

RESOLUTION NO. 9927

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF HIGHWAY PROJECT ADVANCEMENT NOTES IN ONE OR MORE SERIES; MAKING A PLEDGE OF EXCISE TAXES AND 2011 REPAYMENTS TO THE REPAYMENT OF THE NOTES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENT TO THE TRUST AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE AND OBLIGATION PURCHASE AGREEMENT; APPROVING AN OFFICIAL STATEMENT AND DECLARING AN EMERGENCY.

WHEREAS, Mesa, Arizona (the "City"), is a political organization organized and existing under the laws of the State of Arizona; and

WHEREAS, pursuant to Sections 9-500.17, 11-952 through 11-954, and 28-7677, Arizona Revised Statutes, as amended, and City Charter Article I, Section 103, the City has entered into an intergovernmental agreement dated as of December 13, 2010, with the State of Arizona, acting by and through the Arizona Department of Transportation ("ADOT") and the Maricopa Association of Governments ("MAG") for the acceleration of the construction of, the right-of-way acquisition for and roadway design of State Route 24 between State Route 202L to Ellsworth Road in the City, by advancing funds to ADOT for such purposes (each advance a "Construction City Advance") (as amended or supplemented, the "Construction IGA"); and

WHEREAS, U.S. Bank National Association (the "Trustee") and the City have heretofore entered into a Trust Agreement dated as of November 1, 2009, by and between the City and the Trustee, as supplemented by a First Supplement to the Trust Agreement (the "First Supplement") dated on or about June 1, 2010 and as further supplemented by a Second Supplement to the Trust Agreement (the "Second Supplement") dated on or about October 1, 2011 (collectively the "Trust Agreement"); and

WHEREAS, the City Council, upon due consideration and investigation, has found and determined that it is advisable and necessary for the welfare of the City and its citizens to issue one or more series of Highway Project Advancement Notes to accelerate the Construction Project and advance the funds to ADOT pursuant to the Construction IGA in the principal amount of not to exceed \$148,200,000 for the Construction Project (collectively, such Construction City Advances are referred to herein as the "Series 2011 Advance"); and

WHEREAS, ADOT is obligated to repay the Series 2011 Advance and any other Construction City Advance (such repayments are referred to herein as the "2011 Repayments") pursuant to Section 28-7677, Arizona Revised Statutes, and the Construction IGA; and

WHEREAS, the Construction Project is an eligible highway project as defined in Sections 9-500.17 and 28-7671, Arizona Revised Statutes, as amended; and

WHEREAS, the Construction Project is a highway project as defined in Section 28-7681, Arizona Revised Statutes, as amended; and

WHEREAS, the City is authorized to borrow money to fund the Series 2011 Advance and to pledge certain revenues to the repayment of any such borrowing; and

WHEREAS, for the purpose of obtaining money to be deposited with the Trustee to finance the Series 2011 Advance, the City will issue, sell and deliver Highway Project Advancement Notes, Series 2011A (the "Series 2011A Notes"), in exchange for the moneys required herein to be deposited to finance the Series 2011 Advance; and

WHEREAS, the City will hereby pledge the Excise Taxes to the repayment of principal and interest on the Series 2011A Notes on a parity with the Series 2009 Notes and Series 2010 Notes and will pledge the 2011 Repayments to the repayment of principal on the Series 2011A Notes; and

WHEREAS, the City may issue additional notes pursuant to the Trust Agreement and additional bonds or obligations on a parity with respect to the Excise Taxes or on a parity with the Series 2011A Notes as to the pledge of the 2011 Repayments;

WHEREAS, a proposal in the form of an Obligation Purchase Agreement (the "Obligation Purchase Agreement") will be received from J.P. Morgan Securities LLC and RBC Capital Markets, LLC (the "Original Purchaser of the Series 2011A Notes") for the purchase of the Series 2011A Notes; and

WHEREAS, proposed forms of the following documents have been filed with the City Clerk for this meeting:

- (i) the proposed form of the Second Supplement to Trust Agreement ("Second Supplement");
- (ii) the proposed form of the Note Purchase Agreement;
- (iii) the proposed form of the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"); and
- (iv) the proposed form of a preliminary form of the Official Statement relating to the Series 2011A Notes (the "Preliminary Official Statement").

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of Arizona to happen, exist and be performed precedent to and in the adoption of this resolution have happened, exist and have been performed as so required in order to make this resolution a valid and binding instrument for the security of the Series 2011A Notes authorized herein;

NOW, THEREFORE, IT IS RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF MESA, ARIZONA, AS FOLLOWS:

Section 1. Project Financing. It is hereby found and determined that the financing of the Construction Project at fixed interest rates pursuant to the terms of the Trust

Agreement and the Obligation Purchase Agreement is in the best interest of and in furtherance of the purposes of the City and in the public interest.

Section 2. Approval and Terms. The City hereby approves the execution and delivery of the Series 2011A Notes, as hereinafter described, by the Trustee. The Series 2011A Notes shall be executed in the aggregate principal amount of not to exceed \$148,200,000 comprised of one or more series to finance the Construction Project. The Series 2011A Notes shall be in the denomination of \$5,000 or any integral multiples thereof, shall be dated their date of delivery, or such later date as may be set forth in the Second Supplement, and shall bear interest from such date payable on the dates provided in the Second Supplement, and shall be fully registered without coupons as provided in the Second Supplement. The Series 2011A Notes shall bear interest at the rates per annum set forth in the Second Supplement and the Note Purchase Agreement and shall mature on July 1 in some or all of the years 2017 through and including 2021. The yield on the Series 2011A Notes for federal tax purposes shall not exceed 7% per annum.

The forms, series designation, terms, interest rates, dated date, interest payment dates, maturity dates, maturity amounts, optional and mandatory redemption provisions, if any, and other provisions of the Series 2011A Notes and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Second Supplement.

Section 3. Award. The Series 2011A Notes are hereby awarded to the Original Purchaser of the Series 2011A Notes pursuant to the Note Purchase Agreement.

Section 4. Approval of Documents. The Mayor, any member of the City Council, the City Manager and the Senior Executive Manager is authorized and directed to determine and approve the interest rates, dated dates, interest payment dates, maturity dates, maturity amounts, purchase price, optional and mandatory redemption provisions, if any, and any provisions necessary in connection with the purchase of credit enhancement pursuant to Section 5 hereof, and cause the same to be set forth in the documents. The form, terms and provisions of the Second Supplement, the Note Purchase Agreement and the Continuing Disclosure Certificate, in substantially the form of such documents (including the Series 2011A Notes and other exhibits thereto) presented at this meeting are hereby approved, with such final provisions, insertions, deletions and changes as shall be approved by the Mayor, any member of the City Council, the City Manager and the Senior Executive Manager, the execution of each such document being conclusive evidence of such approval, and the Mayor, any member of the City Council, the City Manager, the Senior Executive Manager and the Clerk are hereby authorized and directed to execute and deliver, where applicable, or approve the Second Supplement, the Note Purchase Agreement and the Continuing Disclosure Certificate and to take all action to carry out and comply with the terms of such documents.

Section 5. Obligation Insurance. The Mayor, any member of the City Council, the City Manager, the Senior Executive Manager and Clerk are hereby authorized and directed to purchase municipal bond insurance, surety bonds or other credit enhancement as may be deemed appropriate and beneficial, to pay or cause to be paid all premiums attendant thereto

and to enter into any obligations or agreements on behalf of the City to repay amounts paid thereon by the providers thereof.

Section 6. Official Statement. The Preliminary Official Statement is deemed “final” for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, and is hereby authorized and approved in substantially the form presented at this meeting, and the distribution of the Preliminary Official Statement is hereby authorized and approved. The City will cause a final official statement (the "Official Statement") in substantially the form of the Preliminary Official Statement to be prepared and distributed with the 2011 Obligations upon initial issuance. The Mayor, any member of the City Council, the City Manager and the Senior Executive Manager of the City is authorized to approve, execute and deliver the Official Statement on behalf of the City and the execution by such officer shall be deemed conclusive evidence of such approval. The City authorizes the use by the Original Purchaser of the Series 2011A Notes of copies of the Preliminary Official Statement and the Official Statement in connection with the public offering and sale of the Series 2011A Notes.

Section 7. Authorized Signatures. The Mayor is authorized to issue, sell and deliver, and the Clerk to attest, by manual signature, the Series 2011A Notes.

Section 8. Trustee. The City hereby requests the Trustee to take any and all action necessary in connection with the execution and delivery of the Second Supplement, and the execution, delivery and sale of the Series 2011A Notes and further authorizes and directs the Trustee and any trustees for any obligations on a parity with the Series 2011A Notes to enter into such agreements as may be reasonable for the administration of the trusts so held.

Section 9. Security. The Series 2011A Notes are payable as to both principal and interest solely from (i) an assignment of all repayment of the funds advanced by the City to the State of Arizona if, as and when received by the City from the State of Arizona and held on deposit in the 2011 Advancement Fund (as defined in the Trust Agreement), and (ii) a pledge of, and lien on, all of the City’s unrestricted excise, transaction, franchise, privilege and business taxes, state shared sales and income taxes, state shared vehicle license taxes, fees for licenses and permits, fines, forfeitures and state revenue sharing that are validly imposed by the City or contributed, allocated or paid to the City and not earmarked by the contributor or the City for a contrary or inconsistent purpose (“Excise Taxes”). Excise Taxes shall not include excise taxes collected and paid to the City under (a) the .25% transaction privilege (sales) and use tax approved by the voters of the City on May 19, 1998 the use of which is restricted to health, safety and other quality of life uses (b) the .30% transaction privilege (sales) and use tax approved by the voters of the City on May 16, 2006 the use of which is restricted to street projects in the City, or (c) any other similar tax restricted as to its use. Excise Taxes shall not include the voter approved (March 10, 2009) allocation of the 3% transient occupancy tax proceeds generated at the Gaylord Hotel and Convention Center site, when built, the use of which will be used for the promotion of tourism in the City.

