RESOLUTION NO. 50-2008

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2008 CITY LEASE, A TRUST AGREEMENT, AND AN OBLIGATION PURCHASE AGREEMENT; APPROVING THE EXECUTION AND DELIVERY OF NOT TO EXCEED $750,000 PRINCIPAL AMOUNT OF EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2008, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN LEASE PAYMENTS UNDER THE SERIES 2008 CITY LEASE AND THE SALE THEREOF TO THE PURCHASER THEREOF PURSUANT TO THE OBLIGATION PURCHASE AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY.

WHEREAS the Mayor and Council of the City of Benson, Arizona (the "City"), desires to refinance the costs of acquisition of various improvements to its water system and construction of a swimming pool (the "Project") through the execution and delivery of not to exceed $750,000 principal amount of Excise Tax Revenue Refunding Obligations, Series 2008, to be dated no earlier than July 1, 2008 (the "Obligations"), by Zions First National Bank, Corporate Trust Department, as trustee (the "Trustee"), pursuant to a Trust Agreement, to be dated no earlier then July 1, 2008 (the "Trust Agreement"), between the Trustee and the City, evidencing a proportionate interest of the owners thereof in a Series 2008 City Lease, to be dated no earlier then July 1, 2008 (the "Series 2008 City Lease"), between the Trustee and the City pursuant to which the City will lease to the Trustee the Series 2008 Project to refund, $667,000 principal amount of Excise Tax Revenue Obligations, Series 2005, dated December 15, 2005 (the "Obligations Being Refunded"); and

WHEREAS, a proposal in the form of an Obligation Purchase Agreement (the "Funding Agreement") has been received from Zions First National Bank, Investment Division (the "Purchaser") for the purchase of the Obligations; and

WHEREAS, proposed forms of the following documents (collectively, the "Documents") have been filed with the City Clerk for this meeting:

(i) the proposed form of the Series 2008 City Lease;

(ii) the proposed form of the Trust Agreement; and

(iii) the proposed form of the Funding Agreement; and

WHEREAS, the refinancing of the Project pursuant to the terms of the Series 2008 City Lease, the Trust Agreement, and the Funding Agreement is in the best interest and furtherance of the purposes of the City and in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, THAT:

Section 1. The execution and delivery of the Obligations by the Trustee is hereby approved. The Obligations shall be executed in the aggregate principal amount of $689,500 (plus accrued interest on the Obligation Being Refunded until the delivery of the Obligations) rounded up to the next $1,000 of principal amount; shall initially be in the denomination of $100,000 of principal amount due on a specified maturity date or any integral multiples of $1,000 in excess thereof; shall be dated the date of their initial execution and delivery; shall bear interest from such date payable on the dates provided in the Trust Agreement; shall be fully registered without coupons as provided in the Trust Agreement and shall bear interest at the rate of 4.75% per annum and mature on July 1, 2009 and 2010, in amounts equal to one-half the principal amount borrowed. Otherwise, the form, terms, dated date, interest payment dates, provisions for redemption and other provisions of the Obligations, and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number, shall be as further set forth in the Trust Agreement.

Section 2. The Obligations shall be sold to the Purchaser pursuant to the Funding Agreement.

Section 3. With the advice of the Manager, the Mayor or Vice Mayor is authorized and directed to determine and approve the interest payment dates, purchase price, provisions for redemption and other provisions of the Obligations and cause the same to be set forth in the Documents. The form, terms and provisions of the Series 2008 City Lease, the Trust Agreement and the Funding Agreement, in substantially the form of such documents (including form of the Obligations and other exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such final provisions, insertions, deletions and changes as shall be approved by the Mayor or Vice Mayor, the execution of each such document being conclusive evidence of such approval, and the Mayor or Vice Mayor and the Clerk are hereby authorized and directed to execute, attest and deliver, where applicable, or approve the Series 2008 City Lease, the Trust Agreement and the Funding Agreement and to take all action to carry out and comply with the terms of the Documents.

Section 4. The Trustee shall take any and all action necessary in connection with the execution and delivery of the Documents and the sale, execution and delivery of the Obligations.

Section 5. Pursuant to the Series 2008 City Lease and the Trust Agreement, the unrestricted transaction privilege (sales) tax which the City imposes is hereby pledged to the applicable payments due pursuant to the Series 2008 City Lease; provided, however, that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council. The City's obligation to make the payments under the Series 2008 City Lease or the Trust Agreement does not constitute an obligation of the City or the State of Arizona, or any of its political subdivisions, for which the City or the State of Arizona, or any of its political subdivisions, is obligated to levy or pledge any form of ad valorem property taxation nor does the obligation to make any payments under the Series 2008 City Lease or the Trust Agreement constitute an indebtedness of the City or of the State of Arizona or any of its political subdivisions within the meaning of the Constitution of the State of Arizona or otherwise.

Section 6. After any of the Obligations are delivered by the Trustee to the Purchaser thereof upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Obligations and the interest, if any, thereon shall have been fully paid, cancelled and discharged.

Section 7. The Mayor, the Vice Mayor, the Clerk, the 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 hereby.

Section 8. If any section, paragraph, clause, or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution.

Section 9. All orders, resolutions, and ordinances or parts thereof inconsistent herewith are hereby waived only to the extent of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 10. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public health and welfare and for the further reason that the refinancing of the Project is urgently needed to attempt to secure the lowest possible interest cost to the City; therefore, an emergency is hereby declared to exist and this Resolution is enacted as an emergency measure and shall be in full force and effect from and after the passage and adoption by the Mayor and Council of the City, as required by law, and this Resolution is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Mayor and Council of the City of Benson, Arizona, this 14th day of July, 2008.

.....
Mark M. Fenn, Mayor

ATTEST:

Vicki L Vivian
.....
Vicki L. Vivian, City Clerk

APPROVED AS TO FORM:

.....
For Thomas A Benavidez, City Attorney

TRANSCRIPT OF CLOSING DOCUMENTS

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

I. BASIC ITEMS RELATING TO EXECUTION AND DELIVERY OF THE OBLIGATIONS:

1 Series 2008 City Lease, dated as of July 1, 2008, by and between the City of Benson, Arizona (the "City"), and Zions First National Bank, Corporate Trust Division, as trustee (the "Trustee").

2 Trust Agreement, dated as of July 1, 2008, by and between the City and the Trustee.

3 Obligation Purchase Agreement, dated July 21, 2008, among Zions First National Bank, Investment Division (the "Purchaser"), the Trustee and the City.

II. ITEMS FURNISHED BY THE CITY:

4 Executed Resolution No. 50-2008 of the Mayor and Council of the City adopted on July 14, 2008, certified by the Clerk of the City.

5 Certificate of the Mayor, Clerk and Manager of the City.

6 Request for Execution and Delivery and Other Matters.

7 Conformed Copy of IRS Form 8038-G and evidence of mailing.

8 Conformed Copy of Report Relating to Issuance of Bonds for Arizona Department of Revenue under Section 35-501, Arizona Revised Statutes, as amended, and evidence of mailing.

III. ITEMS FURNISHED BY THE TRUSTEE:

9 Certificate as to Delivery and Payment and Other Matters.

IV. ITEMS FURNISHED BY THE PURCHASER:

10 Receipt for the Series 2008 Obligations and Documents.

V. OPINIONS OF COUNSEL:

11 Approving opinion of Greenberg Traurig, LLP, Special Counsel.

12 Opinion of City Attorney.

VI. DISBURSEMENT REQUISITION:

13 Series 2008 Delivery Costs Disbursement Requisition.

VII. MISCELLANEOUS:

14 Form of Obligation.

15 Uniform Commercial Code Termination Statement for 200813901690.

2008-20313
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Requested By: GREENBERG TRAURIG
Christine Rhodes - Recorder
Cochise County , AZ
07-23-2008 03:05 PM Recording Fee $27.00

When recorded mail to:

Michael Cafiso, Esq.
Greenberg Traurig, LLP
Suite 700
2375 East Camelback Road
Phoenix, Arizona 85016

EXEMPT FROM AFFIDAVIT AND FEE PURSUANT TO SECTION 11-1134(A)(3), ARIZONA REVISED STATUTES, AS AMENDED

SERIES 2008 CITY LEASE

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT,
as Trustee

TO

CITY OF BENSON, ARIZONA

DATED AS OF JULY 1, 2008

SERIES 2008 CITY LEASE

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT,
as Trustee

TO

CITY OF BENSON, ARIZONA

THIS SERIES 2008 CITY LEASE, dated as of July 1, 2008 (this "City Lease"), by and between ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, a national banking association, organized and existing under the laws of the United States (the "Trustee"), and the CITY OF BENSON, ARIZONA, a municipal corporation of the State of Arizona (the "City");

W I T N E S S E T H:

WHEREAS, the City intends to refinance the costs to acquire improvements to its water system and construct a swimming pool, a portion of which is located on the real property described on Exhibit A (the "Leased Property");

WHEREAS, the City has requested the Trustee in its capacity as trustee under that certain Trust Agreement, dated as of July 1, 2008 (the "Trust Agreement"), to execute and deliver the Excise Tax Revenue Refunding Obligations, Series 2008 (the "Series 2008 Obligations") in order to provide funds to refinance such costs and pay delivery costs;

WHEREAS, the City, as lessor, will, through this Series 2008 City Lease, ground lease to the Trustee, in its capacity as lessee, the Leased Property which the Trustee, in its capacity as lessor, will lease back to the City, as lessee, at rental payments sufficient to pay principal of and interest on the Series 2008 Obligations, together with other amounts provided herein (collectively, the "Lease Payments"); and

WHEREAS, the City, the Trustee and Zions First National Bank, Investment Division (the "Purchaser") have entered into that certain Obligation Purchase Agreement, dated July 21, 2008 (the "Funding Agreement"), pursuant to which the Purchaser has agreed to purchase the Series 2008 Obligations in the original principal amount of $691,000;

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter contained, IT IS HEREBY AGREED AS FOLLOWS:

ARTICLE I

LEASE, TERMS, RENT

Section 1.1. The City hereby ground leases to the Trustee, and then the City hereby leases back from the Trustee, for the term commencing with the date hereof and continuing until July 2, 2010, or such later date as of which the Series 2008 Obligations are deemed paid and discharged under the Trust Agreement, the Leased Property.

Section 1.2. The City shall have the right to terminate this City Lease on written notice to the Trustee given concurrently with, or subsequent to, the date the Trust Agreement is released of record as a result of the payment or provision for payment of the entire indebtedness secured hereby as provided in the Trust Agreement.

Section 1.3. (a) As prepaid rent for the entire term of this City Lease, the Trustee shall cause the Series 2008 Obligations to be issued and the proceeds to be applied in accordance with the Trust Agreement.

(b) The City shall pay, as base rental payments to the Trustee ("Base Rent"), its successors or assigns, the amounts set forth in Exhibit B hereto.

(c) The Base Rent and other rental payments payable by the City hereunder shall be paid for and in consideration of the use and occupancy of the Leased Property which the City receives and in consideration of the continued quiet use and enjoyment thereof as provided in Section 4.1 hereof. The obligation of the City for Base Rent shall be coextensive with the debt service with respect to the Series 2008 Obligations and, when the Series 2008 Obligations and the other obligations secured under the Trust Agreement have been fully paid or payment provided for, the City shall, except for the obligation of the City to make payments to the Trustee pursuant to the provision of Section 5.06 of the Trust Agreement and the payments to be made to the United States of America pursuant to Section 1.4(d) hereof, have no further obligation to make payments hereunder.

Section 1.4. The City shall pay as additional rent payments (a) all other amounts required to be paid by the City to the Trustee under the Trust Agreement including indemnification owed under Article VII thereof, (b) all fees and expenses of the Trustee with respect hereto and to the Trust Agreement as well as the "Registrars" and the "Paying Agents" under the Trust Agreement to the extent, if any, that such fees, expenses and payments are not met by the regular rent payments, (c) losses on investments made by the Trustee at the direction of the City under the terms of the Trust Agreement, but only to the extent necessary to meet the debt service on the Series 2008 Obligations and (d) amounts, if any, required to be paid to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code") with respect to the Series 2008 Obligations and the investment of the proceeds thereof, as provided in Section 10.2 hereof. The City shall pay the amounts specified in (a) and (b) above directly to the Trustee as they become due and within twenty (20) days after receipt by the City of invoice therefor, except as otherwise provided in the Trust Agreement, in (c) above to the Trustee and in (d) above as required by Section 10.2 hereof.

Section 1.5. The foregoing rent payments shall be payable solely from sources referred to in Article III hereof and shall under no circumstances constitute a general obligation of the City or be payable from the proceeds of ad valorem taxes.

Section 1.6. Amounts payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Trustee and at such place as the Trustee may designate in writing. Any rent payment accruing hereunder which shall not be paid within five (5) days after its due date shall bear interest at the highest rate permitted by law, but not exceeding ten percent (10%) per annum, from the date when the same is due hereunder until the same shall be paid.

Section 1.7. All rent payments representing debt service on the Series 2008 Obligations and other items required to be paid by the Trust Agreement, as well as additional rent payments payable to the Trustee under Section 1.4 hereof, shall be paid directly to the Trustee at the designated corporate trust office of the Trustee for and on behalf of the Trustee. The Trustee shall cause the Trustee to apply the rent payments made by the City in the manner and for the purposes expressed in the Trust Agreement.

Section 1.8. Unless otherwise requested by the City pursuant to Section 7.3 hereof, any money in the Revenue Fund (as that term is defined in the Trust Agreement) which, in the opinion of the Trustee, exceeds the amounts necessary for the current debt service on the Series 2008 Obligations then outstanding (including administrative costs and expenses) shall, at least annually, so long as the City is not in default hereunder, constitute a credit to the City on the next succeeding rent payment or payments due or coming due hereunder.

ARTICLE II

TAXES, LIENS, UTILITIES, INSURANCE AND OTHER CHARGES

Section 2.1. The rent payments payable pursuant to this City Lease shall be an absolute net return to the Trustee, free from any expenses and charges with respect to the Leased Property or the income therefrom.

Section 2.2. The City shall further pay or cause to be paid, punctually when due and payable, all property taxes, income taxes, gross receipts taxes, business and occupation taxes, occupational license taxes, water charges, sewer charges, assessments (including, but not limited to, assessments for public improvements or benefits) and all other governmental exactions of every kind and nature which at any time prior to the expiration or termination of this City Lease shall be or become due and payable by the Trustee or the City, and which shall be levied, charged, assessed or imposed:

(a) upon or with respect to the Trustee or which shall be or become liens upon the Leased Property or any interest of the Trustee or the City therein or under this City Lease;

(b) upon or with respect to the possession, operation, management, maintenance, alteration, repair, rebuilding, use or occupancy of or by the City of the Leased Property or any portion thereof or

(c) upon this transaction or any document to which the City is a party creating or transferring an interest or estate in or to the Leased Property.

