Trust Agreement or the Agreement may be modified, a statement of the general covenants and provisions pursuant to which this Obligation is issued, and of the rights of the owner of the Obligation, reference is made to the Trust Agreement and the Agreement, and to all the provisions thereof the owner hereof, by acceptance of this Obligation, consents and agrees. All Obligations of the total authorized amount and all obligations which have been or may hereafter be issued as Parity Obligations, as provided in the Trust Agreement and the Agreement are co-equal as to the pledge of and lien on all such Excise Taxes securing the payment thereof, and share ratably without any preference, priority or distinction as to the source or method of payment from Excise Taxes and security thereof.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances (1) to accelerate the maturities of the Obligations or (2) to interfere with the Town's ownership, use or possession of the property financed by the Obligations.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate value of the Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.

The Obligations are executed and delivered only in fully registered form in principal denominations of \$5,000 or integral multiples thereof.

This Obligation may be exchanged for an Obligation or Obligations of like aggregate principal amount in authorized denominations having the same maturity date and interest rate.

[The Obligations are not subject to redemption prior to their stated maturity.]

This Obligation may be transferred only in whole and only to a "qualified investor," which means a qualified institutional buyer, as such term is defined in Rule 144A, of the Securities Act of 1933, as amended or an accredited investor (excluding natural persons) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, who executes a Certificate of Qualified Investor in the form attached hereto as Exhibit 1, and who agrees to comply with all applicable federal and state securities laws. This Obligation may be transferred on the registration books upon delivery hereof to the

registrar, which on the original issue date is the Trustee, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the registrar, duly executed by the registered owner of this Obligation, or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Obligation shall be effective until entered on such registration books.

In all cases upon the transfer of an Obligation, the registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver, in the name of the transferee or transferees, a new fully registered Obligation or Obligations of the denominations of \$5,000 or any integral multiple thereof (except that no Obligation shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Trust Agreement.

The registered owner of one or more Obligations may, upon request, and upon the surrender to the registrar of such Obligations, exchange such Obligations for Obligations of other authorized denomination of the same maturity, series, and interest rate together aggregating the same principal amount as the Obligations so surrendered.

The Town or the registrar shall charge the registered owner of such Obligation, for every such transfer or exchange of an Obligation, an amount sufficient reimburse it for any tax, governmental fee or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before any such new Obligation shall be delivered. The Town shall pay all initial registration fees on the Obligation. Subsequent owners of Obligation will pay all transfer fees including governmental fees, taxes or charges. The registered owner of any Obligation shall be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Obligation.

The Town and the registrar may, but are not required to, transfer or exchange any Obligations during the period from the Record Date to and including the respective interest payment date. The registrar may, but is not required to, transfer or exchange any Obligations within the periods referred to above, the interest payment on such Obligation will be made payable to and mailed to the registered owners shown on the bond register maintained by the registrar as of the close of business on the respective Record Date.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution: _____, 2015

_____, as Trustee

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Obligation, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common	UNIF GIFT/TRANS MIN ACT-_____Custodian_____
TEN ENT-as tenants by the entireties	(Cust) (Minor)
JT TEN-as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts/Transfers to Minors Act_____
	(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Name and Address of Transferee)
the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____

Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within registered bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Firm or Bank

Authorized Signature

The signature(s) should be guaranteed by an eligible guarantor institution pursuant to SEC Rule 17Ad-15.

EXHIBIT 1

Certificate of Qualified Investor

TOWN OF ORO VALLEY, ARIZONA

_____, as Trustee

Re: \$_____ Town of Oro Valley, Arizona, Excise Tax Revenue Refunding Obligations, Series 2015 (Bank Qualified)

1. Please be advised that the undersigned is a Qualified Investor (as hereinafter defined) and is purchasing directly one of the captioned obligations (hereinafter referred to as the “*Obligations*”), such Obligation being in the original aggregate principal amount of \$_____, bearing the number _____. Such purchase is solely for the account of the undersigned, for the purpose of investment and not with an intent for or view to distribution or resale.

2. In the event that the undersigned transfers such Obligation or any part thereof, the undersigned shall comply with all provisions of the resolution of the Town of Oro Valley, Arizona (the “*Town*”) authorizing the issuance of the Obligations, adopted on _____, 2015 (the “*Resolution*”). The undersigned understands that, unless the transfer restrictions terminate pursuant to the Resolution, a transferee shall be a Qualified Investor (as hereinafter defined), and must sign a letter in the form of this letter and provide such letter to the Trustee before any transfer of any Obligation to such transferee will be registered.

3. The undersigned acknowledges that it is a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor (other than a natural person) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission) (either of which shall constitute a “Qualified Investor”).

4. The undersigned understands that: (i) the Resolution, the Trust Agreement dated as of _____ 1, 2015, by and between _____, as trustee and the Town (the “*Trust Agreement*”) and the Obligations are not being registered under the Securities Act of 1933, as amended, in reliance upon certain exemptions set forth in that Act, (ii) the Resolution, the Trust Agreement and the Obligations are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of the State of Arizona or any other state, (iii) any transfer of the Obligations must comply with federal and state securities laws, (iv) any sale or transfer of the Obligations, or interests therein, must be to Qualified Investors, (v) the Obligations will not be listed on any stock or other securities exchange, (vi) the Obligations will not carry any bond rating from any rating service, and (vii) the Obligations are not likely to be readily marketable.

5. The undersigned assumes all responsibility for complying with any applicable federal and state securities laws with respect to any transfer of the Obligation or an interest therein, and agrees to hold the Town harmless for, from and against any and all liabilities claims, damages or losses resulting directly or indirectly from such failure to comply.

6. The undersigned acknowledges that the undersigned has had an opportunity and has obtained all information necessary and has evaluated the factors associated with its investment decision and after such evaluation, the undersigned understood and knew that investment in the

Obligations involved certain risks, including but not limited to, limited security and source for payment of the Obligations, the status of development and its impact on taxation for payment of the Obligations, the parity lien on the Excise Taxes pledged for the payment of the payments due pursuant to the Agreement, dated as of _____ 1, 2015, between the Trustee and the Town, and the probable lack of any secondary market for the Obligations. The undersigned acknowledges that it is experienced in transactions such as those relating to the Obligations and that the undersigned is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Obligations. The undersigned is not relying on the Town in making its decision to purchase the Obligations.

7. The undersigned acknowledges that the Town and the respective officers, directors, council members, advisors, employees and agents thereof have not undertaken to furnish, nor has the undersigned requested, any information to ascertain the accuracy or completeness of any information that may have been furnished by any other party.

8. This certificate and all rights and responsibilities described in it shall be governed by, and interpreted in accordance with, the laws of the State of Arizona. The federal and state courts of the State of Arizona shall have sole and exclusive jurisdiction over any dispute arising from the purchase and sale of the Obligations.

_____.

By _____

Printed Name: _____

Title: _____