Section 10. Pledge of Excise Taxes and Protection of Lien on Excise Taxes. The City shall pledge its Excise Taxes to the amounts to come due under the Trust Agreement. The Trustee and the City will not 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 in the Excise Taxes granted under the Trust Agreement or any part thereof. The Trustee and the City will not issue any obligations the payment of which is secured by an equal claim on or interest in Excise Taxes pledged under the Trust Agreement except (a) in lieu of, or upon transfer of registration or exchange of, any Series 2011 Note as provided in the Trust Agreement; and (b) Notes or Parity Obligations. No Obligation with a subordinate lien on Excise Taxes may be accelerated so long as any Note is Outstanding.

Section 11. Covenant to Levy and Collect. The City shall impose and collect Excise Taxes in each fiscal year in an amount equal to not less than two (2) times the total debt service requirements of the Notes and Parity Obligations (each as defined in the Trust Agreement)) for such fiscal year (the "Rate Covenant"). If the City is unable to meet the Rate Covenant in any fiscal year, it shall either impose new Excise Taxes or other City taxes or fees or increase the rates of the Excise Taxes currently imposed in order that (i) the City's Excise Taxes receipts will be sufficient to meet all current year debt service requirements under the Trust Agreement, and (ii) the current year's receipts will be reasonably calculated to attain the Rate Covenant.

Section 12. Additional Obligations. The City reserves the right to issue additional notes, bonds or obligations payable from and secured by an equal lien on the Excise Taxes with the Series 2009 Notes, the Series 2010 Notes and the Series 2011A Notes herein authorized and for the purpose or purposes as specified by law, but no such additional notes shall be issued unless all of the conditions set forth in the Trust Agreement are met.

Section 13. Pledge of 2011 Repayments; Protection of Lien on 2011 Repayments; Parity 2011 Repayment Notes. The City hereby pledges to the payments to come due under the Trust Agreement the 2011 Repayments if, as and when received from ADOT as described in the Trust Agreement. The Trustee and the City will not 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 in the 2011 Repayments granted hereby or any part thereof. The Trustee and the City will not issue any obligations the payment of which is secured by an equal claim on or interest in the 2011 Repayments pledged hereunder except in lieu of, or upon transfer of registration or exchange of, any Series 2011A Notes as provided herein and except for Parity 2011 Repayment Notes (as defined in the Trust Agreement). The City reserves the right to issue Parity 2011 Repayment Notes secured on a parity with the Series 2011A Notes and all Parity Obligations with respect to the lien of Excise Taxes and secured also by the 2011 Repayments, for the purpose of funding additional Construction City Advances (as defined in the Trust Agreement) or to refund prior Series 2011A Notes or Parity 2011 Repayment Notes, and to pay the costs of issuance with respect to such Parity 2011 Repayment Notes; but no such additional Parity 2011 Repayment Notes shall be issued unless all of the conditions set forth in the Trust Agreement are met.

Section 14. Use of Proceeds. The Series 2011A Notes are being issued for the purpose of providing funds to the ADOT for the acceleration of construction of, right-of-way acquisition for and roadway design of State Route 24 between State Route 202L to Ellsworth Road in the City.

Section 15. Resolution a Contract. This resolution shall constitute a contract between the City and the registered owners of the Series 2011A Notes and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Series 2011A Notes then outstanding.

Section 16. Execution of Documents. The Mayor, the Clerk, the City Manager and the Senior Executive Manager and the other officers of the City, on behalf of the City, are each hereby authorized and directed, without further order of the Council, to execute and deliver such certificates, proceedings and agreements as may be necessary or convenient to be executed and delivered on behalf of the City, to evidence compliance with, or further the purposes of, all the terms and conditions of this resolution and the consummation of the transactions contemplated by the Preliminary Official Statement.

Section 17. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal, invalid or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Mayor and Council hereby declare that the City would have adopted this resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Series 2011A Notes pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

Section 18. Ratification of Actions. All actions of the officers and agents of the City which conform to the purposes and intent of this resolution and which further the issuance and sale of the Series 2011A Notes as contemplated by this resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this resolution.

Section 19. Emergency Clause. The exigencies of the municipal bond market, and the need for an immediate sale and early closing to secure the most favorable interest rates on the Series 2011A Notes require that the Series 2011A Notes be issued and delivered as soon as possible. The immediate operation of the provisions of this resolution is necessary for the preservation of the public peace, health and safety and an emergency is hereby declared to exist, and this resolution will be in full force and effect from and after its passage by the Mayor and Council and it is hereby excepted from the referendum provisions of the Constitution.

PASSED AND ADOPTED by the Mayor and Council of the City of Mesa, Arizona, on September 12, 2011.

ATTEST:



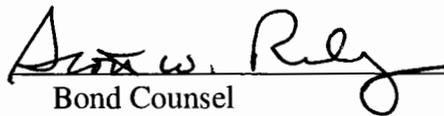
City Clerk





Mayor

APPROVED AS TO FORM:

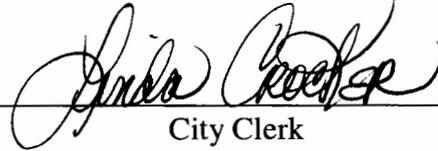


Bond Counsel

CERTIFICATION

I, Linda Crocker, the duly appointed and acting Clerk of the City of Mesa, Arizona, do hereby certify that the above and foregoing Resolution No. 9927 was duly passed by the City Council of the City of Mesa, Arizona, at a regular meeting held on September 12, 2011, and the vote was 7 aye's and 0 nay's and that the Mayor and 6 Council Members were present thereat.

DATED Sept. 12, 2011.



City Clerk

§ _____
CITY OF MESA, ARIZONA
HIGHWAY PROJECT ADVANCEMENT NOTES,
SERIES 2011

CONTINUING DISCLOSURE CERTIFICATE
(CUSIP NO. 59050N)

This Continuing Disclosure Certificate (the "*Disclosure Certificate*") is undertaken by the City of Mesa, Arizona (the "*City*") in connection with the issuance of Highway Project Advancement Notes, Series 2011 (the "*Notes*"). In consideration of the initial sale and delivery of the Notes, the City covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is for the benefit of the Noteholders and in order to assist the Participating Underwriter in complying with the Rule (as hereinafter defined).

Section 2. Definitions. Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

"*Annual Report*" shall mean the annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Dissemination Agent*" shall mean the City, or any person designated in writing by the City as the Dissemination Agent.

"*EMMA*" shall mean the Electronic Municipal Market Access system and the EMMA Continuing Disclosure Service of MSRB, or any successor thereto approved by the United States Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"*Noteholder*" shall mean any registered owner or beneficial owner of the Notes.

"*Official Statement*" shall mean the final official statement dated _____, 2011, relating to the Notes.

"*Participating Underwriter*" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

"*Resolution*" shall mean the resolutions authorizing the issuance and sale of the Notes.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Special Counsel*" shall mean Gust Rosenfeld P.L.C. or such other nationally recognized bond counsel as may be selected by the City.

"State Repository" shall mean any public or private repository or entity designated by the State of Arizona as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than February 1 of each year (the "Filing Date"), commencing February 1, 20__, provide electronically to MSRB, in a format prescribed by the MSRB, an Annual Report for the fiscal year ending on the preceding June 30 which is consistent with the requirements of Section 4 of this Disclosure Certificate. Should the City's fiscal year change to something other than July 1 to June 30, then the Annual Report will be provided not later than six (6) months after the end of such fiscal year. Currently, filings are required to be made with EMMA. Notice of any such change in the City's fiscal year will be filed with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

(b) If the City is unable or, for any reason, fails to provide electronically to EMMA an Annual Report by the Filing Date required in subsection (a) above, the City shall promptly send a notice to EMMA in substantially the form attached as Exhibit A not later than such Filing Date.

(c) If the City's audited financial statements are not submitted with the Annual Report and the City fails to provide to EMMA a copy of its audited financial statements within 30 days of receipt thereof by the City, then the City shall promptly send a notice to EMMA in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date(s) for providing the Annual Report and audited financial statements the proper address of EMMA, and

(ii) if the Dissemination Agent is other than the City, file a report or reports with the City certifying that the Annual Report and audited financial statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided.

Section 4. Content of Annual Reports.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in this Section, including the audited financial statements of the City; provided, however, that if the audited financial statements of the City are not available at the time of the filing of the Annual Report, the City shall file unaudited financial statements of the City with the Annual Report and, when the audited financial statements of the City are available, the same shall be submitted to EMMA within 30 days of receipt by the City.

(b) The City's Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Section 4(a) hereof, annual audited financial statements for the City.

(B) Annually updated financial information and operating data of the type contained in the following subsections of the Official Statement:

- (1) Excise Tax Receipts;
- (2) Appendix G – Excise Taxes.

(C) In the event of an amendment pursuant to Section 8 hereof not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The audited annual financial statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles currently followed in the preparation of the City's audited annual financial statements is contained in Note 1 of the audited financial statement included within the Official Statement.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices by the City of the occurrence of any of the following events with respect to the Notes. The City shall in a timely manner, not in excess of ten business days after the occurrence of the event, provide notice of the following events with EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service (the "IRS") of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other events affecting the tax status of the Notes;
- (7) Modifications to rights of Noteholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Note to paragraph (12) above: For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. Such termination shall not terminate the obligation of the City to give notice of such defeasance or prior redemption.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature or status of the City, or the type of business conducted;

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Noteholders, as determined by Special Counsel.