The City shall furnish to the Trustee promptly, upon request, proof of the payment of any such tax, charge assessment or other governmental exaction which is payable by the City under this Section. It shall not be a breach of this Section if the City fails to pay any such tax, charge, assessment or exaction during any period or periods in which the City, in good faith, or the Trustee, shall be contesting the amount or validity of such tax, charge, assessment or exaction. The Trustee will, if requested by the City, contest the amount or validity of any such tax, charge, assessment or exaction, and the City agrees to pay the Trustee's costs therefor.

Section 2.3. The City shall also pay, when due, all sums of money that may become due for or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for the City in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other lien against the Leased Property or the Trustee's interest therein and shall cause each such lien to be fully discharged and released at the time of performance of any obligation secured by any such lien matures or becomes due, provided, however, that if the City desires to contest any such lien it may do so, but notwithstanding any such contest, if any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, then and in any such event the City shall forthwith pay and discharge said judgment.

Section 2.4. The City shall further also pay or cause to be paid, all charges for gas, water, steam, electricity, light, heat, power, telephone or other utility service furnished to or used in connection with the Leased Property. The Trustee shall not be required to furnish to the City or any other occupant of the Leased Property any gas, water, sewer, electricity, light, heat, power, telephone or other utility service of any kind, nor shall the Trustee be required to pay for any such charges or services.

Section 2.5. The City shall, at its own cost and expense, keep the Leased Property in good repair and condition, ordinary wear and tear excepted and shall repair, renew or replace any portion of such improvements that shall have lost its usefulness due to damage, destruction, deterioration, or obsolescence. In exchange for the rent payments herein provided, the Trustee shall provide nothing more than the Leased Property.

Section 2.6. The City shall cause the Leased Property to be insured against loss or damage by fire, explosion and other hazards customarily insured under extended coverage in an amount not less than the full insurable value of such property and shall maintain other insurance on its properties with respect to loss, damage, liability and other claims of the kind customarily insured against by similarly situated municipal corporations. All such insurance is to be of such types and in such amounts and with such deductible provisions as are customarily carried under similar circumstances by such other municipal corporations. All such insurance

shall be carried with financially sound and reputable insurance companies authorized to issue such policy or insure such risk in the State of Arizona (the "State"). Each policy shall contain provisions, if available, that written notice of cancellation or substantial modification thereof shall be given to the City and the Trustee at least thirty (30) days or the greatest available period shorter than thirty (30) days prior to such cancellation or modification. The City may obtain blanket policies covering one or more risks if the minimum coverages required herein are met and all buildings located on the Leased Property are covered to their full insurable value.

Section 2.7. All amounts payable pursuant to or with respect to the purposes of this Article shall be payable from the same source from which rent payments hereunder are payable.

Section 2.8. Title to the Leased Property shall at all times be vested in the City. No merger of the leasehold estates of the City shall occur by operation of law as a result of this Agreement.

ARTICLE III

SOURCES OF PAYMENT AND PLEDGE

Section 3.1. All rent and other payments made in accordance herewith shall be made from the revenues from the Excise Tax (as that term is hereinafter defined). The City shall first make all rent payments accruing under Sections 1.3 and 1.4 of this City Lease and then any other payments accruing pursuant to this City Lease out of revenues from the Excise Tax and thereafter may use the remaining revenues from the Excise Tax for any other lawful purpose, but only to the extent that, taking into account the reasonably anticipated receipts of revenues from the Excise Tax during the coming six months, revenues from the Excise Tax will not be reduced to such a level that the City will be unable to make the next rent payment hereunder.

Section 3.2. The City may, at the sole option of the City, make rent and other payments required hereunder from its other funds as permitted by law and as the City shall determine from time to time, but the Trustee acknowledges that it has no claim hereunder to such other funds. No part of such payments shall be payable out of any ad valorem taxes imposed by the City, from bonds or other obligations, the payment of which the general taxing authority of the City is liable or pledged, or from the general funds of the City unless (i) the same shall have been duly budgeted by the City according to law, (ii) such rent payment or payments shall be within the budget or expenditure limitations of the Constitution and laws of the State and (iii) such rent payment is not in conflict with the Constitution and laws of the State.

Section 3.3. (a) The City hereby pledges for the payment of the rent payments under Sections 1.3 and 1.4 hereof the revenues from the Excise Tax. The City intends that this pledge shall be a first lien upon such amounts of the revenues from the Excise Tax as will be sufficient to make such rent payments. The City shall make such rent payments from the revenues from the Excise Tax, except to the extent that it chooses to make such payments from other funds pursuant to Section 3.2 above.

(b) For purposes of this City Lease, "Excise Tax" means the unrestricted transaction privilege (sales) tax which the City imposes; provided that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council.

Section 3.4. To the extent permitted by applicable law, the revenues from the Excise Taxes shall be retained and maintained so that the amounts received from the revenues from the Excise Tax, when combined mathematically for such purpose only, all within and for the next preceding Fiscal Year (as such term is defined in the Trust Agreement), shall have been equal to at least two (2) times the total of such rent payments payable hereunder for debt service for the Series 2008 Obligations in any current Fiscal Year. If the revenues from the Excise Tax for any such preceding Fiscal Year shall not have been equal to at least one and one-quarter (1-1/4) times such rent requirements hereunder in any current Fiscal Year or if at any time it appears that the revenues from the Excise Tax will not be sufficient to meet such rent requirements hereunder, the City shall, to the extent permitted by applicable law, impose new exactions of the type of the Excise Taxes which will be part of the Excise Taxes or increase the rates for the Excise Taxes currently imposed, in each Fiscal Year in order that (a) the revenues from the Excise Tax will be sufficient to meet all current rent requirements hereunder and (b) the revenues from the Excise Tax will be reasonably calculated to attain the level as required by the first sentence of this Section.

Section 3.5. So long as any of the Series 2008 Obligations remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, the City shall not further encumber the revenues from the Excise Tax on a basis equal to the pledge provided for in Section 3.3(a) hereof unless the revenues from the Excise Taxes plus the State Shared Revenues, when combined mathematically for such purpose only, in the next preceding Fiscal Year shall have amounted to at least two (2) times the highest combined interest and principal requirements for any succeeding Fiscal Year for all of the Series 2008 Obligations then outstanding and any obligations proposed to be secured by such pledge of the revenues from the Excise Tax on a parity of lien therewith (hereinafter referred to as the "Additional Obligations"). For purposes of this Section, any variable rate indebtedness shall be assumed to bear interest at the maximum permissible rate.

Section 3.6. In order to secure payment of Lease Payments and to create a separate and special fund which shall contain only the revenues from the Excise Taxes and shall not contain any other moneys of the City, the City shall create a special fund to be known as the "City of Benson Excise Tax Revenue Fund" (the "Excise Tax Revenue Fund"). Upon receipt by the City, the revenues from the Excise Taxes shall be deposited in and to the Excise Tax Revenue Fund. The Excise Tax Revenue Fund shall be funded only from the revenues from the Excise Taxes received by the City and from no other source. After paying therefrom amounts of the revenues from the Excise Taxes for the purposes described herein, the Excise Tax Revenue Fund may be reduced to zero each December 27 and June 27 after the amount required to be deposited to the Interest Fund and the Obligation Retirement Fund as described hereinabove has been deposited, including by transferring any such balance to the General Fund of the City.

Section 3.7. In the event of any default by the City under this City Lease, the remedies of the Trustee with respect to the enforcement of the liens and pledges set forth in this Article III shall be as provided in Article V of this City Lease. The Trustee, on behalf of the owners of the Series 2008 Obligations, may enforce such liens and pledges as well as the aforesaid covenants and agreements in place of the Trustee in accordance with the terms and conditions of the Trust Agreement.

Section 3.8. The condition set forth in Section 3.5 above is, at the time of the execution hereof, and shall be, at the time of the issuance of the Series 2008 Obligations, satisfied.

ARTICLE IV

QUIET ENJOYMENT; EXPIRATION OR TERMINATION OF LEASE; SURRENDER OF PREMISES

Section 4.1. The City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term hereof, peaceably and quietly, have, hold and enjoy the Leased Property, without suit, trouble or hindrance from the Trustee.

Section 4.2. In consideration of the timely payment of all rent payments provided herein and provided that (a) the City has performed all the covenants and agreements required of it to be performed and (b) the Series 2008 Obligations, as to principal, interest and any premium, together with any remaining fees or expenses of the Trustee and the "Registrars" and the "Paying Agents" under the Trust Agreement, have been paid or provided for, the Trustee shall cause the Trustee to release the Leased Property from the lien of the Trust Agreement under Section 1.2 hereof. Upon such termination, all rights of the Trustee or any other person or entity, except the City, in and to the Leased Property shall cease and the Trustee shall, by appropriate instruments of conveyance and without further consideration, convey the Leased Property to the City.

ARTICLE V

REMEDIES UPON DEFAULT, NO ABATEMENT OF RENTALS

Section 5.1. Upon the nonpayment of the whole or any part of the rent payments when the same are to be paid as herein provided or violation for which the Trustee has knowledge by the City of any other covenant or provision of this City Lease and if such default has not been cured (a) in the case of nonpayment of rent payments, within five (5) days and (b) in the case of the breach of any other covenant or provision hereof, within thirty (30) days after notice in writing from the Trustee specifying such default, the Trustee may bring an action for the recovery of any of the rent payments due (but not for rent payments accruing) for breach of this City Lease, may pursue the remedy of specific performance or, to the extent not otherwise prohibited by applicable law, may, in the case of clause (a) above, apply amounts held in the Series 2008 Project Fund (as such term is defined in the Trust Agreement) or any amounts legally available for such purpose held in any account of the City with National Bank of Arizona from which the Trustee is authorized to debit Lease Payments. Under no circumstances may the Trustee exclude the City from possession of the Leased Property; it being understood that

security for the rental payment due hereunder is limited to the revenues from the Excise Tax. Notwithstanding any provision herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate or otherwise declare any Lease Payment not then past due or in default to be immediately due and payable.

Section 5.2. The Trustee, upon the bringing of a suit to collect the rent payments in default, may request enforcement of the pledges and foreclosure of the liens set forth in Article III of this City Lease, in which event the Trustee, as a matter of right, without notice and without giving any bond or surety to the City or anyone claiming under the City, may have a receiver appointed of all of the revenues from the Excise Tax with such powers as the court making such appointment shall confer, and the City does hereby irrevocably consent to such appointment.

Section 5.3. In any suit to enforce the terms of this City Lease, the Trustee shall recover its costs therein, as well as reasonable attorneys' fees, as the court shall approve.

Section 5.4. The Trustee shall in no event be in default in the performance of any of its obligations under this City Lease unless the Trustee shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the City to the Trustee and to the Trustee properly specifying wherein the Trustee has failed to perform any such obligation. So long as any of the Series 2008 Obligations are outstanding, the City shall have no right to abate or offset the payments of rent payments to be made by the City hereunder as a result of a default by the Trustee. In the event of default by the Trustee, the Trustee agrees that specific performance may be had and that the City shall not be limited to a remedy for damages.

Section 5.5. Except as in this City Lease expressly provided, this City Lease shall not terminate or be affected in any manner by reason of the condemnation, destruction or damage, in whole or in part, or by reason of the unusability of, the Leased Property, and, except as in this City Lease expressly provided, the rent payments, as well as the other amounts payable hereunder, shall be paid by the City in accordance with the terms, covenants and conditions of this City Lease without abatement, diminution or reduction.

Section 5.6. Each right, power and remedy of the Trustee or the City provided for in this City Lease shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by the Trustee or the City of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies.

Section 5.7. The failure to insist upon strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the Trustee's or the City's rights to insist upon a strict compliance by the City or the Trustee with all the covenants and conditions hereof.

ARTICLE VI

ESTOPPEL CERTIFICATE

Section 6.1. At any time and from time-to-time, upon not less than ten (10) days' prior request by the Trustee at the request of the owners of at least a majority in outstanding principal amount of the Series 2008 Obligations, the City shall execute, acknowledge and deliver to the Trustee a statement in writing certifying that this City Lease is unmodified and in full force and effect (or, if this City Lease have been modified, that they are in full force and effect except as modified, and stating the modification), the dates to which the rent payments and other amounts payable hereunder have been paid in advance, if any, and that the City is in compliance with all requirements of this City Lease.

ARTICLE VII

REFINANCING; REFUNDING; REDEMPTIONS; PURCHASE OF SERIES 2008 OBLIGATIONS; ADDITIONAL OBLIGATIONS

Section 7.1. Upon notice to the Trustee, the City may request the Trustee refinance by refunding or redeeming, as the case may be, the Series 2008 Obligations then outstanding, subject to the provisions of the Trust Agreement. Best efforts will be used to so refinance the Series 2008 Obligations upon agreement of satisfactory terms of compensation therefor.

Section 7.2. Prior to the issuance of obligations for the purpose of refinancing the Series 2008 Obligations, the Trustee and the City shall enter into a written supplement to this City Lease or a new lease increasing or decreasing, as the case may be, the rent payments to be paid hereunder by an amount at least sufficient to enable the Trustee to fully pay the principal and interest, when due, on such new obligations and all other usual and ordinary costs and expenses relating thereto and, if necessary, such supplement to this City Lease or such separate lease shall be recorded in the Office of the County Recorder of Cochise County, Arizona.

Section 7.3. The City shall have the right to pay, from any legally available funds, installment rent payments in advance and may specify that they be placed in the Obligation Retirement Fund. Except as provided in Section 1.8 hereof, in addition, if at any time the money in the Series 2008 Revenue Account of the Revenue Fund exceeds, in the opinion of the Trustee, the amounts necessary for the current debt service on the Series 2008 Obligations then outstanding and the fees, charges, expenses and other amounts due the Trustee and the Registrars and the Paying Agents which are unpaid, such excess shall, at the request of the City, be transferred to and paid over into the Obligation Retirement Fund. At the request of the City, the Trustee shall cause the amount of money contained in the Series 2008 Obligation Retirement Account of the Obligation Retirement Fund from time to time to be used on any redemption date authorized in the Trust Agreement to retire all or any portion of the outstanding Series 2008 Obligations pursuant to the provisions of the Trust Agreement. At such time or times as Series 2008 Obligations are redeemed pursuant hereto, the rent payments to be paid by the City hereunder shall be adjusted in such manner as to provide for the debt service on the remaining Series 2008 Obligations. There shall be no accumulation of funds in the Obligation Retirement

Fund, or earnings thereon, as would cause the Series 2008 Obligations to be deemed "arbitrage bonds" under the Code.

Section 7.4. Upon retirement of all the Series 2008 Obligations by means of redemption or purchase pursuant to Section 7.3 hereof and upon payment of any remaining administrative costs and expenses or other amounts due hereunder or under the Trust Agreement, the Trustee shall cause the Trustee to release the Leased Property from the lien of the Trust Agreement, and the City may then exercise its right to terminate this City Lease, except for the City's obligation to make arbitrage rebate payments to the United States of America pursuant to Section 1.4(d) hereof.

Section 7.5. One or more issues of Additional Obligations (other than advances by the Series 2008 Purchaser under the Funding Agreement) on a parity with the Series 2008 Obligations may be established and may be issued and delivered, in such principal amounts as may be determined by the Trustee, subject to the following specific conditions which are hereby made conditions precedent to the issuance of such Additional Obligations:

(a) such Additional Obligations shall have been authorized to finance or refinance the cost of acquiring, constructing, reconstructing or improving buildings, equipment and other real and personal properties suitable for use by and for leasing to the City or its agencies or instrumentalities, or to refinance or refund any of the Series 2008 Obligations or other obligations which have been issued for such purposes, and the issuance thereof shall have been determined and declared by the Trustee, by appropriate resolution, to be necessary for that purpose;

(b) the Trustee shall be in compliance with all covenants and undertakings set forth in this City Lease and the Trust Agreement, as either of them or both of them may have been supplemented or amended;

(c) the resolution authorizing issuance of such Additional Obligations shall require that the proceeds of the sale of such Additional Obligations shall be applied solely for one or more of the purposes set forth in (a) above and expenses and costs incidental thereto, including costs and expenses incident to the issuance and sale of such Additional Obligations and the costs of any premium relating to insurance on such Additional Obligations and interest on such Additional Obligations during the actual period of any acquisition and construction of such facilities and for a reasonable period of time thereafter;

(d) such Additional Obligations shall be equally and ratably secured with the Series 2008 Obligations, without preference or priority of any of the Series 2008 Obligations or Additional Obligations over any other Series 2008 Obligations or Additional Obligations, except as expressly provided in the Trust Agreement, as supplemented;

(e) the Trustee shall have entered into an agreement with the City, or shall have amended this City Lease, in and by which the City obligates itself in

the manner therein provided to increase the rent payments or to make such payments to the Trustee at the times and in amounts sufficient to provide for the payment of principal and interest on such Additional Obligations as such principal and interest become due and

(f) the conditions set forth in Section 3.5 hereof and the applicable conditions, if any, in the Funding Agreement shall then be satisfied.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. To the extent permitted by applicable law, the City shall indemnify and save the Trustee harmless, from the same sources from which the rent payments hereunder are payable, for, from and against any and all claims by or on behalf of any person, firm, corporation or governmental authority arising from the occupation, use, or possession of the Leased Property, including any liability for any violation of conditions, restrictions, laws, ordinances or regulations affecting the said property or the occupancy or use thereof. The Indemnified Parties shall be third party beneficiaries of this covenant. The obligations of the City under this Section shall survive the resignation or removal of the Trustee under the Trust Agreement, the payment of the Series 2008 Obligations and discharge of the Trust Agreement and the termination of this City Lease.

Section 8.2. None of the Trustee, its incorporators, members, directors, officers, agents and employees (each an "Indemnified Party") shall be liable to the City or to any other person whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in or on the Leased Property or any part thereof, unless caused by the negligence of the Indemnified Party. To the extent permitted by applicable law, the City shall indemnify and hold such persons harmless, from the same sources from which the rent payments hereunder are payable, for, from and against, and defend them and each of them against any and all claims, losses or judgments for, death of, injury to, any person or for damage to any property whatsoever incurred in or on the adjoining streets, roads, sidewalks and passageways, unless caused by the negligence of the Indemnified Party. In the event any action or proceeding is brought against any of the persons referred to in this Section by reason of any such claim, the City, upon notice from the Indemnified Party, shall resist or defend such action or proceeding. The Indemnified Parties shall be third party beneficiaries of this covenant. The obligations of the City under this Section shall survive the resignation or removal of the Trustee under the Trust Agreement, the payment of the Series 2008 Obligations and discharge of the Trust Agreement and the termination of this City Lease.

Section 8.3. To the extent permitted by applicable law, the City shall indemnify each Indemnified Party, from the same sources from which the rent payments hereunder are payable, for, from and against all lawful and reasonable costs and charges, including reasonable fees of attorneys, consultants, and other experts incurred in good faith and arising out of or in connection with the transactions contemplated hereby. The obligations of the City under this Section shall survive the resignation or removal of the Trustee under the Trust Agreement, the

payment of the Series 2008 Obligations and discharge of the Trust Agreement and the termination of this City Lease.

Section 8.4. In clarification and extension of the provisions of the other sections of this Article VIII and not in substitution therefor and to the extent permitted by applicable law, the City, subject to the provisions of Section 1.4 hereof, shall indemnify and hold each Indemnified Party harmless, from the same sources from which the rent payments hereunder are payable, for, from and against any and all claims, expenses, liens, judgments, liability or loss whatever, including reasonable legal fees and expenses relating to or in any way, directly or indirectly, arising out of (a) this City Lease and the Trust Agreement, and security agreements, financing statements, supplements, amendments or additions thereto or the enforcement of any of the terms thereof; (b) the Series 2008 Obligations; (c) the issuance and sale of the Series 2008 Obligations pursuant to the Funding Agreement or the transactions contemplated in any of the aforementioned acts, agreements or documents and (d) malfeasance or nonfeasance in office of any officer, director, agent or employee of the Indemnified Party not otherwise included within any of the foregoing; provided, however, that such indemnity shall not extend to claims, suits and actions successfully brought against the Indemnified Party for failure to perform and carry out the duties specifically imposed upon and to be performed by it pursuant to this City Lease or the Trust Agreement. The Indemnified Party shall give notice to the City of any event or condition which requires indemnification by the City hereunder, or any allegation of such event or condition, promptly upon obtaining knowledge thereof, and, to the extent that the City makes or provides for payment to the satisfaction of the Indemnified Party under the indemnity provisions hereof, the City shall be subrogated to the rights of the Indemnified Party with respect to such event or condition and shall have the right to determine the settlement of claims thereon, it being agreed that except to the foregoing extent, the Indemnified Party shall have the right to determine such settlement. The City shall pay all amounts due hereunder promptly upon notice thereof from the Indemnified Party. In case any action, suit or proceeding is brought against the Indemnified Party by reason of any act or condition which requires indemnification by the City hereunder, the Indemnified Party shall notify the City promptly of such action, suit or proceeding, and the City may (and shall upon the request of the Indemnified Party), at the City's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended, by counsel for the insurer of the liability or by counsel designated by the City and approved by the Indemnified Party. If the Indemnified Party desires to participate in the defense of such action, suit or proceeding through its own counsel, it may do so at its own expense. No party's right to indemnification hereunder shall be affected by the acts or omissions of any other party entitled to such indemnification. The Indemnified Parties shall be third party beneficiaries of this covenant. The obligations of the City under this Section shall survive the resignation or removal of the Trustee under the Trust Agreement, the payment of the Series 2008 Obligations and discharge of the Trust Agreement and the termination of this City Lease.

ARTICLE IX

ACCESS AND CONTROL OF CITY

Section 9.1. The City shall at all times have and retain all rights of access to, and control of, the Leased Property.

ARTICLE X

FEDERAL TAX LAW PROVISIONS

Section 10.1. (a) No direction for the making of any investment or other use of the proceeds of any Series 2008 Obligations shall be made which would cause such Series 2008 Obligations to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code; "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code or to be "federally guaranteed" as that term is defined in Section 149 (or any successor provision thereto) of the Code. The procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Series 2008 Obligations shall be complied with for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2008 Obligations. In consideration of the purchase and acceptance of the Series 2008 Obligations by the owners thereof from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the appropriate officials of the City are hereby directed to take all action required to retain such exclusion and to refrain from taking any action prohibited in any respect such exclusion.

(b) The City shall take all necessary and desirable steps, as determined by the Mayor and Council, to comply with the requirements hereunder in order to ensure that interest on the Series 2008 Obligations is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the City receives an opinion signed by a firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the Mayor and Council ("Bond Counsel") that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Series 2008 Obligations or (ii) compliance with some other requirement will meet the requirements of the Code. In the event the City receives such an Opinion, this City Lease shall be amended to conform to the requirements set forth in such opinion.

(c) If for any reason any requirement hereunder is not complied with, the City shall take all necessary and desirable steps, as determined by the Mayor and Council, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the City shall pay any required interest or penalty under Treasury Regulations section 1.148-3(h).

Section 10.2. As (a) the City has general taxing powers, (b) the Series 2008 Obligations are not "private activity" bonds within the meaning of the Code, (c) 95 percent or more of the net proceeds of the Series 2008 Obligations shall be used for local governmental activities of the City and (d) the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by the City during the 2008 calendar year is not reasonably expected to exceed $5,000,000, the City has available to it an exception to the requirements of Section 148 of the Code.

Section 10.3. The Series 2008 Obligations shall be qualified tax-exempt obligations within the meaning of and pursuant to the provisions of 265(b) of the Code as the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity Obligations) which will be issued by or on behalf of the City during the calendar year 2008 will not exceed $10,000,000.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1. The City may not sell or assign its interest in this City Lease while any of the Series 2008 Obligations are outstanding, but may sell, lease or otherwise dispose of all or any part of the Leased Property; provided, however, that prior to any such sale, lease or other disposition, the City shall provide to the Trustee an opinion of Bond Counsel to the effect that such sale, lease or other disposition shall not cause the interest on the Series 2008 Obligations to be includible in the gross income of the owners thereof for federal income tax purposes. Notwithstanding any such sale, lease or other disposition, the City shall nevertheless remain liable for the rent payments provided herein and for the performance of the other obligations of the City hereunder.

Section 11.2. All notices, consents or other communications required or permitted hereunder shall be deemed sufficient if given in writing addressed and mailed by registered or certified mail, or delivered to the party for whom the same is intended, as follows:

To the City:	City of Benson, Arizona 160 S. Huachuca Benson, Arizona 85602 Attention: City Manager Phone: (520) 586-2245 Fax: (520) 586-3375
To Trustee:	Zions First National Bank 550 South Hope Street, Suite 2650 Los Angeles, California 90071 Attention: Corporate Trust Department Phone: (213) 593-3150 Fax: (213) 593-3160

or to such other address as such party may hereafter designate by notice in writing addressed and mailed or delivered to the other party hereto.

Section 11.3. This City Lease shall be governed exclusively by the provisions hereof and of the Trust Agreement and by the applicable laws of the State.

Section 11.4. If any term or provision of this City Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this City Lease or the application of such term or provision to persons or circumstances other

than those as to which it is invalid or unenforceable shall not be affected thereby and each term and provision of this City Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 11.5. To the extent applicable by provision of law, this City Lease is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein.

Section 11.6. The City shall comply with all requirements of it included in the Trust Agreement.

Section 11.7. This City Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

IN WITNESS WHEREOF, the Trustee and the City have caused their respective names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF BENSON, ARIZONA, a municipal corporation

By.....
Mayor

ATTEST:

.....
City Clerk

APPROVED AS TO FORM:

.....
City Attorney

ZIONS FIRST NATIONAL BANK, as Trustee

By.....
Its.....

IN WITNESS WHEREOF, the Trustee and the City have caused their respective names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF BENSON, ARIZONA, a municipal corporation

By.....
Mayor

ATTEST:

.....
City Clerk

APPROVED AS TO FORM:

.....
City Attorney

ZIONS FIRST NATIONAL BANK, as Trustee

By.....
Its. Vice President

STATE OF ARIZONA)
) ss.
COUNTY OF COCHISE)

On this, the 22 day of July, 2008, before me, the undersigned Notary Public, personally appeared Mark Fenn and Vicki Vivian, who acknowledged themselves to be the Mayor and City Clerk, respectively, of the CITY OF BENSON, ARIZONA, a municipal corporation, and that they, as such officers, being authorized so to do, executed the foregoing Series 2008 City Lease for the purposes therein contained by signing the name of the municipal corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Gilda A Gomez
Notary Public

My Commission Expires:

May 17, 2010

Official Seal
NOTARY PUBLIC
STATE OF ARIZONA
County of Cochise
GILDA A. GOMEZ
My Commission Expires May 17, 2010

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this, the ..... day of July, 2008, before me, the undersigned Notary Public, personally appeared ....., who acknowledged herself to be a Trust Officer of ZIONS FIRST NATIONAL BANK, national banking association, and that they, as such officers, being authorized so to do, executed the foregoing Series 2008 City Lease for the purposes therein contained by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....
Notary Public

My Commission Expires:

.....

STATE OF ARIZONA)
) ss.
COUNTY OF COCHISE)

On this, the ..... day of July, 2008, before me, the undersigned Notary Public, personally appeared Mark Fenn and Vicki Vivian, who acknowledged themselves to be the Mayor and City Clerk, respectively, of the CITY OF BENSON, ARIZONA, a municipal corporation, and that they, as such officers, being authorized so to do, executed the foregoing Series 2008 City Lease for the purposes therein contained by signing the name of the municipal corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....
Notary Public

My Commission Expires:

.....

STATE OF ~~ARIZONA~~ California)
Los Angeles) ss.
COUNTY OF ~~MARICOPA~~)

On this, the 18 day of July, 2008, before me, the undersigned Notary Public, personally appeared Michael Boyle, who acknowledged herself to be a Trust Officer of ZIONS FIRST NATIONAL BANK, national banking association, and that they, as such officers, being authorized so to do, executed the foregoing Series 2008 City Lease for the purposes therein contained by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

LOURDES SANCHEZ
Commission # 1762044
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2011

Lourdes Sanchez
Notary Public

My Commission Expires:

August 17, 2011

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

The Westerly 250.00 feet of the Easterly 300.00 feet of the Northerly 300.00 feet, and the Easterly 50.00 feet of that certain parcel of land described in Warranty Deed Fee #961234601, Official Records of Cochise County, Arizona, lying within the Southeast quarter of Section 18, Township 17 South, Range 20 East of the Gila and Salt River Base and Meridian, City of Benson, County of Cochise, State of Arizona.

Contains 2.72 acres, more or less.