Notice of any amendment to the accounting principles shall be sent within 30 days to EMMA.

Section 9. Filing with EMMA. The City shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with the MSRB in a format prescribed by the MSRB. Currently, filings are required to be made with EMMA.

Section 10. Additional Information. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Noteholder may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Series 2011 Notes or the Trust Agreement.

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Mesa, Arizona
Name of Bond Issue: \$ _____ Highway Project Advancement Notes, Series 2011
Dated Date of
Series 2011 Notes: _____, 2011 CUSIP 59050N ____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Series 2011 Notes as required by Section 3(a) of the Disclosure Certificate dated _____, 2011. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____
City of Mesa, Arizona
By _____
Its _____

EXHIBIT B

NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS

Name of Issuer: City of Mesa, Arizona
Name of Bond Issue: \$ _____ Highway Project Advancement Notes, Series 2011
Dated Date of
Series 2011 Notes: _____, 2011 CUSIP 59050N ____

NOTICE IS HEREBY GIVEN that the Issuer failed to provide its audited financial statements with its Annual Report or, if not then available, within 30 days of receipt as required by Section 4(a) of the Disclosure Certificate dated _____, 2011, with respect to the above-named Series 2011 Notes. The Issuer anticipates that the audited financial statements for the fiscal year ended June 30, ____ will be filed by _____.

Dated: _____
City of Mesa, Arizona
By _____
Its _____

SECOND SUPPLEMENT TO TRUST AGREEMENT

by and between

CITY OF MESA, ARIZONA

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

Dated as of October 1, 2011

Relating to

\$ _____
CITY OF MESA, ARIZONA
HIGHWAY PROJECT ADVANCEMENT NOTES, SERIES 2011

TABLE OF CONTENTS

(This Table of Contents is not a part of the Trust Agreement and is only for convenience of reference.)

	Page
ARTICLE I DEFINITIONS	
Section 1.1	Definitions3
Section 1.5	Authorization5
ARTICLE II THE NOTES	
Section 2.16	Additional Notes, Parity Repayment Notes and Parity 2011 Repayment Notes6
Section 2.24	Authorization of the Series 2011 Notes7
Section 2.25	Date of the Series 2011 Notes8
Section 2.26	Maturity and Interest Rate of the Series 2011 Notes8
Section 2.27	Interest on Series 2011 Notes8
Section 2.28	Form of Series 2011 Notes8
Section 2.29	Execution8
Section 3.20	Application of Proceeds of Series 2011 Notes9
ARTICLE III REDEMPTION OF OBLIGATIONS BEFORE MATURITY	
Section 3.3	Notice of Redemption9
Section 3.6	Optional Redemption of Series 2011 Notes9
ARTICLE IV REVENUES AND FUNDS; PLEDGE	
Section 4.1	Creation of the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund 10
Section 4.2	Payments into the 2009 Payment Fund, Parity Repayment Notes and Parity 2011 Repayment Notes Fund 10
Section 4.3	Use of Moneys in the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund 11
Section 4.21	Limited City Liability 11
Section 4.33	2011 Advancement Fund 11
Section 4.34	Purpose 11
Section 4.35	Payment of Series 2011 Advance 11
Section 4.36	Excess in the 2011 Advancement Fund 11
Section 4.37	Establishment and Application of 2011 Costs of Issuance Fund 12

Section 4.38	Application of 2011 Advancement Fund Investment Earnings.....	12
Section 4.39	City to Pay Deficiency.....	12
Section 4.40	2011 Rebate Fund.....	12
Section 4.41	Pledge of Excise Taxes to Series 2011 Notes.....	15
Section 4.42	Assignment and Pledge of the Construction IGA and 2011 Repayments to the Series 2011 Notes	15
Section 4.43	Protection of Lien on 2011 Repayments; Parity 2011 Repayment Notes	15
Section 4.44	Payment of Series 2011 Notes with Proceeds of the Sale of Refunding Notes	16

**ARTICLE V
MONEYS IN FUNDS; INVESTMENT**

Section 5.9	Allocation of Earnings for the Series 2011 Notes	16
Section 5.10	Tax Covenants for the Series 2011 Notes.....	16

**ARTICLE VI
EVENTS OF DEFAULT AND
REMEDIES OF NOTE OWNERS**

Section 6.1	Trustee's Rights Held in Trust	17
Section 6.2	Events of Default; Remedies Upon Default; No Acceleration.....	17
Section 6.8	Trustee's Rights Held in Trust	18

**ARTICLE VIII
MODIFICATION OR AMENDMENT OF AGREEMENTS**

Section 8.1	Amendments of Trust Agreement Permitted.....	19
Section 8.7	Amendment of IGA or Construction IGA	19
Section 8.8	Discharge of Trust Agreement.....	20

**ARTICLE IX
GENERAL COVENANTS**

Section 9.1	Compliance With and Enforcement of IGA and Construction IGA.....	20
-------------	--	----

**ARTICLE X
LIMITATION OF LIABILITY**

Section 10.1	Limited Liability of the City.....	20
--------------	------------------------------------	----

**ARTICLE XI
MISCELLANEOUS**

Section 11.3	Severability.....	21
--------------	-------------------	----

Section 11.15 Terms and Provisions of Trust Agreement Regarding the Series 2011 Notes21

Section 11.16 Full Force and Effect21

Signatures22

EXHIBIT E - FORM OF SERIES 2011 NOTE
EXHIBIT F - PAYMENT REQUEST FORM

**SECOND SUPPLEMENT TO
TRUST AGREEMENT**

THIS SECOND SUPPLEMENT TO TRUST AGREEMENT, dated as of _____ 1, 2011 (this "Second Supplement"), by and between **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized under the laws of the United States, as trustee (the "Trustee"), and **CITY OF MESA, ARIZONA**, a political subdivision of the State of Arizona (the "City");

W I T N E S S E T H:

WHEREAS, pursuant to Sections 9-500.17, 11-952, and 28-7677, Arizona Revised Statutes, as amended, and City Charter Article I, Section 103, the City has entered into an intergovernmental agreement dated as of September 4, 2009, with the State of Arizona, acting by and through the Arizona Department of Transportation ("ADOT") and the Maricopa Association of Governments ("MAG") (the "IGA") for the acceleration of design and right-of-way acquisition of highway improvements to State Route 24 (formerly State Route 802), between State Route 202L to Ellsworth Road in the City (the "Project"), by advancing funds to ADOT for such purposes (each advance a "City Advance"); and

WHEREAS, in order to fund the first portion of the City Advance, the City issued its \$20,000,000 aggregate principal amount of Highway Advancement Notes, Series 2009 (the "Series 2009 Notes"), pursuant to the Trust Agreement, dated as of November 1, 2009 (the "Trust Agreement"), between the City and the Trustee. In order to fund the remaining portion of the City Advance, the City issued its \$25,000,000 aggregate principal amount of Highway Advancement Notes, Series 2010 (the "Series 2010 Notes"), pursuant to a First Supplement to Trust Agreement, dated as of June 1, 2010; and

WHEREAS, ADOT is obligated to repay the City Advance and any other City Advance (such repayments are referred to herein as the "Repayments") pursuant to Section 28-7677, Arizona Revised Statutes, and the IGA; and

WHEREAS, pursuant to Sections 9-500.17, 11-951 through 11-954, and 28-7677, Arizona Revised Statutes, as amended, and City Charter Article I, Section 103, the City has entered into an intergovernmental agreement dated as of December 13, 2010, with ADOT and MAG for the acceleration of the construction of, the right-of-way acquisition for, and roadway design of State Route 24 between State Route 202L to Ellsworth Road in the City (the "Construction Project"), by advancing funds to ADOT for such purposes (each advance a "Construction City Advance"); and

WHEREAS, the City contemplated issuing two series of Highway Project Advancement Notes to finance the Construction Project; and

WHEREAS, the City Council, upon due consideration and investigation, has found and determined that it is advisable and necessary for the welfare of the City and its citizens

to issue one or more series of Highway Project Advancement Notes to accelerate the Construction Project and advance the funds to ADOT pursuant to the Construction IGA in the principal amount of not to exceed \$148,200,000 for the Construction Project (collectively, such Construction City Advances are referred to herein as the "Series 2011 Advance"); and

WHEREAS, ADOT is obligated to repay the Series 2011 Advance and any other Construction City Advance (such repayments are referred to herein as the "2011 Repayments") pursuant to Section 28-7677, Arizona Revised Statutes, and the Construction IGA; and

WHEREAS, the Construction Project is an eligible highway project as defined in Sections 9-500.17 and 28-7671, Arizona Revised Statutes, as amended; and

WHEREAS, the Construction Project is a highway project as defined in Section 28-7681, Arizona Revised Statutes, as amended; and

WHEREAS, the City is authorized to borrow money to fund the Series 2011 Advance and to pledge certain revenues to the repayment of any such borrowing; and

WHEREAS, for the purpose of obtaining money to be deposited with the Trustee to finance the Series 2011 Advance, the City will issue, sell and deliver Highway Project Advancement Notes, Series 2011 (the "Series 2011 Notes"), in exchange for the moneys required herein to be deposited to finance the Series 2011 Advance; and

WHEREAS, the City will hereby pledge the Excise Taxes to the repayment of principal and interest on the Series 2011 Notes on a parity with the Series 2009 Notes and the Series 2010 Notes and will pledge the 2011 Repayments (but not the 2009/2010 Repayments) to the repayment of principal on the Series 2011 Notes; and

WHEREAS, the City may issue additional Notes pursuant to the Trust Agreement and additional bonds or obligations on a parity with respect to the Excise Taxes or on a parity with the Series 2009 Notes, the Series 2010 Notes and the Series 2011 Notes;

NOW, THEREFORE, in consideration for the Series 2011 Notes executed, delivered and Outstanding under this Second Supplement, for the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Series 2011 Notes by the Owners, and to secure the payment of principal thereof and interest thereon, the rights of the Owners of the Series 2011 Notes and the performance and the observance of the covenants and conditions contained in the Series 2011 Notes, 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 rights, title and interest of the City in and to the 2011 Repayments due the City from ADOT in repayment of the Series 2011 Advance, if, as and when received;

B. All rights, title and interest of the City in and to the Excise Taxes as provided herein, if, as and when received;

C. Any amounts payable by the City pursuant hereto 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 hereunder; and

D. Amounts on deposit from time to time in the funds and accounts created pursuant hereto, subject to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein;

all rights declared in trust by the Trustee to be administered by the Trustee according to the provisions of the Trust Agreement and for the equal and proportionate benefit of the Owners of Series 2011 Notes and other Notes;

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

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the Series 2011 Notes authenticated and delivered hereunder and Outstanding; conditioned, however, that if the City 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, the 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, and, in connection therewith, the parties hereto agrees as follows.

Article I of the Trust Agreement is supplemented by modification of Section 1.1 and the addition of a new Section 1.5:

Section 1.1. Definitions. Section 1.1 of the Trust Agreement is supplemented by the addition or modification of the following definitions:

"Additional Notes" mean Notes that may be issued and delivered under Section 2.16 of this Trust Agreement which are not Parity Repayment Notes or Parity 2011 Repayment Notes.

"Closing Date of the Series 2011 Notes" means the day when the Series 2011 Notes, duly executed by the Trustee, are delivered to the Original Purchaser thereof.

"Completion of the Construction Project" means that (i) 100% of the construction for the SR 24 (SR202L to Ellsworth Road) is completed, (ii) 100% of any necessary design costs not paid as part of the Project is completed, and (iii) any right-of-way acquisition for the SR 24 (SR202L to Ellsworth Road) not part of the Project has been acquired and/or, in the

event of acquisitions by immediate possession and the purchase price for such right-of-way is to be determined and paid at a later date, the retention in the Construction City Advance account of sufficient funds to pay the acquisition costs of all such right-of-way.

"Construction City Advance" means the amount which is advanced by the City to the State to pay for some or all of the Construction Project Costs.

"Construction IGA" means the Intergovernmental Agreement, dated as of December 13, 2010, by and between ADOT, MAG and the City, and any amendment or supplement thereto.

"Construction Project" means the construction of, right-of-way acquisition for, and the roadway design of SR 24 (SR 202L to Ellsworth Road), excluding any portion included and paid as part of the Project.

"Construction Project Costs" means the total aggregate amount of costs related to the construction, utility relocations, design, right-of-way acquisition and all other items associated with, appurtenant and incidental to the Construction Project, excluding any costs included as part of the Project.

"Excise Taxes" means the unrestricted excise, transaction, franchise, privilege and business taxes, state shared sales and income taxes, state shared vehicle license taxes, fees for licenses and permits, fines, forfeitures and state revenue sharing that are validly imposed by the City or contributed, allocated or paid to the City and not earmarked by the contributor or the City for a contrary or inconsistent purpose. Excise Taxes shall not include excise taxes collected and paid to the City under (a) the .25% transaction privilege (sales) and use tax approved by the voters of the City on May 19, 1998 the use of which is restricted to health, safety and other quality of life uses (b) the .30% transaction privilege (sales) and use tax approved by the voters of the City on May 16, 2006 the use of which is restricted to street projects in the City, or (c) any other similar tax restricted as to its use. Excise Taxes shall not include the voter approved (March 10, 2009) allocation of the 3% transient occupancy tax proceeds generated at the Gaylord Hotel and Convention Center site, when built, the use of which will be used for the promotion of tourism in the City.

"Notes" means the Series 2009 Notes, the Series 2010 Notes, the Series 2011 Notes, Parity Repayment Notes, Parity 2011 Repayment Notes and any Additional Notes issued and delivered pursuant to this Trust Agreement.

"Original Purchaser of the Series 2011 Notes" means J.P. Morgan Securities LLC and RBC Capital Markets, LLC, as original purchaser of the Series 2011 Notes.

"Parity 2011 Repayment Notes" means additional Notes payable from a pledge of, and secured by a lien on, the 2011 Repayments and Excise Taxes issued to fund a Construction City Advance pursuant to Section 2.16 or to refund the Series 2011 Notes or prior Parity 2011 Repayment Notes.

"Second Supplement" means the Second Supplement to the Trust Agreement by and between the City and the Trustee dated as of October 1, 2011.

"Series 2011 Advance" means the portion of the Construction City Advance to be made from the proceeds of the Series 2011 Notes in an amount not to exceed \$148,200,000.

"Series 2011 Notes" means City of Mesa, Arizona Highway Project Advancement Notes, Series 2011 issued in the aggregate principal amount of \$_____. Such Series 2011 Notes shall constitute Parity 2011 Repayment Notes but not Parity Repayment Notes.

"Series 2011 Notes Interest Obligation" means the total interest due from time to time on the Series 2011 Notes plus the costs of issuance of the Series 2011 Notes. The City will provide the State and MAG with the debt service information showing the dates and amounts of interest due on the Series 2011 Notes and statements of the costs of issuance.

"Special Counsel" shall mean a firm of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by purchasers of public obligations and who is not an employee of the City or the Trustee.

"Trust Agreement" means the Trust Agreement dated as of November 1, 2009, by and between the City and the Trustee, as supplemented by the First Supplement dated as of June 1, 2010, and this Second Supplement, together with any duly authorized executed amendment thereto.

"2009 City Advance, Parity Repayment Notes and Parity 2011 Repayment Notes Fund" means the account established by the City with the State Treasurer which is invested in the LGIP-GOV and contains the deposits of the Series 2009 Advance, the Series 2010 Advance and the Series 2011 Advance to be used to fund the Project and the Construction Project.

"2011 Advancement Fund" means the fund created in Section 4.33 hereof.

"2011 Costs of Issuance Fund" means the fund created in Section 4.38 hereof.

"2011 Rebate Fund" means the fund created by Article IV hereof.

"2011 Repayments" means amounts paid by ADOT to the City as repayment of any Construction City Advance.

Section 1.5 Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Second Supplement, and has taken all actions necessary to authorize the execution of this Second Supplement by the officers and persons signing it.

Article II of the Trust Agreement is supplemented by the modification of Section 2.16 and the addition of new Sections 2.24, 2.25, 2.26, 2.27, 2.28 and 2.29 to read as follows:

Section 2.16. Additional Notes, Parity Repayment Notes and Parity 2011 Repayment Notes. The City may issue Additional Notes secured as to Excise Taxes on parity with the Series 2009 Notes, the Series 2010 Notes, the Series 2011 Notes, Parity Repayment Notes or Parity 2011 Repayment Notes, only pursuant to the terms and conditions of this Trust Agreement. Before the City shall issue and deliver any Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes, the Trustee shall receive the following items:

(1) A written order of the City as to the delivery of the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes, signed by a City Representative.

(2) An opinion of Special Counsel to the effect that:

(i) the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes, as applicable, to be issued will be valid and legal special obligations in accordance with their terms and (A) will be secured thereunder as to Excise Taxes equally, and on a parity with the Notes at the time Outstanding under the Trust Agreement, and (B) with respect to Parity Repayment Notes, will be secured thereunder as to Repayments, equally and on a parity with the Outstanding Series 2009 Notes, Series 2010 Notes and Parity Repayment Notes, and (C) with respect to Parity 2011 Repayment Notes, will be secured thereunder as to 2011 Repayments, equally and on a parity with the Outstanding Series 2011 Notes and Parity 2011 Repayment Notes, and

(ii) the execution and delivery of the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes will not result in the interest of any Notes becoming included in gross income for federal income tax purposes and that the issuance of the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes will not result in the loss of exemption from the registration requirements under the Securities Act of 1933, as amended, of the Notes outstanding under this Trust Agreement.

(3) A duly executed counterpart of a new trust agreement or a supplement to this Trust Agreement providing terms and provisions of the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes and the provisions for the execution and delivery of the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes; and

(4) A certificate of the City Representative to the effect that:

(i) the Excise Taxes received by the City in the next preceding Fiscal Year shall have amounted to at least two (2) times the highest combined Debt Service requirements for any succeeding Fiscal Year for amounts payable on any Outstanding Notes and Parity Obligations, including the Additional Notes, Parity

Repayment Notes or Parity 2011 Repayment Notes so proposed to be secured by a pledge of the same Excise Taxes;

(ii) with respect to Parity Repayment Notes, that the proceeds of such Parity 2011 Repayment Notes will be used to make a City Advance pursuant to the IGA, or to pay costs of issuance with respect to such Parity Repayment Notes or to refund the Series 2009 Notes, the Series 2010 Notes or Parity Repayment Notes,

(iii) with respect to Parity 2011 Repayment Notes, that the proceeds of such Parity 2011 Repayment Notes will be used to make a Construction City Advance pursuant to the Construction IGA, or to pay costs of issuance with respect to such Parity 2011 Repayment Notes or to refund the Series 2011 Notes or Parity 2011 Repayment Notes, and

(iv) the Project or Construction Project or the additional projects being financed with such Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes qualify as an eligible highway project as defined in A.R.S. Sections 9-500.17 and 28-7671, as amended, and a highway project as defined in A.R.S. Section 28-7681, as amended.

Issuance of any Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes is conditioned on no Event of Default having occurred and continuing hereunder.