EXHIBIT B

SCHEDULE OF BASE RENT AND DEBT SERVICE

LEASE PAYMENT DATE	AMOUNT ATTRIBUTABLE TO PRINCIPAL	AMOUNT ATTRIBUTABLE TO INTEREST	TOTAL PAYMENT
August 27, 2008	$28,833.33	$2,575.65	$31,408.98
September 27, 2008	28,833.33	2,575.65	31,408.98
October 27, 2008	28,833.33	2,575.65	31,408.98
December 27, 2008	28,833.33	2,575.65	31,408.98
January 27, 2009	28,833.33	2,575.65	31,408.98
February 27, 2009	28,833.33	2,575.65	31,408.98
March 27, 2009	28,833.33	2,575.65	31,408.98
April 27, 2009	28,833.33	2,575.65	31,408.99
May 27, 2009	28,833.33	2,575.65	31,408.99
June 27, 2009	28,833.33	2,575.65	31,408.99
July 27, 2009	28,833.33	2,575.65	31,408.99
August 27, 2009	28,750.00	1,365.62	30,115.62
September 27, 2009	28,750.00	1,365.63	30,115.63
October 27, 2009	28,750.00	1,365.63	30,115.63
December 27, 2009	28,750.00	1,365.63	30,115.63
January 27, 2010	28,750.00	1,365.63	30,115.63
February 27, 2010	28,750.00	1,365.63	30,115.63
March 27, 2010	28,750.00	1,365.63	30,115.63
April 27, 2010	28,750.00	1,365.63	30,115.63
May 27, 2010	28,750.00	1,365.63	30,115.63
June 27, 2010	28,750.00	1,365.63	30,115.63

TRUST AGREEMENT

BY AND BETWEEN

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT,
as Trustee

and

THE CITY OF BENSON, ARIZONA

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

Dated as of July 1, 2008

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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of July 1, 2008 (as supplemented from time to time, this "Agreement" or "Trust Agreement"), by and between ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, a national banking association organized and existing under the laws of the United States of America and authorized to exercise corporate trust powers in the State of Arizona, as trustee (the "Trustee") and the CITY OF BENSON, ARIZONA, a municipal corporation organized under the laws of the State of Arizona (the "City");

W I T N E S S E T H:

WHEREAS, in order to refinance the costs of acquisition of certain improvements to the water system of, and construction of a swimming pool for, the City has requested the Trustee to execute and deliver Excise Tax Revenue Refunding Obligations, Series 2008 (the "Obligations"), each evidencing a proportionate interest in Lease Payments under the Series 2008 City Lease (as such terms are defined herein);

WHEREAS, in connection with the execution and delivery of the Obligations, the City and the Trustee entered into a Series 2008 City Lease, dated as of July 1, 2008 (as amended pursuant hereto, the "Series 2008 City Lease"), pursuant to which the City leased to the Trustee certain property (the "Leased Property") and the Trustee leased back the Leased Property to the City;

WHEREAS, the Obligations are secured by this Trust Agreement, and the City is authorized to execute and deliver this Agreement and to do, or cause to be done, all acts provided or required herein to be performed on its part;

WHEREAS, all acts and conditions required to happen, exist and be performed precedent to and in the execution and delivery of the Obligations and of this Agreement have happened, exist and have been performed, or at the delivery of the Obligations will exist, will have happened and will have been performed (i) to make the Obligations, when executed and delivered, valid obligations in accordance with the terms thereof and hereof and (ii) to make this Agreement a valid, binding and legal trust agreement for the security of the Obligations in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That to secure the payment of Debt Service Charges pursuant to the terms hereof according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained herein and therein, and to declare the terms and conditions upon and subject to which the Obligations are and are intended to be executed and delivered, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the

Obligations by the Owners thereof and for other good and valuable consideration, the receipt of which is acknowledged, the City has executed and delivered this Agreement and absolutely assigns hereby to the Trustee, and to its successors in trust, and its and their assigns, all right, title and interest of the City in and to

(i) the right, title and interest of the City in and to the Series 2008 City Lease, particularly all of the rents and the amounts to be paid to the Trustee under the terms of the Series 2008 City Lease, the City, however, to remain liable to observe and perform all of the conditions and covenants in the Series 2008 City Lease provided to be observed and performed by it and

(ii) all property which is by the express provisions of this Agreement required to be subjected to the lien hereof, particularly any property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the City or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder,

SUBJECT, HOWEVER, to the rights of access and control in the City as reserved and granted in Section 9.1 of the Series 2008 City Lease,

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as otherwise provided herein for the benefit, security and protection of all present and future Owners of the Obligations issued or to be issued under and secured by this Agreement,

(b) for the enforcement of the payment of the principal of and interest on the Obligations, when payable, according to the true intent and meaning thereof and of this Agreement, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Agreement, and

in each case, except as otherwise provided herein, without preference, priority or distinction, as to lien or otherwise, of any one Obligation over any other Obligation by reason of designation, number, date of the Obligations or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Obligation and all Obligations shall have the same right, lien and privilege under this Agreement, and shall be secured equally and ratably hereby, it being intended that the lien and security of this Agreement shall take effect from the date hereof, without regard to the date of actual issue, sale or disposition of the Obligations, as though upon that date all of the Obligations were actually issued, sold and delivered to purchasers for value; provided, however, that if

(i) the principal of the Obligations and the interest due or to become due thereon together with any premium required by redemption of any of the Obligations prior to maturity, shall be well and truly paid, at all times and in the manner to which reference is made in the Obligations, according to the true intent and meaning thereof, or the outstanding Obligations shall have been paid and discharged in accordance with Article X hereof, and

(ii) all of the covenants, agreements, obligations, terms and conditions of the City under this Agreement shall have been kept, performed and observed, and there shall have been paid to the Trustee, the Registrar, and the Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof,

then, this Agreement and the rights assigned hereby shall cease, determine and be void, except as provided in Section 10.03 hereof with respect to the survival of certain provisions hereof; otherwise, this Agreement shall be and remain in full force and effect.

It is declared that all of the Obligations issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all Revenues assigned hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Agreement. The City has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Owners, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. In addition to the words and terms defined elsewhere in this Agreement or by reference to the Series 2008 City Lease, unless the context or use clearly indicates another meaning or intent:

"Bond Resolution" means the resolution providing for execution and delivery of the Obligations and the approving of the Series 2008 City Lease, this Agreement and related matters.

"City Representative" means the City Manager of the City or such other persons designated by the City Manager to act on behalf of the City by a certificate filed with the Trustee containing the specimen signature of such person signed by the City Manager of the City.

"Closing Date" means July 22, 2008.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and Sections thereof include relevant applicable regulations and proposed regulations thereunder and any successor provisions to those Sections, regulations or proposed regulations.

"Debt Service Charges" means, for any period or time, the principal of and interest and any premium due on the Obligations for that period or payable at that time, as the case may be.

"Defeasance Obligations" means cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (2) of the definition of Eligible Investments), direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America and senior debt obligations of other government sponsored agencies.

"Eligible Investments" means, to the extent permitted by law:

(1) Defeasance Obligations and

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

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration (formerly the Farmers Home Administration)
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank

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

- Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Homes Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing no more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.)

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

(6) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P.

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

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

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the obligations described in this clause on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(8) Municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of

"Interest Payment Date" or "Interest Payment Dates" means tr[redacted]e date or dates set forth as such in the forms of Obligations attached hereto as Exhibit A.

"Moody's" means Moody's Investors Service or any successor thereto.

"Obligation Payment Date" means any Principal Payment Date or Interest Payment Date.

"Obligation Retirement Fund" means the Obligation Retirement Fund created in Section 5.01 hereof.

"Obligations" means the Excise Tax Revenue Refunding Obligations, Series 2008, executed and delivered pursuant hereto.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to this Agreement.

"Outstanding Obligations," "Obligations outstanding" or "outstanding" as applied to the Obligations, mean, as of the applicable date, all Obligations which have been authenticated and delivered, or which are being delivered by the Trustee under this Agreement, except:

(a) Obligations cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date;

(b) Obligations, or the portion thereof, for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited and credited with the Trustee or any Paying Agents on or prior to that date for that

"Person" or words importing persons means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Predecessor Obligation" of any particular Obligation means every previous Obligation evidencing all or a portion of the same debt as that evidenced by the particular Obligation. For the purposes of this definition, any Obligation authenticated and delivered under Section 3.07 of this Agreement in lieu of a lost, stolen or destroyed Obligation shall, except as otherwise provided in Section 3.07, be deemed to evidence the same debt as the lost, stolen or destroyed Obligation.

"Principal Payment Date" means July 1 in the years specified in Section 2.02 hereof for the stated amount of principal to be retired at maturity, or any other date on which the principal of the Obligations is payable as a result of redemption, optional or mandatory.

"Registrar" means the Trustee, until a successor Registrar shall have become such pursuant to applicable provisions of this Agreement.

"Regular Record Date" means, with respect to any Obligation, the fifteenth day of the calendar month next preceding an Interest Payment Date applicable to that Obligation.

"Revenue Fund" means the Revenue Fund created in Section 5.01 hereof.

"Revenues" means (a) the rent payments due under the Series 2008 City Lease, (b) all other moneys received or to be received by the City or the Trustee in respect of the Series 2008 City Lease, including without limitation, moneys and investments in the Obligation Retirement Fund, and (c) all income and profit from the investment of the foregoing moneys.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies or any successor thereto.

"Series 2008 Costs of Issuance Fund" means the Series 2008 Costs of Issuance Fund created in Section 5.01 hereof.

"Series 2008 Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the City relating to the execution, sale and delivery, as applicable, of this Agreement, the Series 2008 City Lease or the Obligations, including but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, the Registrar, the Paying Agents, financing discounts, legal fees and charges, insurance fees and charges, including financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations and charges and fees in connection with the foregoing.

"Series 2008 Purchaser" means Zions First National Bank, Investment Division as purchaser of the Obligations under the Funding Agreement.

"Special Record Date" means, with respect to any Obligation, the date established by the Trustee in connection with the payment of overdue interest on that Obligation pursuant to Section 3.05 hereof.

"State" means the State of Arizona.

"Supplemental Agreement" means any Agreement supplemental to this Agreement entered into between the City and the Trustee in accordance with Article IX hereof.

SECTION 1.02. Interpretation.

(a) Any reference herein to the City, or to any member or officer of the City, includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

(b) Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the Arizona Revised Statutes, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this provision, if it constitutes in any way an impairment of the rights or obligations of the City, the Owners, the Trustee, the Registrar or the City under this Agreement, the Bond Resolution, the Obligations, the Series 2008 City Lease or any other instrument or document entered into in connection with any of the foregoing, including without limitation, any alteration of the obligation to pay Debt Service Charges in the amount and manner, at the times, and from the sources provided in the Bond Resolution and this Agreement, except as permitted herein.

(c) Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Agreement; and the term "hereafter" means after, and the term "heretofore" means before, the date of this Agreement. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

SECTION 1.03. Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2008 OBLIGATIONS; ADDITIONAL OBLIGATIONS

SECTION 2.01. Authorized Amount of Obligations. No Obligations may be issued under the provisions of this Agreement except in accordance with this Article. The total authorized principal amount of Obligations which shall be issued under the provisions of this Agreement is $691,000. The Series 2008 Purchaser has covenanted in the Funding Agreement to purchase the Obligations on the Closing Date.

SECTION 2.02. Issuance of Obligations.

The Obligations shall be issuable only in fully registered form, substantially as set forth in Exhibit A to this Agreement, shall be numbered in such manner as determined by the Trustee in order to distinguish each Obligation from any other Obligation, shall initially be in the denominations of $100,000 of principal amount due on a specified maturity date and any integral multiple of $1,000 in excess thereof, shall be dated the Closing Date, shall mature in the principal amounts of $346,000 on July 1, 2009, and $345,000 on July 1, 2010 and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from the Closing Date, payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2009. The Obligations shall bear interest at the rate of 4.75% per annum, calculated on the basis of a 360-day year, consisting of twelve 30-day months.

SECTION 2.03. Delivery of Obligations.

(a) Upon the execution and delivery of this Agreement and satisfaction of the conditions established by the City for delivery of the Obligations, the Trustee shall authenticate the Obligations and deliver them to, or on the order of, the Series 2008 Purchaser thereof, as directed by the City in accordance with this Section.

(b) Prior to delivery by the Trustee of any Obligations, there shall have been received by the Trustee a request and authorization to the Trustee on behalf of the City, signed by the City Representative, to authenticate and deliver the Obligations to, or on the order of, the Series 2008 Purchaser upon payment to the Trustee of the amounts specified therein, which amounts shall be deposited as provided in Article V hereof.

ARTICLE III

TERMS OF OBLIGATIONS GENERALLY

SECTION 3.01. Form of Obligations.

(a) The Obligations shall be substantially in the forms set forth in Exhibit A to this Agreement.

(b) All Obligations shall be in fully registered form, and, except as provided in Section 3.05 hereof, the Owner of a Obligation shall be regarded as the absolute owner thereof for all purposes of this Agreement.

(c) The Obligations shall be negotiable instruments and shall express the purpose for which they are issued and any other statements or legends which may be required by law.

(d) Pending preparation of definitive Obligations, the City may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Obligations, one or more temporary printed or typewritten Obligations substantially in the appropriate form set forth in Exhibit A hereto. Upon request of the City, the Trustee shall authenticate definitive Obligations

in exchange for and upon surrender of an equal principal amount of temporary Obligations. Until so exchanged, temporary Obligations shall have the same rights, remedies and security hereunder as definitive Obligations.

SECTION 3.02. Variable Terms. The Obligations shall be dated, shall mature in the years and the amounts, shall bear interest at the rate or rates per annum, shall be payable on the dates, shall have the Registrar and Paying Agents, shall be of the denominations, shall be subject to redemption on the terms and conditions and shall have any other terms which are set forth or provided for in this Agreement.

SECTION 3.03. Execution and Authentication of Obligations.

(a) No Obligation shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Agreement unless and until a certificate of authentication, substantially in the appropriate form set forth in Exhibit A to this Agreement, shall have been signed by an authorized representative of the Trustee on behalf of the Trustee. The authentication by the Trustee upon any Obligation shall be conclusive evidence that the Obligation so authenticated has been duly authenticated and delivered hereunder and is entitled to the security and benefit of this Agreement. The certificate of the Trustee may be executed by any person authorized by the Trustee, but it shall not be necessary that the same authorized person sign the certificates of authentication on all of the Obligations.

SECTION 3.04. Source of Payment of Obligations. To the extent provided in and except as otherwise permitted by this Agreement, the Debt Service Charges shall be payable solely from the Revenues. Notwithstanding anything to the contrary in the Bond Resolution, the Obligations or this Agreement, the Obligations and the City's obligation to make payments under the Series 2008 City Lease do not and shall not represent or constitute a debt or pledge of the faith and credit of the City or the taxing power of the City or of the State or of any political subdivision, municipality or other local agency thereof.

SECTION 3.05. Payment and Ownership of Obligations.

(a) Debt Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee or any Paying Agent. Subject to the provisions of Section 3.09 of this Agreement, (i) the principal of and any premium on any Obligation shall be payable when due to an Owner upon presentation and surrender of such Obligation at the designated corporate trust operation office of the Trustee or at the office, designated by the Trustee, of any Paying Agent and (ii) interest on any Obligation shall be paid on each Interest Payment Date by check which the Trustee shall cause to be sent on that date to the Person in whose name the Obligation (or one or more Predecessor Obligations) is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein. If and to the extent, however, that the City shall fail to make payments under the Series 2008 City Lease necessary to make payment or provision for payment of interest on any Obligation on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Owner of that Obligation (or of one or more Predecessor Obligations) as of the applicable Regular Record Date and when moneys become available for payment of that interest, the Trustee shall, pursuant to Section 8.05 hereof, establish a Special

Record Date for the payment of that interest which shall be not more than fifteen (15) nor fewer than ten (10) days prior to the date of the proposed payment, and the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Owner at its address as it appears on the Register not fewer than ten (10) days prior to the Special Record Date and, thereafter, the interest shall be payable to the Persons who are the Owners of the Obligations (or their respective Predecessor Obligations) at the close of business on the Special Record Date.