When (i) the documents listed above have been received by the Trustee, and (ii) the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes have been executed by the City, the Trustee shall authenticate and deliver the Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes to or on the order of the purchaser thereof, but only upon payment to the Trustee of the specified amount set forth in the order to which reference is made in paragraph 1 above.

Section 2.24. Authorization of the Series 2011 Notes. The City shall issue, sell and deliver to the Original Purchaser of the Series 2011 Notes, Series 2011 Notes in one or more series in an aggregate principal amount of \$148,200,000. The Trustee is hereby authorized and directed to authenticate the Series 2011 Notes.

The Series 2011 Notes shall in no event be deemed an obligation or debt of the Trustee.

Section 2.25. Date of the Series 2011 Notes. Each Series 2011 Note shall be dated the date of initial issuance and delivery to the Original Purchaser of the Series 2011 Notes. Interest with respect to the Series 2011 Notes 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 Notes.

Section 2.26. Maturity and Interest Rate of the Series 2011 Notes. The Series 2011 Notes shall be in Authorized Denominations, except that no Series 2011 Note may have principal maturing in more than one year. The Series 2011 Notes shall mature on the date and in the principal amount, and interest with respect thereto shall be computed at the rates, as shown below:

Series 2011 Notes

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rates</u>
2017	\$18,000,000	
2018	19,000,000	
2019	20,000,000	
2020	21,000,000	
2021	22,000,000	

Section 2.27. Interest on Series 2011 Notes. Interest on the Series 2011 Notes shall be payable semiannually on January 1 and July 1 of each year commencing July 1, 2012, to and including the date of maturity or prior redemption. Said interest shall represent the portion of payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Series 2011 Notes.

Section 2.28. Form of Series 2011 Notes. The Series 2011 Notes shall be in fully registered certificated form. The fully registered book-entry-only form of the Series 2011 Notes shall be substantially in the form set forth in Exhibit E, attached hereto and incorporated herein. If the Book Entry Only System is discontinued, the Series 2011 Notes shall be in substantially the same form with such changes as may be necessary to provide for issuance of the Series 2011 Notes to the beneficial owners thereof.

Section 2.29. Execution.

(a) All Series 2011 Notes shall be executed for and on behalf of the City by the Mayor of the City and attested by the Clerk of the City by their manual signatures. If any officer whose signature appears on any Series 2011 Note no longer holds that office before the date of initial issuance of the Series 2011 Notes, or was not an authorized officer on the nominal date of the Series 2011 Notes, such signature shall nevertheless be effective.

(b) A Series 2011 Note shall not be valid or binding until authenticated by the manual signature of an authorized officer of the Trustee. The signature shall be conclusive evidence that the Series 2011 Note has been authenticated and issued under this Trust Agreement.

Section 2.30. Application of Proceeds of Series 2011 Notes. The proceeds received by the Trustee from the sale of the Series 2011 Notes shall forthwith be set aside by the Trustee in the following respective funds and in the following order of priority:

(1) The Trustee shall deposit the amount of \$_____ to the 2011 Costs of Issuance Fund; and

(2) The Trustee shall deposit the amount of \$_____ to the 2011 Advancement Fund.

(3) The Trustee shall deposit the amount of \$_____ to the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund.

Article III of the Trust Agreement is supplemented by the addition of a new Section 3.3(e) and the addition of a new Section 3.6 to read as follows:

Section 3.3. Notice of Redemption.

(e) The Trustee shall cause notice of any redemption of Series 2011 Notes hereunder, other than redemption at maturity, to be (A) transmitted Electronically to the Depository and to one or more national information services such as Financial Information, Inc.'s Financial Daily Called Bond Service, Kenny Information Service's Called Bond Service and Moody's Investors Service, Inc. Municipal and Government, or (B) if the Book-Entry-Only-System is discontinued, mailed to the Owners of all Series 2011 Notes to be redeemed at the registered addresses appearing in the Register kept for such purpose pursuant to Section 2.13 hereof. Each such notice shall (1) be sent no more than 60 nor fewer than 30 calendar days prior to the redemption date, (2) identify the Series 2011 Notes to be redeemed (specifying the CUSIP numbers, if any, assigned to the Series 2011 Notes), (3) set forth the name, address and telephone number of the person from whom information pertaining to the redemption may be obtained, and (4) state that on the redemption date the Series 2011 Notes called for redemption will be payable at the Designated Office of the Trustee, that from that date interest will cease to accrue, that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Series 2011 Notes. No defect affecting any Series 2011 Note, whether in the notice of redemption or the delivery thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Series 2011 Notes.

Section 3.6. Optional Redemption of Series 2011 Notes. The Series 2011 Notes are subject to call for redemption prior to maturity, at the option of the City, in whole or in part, on July 1, 2015, or on any date thereafter, by the payment of a redemption price equal to the principal amount of the Series 2011 Notes called for redemption plus accrued interest to the date of redemption, but without premium.

Article IV of the Trust Agreement is supplemented by the modification of Sections 4.1, 4.2, 4.3, 4.21 and 4.22 and the addition of new Sections 4.33, 4.34, 4.35, 4.36, 4.37, 4.38, 4.39, 4.40, 4.41, 4.42, 4.43 and 4.44 to read as follows:

Section 4.1 Creation of the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund. There is hereby created and established with the Trustee a trust fund called the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund, which shall be used to pay when due the principal of, premium, if any, and interest on the Series 2009 Notes, Series 2010 Notes, any outstanding Parity Repayment Notes, the Series 2011 Notes and any outstanding Parity 2011 Repayment Notes. Within the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund there is hereby created and established trust accounts, to be designated the "General Account," the "Excise Tax Account," and the "Highway Project Repayment Account." Unless otherwise specified, all moneys received by the Trustee for deposit into the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund shall be created to the General Account. Any reference herein to the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Fund without further qualification or explanation shall, unless the context indicates otherwise, constitute a reference to the General Account.

The Trustee is hereby authorized to create subaccounts in the Highway Project Repayment Account, one for the Repayments and the other for the 2011 Repayments. The subaccounts are created to segregate the Repayments and the 2011 Repayments. The Repayments shall only secure the Series 2009 Notes, Series 2010 Notes and any Parity Repayment Notes. The 2011 Repayments shall only secure the Series 2011 Notes and any Parity 2011 Repayment Notes. Repayments shall be deposited into the Repayment subaccount and applied to pay principal and interest on the Series 2009 Notes, the Series 2010 Notes and any Parity Repayment Notes. All 2011 Repayments shall be deposited into the 2011 Repayment subaccount and applied to pay principal and interest on the Series 2011 Notes and any Parity 2011 Repayment Notes.

Section 4.2. Payments into the 2009 Payment Fund, Parity Repayment Notes and Parity 2011 Repayment Notes Fund. There shall be deposited into the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund from time to time the following:

- (a) in the Highway Project Repayment Account moneys received by the Trustee as Repayments into the Repayment subaccount and as 2011 Repayments into the 2011 Repayment subaccount;
- (b) in the Excise Tax Account moneys received by the Trustee from the City for the payment of principal, interest and premium on the Notes; and
- (c) in the General Account, all other moneys received by the Trustee under and pursuant to any of the provisions hereof which are required to be or which are accompanied by directions that such moneys are to be paid into the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund.

Section 4.3. Use of Moneys in the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund. Except as provided herein regarding the use of the Repayments and 2011 Repayments, moneys in the various accounts of the 2009 Payment, Parity

Repayment Notes and Parity 2011 Repayment Notes Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Series 2009 Notes, the Series 2010 Notes, Parity Repayment Notes, Series 2011 Notes and Parity 2011 Payment Notes and for the redemption of the Series 2009 Notes, the Series 2010 Notes, any Parity Repayment Notes, Series 2011 Notes and any Parity 2011 Repayment Notes prior to maturity.

Section 4.21. Limited City Liability. The City's obligation to make payments of any amounts due hereunder, including amounts due after default or termination hereof, is limited to payment from the Excise Taxes and the Repayments or 2011 Repayments, as applicable, and shall in no circumstances constitute a general obligation of, or a pledge of the full faith and credit of, the City, the State, or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem taxes.

Section 4.20. Protection of Lien on Repayments; Parity Repayment Notes. The Trustee and the City will not 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 in the Repayments granted hereby or any part thereof. The Trustee and the City will not issue any obligations the payment of which is secured by an equal claim on or interest in the Repayments pledged hereunder except in lieu of, or upon transfer of registration or exchange of, any Series 2009 Notes or Series 2010 Notes as provided herein and except for Parity Repayment Notes. The City reserves the right to issue Parity Repayment Notes secured on a parity with the Series 2009 Notes, Series 2010 Notes and all Parity Obligations with respect to the lien of Excise Taxes and secured also by the Repayments, for the purpose of funding additional City Advances or to refund outstanding Series 2009 Notes, Series 2010 Notes or Parity Repayment Notes, and to pay the costs of issuance with respect to such Parity Repayment Notes; but no such additional Parity Repayment Notes shall be issued unless all of the conditions set forth in Section 2.16 are met.

Section 4.33. 2011 Advancement Fund. The Trustee shall establish a special trust fund designated as the "Mesa 2011 HPAN Advancement Fund" (hereinafter referred to as the "2011 Advancement Fund"); shall keep the 2011 Advancement Fund separate and apart from all other funds and moneys held by it; and shall administer the 2011 Advancement Fund as provided in this Second Supplement Agreement. On _____, 2011, the Trustee shall wire the funds in the 2011 Advancement Fund to the State Treasurer's office. The State Treasurer will deposit such funds into a LGIP-GOV account and the State will withdraw the funds as necessary to pay the Construction Project Costs.