(b) Subject to the foregoing, each Obligation delivered under this Agreement upon transfer thereof, or in exchange for or in replacement of any other Obligation, shall carry the rights to interest accrued and unpaid, and to accrue on that Obligation, or which were carried by that Obligation.

(c) Except as provided in this Section and in the first paragraph of Section 3.07 hereof, (i) the Owner of any Obligation shall be deemed and regarded as the absolute owner thereof for all purposes of this Agreement, (ii) payment of or on account of the Debt Service Charges on any Obligation shall be made only to or upon the order of that Owner or its duly authorized attorney in the manner permitted by this Agreement, and (iii) neither the City, the Trustee, the Registrar nor any Paying Agent shall, to the extent permitted by law, be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Obligation, including without limitation, the interest thereon, to the extent of the amount or amounts so paid.

SECTION 3.06. Transfer and Exchange of Obligations.

(a) So long as any of the Obligations remain outstanding, the Trustee shall cause books for the registration and transfer of Obligations, as provided in this Agreement, to be maintained and kept at the designated office of the Registrar.

(b) Notwithstanding any provision in this Agreement to the contrary, no transfer of an Obligation shall be made unless such transfer is permitted by the terms provided in the form of Obligation.

(c) Any Obligation may be transferred on the registration books upon presentation and surrender thereof to the Registrar, together with an assignment duly executed by the Owner or his attorney duly authorized in any form which shall be satisfactory to the Registrar. No transfer of any Obligation shall be effective until entered on the registration books.

(d) In all cases upon the transfer of a Obligation, the Registrar will enter the transfer of ownership in the registration books and will authenticate and deliver, in the name of the transferee or transferees, a new fully registered Obligation or Obligations of the denominations of $100,000 of principal amount or any multiple or $1,000 in excess thereof (except that no Obligation shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive, at the earliest practicable time in accordance with the provisions of the Agreement.

(e) The Owner of one or more Obligations may, upon request, and upon the surrender to the Registrar of such Obligations, exchange such Obligations for Obligations of other authorized denominations of the same maturity and interest rate together aggregating the same principal amount as the Obligations so surrendered.

(f) The Registrar shall charge the Owner of such Obligation, for every such transfer or exchange of a Obligation, an amount sufficient to reimburse them for any tax, fee or other charge required to be paid with respect to such transfer and may require that such charge be paid before any such new Obligation shall be delivered. The City shall pay all initial registration fees on the Obligations. Subsequent Bondowners shall pay all fees, taxes or charges. The Owner of any Obligation shall be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Obligation.

(g) All of the Obligations issued upon any transfer or exchange of any of the Obligations shall be valid obligations, evidencing the same debt, and entitled to the same benefits under this Agreement as the Obligations surrendered upon transfer or exchange. The Registrar shall not be required to make any exchange or transfer of a Obligation during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Obligations and ending at the close of business on the day of such mailing or to transfer or exchange any Obligations selected for redemption, in whole or in part, within forty five (45) days following such mailing.

(h) In case any Obligation is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Obligation, the Trustee, subject to the provisions of Section 3.09 hereof, shall cause execution of, and the Registrar shall authenticate and deliver, a new Obligation or Obligations in authorized denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Obligation redeemed in part.

(i) The designated office of the Registrar for purposes of this Section shall be established by the Trustee.

SECTION 3.07. Mutilated, Lost, Wrongfully Taken or Destroyed Obligations.

(a) If any Obligation is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the Registrar that a lost, wrongfully taken or destroyed Obligation has been acquired by a bona fide purchaser, the Registrar shall authenticate and deliver, a new Obligation of like date, maturity and denomination as the Obligation mutilated, lost, wrongfully taken or destroyed; provided, that (i) in the case of any mutilated Obligation, the mutilated Obligation first shall be surrendered to the Registrar, and (ii) in the case of any lost, wrongfully taken or destroyed Obligation, there first shall be furnished to the Trustee and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the Trustee and the Registrar, together with indemnity satisfactory to them.

(b) If any lost, wrongfully taken or destroyed Obligation shall have matured, instead of issuing a new Obligation, the Trustee may pay that Obligation without sur-

render thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Obligation. The Registrar and the Trustee may charge the Owner of a mutilated, lost, wrongfully taken or destroyed Obligation their reasonable fees and expenses in connection with their actions pursuant to this Section.

(c) Every new Obligation issued and authenticated pursuant to this Section by reason of any Obligation being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Obligation lost, mutilated, taken or destroyed, an additional obligation payable hereunder, regardless of whether the mutilated, lost, wrongfully taken or destroyed Obligation shall be enforceable at any time by anyone, and (ii) shall be entitled to all of the benefits of this Agreement with any and all other Obligations issued and outstanding hereunder.

(d) All Obligations shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Obligations and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

SECTION 3.08. Safekeeping and Cancellation of Obligations.

(a) Any Obligation surrendered pursuant to this Article for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Registrar, the Trustee or any Paying Agent. Any Obligation cancelled by the Trustee or a Paying Agent shall be transmitted promptly to the Registrar by the Trustee or Paying Agent.

(b) The City may deliver at any time to the Registrar for cancellation any Obligations previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever. All Obligations so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the City and the Trustee by the Registrar upon request from the City or the Trustee to do so. Unless otherwise directed by the City, cancelled Obligations shall be retained and stored by the Registrar for a period of seven (7) years after their cancellation. Those cancelled Obligations shall be destroyed by the Registrar by shredding or incineration seven (7) years after their cancellation. Certificates of any destruction of cancelled Obligations (describing the manner thereof) shall, upon written request, be provided by the Registrar to the City and the Trustee.

SECTION 3.09. Special Agreement With Owners.

(a) Notwithstanding any provision of this Agreement or of any Obligation to the contrary, with the approval of the City, the Trustee may enter into an agreement with any Owner providing for making all payments to that Owner of principal of and interest and any premium on that Obligation or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as provided in this Agreement and in the Obligation, without presentation or surrender of the Obligation, upon any conditions

which shall be satisfactory to the Trustee and the City; provided, that payment in any event shall be made to the Person in whose name a Obligation shall be registered on the Register, with respect to payment of principal and premium, on the date such principal and premium is due, and, with respect to the payment of interest, as of the applicable Regular Record Date or Special Record Date, as the case may be.

(b) The Trustee shall furnish a copy of each of those agreements, certified to be correct by an officer of the Trustee, to the Registrar and the City. Any payment of principal, premium or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Agreement.

ARTICLE IV

REDEMPTION OR PURCHASE OF OBLIGATIONS

SECTION 4.01. Redemption of Obligations. Under the terms of the Series 2008 City Lease or any amendment or supplement thereto or agreement in lieu thereof, money may be paid or credited for the purpose of redeeming Obligations when redeemable hereunder. Any and all money received by the City which, pursuant to the Series 2008 City Lease or any such amendment or supplement or other agreement, is to be used to redeem or purchase Obligations shall be paid to the Trustee under this Agreement, and in such event, the Trustee shall deposit the same in the Obligation Retirement Fund and shall use any and all such money to prepay and redeem or purchase Obligations in accordance with their terms and the provisions of this Article IV.

SECTION 4.02. Terms of Redemption of Obligations. The Obligations are subject to redemption, at the option of the City, in whole or in part on any date, at a redemption price equal to the principal amount of the Obligations being redeemed, plus accrued interest to the date fixed for redemption, without premium.

SECTION 4.03. Partial Redemption. If fewer than all of the Obligations of a single maturity are to be redeemed, the selection of Obligations to be redeemed, or portions thereof in amounts of $1,000 or any integral multiple thereof, shall be made by lot by the Trustee in any manner which the Trustee may determine. In the case of a partial redemption of Obligations by lot when Obligations of denominations greater than $1,000 are then outstanding, each $1,000 unit of face value of principal thereof shall be treated as though it were a separate Obligation of the denomination of $1,000. If it is determined that one or more, but not all of the $1,000 units of face value represented by a Obligation are to be called for redemption, then upon notice of redemption of a $1,000 unit or units, the Owner of that Obligation shall surrender the Obligation to the Trustee (a) for payment of the redemption price of the $1,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the Owner thereof, of a new Obligation or Obligations of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Obligation surrendered.

SECTION 4.04. City's Election to Redeem. Should the City elect to redeem any Obligations, its City Council shall adopt a resolution to redeem such Obligations and shall thereupon give written notice to the Trustee. That notice shall specify the redemption date and principal amount of each maturity of Obligations to be redeemed, and shall be given at least sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. Before notice of redemption shall have been given by the Trustee to the Owners as provided in Section 4.05 hereof, there shall be deposited with the Trustee prior to the redemption date, funds which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Obligations for which notice of redemption has been given.

SECTION 4.05. Notice of Redemption. The notice of the call for redemption of Obligations shall identify (i) by designation, letters, numbers or other distinguishing marks, the Obligations or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Trustee on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Obligation subject to redemption in whole or in part at the Owner's address shown on the Register on the day preceding that mailing; provided, that failure to receive notice by mailing, or any defect in that notice, as to any Obligation shall not affect the validity of the proceedings for the redemption of any Obligation.

SECTION 4.06. Payment of Redeemed Obligations.

(a) Notice having been mailed in the manner provided in Section 4.05 hereof, the Obligations and portions thereof called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus interest accrued to the redemption date.

(b) If moneys for the redemption of all of the Obligations and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, are held by the Trustee or any Paying Agent on the redemption date, so as to be available therefor on that date and, if notice of redemption shall have been deposited in the mail as aforesaid, then from and after the redemption date those Obligations and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Obligations and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

(c) All moneys deposited in the Obligation Retirement Fund and held by the Trustee or a Paying Agent for the redemption of particular Obligations shall be held in trust for the account of the Owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Obligations.

ARTICLE V

PROVISIONS AS TO FUNDS AND PAYMENTS

SECTION 5.01. Establishment of Funds. There are hereby ordered created by the City and maintained as separate deposit accounts (except when invested as hereinafter set forth) in the custody of the Trustee, the following trust funds: (i) Revenue Fund; (ii) Interest Fund; (iii) Obligation Retirement Fund and (iv) Series 2008 Costs of Issuance Fund.

SECTION 5.02. Application of Series 2008 Obligation Proceeds. On the Closing Date, the Series 2008 Purchaser shall deposit with the Trustee the proceeds of the sale of the Obligations and, upon receipt of such proceeds, the Trustee shall:

(i) deposit to the credit of the Series 2008 Costs of Issuance Fund $16,500.00;

(ii) apply $669,245.83 to pay the Excise Tax Revenue Obligations, Series 2005, dated December 15, 2005, in the principal amount of $667,000, executed and delivered pursuant to the Trust Agreement, dated November 1, 2005, for which it is trustee (which includes interest on such obligations to the Closing Date); and

(iii) deposit the balance of the proceeds of the Obligations to the Interest Fund.

SECTION 5.03. Disbursements From the Series 2008 Costs of Issuance Fund.

(a) The Trustee shall hold the amounts in the Series 2008 Costs of Issuance Fund for the benefit of the City to be used to pay the Series 2008 Delivery Costs and shall disburse amounts in the Series 2008 Costs of Issuance Fund only upon receipt of a sequentially numbered requisition signed by a City Representative, identifying payee and amount for each requested disbursement.

(b) The Trustee shall be responsible for the safekeeping of the amounts held in the Series 2008 Costs of Issuance Fund, the payment thereof in accordance with this Section and the application of amounts paid pursuant to such requisitions. On December 1, 2008, the Trustee shall transfer to the Obligation Retirement Fund the balance of moneys remaining in the Series 2008 Costs of Issuance Fund.

SECTION 5.04. Left Blank Intentionally.

SECTION 5.05. Receipt of Revenues. The installments of rents to be paid by the City pursuant to the terms of the Series 2008 City Lease shall be paid by the City directly to the Trustee, and the Trustee shall credit such moneys to the Revenue Fund. If at any time the money in the Revenue Fund exceeds, in the sole opinion of the Trustee, the amount necessary for the current debt service on all of the Obligations then outstanding, including administration costs and expenses, and the City is not then in default under the Series 2008 City Lease, such excess shall constitute a credit to the City on the next succeeding installments of rent due or to become

due under the Series 2008 City Lease, in such manner as the City may direct; provided, however, that the City may exercise its rights under Section 7.3 of the Series 2008 City Lease, in which event such excess funds shall be transferred to and paid over into the Obligation Retirement Fund, in such manner as the City may direct in writing. The aforesaid credit or transfer shall be made by the Trustee no less frequently than annually.

SECTION 5.06. Flow of Funds - Interest Fund/Obligation Retirement Fund. The Trustee shall transfer from the Revenue Fund the following amounts at the time and in the manner hereinafter provided for, to-wit:

(a) Interest Fund: One (1) business day prior to each Interest Payment Date, the Trustee shall deposit in the Interest Fund an amount equal to the amount of the interest becoming due and payable on the Outstanding Obligations on the next Interest Payment Date, and each such deposit shall be made so that adequate moneys for the payment of interest will be available in such fund on each date that interest payments are to be made hereunder. Amounts in the Interest Fund shall be withdrawn and used by the Trustee solely for the purpose of paying the interest on the Obligations as it shall become due and payable.

(b) Obligation Retirement Fund: One (1) business day prior to each Principal Payment Date, the Trustee shall deposit in the Obligation Retirement Fund an amount equal to the amount of principal becoming due and payable on the Outstanding Obligations on the next Principal Payment Date, and each such deposit shall be made so that adequate moneys for the payment of principal will be applicable in such fund on each date that principal payments are to be made hereunder. Amounts in the Obligation Retirement Fund shall be withdrawn and used by the Trustee solely for the purpose of paying the principal or optional redemption requirement of the Obligations as each amount shall become due and payable.

SECTION 5.07. Left Blank Intentionally.