Section 4.34. Purpose. Except as provided in Section 4.33, moneys in the 2011 Advancement Fund shall be expended only for the Series 2011 Advance to accelerate the Construction Project.

Section 4.35. Payment of Series 2011 Advance.

(a) **Payee.** The Series 2011 Advance will be paid directly to ADOT or a party designated by the City to receive the Series 2011 Advance pursuant to the Construction IGA for ADOT's benefit.

(b) **ADOT to Complete the Construction Project.** Pursuant to the Construction IGA and subject to the terms and conditions thereof, the City will pay the Series 2011 Advance to, or as directed by ADOT, to provide the funds necessary for ADOT to cause the Construction Project to be completed. The Trustee shall bear no liability or responsibility for the acts or omissions of the City or ADOT or MAG hereunder or under the Construction IGA, or in connection within the Construction Project.

Section 4.36. Excess in the 2011 Advancement Fund. If, at any time, ADOT notifies the City that no more advances are required for Completion of the Construction Project, and the City determines, and notifies the Trustee, that no additions or modifications of the Construction Project will be made which would require additional advances to be made, all remaining moneys, including any investment earnings on such moneys (hereinafter referred to as "Excess Proceeds") in the 2011 Advancement Fund shall be transferred to the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund and applied by the Trustee to pay any Series 2011 Notes Interest Obligation and if all such interest has been paid, upon written direction of the City, to such other account or fund established by ADOT or the City for the construction of the Construction Project. In the event all interest is paid and no written direction from the City is received, then the remaining Excess Proceeds shall be applied to the redemption of the Series 2011 Notes at the earliest practicable date.

Section 4.37. Establishment and Application of 2011 Costs of Issuance Fund.

(a) **Establishment.** The Trustee shall establish a special trust fund designated as the "Mesa 2011 HPAN Costs of Issuance Fund" (hereinafter referred to as the "2011 Costs of Issuance Fund"), shall keep the 2011 Costs of Issuance Fund separate and apart from all other funds and moneys held by it, and shall administer the 2011 Costs of Issuance Fund as provided in this Article IV.

(b) **Disbursement.** Amounts in the 2011 Costs of Issuance Fund shall be disbursed for Issuance Costs. Disbursements from the 2011 Costs of Issuance Fund shall be made by the Trustee upon receipt of a certificate requesting disbursement executed or approved by the City Representative in substantially the form attached hereto as Exhibit F. Each such certificate shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Costs of Issuance and the person or persons to whom said amounts are to be disbursed.

(c) **Final Transfer and Closing.** On the earlier of April 1, 2012, or when all Issuance Costs associated with the Series 2011 Notes have been paid (as shown by a certificate of a City Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the 2011 Costs of Issuance Fund to the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund or as directed by the City, and the 2011 Costs of Issuance Fund shall be closed.

Section 4.38. Application of 2011 Advancement Fund Investment Earnings. The Trustee shall transfer, on or before each Payment Date, any investment earnings on the moneys on hand in the 2011 Advancement Fund (i) to the 2011 Advancement Fund to be

used for Series 2011 Advance or (ii) if directed by the City Representative, to the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund.

Section 4.39. City to Pay Deficiency. Should any shortfall or deficiency occur in either the 2011 Costs of Issuance Fund or the 2011 Advancement Fund, the City shall pay such amounts to the Trustee.

Section 4.40. 2011 Rebate Fund. In the event the City is required to rebate any earnings and profits from the investment of the Series 2011 Notes, the Trustee shall establish, as a separate deposit account in the custody of the Trustee, a fund to be designated as the "Mesa 2011 HPAN Rebate Fund" (hereinafter referred to as the "2011 Rebate Fund"). Money and investments in the 2011 Rebate Fund shall not be used for the payment of debt service on the Notes and any provision hereof to the contrary notwithstanding, amounts credited to the 2011 Rebate Fund shall be free and clear of any lien hereunder. Moneys and investments in the 2011 Rebate Fund are not included within the trust estate executed in the granting clauses hereof and shall be invested pursuant to the procedures and in the manner provided for investment of moneys in the Funds.

Unless otherwise provided in Subsequent Rebate Instructions (defined below), promptly after the end of every fifth Fiscal Year and promptly after the payment in full of all Outstanding Notes, the City shall engage, and furnish information to, the Rebate Consultant to calculate the Rebate Amount as of the end of every fifth Fiscal Year or the date of such payment in full and shall provide to the Trustee copies of such calculations. Upon the occurrence of an Event of Default and at the request of the Trustee, the Rebate Consultant shall calculate the Rebate Amount as of the date requested by the Trustee and provide such calculation to the Trustee on or before the date so requested. Whenever there is a rebate calculation and the Rebate Consultant provides the calculation to the Trustee, the Trustee shall then notify the City Representative in writing of the amount then on deposit in the applicable account in the 2011 Rebate Fund.

If the Rebate Consultant fails to make the calculation of Rebate Amount by the 30th day after the end of every fifth Fiscal Year or the date of payment in full of the Notes, the Trustee shall retain an independent certified public accounting firm or other qualified independent person, at the expense of the City, to make or cause to be made such calculation and shall provide copies of such calculations to the City.

The City is obligated to pay the Rebate Amount to the Trustee which will be deposited by the Trustee into the Rebate Fund. If the amount then on deposit in the 2011 Rebate Fund is in excess of the Rebate Amount as computed by the Rebate Consultant, the Trustee shall forthwith pay that excess amount to the City. If the amount then on deposit in the 2011 Rebate Fund is less than the Rebate Amount (computed by taking into account the amount or amounts, if any, previously paid to the United States pursuant to this Section), the City shall, within five days after receipt of the aforesaid notice from the Trustee, pay to the Trustee from Excise Taxes or other funds legally available therefor, for deposit in the 2011 Rebate Fund an amount sufficient to cause the 2011 Rebate Fund to contain an amount equal to the Rebate Amount.

If at any time the Trustee is required to retain or pay a Rebate Consultant, then the Trustee, after delivering to the City a demand for payment of an amount sufficient to pay the Rebate Consultant, shall withdraw from any fund established hereunder, such amount as may be needed to pay the Rebate Consultant. If at any time when the Trustee is required to withdraw money from the 2011 Rebate Fund to make a payment to the United States of America the amount held by the Trustee in the 2011 Rebate Fund is insufficient to permit such withdrawal and payment, then the Trustee, after delivering a demand for such deficiency to the City, shall withdraw from any fund established hereunder and transfer the amount so withdrawn in each case to the 2011 Rebate Fund in such amounts as may be to make the amount in the 2011 Rebate Fund, after such transfers, equal to the amount required to be withdrawn and paid to the United States of America.

This Section shall supersede all other sections of this Trust Agreement, to the end that the interest on the Notes shall not be included in gross income for federal income tax purposes as a result of the inadequacy at any time of the 2011 Rebate Fund, unless the total amount held by the Trustee in all Funds established hereunder is insufficient, and no money for such purpose is provided by City.

Within sixty (60) days after the end of the fifth Fiscal Year and every fifth succeeding Fiscal Year thereafter, the Trustee, acting on behalf of the City, shall pay to the United States in accordance with Section 148(f) of the Code from the moneys then on deposit in the 2011 Rebate Fund an amount equal to 90% (or such greater percentage not in excess of 100% as the City may direct the Trustee to pay) of the Rebate Amount (such Rebate Amount to be notified to the Trustee by the City or the Rebate Consultant) earned from the date of the original delivery of the Notes to the end of such fifth Fiscal Year including income attributable to Rebate Amount during the final payment period (as defined in applicable Regulations under the Code).

Within 60 days after the payment in full of all Outstanding Notes, the Trustee shall pay to the United States in accordance with Section 148(f) of the Code from the moneys then on deposit in the Rebate Fund an amount equal to 100% of the Rebate Amount earned from the date of the original delivery of the Notes to the date of such payment. Any moneys remaining in the 2011 Rebate Fund following such payment shall be paid to the City.

The City and the Trustee shall comply with any written instructions relating to this Section 4.40 furnished after the issuance of the Notes from the City and accompanied by an opinion of nationally recognized bond counsel addressed to the City and the Trustee to the effect that compliance with such instructions will not adversely affect any exclusion of interest on any of the Notes from gross income for federal income tax purposes (the "Subsequent Rebate Instructions"), even if such Instructions are different from or inconsistent with this Section. The City and the Trustee shall be entitled to rely conclusively on the calculations made pursuant to this Section and any Subsequent Rebate Instructions and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations.

The Trustee shall obtain and keep records of the computations made pursuant to this Section and all original source documents and other information necessary to, or from, such computations for a period ending six years after the last of the Notes is retired, or such later date as required by its policies and procedures.

The Trustee shall keep and make available to the City such records concerning the investments of the gross proceeds of the Notes and the investments of earnings from those investments as may be required by the Rebate Consultant in order to enable the Rebate Consultant to make the aforesaid computations as are required under Section 148(f) of the Code. The City shall obtain and keep such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code.

The Trustee shall establish in the 2011 Rebate Fund and any other Fund such accounts and subaccounts as it is instructed by the City in order to assist it in determining applicable accounting for tax purposes and recordkeeping activities in connection therewith.

All computations and determinations pursuant to this Section shall be made in accordance with Section 148(f) of the Code.

Section 4.41. Pledge of Excise Taxes to Series 2011 Notes. The Series 2011 Notes are secured by a lien on and pledge of the Excise Taxes as set forth in Section 4.15 of the Trust Agreement.

Section 4.42. Assignment and Pledge of the Construction IGA and 2011 Repayments to the Series 2011 Notes. The City hereby further pledges to the payment of the principal amount of the Series 2011 Notes and of any Parity 2011 Repayment Notes issued to fund a Construction City Advance, when due, the 2011 Repayments if, as and when received from ADOT. Said pledge of and said lien on the 2011 Repayments is hereby irrevocably made and created for the prompt and punctual application to payment of the principal amount of the Series 2011 Notes and of any Parity 2011 Repayment Notes according to the terms of this Trust Agreement. All Series 2011 Notes and any Parity 2011 Repayment Notes are co-equal as to the pledge of and lien on the 2011 Repayments pledged for the payment thereof and share ratably without preference, priority or distinction as to the source or method of payment from Repayments or security therefor. The City assigns and pledges to the Trustee, for the benefit of the owners of the Series 2011 Notes and any Parity 2011 Repayment Notes, all of the City's rights to receive 2011 Repayments. The City shall direct ADOT to make 2011 Repayments directly to the City or as otherwise provided in the Trust Agreement.

Amounts received as 2011 Repayments by the Trustee shall be held in trust in the Highway Project Repayment Account in the 2011 Repayments subaccount of the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund and used to pay the principal amount necessary to redeem Series 2011 Notes and any Parity 2011 Repayment Notes pursuant to the provisions for optional redemption under the Trust Agreement on the first date for which notice of redemption may be properly given. 2011 Repayments received shall be applied, pro rata, to the principal amount of Series 2011 Notes and any Parity 2011 Repayment Notes.

Section 4.43. Protection of Lien on 2011 Repayments; Parity 2011 Repayment Notes. The Trustee and the City will not 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 in the 2011 Repayments granted hereby or any part thereof. The Trustee and the City will not issue any obligations the payment of which is secured by an equal claim on or interest in the 2011 Repayments pledged hereunder except in lieu of, or upon transfer of registration or exchange of, any Series 2011 Notes as provided herein and except for Parity 2011 Repayment Notes. The City reserves the right to issue Parity 2011 Repayment Notes secured on a parity with the Series 2011 Notes and all Parity 2011 Repayment Notes with respect to the lien of Excise Taxes and secured also by the Repayments, for the purpose of funding additional Construction City Advances or to refund outstanding Series 2011 Notes or Parity 2011 Repayment Notes, and to pay the costs of issuance with respect to such Parity 2011 Repayment Notes; but no such additional Parity 2011 Repayment Notes shall be issued unless all of the conditions set forth in Section 2.16 are met.

Section 4.44. Payment of Series 2011 Notes with Proceeds of the Sale of Refunding Notes. The principal of and interest on the Series 2011 Notes may be paid from the proceeds of the sale of refunding obligations if, in the opinion of nationally recognized counsel experienced in bankruptcy matters, which opinion shall be satisfactory to the rating agency (if any) then providing the rating borne by the Series 2011 Notes, the application of such refunding proceeds will not constitute a voidable preference in the event of the occurrence of an Act of Bankruptcy.

Article V of the Trust Agreement is supplemented by the addition of Sections 5.9 and 5.10 to read as follows:

Section 5.9. Allocation of Earnings for the Series 2011 Notes. Except as otherwise provided herein, 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. At the direction of the City, any such income, profit or interest shall be transferred to the 2011 Rebate Fund.

Section 5.10. Tax Covenants for the Series 2011 Notes. In consideration of the purchase by the Owners, from time to time, and in consideration of retaining the exclusion of interest income from gross income on the Series 2011 Notes for federal income tax purposes, the City covenants with the Trustee and the Owners 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 Series 2011 Notes to become subject to inclusion in gross income for federal income tax purposes under such laws as they may be modified or amended or tax laws later adopted.

The City 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 Notes 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 bond counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Notes, 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 Notes; and limiting the use of the proceeds of the Notes and property financed thereby.

Article VI of the Trust Agreement is modified and supplemented by the modification of Sections 6.1 and 6.2 and the addition of Section 6.8 to reads as follows:

Section 6.1. Trustee's Rights Held in Trust.

a. As provided herein, the Trustee holds in trust hereunder all of its rights as assignee of the City in and to the IGA, including without limitation all of its rights to exercise such rights and remedies conferred on it pursuant hereto as may be necessary or convenient to collect the Repayments and any amounts required to be deposited by the City in the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund and enforcement of the pledge of the Excise Taxes for the payment of the Notes.

b. As provided herein, the Trustee holds in trust hereunder all of its rights as assignee of the City in and to the Construction IGA, including without limitation all of its rights to exercise such rights and remedies conferred on it pursuant hereto as may be necessary or convenient to collect the 2011 Repayments and any amounts required to be deposited by the City in the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund and enforcement of the pledge of the Excise Taxes for the payment of the Notes.

Section 6.2 Events of Default; Remedies Upon Default; No Acceleration.

(a) **Breach.** Upon:

(i) the nonpayment of the whole or any part of any principal, interest or premium of the Series 2009 Notes, Series 2010 Notes, Parity Repayment Notes, Series 2011 Notes or Parity 2011 Repayment Notes at the time when the same is to be paid as provided in the Trust Agreement,

(ii) the violation by the City of any other covenant or provision of the IGA, Construction IGA or this Trust Agreement,

(iii) the nonpayment of installment payments under any other Parity Obligations, or the occurrence of an event of default with respect to any other Parity Obligations, or

(iv) the insolvency or bankruptcy of the City as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of the City or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization,

then in each such case, an Event of Default shall have occurred under this Trust Agreement.

(b) **Opportunity to Cure.** If such default has not been cured:

(i) in the case of nonpayment of any principal, interest or premium due hereunder or the nonpayment of installment payments under any other Parity Obligations, on their respective due dates,

(ii) in the case of the breach of any other covenant or provision of this Trust Agreement, the IGA or the Construction IGA within sixty (60) days after notice in writing from the Trustee specifying such default, and

(iii) with respect to any other default with respect to Parity Obligations other than the Notes, upon the giving of applicable notice and passage of time required thereunder.

(c) **Remedies.** Then the Trustee may

(i) take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable by the City hereunder or due the City under the IGA or Construction IGA and assigned to the Trustee, then due and thereafter to become due, or to enforce performance and observance of any pledge, obligation, agreement, or covenant of the City under this Trust Agreement or the IGA or the Construction IGA,

(ii) upon the bringing of a suit to collect amounts in default, may as a matter of right, without notice and without giving bond to the City or anyone claiming under the City, have a receiver appointed of all the Excise Taxes and the Repayments or 2011 Repayments, as applicable, which are so pledged for the payment of amounts due hereunder, with such powers as the court making such appointment shall confer; and the City does hereby irrevocably consent to such appointment,

(iii) pursue any other remedy at law or in equity, including the remedy of specific performance.

Section 6.8 Trustee's Rights Held in Trust. As provided herein, the Trustee holds in trust hereunder all of its rights as assignee of the City in and to the Construction IGA, including without limitation all of its rights to exercise such rights and remedies conferred on it pursuant hereto as may be necessary or convenient to collect the 2011 Repayments and any

amounts required to be deposited by the City in the 2009 Payment, Parity Repayment Notes and Parity 2011 Repayment Notes Fund and enforcement of the pledge of the Excise Taxes for the payment of the Notes.

Article VII of the Trust Agreement is hereby supplemented by the modification of Section 7.4 to read as follows:

Section 7.4. Protection and Rights of the Trustee. The Trustee shall be fully 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 of this Trust Agreement, 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 Note or to take any action at his request unless such Note shall be deposited with the Trustee and satisfactory evidence of the ownership of such Note shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the City, 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 City Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement 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 Notes 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 City 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 Notes, whether or not such committee shall represent the Owners of the majority in principal amount of the Notes then Outstanding.

The recitals, statements and representations by the City contained in this Trust Agreement or in the Notes shall be taken and construed as made by and on the part of the City 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 under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or gross negligence.

No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties hereunder or of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

The Trustee shall not be accountable for the use or application by the City or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Trust Agreement, including for the existence, furnishing or use of the Project.

Notwithstanding any provision in this Trust Agreement, the IGA or the Construction IGA 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 6.2(a)(i) hereof, unless a Responsible Officer of the Trustee has actual notice thereof or is specifically notified in writing of such default by the City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Notes 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 other than its gross negligence or willful misconduct.

The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Notes. 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 other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises. The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force

majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

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 Notes 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 Agreement.

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 Notes 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 misconduct in connection with any action so taken.

The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

The Trustee agrees to accept and act upon instructions or directions pursuant to this 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 City 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 City 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 VIII of the Trust Agreement is hereby supplemented by the modification of Sections 8.1, 8.7 and 8.8 to read as follows:

Section 8.1. Amendments of Trust Agreement Permitted. This Trust Agreement and the rights and obligations of the Owners of the Notes, 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 Notes then Outstanding, exclusive of Notes disqualified as provided in Section 8.3 hereof, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Note or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon redemption thereof, without the express consent of the Owner of such Note, or (2) 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 8.2 hereof.

This Trust Agreement and the rights and obligations of the Owners of the Notes, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners but only (1) to provide for additions or modifications to the Project or Construction Project, (2) 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 (for its own behalf) or the City, (3) to cure, correct or supplement any ambiguous or defective provision contained herein, (4) with respect to rating matters, (5) to provide for the execution and delivery of Additional Notes, Parity Repayment Notes or Parity 2011 Repayment Notes pursuant to Section 2.16 hereof, or to allow for the issuance of Parity Obligations pursuant to Section 2.17 hereof; or (6) in regard to questions arising hereunder, 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 Notes. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto as the case may be. The Trustee may rely upon an opinion of nationally recognized bond counsel as conclusive evidence that any such supplemental agreement complies with this Section 8.1 and does not materially adversely affect the interests of the Owners of the Notes.