SECTION 5.08. Investment of Funds. Substantially all amounts in any of the funds and accounts to be established by the Trustee pursuant to this Article of this Agreement shall, at the written direction of the City, so long as the City is not in default under the Series 2008 City Lease, be invested and reinvested by the Trustee in Eligible Investments, or if the City fails to so direct or instruct the Trustee, the Trustee shall invest and reinvest such amounts in Eligible Investments described in clause (6) of the definition thereof. Such investments shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide amounts to pay Debt Service Charges as they become due at stated maturity, by redemption or pursuant to any mandatory redemption requirements. Except as otherwise provided herein, any interest, profit or loss on investments made pursuant to this Section shall be credited or charged to the fund or account to which such interest, profit or loss relates. It is understood, pursuant to Section 1.4 of the Series 2008 City Lease, that any losses on such investments are to be made up by the City to the extent necessary to meet the Debt Service Charges, and to pay the Trustee's, the Registrar's and Paying Agents' fees and expenses under this Agreement any money paid to the Trustee by the City for such purpose shall be deposited in the fund or account

with respect to which, and to the extent that, such losses were incurred. At any time that the City is in default under the Series 2008 City Lease, substantially all amounts in any of the funds and accounts to be established by the Trustee pursuant to this Article of the Agreement shall be invested and reinvested by the Trustee at the written direction of the City in Eligible Investments. Such investments shall be valued by the Trustee not less often than annually, at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date as provided in the case of the Obligations in the Series 2008 City Lease. Any investment of amounts in any fund or account established under this Agreement may be purchased from or through, or sold to, the Trustee or any affiliate of the Trustee, and any such investment made through the purchase of shares in a fund described in clause (6) of the definition of Eligible Investments may be in a fund which is advised or administered by the Trustee or any affiliate of the Trustee, for which services the Trustee or such affiliate, as the case may be, may receive a fee. (While the regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically and to the extent permitted by law waives such notification and acknowledges that instead the city will receive from the Trustee periodic cash transaction statements.)

SECTION 5.09. Limitation of Investment Yield. In the event the City (while it is directing investments) is of the opinion that it is necessary to restrict or limit the yield on the investment of any amounts paid to or held by the Trustee hereunder in order to avoid the Obligations, or any of them, being considered "arbitrage bonds" within the meaning of Section 148 of the Code, the City may issue to the Trustee a written certificate to such effect (along with appropriate instructions), in which event the Trustee will take such action as is necessary so to restrict or limit the yield on such investment in accordance with the specific instructions contained in such certificate, irrespective of whether the Trustee shares such opinion.

SECTION 5.10. Amounts to be Held in Trust. Except where amounts have been deposited with or paid to the Trustee pursuant to an instrument restricting their application to particular Obligations, all amounts required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this Agreement or the Series 2008 City Lease and any investments thereof shall be held by the Trustee or that Paying Agent in trust. Except for (i) amounts deposited with or paid to that Trustee or any Paying Agent for the redemption of Obligations, notice of the redemption of which shall have been duly given, and (ii) amounts held by the Trustee pursuant to Section 5.09 hereof, all amounts described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the lien hereof while so held.

SECTION 5.11. Non-presentment of Obligations.

(a) In the event that any Obligation shall not be presented for payment when the principal thereof becomes due in whole or in part, either at stated maturity, by redemption or pursuant to any mandatory redemption requirements, or a check or draft for interest is uncashed, if amounts sufficient to pay the principal then due of that Obligation or of such check or draft shall have been made available to the Trustee for the benefit of its Owner, all rights of that Owner for such payment of the principal then due of the Obligation or of such check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Pay-

ing Agent to hold those amounts, without liability for interest thereon, in a separate account for the exclusive benefit of the Owner, who shall be restricted thereafter exclusively to those amounts for any claim of whatever nature on its part under this Agreement or on, or with respect to, the principal then due of that Obligation or of such check or draft.

(b) Any of those amounts which shall be so held by the Paying Agent, and which remain unclaimed by the Owner of a Obligation not presented for payment or check or draft not cashed for a period of four (4) years after the due date thereof, shall be paid to the City free of any trust or lien. Thereafter, the Owner of that Obligation shall look only to the City for payment and then only the amounts so received by the City without any interest thereon, and the Paying Agent shall not have any responsibility with respect to those amounts.

ARTICLE VI

ENFORCEMENT OF REVENUE PLEDGE AND EXCLUSIVE PLEDGE

SECTION 6.01. Enforcement of Revenue Pledge. As provided in Section 3.5 of the Series 2008 City Lease, the Trustee shall have the right of specific performance of the covenants of the City as to Revenues provided by such Section 3.5 by appropriate court action in the name of the Trustee on behalf of the Owners of the Obligations. Nothing contained in this Section or in Section 3.5 of the Series 2008 City Lease shall be deemed to create a lien of any kind upon the Leased Property or upon any other assets or facilities of the City.

SECTION 6.02. Exclusive Pledge. As further provided in Section 3.5 of the Series 2008 City Lease, the pledge of Revenues referred to in this Article shall be for the benefit of the Owners of the Obligations, and no other creditor of the City shall have any claim thereto.

ARTICLE VII

THE TRUSTEE, REGISTRAR AND PAYING AGENTS

SECTION 7.01. Trustee's Acceptance and Responsibilities.

(a) The Trustee accepts the trusts imposed upon it by this Agreement and shall observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Owners agree.

(b) Prior to the occurrence of a default or an "Event of Default" (as defined in Section 8.01 hereof) of which the Trustee has been notified, as provided in paragraph (f) of Section 7.02 hereof, or of which by that paragraph the Trustee is deemed to have notice, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in this Agreement and no duties or obligations shall be implied to the Trustee and

(ii) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

(c) In case a default or an Event of Default has occurred and is continuing hereunder of which the Trustee has been notified, or is deemed to have notice under Section 7.02(f), the Trustee shall exercise those rights and powers vested in it by this Agreement and shall use the same degree of care and skill in its exercise as a corporate trustee would exercise or use under the circumstances in the conduct of its trust business.

(d) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that,

(i) this Subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (b)(i) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (b)(ii) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) 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 principal amount of the Obligations then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement; and

(iv) no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 7.02. Certain Rights and Obligations of the Trustee. Except as otherwise provided in Section 7.01 hereof:

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees (but shall be answerable therefor only in accordance with the standard specified above), (ii) shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder, and (iii) may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof. The Trustee may act upon the opinion or advice of an attorney (who may be the attorney or attorneys for the City) approved by the Trustee in the exercise of reasonable care and the Trustee shall be entitled to be reimbursed for such compensation paid by it, subject to Section 7.03 hereof. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice.

(b) Except for its certificate of authentication on the Obligations, the Trustee shall not be responsible for:

(i) any recital in this Agreement or in the Obligations,

(ii) the validity, priority, recording, re-recording, filing or refiling of this Agreement or any Supplemental Agreement or the Series 2008 City Lease,

(iii) any instrument or document of further assurance or collateral assignment,

(iv) any financing statements, amendments thereto or continuation statements,

(v) insurance of the property subject to the Series 2008 City Lease or collection of insurance moneys,

(vi) the validity of the execution by the City of this Agreement, any Supplemental Agreement or instruments or documents of further assurance,

(vii) the sufficiency of the security for the Obligations issued hereunder or intended to be secured hereby,

(viii) the value of or title to the interest in the Series 2008 City Lease, or

(xi) the maintenance of the security hereof.

(c) The Trustee shall not be accountable for the application by the City or any other Person of the proceeds of any Obligations authenticated or delivered hereunder.

(d) The Trustee shall be protected, in the absence of bad faith on its part, in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this

Agreement upon the request or authority or consent of any Person who is the Owner of any Obligations at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Owners of the same Obligation and of Obligations issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact for which the City may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, in the absence of bad faith on its part, shall be entitled to rely upon a certificate signed on behalf of the City by the City Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default hereunder of which the Trustee has been notified, as provided in paragraph (f) of this Section, or of which by that paragraph the Trustee is deemed to have notice, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence. The Trustee may accept a certificate of the officer, or an assistant thereto, having charge of the appropriate records, to the effect that legislation has been enacted by the City in the form recited in that certificate, as conclusive evidence that the legislation has been duly adopted and is in full force and effect.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Default described in paragraphs (a)(i) and (ii) of Section 8.01 hereof, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least ten percent (10%) of the aggregate principal amount of Obligations then outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default, except as noted above.

(g) Left Blank Intentionally.

(h) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in this Agreement, the Trustee may demand any showings, certificates, reports, opinions, appraisals and other information, and any corporate action and evidence thereof, in addition to that required by the terms hereof, as a condition to the authentication of any Obligations or the taking of any action whatsoever within the purview of this Agreement, if the Trustee deems it to be desirable for the purpose of establishing the right of any Person to the taking of any action by the Trustee; provided, that the Trustee shall not be required to make that demand.

(j) Before taking action hereunder pursuant to Section 7.04 or Article VIII hereof, the Trustee may require that a satisfactory indemnity bond or other assurances be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without that in-

demnity or assurances, and in that case, the City shall reimburse the Trustee for all of the Trustee's expenses pursuant to Section 7.03 hereof.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Agreement shall be held in trust for the purposes for which those moneys were received, until those moneys are used, applied or invested as provided herein; provided, that those moneys need not be segregated from other moneys, except to the extent required by this Agreement or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein.

(l) Any resolution by the City, and any opinions, certificates and other instruments and documents for which provision is made in this Agreement, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

SECTION 7.03. Fees, Charges and Expenses of Trustee, Registrar and Paying Agents.

(a) The Trustee, the Registrar and any Paying Agents shall be entitled to payment or reimbursement by the City, for reasonable fees for its Ordinary Services rendered hereunder and for all advances, counsel fees and other Ordinary Expenses reasonably and necessarily paid or incurred by them in connection with the provision of Ordinary Services from the sources provided in the Series 2008 City Lease. For purposes hereof, fees for Ordinary Services provided for by their respective fee schedule shall be considered reasonable. In the event that it should become necessary for any of them to perform Extraordinary Services, they shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary Extraordinary Expenses incurred in connection therewith.

(b) Without creating a default or an Event of Default hereunder, however, the City may contest in good faith the necessity for any Extraordinary Service and Extraordinary Expense and the reasonableness of any fee, charge or expense.

(c) The Trustee, the Registrar and any Paying Agents shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by their gross negligence or willful misconduct. The reasonable fees for their respective Ordinary Services and charges of the foregoing shall be entitled to payment and reimbursement only from (i) the Revenue Fund or (ii) from other moneys available therefor. Any amounts payable to the Trustee, the Registrar or any Paying Agent pursuant to this Section shall be payable upon demand and shall bear interest beginning twenty (20) days from the date of receipt of the invoice therefor at a rate not to exceed ten percent (10%) per annum. The initial or acceptance fees of the Trustee and the fees, charges and expenses of the Trustee, the Registrar or any Paying Agents to which reference is made above, may be paid by the Trustee from the Revenue Fund as and when those fees, charges and expenses become due to the extent that those fees, charges and expenses become due.

SECTION 7.04. Intervention by Trustee. The Trustee may intervene on behalf of the Owners, and shall intervene if requested to do so in writing by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Obligations then outstanding, in any judicial proceeding to which the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Obligations. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond or other assurances be provided to it in accordance with Sections 7.01 and 7.02 hereof before it takes action hereunder.

SECTION 7.05. Successor Trustee.

(a) Anything herein to the contrary notwithstanding, (i) any corporation or association (A) into which the Trustee may be converted or merged, (B) with which the Trustee or any successor to it may be consolidated, or (C) to which it may sell or transfer its assets and corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole property or trust estate hereunder and (ii) that corporation or association shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Agreement to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

(b) Any successor Trustee, however, (i) shall be a trust company or a bank having the powers of a trust company, (ii) shall be in good standing within the State, (iii) shall be duly authorized to exercise trust powers within the State and subject to examination by federal or State authority and (iv) shall have a reported capital and surplus of not less than $75,000,000.

SECTION 7.06. Appointment of Co-Trustee.

(a) It is the purpose of this Agreement that there shall be no violation of any law of any jurisdiction (including without limitation, the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustees in that jurisdiction. It is recognized that, (i) if there is litigation under this Agreement or other instruments or documents relating to the Obligations and the property subject to the Series 2008 City Lease, and in particular, in case of the enforcement hereof or thereof upon a default or an Event of Default, or (ii) if the Trustee should deem that, by reason of any present or future law of any jurisdiction, it may not (A) exercise any of the powers, rights or remedies granted herein to the Trustee, (B) hold title to the properties, in trust, as granted herein, or (C) take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an individual or additional institution as a co-Trustee. The following provisions of this Section are adapted to these ends.

(b) In the event that the Trustee appoints an individual or additional institution as a co-Trustee, each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Agreement to be exercised by, vested in or conveyed to the Trustee shall be exercisable by, vest in and be conveyed to that co-Trustee, but only to the extent necessary for it to be so vested and conveyed and to enable that co-Trustee to exercise it. Every covenant, agreement and obligation necessary to the exercise thereof by that co-Trustee shall run to and be enforceable by it.

(c) Should any instrument or document in writing from the City reasonably be required by the co-Trustee so appointed by the Trustee for vesting and conveying more fully and certainly in and to that co-Trustee those trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens, that instrument or document shall be executed, acknowledged and delivered, but not prepared, by the City. In case any co-Trustee or a successor to it shall die, become incapable of acting, resign or be removed, all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the co-Trustee shall be exercised by, vest in and be conveyed to the Trustee, to the extent permitted by law, until the appointment of a successor to the co-Trustee.

SECTION 7.07. Resignation by the Trustee. The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the City, the City, the Registrar, any Paying Agents and the Series 2008 Purchaser, by mailing written notice of the resignation to such parties and to the Owners as their names and addresses appear on the Register at the close of business fifteen days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

SECTION 7.08. Removal of the Trustee.

(a) The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the City (except when the City is removing the Trustee), the Registrar and any Paying Agents and signed by or on behalf of the City (if there has not then occurred or is continuing an event of default hereunder) or by the Owners of not less than a majority in aggregate principal amount of the Obligations then outstanding.

(b) The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Agreement with respect to the duties and obligations of the Trustee upon the application of the City or the Owners of not less than twenty percent (20%) in aggregate principal amount of the Obligations then outstanding under this Agreement.

SECTION 7.09. Appointment of Successor Trustee.

(a) If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under

control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the City; provided, that if a successor Trustee is not so appointed within ten (10) days after (A) a notice of resignation or an instrument or document of removal is received by the City, as provided in Sections 7.07 and 7.08 hereof, respectively, or (B) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the City shall not have appointed a successor Trustee, the Owners of a majority in aggregate principal amount of Obligations then outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Owners. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the Owner of any Obligation outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(b) Every successor Trustee appointed pursuant to this Section (i) shall be a trust company or a bank having the powers of a trust company (ii) shall be in good standing within the State (iii) shall be duly authorized to exercise trust powers within the State and subject to examination by federal or State authority, (iv) shall have a reported capital and surplus of not less than $75,000,000 and (v) shall be willing to accept the trusteeship under the terms and conditions of this Agreement.

(c) Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor and the City, an instrument in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the written request of its successor or the City, the predecessor Trustee (i) shall execute and deliver an instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, cause of action, immunities, estates, titles, interests and liens of the predecessor Trustee hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Notwithstanding the foregoing, the predecessor Trustee shall not be required to transfer to its successor any rights of indemnity to the predecessor Trustee for acts during the time the predecessor Trustee was acting as Trustee under this Agreement. Should any instrument or document in writing from the City be requested by any successor Trustee for vesting and conveying more fully and certainly in and to that successor the trusts, properties, remedies, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed or intended to be vested or conveyed hereby in or to the predecessor Trustee, the City shall execute, acknowledge and deliver that instrument or document.

(d) In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to this Agreement and shall cease to be Registrar and Paying Agent for any of the Obligations, to the extent it served in any of those capacities, the successor Trustee shall become custodian and, if applicable, Registrar and Paying Agent.

SECTION 7.10. Adoption of Authentication. In case any of the Obligations shall have been authenticated, but shall not have been delivered, any successor Trustee or Registrar may adopt the certificate of authentication of any predecessor Trustee or Registrar and may deliver those bonds so authenticated as provided herein. In case any Obligations shall not have been authenticated, any successor Trustee or Registrar may authenticate those Obligations either in the name of any predecessor or in its own name. In all cases, the certificate of authentication shall have the same force and effect as provided in the Obligations or in this Agreement with respect to the certificate of authentication of the predecessor Trustee or Registrar.

SECTION 7.11. Registrars.

(a) Anything herein to the contrary notwithstanding, any corporation or association (i) into which a Registrar may be converted or merged, (ii) with which a Registrar or any successor to it may be consolidated or (iii) to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, shall be and become successor Registrar to that Registrar hereunder and shall be vested with each and every power, right, duty, obligation, discretion and privilege expressed or intended by this Agreement to be exercised by or vested in the predecessor Registrar, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

(b) A Registrar may resign at any time by giving written notice of its resignation to the City, the Trustee, the Series 2008 Purchaser and each Paying Agent of Obligations, at least sixty (60) days before the resignation is to take effect. The resignation shall take effect immediately, however, upon the appointment of a successor Registrar, if the successor Registrar is appointed and accepts that appointment before the time stated in the notice.

(c) The Registrar may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Registrar, with copies thereof mailed to the City (except when the City is removing the Registrar), and the Trustee, and signed by or on behalf of the City or by the Owners of not less than a majority in aggregate principal amount of the Obligations then outstanding.

(d) If (i) a Registrar shall resign, shall be removed, shall be dissolved, or shall become otherwise completely incapable of acting hereunder, (ii) a Registrar shall be taken under the control of any public officer or officers, (iii) a receiver shall be appointed for a Registrar by a court, or (iv) a Registrar shall have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (90) days, then a successor Registrar shall be appointed by the City Representative, with the consent of the Trustee; provided, that if a successor Registrar is not so appointed within ten (10) days after (a) a notice of resignation or an instrument or document of removal is received by the City, as provided above, or (b) the Registrar is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, if the City Representative shall not have appointed a successor Registrar, the Trustee or the Owners of a majority in aggregate prin-

cipal amount of Obligations then outstanding may designate a successor Registrar by an instrument or document or concurrent instruments or documents in writing signed by the Trustee, or in the case of the Owners, by or on behalf of those Owners.

(e) Every successor Registrar appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the City and the Trustee, an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of its predecessor. Upon the written request of its successor or the City, a predecessor Registrar (i) shall execute and deliver an instrument or document transferring to its successor all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of it as predecessor Registrar hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property and records (including without limitation, the Register and any cancelled Obligations) held by it as Registrar. Should any instrument or document in writing from the City be requested by any successor Registrar for vesting and conveying more fully and certainly in and to that successor the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests vested or conveyed or intended to be vested or conveyed hereby in or to a predecessor Registrar, the City shall execute, acknowledge and deliver that instrument or document.

SECTION 7.12. Designation and Succession of Paying Agents.

(a) The Trustee shall be Paying Agent for the Obligations, and, with the consent of the City, the Trustee may appoint a Paying Agent or Agents with power to act on its behalf and subject to its direction in the payment of Debt Service Charges of Obligations. It is the responsibility of the Trustee to establish the duties and responsibilities of any Paying Agent for any purposes of this Agreement, to the extent not specified herein.

(b) Any corporation or association with or into which any Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any Paying Agent shall be a party, or any corporation or association succeeding to the corporate trust business of any Paying Agent, shall be the successor of the Paying Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Paying Agent or that successor corporation or association.

(c) Any Paying Agent may at any time resign by giving written notice of resignation to the Trustee, to the Registrar, to the City. The Trustee may at any time terminate the agency of any Paying Agent by giving written notice of termination to such Paying Agent, to the Registrar, to the City. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Paying Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Paying Agent. The Trustee shall give written notice of appointment of a successor Paying Agent to the City, the Registrar, and shall mail, within ten (10)

days after that appointment, notice thereof to all Owners as their names and addresses appear on the Register on the date of that appointment.

(d) The Trustee shall pay to any Paying Agent from time to time reasonable compensation as authorized in Section 7.03 hereof for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 7.03 hereof.

(e) The provisions of Section 3.05 and Subsection 7.02(d) hereof shall be applicable to any Paying Agent.

SECTION 7.13. Dealing in Obligations. The Trustee, a Registrar and a Paying Agent, their affiliates, and any directors, officers, employees or agents thereof may become the owners of Obligations secured hereby with the same rights which it or they would have hereunder if the Trustee, the Registrar or Paying Agents did not serve in those capacities.

SECTION 7.14. Representations, Agreements and Covenants of Trustee. The Trustee shall take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the State and shall maintain an unimpaired reported capital and surplus of not less than $75,000,000. (The Trustee hereby represents that it is now a national banking association organized and existing under the laws of the United States of America and authorized to exercise corporate trust powers in the State, is in good standing, and that it has an unimpaired reported capital and surplus of not less than $75,000,000.) The Trustee accepts and agrees to observe and perform the duties and obligations of the Trustee to which reference is made in this Agreement and any other instrument or document providing security for any of the Obligations.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND OWNERS

SECTION 8.01. Defaults; Events of Default.

(a) The occurrence of any of the following events is defined as and declared to be and to constitute an event of default hereunder:

(i) Payment of any interest on any Obligation shall not be made when and as that interest shall become due and payable;

(ii) Payment of the principal of or any premium on any Obligation shall not be made when and as that principal or premium shall become due and payable, whether at stated maturity, by redemption, or otherwise;

(iii) Failure by the City to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in this Agreement or in the Obligations, which failure shall have continued for a period of thirty (30) days after written notice of such failure, by registered or certified mail, shall have been given to the City and the City, requiring that it be reme-

died, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of Owners of not less than twenty five percent (25%) in aggregate principal amount of the Obligations then outstanding;

(iv) The occurrence and continuance of any default as defined in the Series 2008 City Lease; and

(v) The occurrence of an Event of Bankruptcy as to the City or the City shall: (A) commence a proceeding under any federal or state insolvency, reorganization or similar law, or have such a proceeding commenced against them and either have an order of insolvency or reorganization entered against them or have the proceeding remain undismissed and unstayed for ninety (90) days; or (B) have a receiver, conservator, liquidator or trustee appointed for them or for the whole or any substantial part of their property. The declaration of an Event of Default under this subsection and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal or State law affecting or precluding such declaration or exercise during the pendency of or immediately following any liquidation or reorganization proceedings.

(b) The term "default" or "failure" as used in this Article means a default or failure by the City in the observance or performance of any of the covenants, agreements or obligations on its part to be observed or performed contained in this Agreement or in the Obligations, exclusive of any period of grace or notice required to constitute a default or failure an Event of Default, as provided above.

SECTION 8.02. Notice of Default. If an Event of Default shall occur, the Trustee shall give written notice of the Event of Default, by registered or certified mail, to the City, the Registrar or any Paying Agent, and the Series 2008 Purchaser of Obligations, within five (5) days after the Trustee has notice of the Event of Default. If an Event of Default occurs of which the Trustee has notice pursuant to this Agreement the Trustee shall give written notice thereof, promptly after the Trustee's receipt of notice of its occurrence, to the Owners of all Obligations then outstanding as shown by the Register at the close of business fifteen (15) days prior to the mailing of that notice; provided that, except in the case of a default in the payment of the principal of or any premium or interest on any Obligation or the occurrence of an Event of Bankruptcy as to the City, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or responsible officers of the Trustee in good faith determine that the withholding of notice to the Owners is in the interests of the Owners.

SECTION 8.03. Remedies; Rights of Owners.

(a) Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy to enforce the payment of Debt Service Charges or the observance and performance of any other covenant, agreement or obligation under this Agreement, the Series 2008 City Lease or any other instrument providing security, directly or indirectly, for the Obligations.

(b) If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Obligations outstanding affected thereby, the Trustee (subject to the provisions of Sections 7.01 and 7.02 hereof and particularly subparagraph 7.01(d)(iv) and Subsection 7.02(d) hereof of those Sections), shall exercise any rights and powers conferred by this Section.

(c) No remedy conferred upon or reserved to the Trustee (or to the Owners) by this Agreement is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Owners or now or hereafter existing.

(d) No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

(e) No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Owners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

(f) In exercising any remedy, right or power under the Series 2008 City Lease or hereunder, the Trustee shall take any action which would best serve the interests of the Owners in the judgment of the Trustee, applying the standards described in Sections 7.01 and 7.02 hereof.

SECTION 8.04. Right of Owners to Direct Proceedings. Subject to the provisions of Section 13.06 hereof, the Owners of a majority in aggregate principal amount of Obligations then outstanding shall have the right at any time to direct, by an instrument or document or instruments or documents in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Agreement or any other proceedings hereunder; provided, that (i) any direction shall not be other than in accordance with the provisions of law and of this Agreement, (ii) the Trustee shall be indemnified or provided other assurances as provided in Sections 7.01 and 7.02 hereof, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

SECTION 8.05. Application of Moneys.

(a) After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of moneys pursuant to any right given or action taken under the provisions of this Article or the provisions of the Series 2008 City Lease (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article VIII), all moneys received by the Trustee for deposit into the Revenue Fund shall be applied as follows, subject to Section 3.05 hereof and any provision made pursuant to the other provisions hereof:

First - To the payment to the Owners entitled thereto of all installments of interest then due on the Obligations, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Obligations; and

Second - To the payment to the Owners entitled thereto of the unpaid principal of any of the Obligations which shall have become due (other than Obligations previously called for redemption for the payment of which moneys are held pursuant to the provisions of this Agreement), whether at stated maturity, by redemption or pursuant to any mandatory redemption requirements, in the order of their due dates, beginning with the earliest due date, with interest on those Obligations from the respective dates upon which they became due at the rates specified in those Obligations, and if the amount available is not sufficient to pay in full all Obligations due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Obligations.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of Section 3.05 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Obligation to the Owner thereof, until the Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

SECTION 8.06. Remedies Vested in Trustee.

All rights of action (including without limitation, the right to file proof of claims) under this Agreement or under any of the Obligations may be enforced by the Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Owners as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Owners of the outstanding Obligations, subject to the provisions of this Agreement.

SECTION 8.07. Rights and Remedies of Owners.

(a) An Owner shall not have any right to institute any suit, action or proceeding for the enforcement of this Agreement, for the execution of any trust hereof, or for the exercise of any other remedy hereunder, unless:

(i) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in paragraph (f) of Section 7.02 hereof, or of which it is deemed to have notice under that paragraph;

(ii) the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have offered indemnity or other assurances to the Trustee as provided in Sections 7.01 and 7.02 hereof; and

(iii) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name.

At the option of the Trustee, that notification (or notice), request, opportunity and offer of indemnity or other assurances are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

(b) No one or more Owners of the Obligations shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of this Agreement by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided herein for the benefit of the Owners of all Obligations then outstanding. Nothing in this Agreement shall affect or impair, however, the right of any Owner to enforce the payment of the Debt Service Charges on any Obligation owned by that Owner at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Obligation.

SECTION 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Agreement in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

SECTION 8.09. Waivers of Events of Default.

(a) Except as hereinafter provided, at any time, in its discretion, the Trustee may waive any Event of Default hereunder and its consequences and the Trustee shall do so upon the written request of the Owners of:

(i) at least a majority in aggregate principal amount of all Obligations then outstanding in respect of which an Event of Default in the payment of Debt Service Charges exists; or

(ii) at least twenty-five percent (25%) in aggregate principal amount of the Obligations then outstanding, in the case of any other Event of Default.

(b) There shall not be so waived, however, any Event of Default described in Section 8.01(a)(i), (ii) or (v) hereof. In the case of the waiver or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively. No waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

ARTICLE IX

SUPPLEMENTAL AGREEMENTS

SECTION 9.01. Supplemental Agreements Generally. The City and the Trustee may enter into agreements supplemental to this Agreement, as provided in this Article and pursuant to the other provisions therefor in this Agreement.

SECTION 9.02. Supplemental Agreements Not Requiring Consent of Owners. Without the consent of, or notice to, any of the Owners, the City and the Trustee may enter into Agreements supplemental to this Agreement which shall not, in the opinion of the City and the Trustee, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) to cure any ambiguity, inconsistency or formal defect or omission in this Agreement;

(b) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Owners or the Trustee;

(c) to assign additional revenues under this Agreement;

(d) to accept additional security and instruments and documents of further assurance with respect to the Obligations and to release all or any portion of the Leased Property from the provisions of the Series 2008 City Lease and the lien of this Agreement in accordance with the provisions of the Series 2008 City Lease;

(e) to add to the covenants, agreements and obligations of the City under this Agreement, other covenants, agreements and obligations to be observed for the protection of the Owners, or to surrender or limit any right, power or authority reserved to or conferred upon the City in this Agreement;

(f) to evidence any succession to the City and the assumption by its successor of the covenants, agreements and obligations of the City under this Agreement, the Series 2008 City Lease and the Obligations:

(g) to permit the use of a book entry system to identify the owner of an interest in an obligation issued by the City under this Agreement, whether that obligation was formerly, or could be, evidenced by a tangible security;

(h) to permit the Trustee to comply with any obligations imposed upon it by law;

(i) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Paying Agents;

(j) to achieve compliance of this Agreement with any applicable federal securities or tax law; and

(k) to permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners.

The provisions of Subsections 9.02(h) and (j) hereof shall not be deemed to constitute a waiver by the Trustee, the Registrar, the City or any Owner of any right which it may have in the absence of those provisions to contest the application of any change in law to this Agreement or the Obligations.

SECTION 9.03. Supplemental Agreements Requiring Consent of Owners.