Section 8.7. Amendment of IGA or Construction IGA.

a. The City may enter into any amendment of the IGA with ADOT and MAG without the consent of the Trustee or any Owner provided that such amendment does not reduce the aggregate amount of remaining Repayments due from ADOT to less than the aggregate of City Advances made from proceeds of the Notes and not previously repaid to the Trustee. The City may enter into any amendment which does reduce the aggregate amount of remaining Repayments due from ADOT to less than the aggregate City Advances made from proceeds of the Notes and not previously prepaid to the Trustee.

b. The City may enter into any amendment of the Construction IGA with ADOT and MAG without the consent of the Trustee or any Owner provided that such amendment does not reduce the aggregate amount of remaining 2011 Repayments due from ADOT to less than the aggregate of Construction City Advances made from proceeds of the Notes and not previously repaid to the Trustee. The City may enter into any amendment which does reduce the aggregate amount of remaining 2011 Repayments due from ADOT to less than the aggregate Construction City Advances made from proceeds of the Notes and not previously prepaid to the Trustee.

Section 8.8. Discharge of Trust Agreement. If the City shall pay or cause to be paid, in accordance with the provisions of this Trust Agreement, to the Owners of the Notes, the principal of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein, and if the City shall not then be in default in any of the other covenants and promises in the Notes and in this Trust Agreement expressed as to be kept, performed and observed by it or on its part, and if the City shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void (except for the Trustee's right under Section 10.3 hereof), whereupon the Trustee shall cancel and discharge the lien of this Trust Agreement, and execute and deliver to the City such instruments in writing as shall be requisite to release the lien hereof and reconvey, release, assign and deliver unto the City any and all of the estate, right, title and interest in and to any and all rights or property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Trust Agreement, except amounts in the 2009 Rebate Fund, 2010 Rebate Fund and 2011 Rebate Fund, as applicable, required to be paid to the United States.

Article IX of the Trust Agreement is supplemented by the modification of Section 9.1 to read as follows:

Section 9.1 Compliance With and Enforcement of IGA and Construction IGA. The City covenants and agrees with the Owners of the Notes to perform all obligations and duties imposed on it under the IGA and the Construction IGA.

The City 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 IGA or the Construction IGA. The City, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting its rights under the IGA or the Construction IGA, which may or can in any manner affect such rights of the City or the Trustee, will deliver the same, or a copy thereof, to the Trustee.

The City will take all action necessary to enforce the rights of the City under the IGA or the Construction IGA, including the collection of amounts paid thereunder by ADOT.

Article X of the Trust Agreement is supplemented by the modification of Section 10.1 to read as follows:

Section 10.1. Limited Liability of the City. Except for the payment from Excise Taxes of the principal, interest and premium when due and the payment from Repayments or 2011 Repayments, as applicable, of the principal when due, all in accordance herewith and the performance of the other covenants and agreements of the City contained herein and in the IGA or the Construction IGA, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Notes with respect to this Trust Agreement or the IGA or the Construction IGA, or the terms, execution, delivery or transfer of the Notes, or the distribution of payments to the Owners by the Trustee.

Article XI of the Trust Agreement is supplemented by the modification of Section 11.3 and the addition of Sections 11.15 and 11.16 to read as follows:

Section 11.3. Severability. If any term or provision of this Trust Agreement the First Supplement or this Second Supplement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 11.15. Terms and Provisions of Trust Agreement Regarding the Series 2011 Notes. Except as modified herein, the terms and provisions of the Trust Agreement shall apply to the Series 2011 Notes as Notes and Parity Obligations, as applicable.

Section 11.16. Full Force and Effect. Notwithstanding the Second Supplement, all warranties, representations and indemnities and other covenants, promises and agreements contained in the Trust Agreement and the First Supplement shall stay in full force and effect as if herein specifically stated except as otherwise modified by the Second Supplement.

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

CITY OF MESA, ARIZONA

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Clerk

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Its: _____

EXHIBIT E

FORM OF SERIES 2011 NOTE

Unless this Note is presented by an authorized representative of DTC to the Trustee for registration of transfer, exchange, or payment, with respect to any Note issued that is registered in the name of CEDE & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to CEDE & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, CEDE & Co., has an interest herein.

No. _____

MESA, ARIZONA

HIGHWAY PROJECT ADVANCEMENT NOTES, SERIES 2011

<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>	<u>INTEREST RATE</u>
	_____, 2011	_____	_____%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ (\$ _____)

Mesa, Arizona (the "City") will pay to the registered owner of this Series 2011 Note, subject to the terms of the Trust Agreement dated as of November 1, 2009, by and between the City and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the Second Supplement to the Trust Agreement dated as of June 1, 2010 and further supplemented by the Second Supplement to Trust Agreement dated as of _____, 2011 (collectively the "Trust Agreement"), on the maturity date set forth above or sooner as provided below, the principal amount set forth above (the "Principal"), and on each Interest Payment Date, as described below, until payment in full of said portion of principal, the interest coming due (the "Interest") during the period commencing on the last date on which Interest was paid and ending on the day prior to the Interest Payment Date or, if no Interest has been paid, from the Date of Original Issuance specified above. Interest is calculated based on the application to the Principal of the interest rate or rates per annum applicable during such period as described below.

Principal, Interest and premium, if any, on this Series 2011 Note are payable by wire transfer on the date due in immediately available funds to CEDE & CO. as nominee of the Depository Trust Company ("DTC" and, together with any successor thereto, the Securities Depository), acting as Securities Depository under the Book-Entry System operated by DTC.

The Series 2011 Notes are issuable only as fully registered notes in the denominations authorized for the particular rate periods described below and, except as hereinafter provided, in printed or typewritten form, registered in the name of CEDE & CO. as nominee of DTC, which shall be considered to be the registered owner for all purposes of the Trust Agreement, including, without limitation, payment of debt service and purchase price, and receipt of notices and exercise of rights by registered owners. There shall be a

single Series 2011 Note for each maturity which shall be immobilized in the custody of DTC with the beneficial owners having no right to receive Series 2011 Notes in the form of physical securities or certificates. Ownership of beneficial interests in the Series 2011 Notes shall be shown by book entry on the system maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall be made only by DTC and its participants and by book-entry, the City and the Trustee having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the Series 2011 Notes, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the Series 2011 Notes. The Series 2011 Notes shall not be transferable or exchangeable, except as provided in the Trust Agreement. Ownership of the Series 2011 Notes shall be determined as of the "Record Date". "Record Date" means the close of business of the Trustee on the fifteenth day of the month preceding an Interest Payment Date.

If Interest is not timely paid or provided for, a special record date shall be fixed by the Trustee for the payment of such overdue Interest. Notice of the special record date shall be mailed to registered owners not fewer than ten days prior thereto. The Principal of and Interest and any premium on this Series 2011 Note are payable in lawful money of the United States of America, without deduction for the services of the Trustee.

The Trustee has no obligation or liability to the registered owners of the Series 2011 Notes for the payment of Interest or Principal pertaining to the Series 2011 Notes. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Series 2011 Notes, the various funds and accounts established pursuant to the Trust Agreement.

The recitals, statements and representations made in this Series 2011 Note shall be taken and construed as made by and on the part of the City, 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 Series 2011 Note shall not be entitled to any security or benefit under the Trust Agreement until manually signed by the Mayor and attested to by the Clerk and manually authenticated by the Trustee as Registrar.

This Series 2011 Note has been issued by the City pursuant to the terms of the Trust Agreement. The City is authorized to enter into the Trust Agreement under the laws of the State of Arizona and by resolution of the City Council of the City (the "City Council") adopted _____, 2011 (the "Resolution"). Reference is hereby made to the Agreement (a copy of which is on file at the Designated Office of the Trustee) for a description of the terms on which the Series 2011 Notes are delivered, the rights thereunder of the registered owners of the Series 2011 Notes, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Trust Agreement, to all of the provisions of which Trust Agreement the registered owner of this Series 2011 Note, by acceptance hereof, assents and agrees.

The Series 2011 Notes are payable from amounts paid by the City pursuant to the Trust Agreement. The City is required under the Trust Agreement to make payments from Excise Taxes (as defined in the Trust Agreement), which payments are sufficient to pay, when due, the annual principal and interest due with respect to the Series 2011 Notes.

The Series 2011 Notes are Notes and Parity 2011 Repayment Notes, as applicable, as defined in the Trust Agreement. The Series 2011 Notes are payable from a pledge of, and secured by a first lien on, the Excise Taxes as are necessary for the prompt and punctual payment of the Series 2011 Notes, all as more fully described in, and provided by, the Trust Agreement. The Series 2011 Notes of the total authorized amount 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 and on a parity with the Series 2009 Notes and Series 2010 Notes (as defined in the Trust Agreement). The Series 2011 Notes are also payable from a pledge of and secured by 2011 Repayments (as defined in the Trust Agreement) if, as and when received from ADOT (as defined in the Trust Agreement) all as

EXHIBIT F

PAYMENT REQUEST FORM

This certificate is provided pursuant to the provisions of Section 4.37 of the Trust Agreement, dated as of November 1, 2009, between the City of Mesa, Arizona (the "City") and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the First Supplement to the Trust Agreement by and between the City and the Trustee dated June 1, 2010, and further supplemented by the Second Supplement to the Trust Agreement by and between the City and the Trustee dated October __, 2011 (collectively the "Trust Agreement").

The City Representative (as defined in the Trust Agreement) hereby requests disbursements in the aggregate amount of \$_____ properly payable from the 2011 Costs of Issuance Fund established pursuant to Section 4.37(a) of the Trust Agreement to:

<u>Name of Payee</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____

Dated: _____

CITY OF MESA, ARIZONA

By: _____
City Representative