(a) Exclusive of Supplemental Agreements to which reference is made in Section 9.02 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise with the consent of the Owners of not less than a majority in aggregate principal amount of Obligations at the time outstanding, evidenced as provided in this Agreement, the City and the Trustee may execute and deliver Supplemental Agreements adding any provisions to, changing in any manner or eliminating any of the provisions of this Agreement or any Supplemental Agreement or restricting in any manner the rights of the Owners. Nothing in this Section or Section 9.02 hereof shall permit, however, or be construed as permitting:

(i) without the consent of the Owner of each Obligation so affected, (A) an extension of the maturity of the principal of or the interest on any Obligation, (B) a reduction in the principal amount of any Obligation or the rate of interest or premium thereon, or (C) a reduction in the amount or extension of the time of payment of any mandatory redemption requirements, or

(ii) without the consent of the Owners of all Obligations then outstanding, (A) the creation of a privilege or priority of any Obligation or Obligations over any other Obligation or Obligations, or (B) a reduction in the aggregate principal amount of the Obligations required for consent to a Supplemental Agreement.

(b) If the City shall request that the Trustee execute and deliver any Supplemental Agreement for any of the purposes of this Section, upon being satisfactorily indemnified with respect to its expenses in connection therewith, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Agreement to be mailed by first class mail, postage prepaid, to all Owners of Obligations then outstanding at their addresses as they appear on the Register at the close of business on the fifteenth (15th) day preceding that mailing.

(c) The Trustee shall not be subject to any liability to any Owner by reason of the Trustee's failure to mail, or the failure of any Owner to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Agreement when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

(d) If the Trustee shall receive, within a period prescribed by the City, of not less than sixty (60) days, but not exceeding one (1) year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Obligations then outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Agreement in the form described in the notice and specifically shall consent to the Supplemental Agreement in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Agreement in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Owner, regardless of whether that Owner shall have consented thereto.

(e) Any consent shall be binding upon the Owner of the Obligation giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Owner of that Obligation and of any Obligation issued in exchange therefor (regardless of whether the subsequent Owner has notice of the consent to the Supplemental Agreement). A consent may be revoked in writing, however, by the Owner who gave the consent or by a subsequent Owner of the Obligation by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Agreement. At any time after the Owners of the required percentage of Obligations shall have filed their consents to the Supplemental Agreement, the Trustee shall make and file with the City a written statement that the Owners of the required percentage of Obligations have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

(f) If the Owners of the required percentage in aggregate principal amount of Obligations outstanding shall have consented to the Supplemental Agreement, as provided in this Section, no Owner shall have any right (i) to object to (A) the execution or delivery of the Supplemental Agreement, (B) any of the terms and provisions contained therein, or (C) the operation thereof, (ii) to question the propriety of the execution and delivery thereof, or (iii) to enjoin or restrain the Trustee or the City from that execution or delivery or from taking any action pursuant to the provisions thereof.

SECTION 9.04. Authorization to Trustee; Effect of Supplement.

(a) The Trustee is authorized to join with the City in the execution and delivery of any Supplemental Agreement in accordance with this Article and to make the further agreements and stipulations which may be contained therein. Thereafter,

(i) That Supplemental Agreement shall form a part of this Agreement;

(ii) All terms and conditions contained in that Supplemental Agreement as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Agreement for any and all purposes;

(iii) This Agreement shall be deemed to be modified and amended in accordance with the Supplemental Agreement; and

(iv) The respective rights, duties and obligations under this Agreement of the City, the Trustee, the Registrar, the Paying Agents and all Owners of Obligations then outstanding shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Agreement.

(b) Express reference to any executed and delivered Supplemental Agreement may be made in the text of any Obligations issued thereafter, if that reference is deemed necessary or desirable by the Trustee or the City. A copy of any Supplemental Agreement for which provision is made in this Article, except a Supplemental Agreement described in clause (g) of Section 9.02 hereof, shall be mailed by the Trustee to the Registrar, each Paying Agent and the Series 2008 Purchaser. The Trustee shall not be required to execute any supplemental Agreement containing provisions adverse to the Trustee.

SECTION 9.05. Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed Supplemental Agreement complies with the provisions of this Agreement, and (ii) it is proper for the Trustee to join in the execution of that Supplemental Agreement under the provisions of this Article. That counsel may be counsel for the City.

SECTION 9.06. Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Agreement, the rights and obligations of the City and of the Owners, and the terms and provisions of the Obligations and this Agreement or any Supplemental Agreement, may be modified or altered in any respect with the written consent of (i) the City, (ii) the Owners of all of the Obligations then outstanding and (iii) the Trustee.

ARTICLE X

DEFEASANCE

SECTION 10.01. Release of Agreement.

(a) If (i) the City shall cause to be paid all of the outstanding Obligations or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Owners of the outstanding Obligations, all Debt Service Charges due or to become due thereon, and (ii) provision also shall be made for the payment of all other sums payable hereunder or under the Series 2008 City Lease, then this Agreement shall cease, determine and become null and void (except for those provisions surviving by reason of Section 10.03 hereof in the event the Obligations are deemed paid and discharged pursuant to Section 10.02 hereof), and the covenants, agreements and obligations of the City hereunder shall be released, discharged and satisfied.

(b) Thereupon, and subject to the provisions of Section 10.03 hereof, if applicable:

(i) the Trustee shall release this Agreement (except for those provisions surviving by reason of Section 10.03 hereof in the event the Obligations are deemed paid and discharged pursuant to Section 10.02 hereof), and shall execute and deliver to the City any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the City; and

(ii) the Trustee and any other Paying Agents shall assign and deliver to the City any property subject at the time to the lien of this Agreement which then may be in their possession, except amounts required to be held by the Trustee and the Paying Agents under Sections 5.10 and 5.11 hereof or otherwise for the payment of Debt Service Charges.

SECTION 10.02. Payment and Discharge of Obligations.

(a) All or any part of the Obligations shall be deemed to have been paid and discharged within the meaning of this Agreement, including without limitation, Section 10.01 hereof, if:

(i) the Trustee as paying agent and any Paying Agents shall have received, in trust for and irrevocably committed thereto, sufficient moneys, or

(ii) the Trustee shall have received, in trust for and irrevocably committed thereto, Defeasance Obligations which are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any moneys to which reference is made in subparagraph (i) above, without further investment or reinvestment of either the principal amount

thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein),

for the payment of all Debt Service Charges on those Obligations, at their maturity or redemption dates, as the case may be, or if a default in payment shall have occurred on any maturity or redemption date, then for the payment of all Debt Service Charges thereon to the date of the tender of payment; provided, that if any of those Obligations are to be redeemed prior to the maturity thereof, notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of that notice. If a forward supply contract is employed in connection with the refunding of the Obligations (i) the certification referred to above shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrow investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract and (ii) such escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

(b) Any moneys held by the Trustee in accordance with the provisions of this Section may be invested by the Trustee only in Defeasance Obligations having maturity dates, or having redemption dates which, at the option of the owner of those obligations, shall be not later than the date or dates at which moneys will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under this Section is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for the purposes of this Section, that income, interest or increment shall be transferred at the time of that determination in the manner provided in Section 5.05 hereof for transfers of amounts remaining in the Revenue Fund.

(c) If any Obligations shall be deemed paid and discharged pursuant to this Section, then within fifteen (15) days after such Obligations are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Owner as shown on the Register on the date on which such Obligations are deemed paid and discharged. Such notice shall state the numbers of the Obligations deemed paid and discharged or state that all Obligations are deemed paid and discharged, set forth a description of the obligations held pursuant to subparagraph (b) of the first paragraph of this Section 10.02 and specify any date or dates on which any of the Obligations are to be called for redemption pursuant to notice of redemption given or irrevocable provisions made for such notice pursuant to the first paragraph of this Section.

SECTION 10.03. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of the Bond Resolution and this Agreement which relate to the maturity of Obligations, interest payments and dates thereof, optional and mandatory redemption provisions, exchange, transfer and registration of Obligations, replacement of mutilated, destroyed, lost or stolen Obligations, the safekeeping and cancellation of Obligations, non-presentment of Obligations, the holding of moneys in trust and the duties of the Trustee, the Registrar and the Paying Agents, the payment or reimbursement for fees, charges and advances owed to, Trustee, the Registrar and the Paying Agents in connection with all the foregoing, and indemnities to the Trustee, the Registrar and the Paying Agents shall remain in effect and be binding upon the Trustee, the Registrar, the Paying Agents and the Owners notwithstanding the release and discharge of this

Agreement. The provisions of this Article shall survive the release, discharge and satisfaction of this Agreement.

ARTICLE XI

COVENANTS OF THE CORPORATION

SECTION 11.01. Prompt Payment. The City shall promptly pay or cause to be paid the amounts owed under the Series 2008 City Lease and to comply with its other obligations thereunder.

SECTION 11.02. No Extension of Time for Interest Payment. In order to prevent any accumulation of interest payments after maturity, the Trustee shall not, directly or indirectly, extend or assent to the extension of the time for the payment of any claim for interest in any of the Obligations and shall not, directly or indirectly, be a party to or approve of any such arrangement.

SECTION 11.03. Maintenance of Offices for Payment. So long as the Obligations or any of them shall be outstanding, the City shall cause offices or agencies where the Obligations may be presented for payment to be maintained at the office of the Trustee as provided in the form of the Obligation.

SECTION 11.04. Sufficient Revenues. While any Obligations are outstanding hereunder, money received by the Trustee as rentals under the Series 2008 City Lease shall, in the aggregate, produce revenues which will be sufficient to make all payments which the Trustee is obligated to set aside in the various funds established hereunder.

SECTION 11.05. Records and Accounts. The City shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the revenues accruing to the trust and the amounts thereof forwarded to the Trustee, and such books shall be available for inspection by the Owner of any of the Obligations at reasonable hours and under reasonable conditions.

SECTION 11.06. Financial Statements. Not later than three (3) months after the close of each fiscal year of the City, the City shall furnish to each Owner of any of the Obligations, who may so request, a complete trust statement covering receipts, disbursements, allocation and application of revenues for such fiscal year accruing to the trust and the dates and amounts thereof forwarded to the Trustee for such fiscal year, certified by a City Representative, or, if so requested in writing by the Owners of not less than forty percent (40%) of the Obligations then outstanding, certified by an independent public or municipal accountant of their selection. Such financial statement shall be filed with the Trustee. The Trustee shall have no duty to review in any manner any financial statements which are received. Notwithstanding the foregoing, as long as the Series 2008 City Lease is in effect and there has been no default thereunder, the Trustee shall maintain its usual trust accounting statements with respect to the Obligations and shall furnish a copy thereof to each Owner of any of the Obligations who may so request at the expense of the City, but after any default hereunder, the Trustee (a) shall keep the financial

records of the City pertaining to the Series 2008 City Lease and the Obligations; (b) shall make such records available for inspection by the Owners of any of the Obligations at reasonable hours and under reasonable conditions; (c) shall prepare an annual trust statement covering receipts, disbursements, allocations and application of revenues for such fiscal year accruing to the trust; and (d) shall furnish a copy of each such statement to each Owner of any of the Obligations who may so request at the expense of the City.

SECTION 11.07. Payments of Trustee, Paying Agent Fees. Except as otherwise provided for in Sections 3.06 and 3.07 hereof, all charges made by the Trustee, the Registrar and any Paying Agents for services rendered and for payment of principal of and interest on the Obligations shall be paid by the City from revenues of the trust estate and will not be required to be paid by the Owners of the Obligations.

SECTION 11.08. Authority of City.

(a) At the date of the execution and delivery of this Agreement, the City shall be possessed of the trust estate, the Series 2008 City Lease shall be, at the date of the delivery of this Agreement, a valid and subsisting agreement for the leasing to the Trustee and leasing back to the City of the property which it purports to lease, the Series 2008 City Lease was lawfully made by the City and the City, the covenants contained in the Series 2008 City Lease are binding.

(b) The City shall not, without the written consent of the Trustee, alter, modify or cancel, or agree or consent to alter, modify or cancel the Series 2008 City Lease or any other agreements heretofore or hereafter entered into by the City which relate to or affect the security of the Obligations issued hereunder. With the written consent of the Trustee, the City may consent to alterations and modifications thereof, provided that no such alterations or modifications will decrease the amounts available for payment of the Obligations or will render the income of the City or the interest on the Obligations taxable to the recipient, and provided further that prior to giving its consent with respect to an alteration or modification of the Series 2008 City Lease the Trustee shall obtain an opinion of counsel or financial consultant selected by the Trustee that the proposed alteration or modification will not be materially adverse to the interests of the owners of the Obligations, will not decrease the amounts available for payment of the Obligations and will not render the income of the City or the interest on the Obligations taxable under the income tax laws of the United States of America. Additional Obligations or other obligations secured by Revenues within the limitations of Section 3.5 of the Series 2008 City Lease shall not be deemed to have decreased the amounts available for payment of the Obligations, nor shall agreements supplemental to or independent of the Series 2008 City Lease, under which such Additional Obligations or obligations are to be issued, be deemed alterations or modifications of the Series 2008 City Lease so as to require consent of the Trustee. The City further covenants that it will comply with all the terms and provisions of said documents, and that it will not engage in any activities or take any action which might result in the income of the City becoming taxable to it, or any interest payment on the Obligations becoming taxable to the recipient thereof, under the income tax laws of the United States.

SECTION 11.09. Good Faith Compliance. The City shall in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, con-

ditions and agreements of the Series 2008 City Lease to be kept, performed and complied with by it. The City further covenants that it 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 a ground for declaring such leases in default; that upon request of the Trustee, the City will promptly deposit with the Trustee (to be held by the Trustee until title and rights of the Trustee under this Agreement shall be released and/or reconveyed) any and all documentary evidence received by it showing compliance with the provisions of such leases to be performed by it; that the City, immediately upon its receiving or giving any notice, communication, or other document in any way relating to or affecting such leases, thereby created, will deliver the same, or a copy thereof, to the Trustee; that the City will pay (or cause the City to pay) all taxes, assessments and other charges, if any, that may be levied, assessed or charged upon the trust estate, or any part thereof, promptly as and when the same shall become due and payable, but it shall not be a breach of this covenant if the City fails to pay any such tax, assessment or charge during any period in which the City or the City, in good faith, shall be contesting the amount of validity of such tax, assessment or charge; that the City will, upon request of the Trustee, from time to time, keep the Trustee advised of such payments, and deliver such evidence thereof as the Trustee may reasonably require; and that the City will not suffer said trust estate hereby conveyed and transferred in trust, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor, nor do or permit to be done, in, upon or about said trust estate, or any part thereof, anything that might in any way weaken, diminish, or impair the security intended to be given by or under this Agreement, nor suffer any portion of the trust estate to be sold under any mechanics' or materialmen's lien or other proceedings.

ARTICLE XII

MISCELLANEOUS

SECTION 12.01. Limitation of Rights. With the exception of rights conferred expressly in this Agreement, nothing expressed or mentioned in or to be implied from this Agreement or the Obligations is intended or shall be construed to give any Person other than the parties hereto, the Registrar, the Paying Agents and the Owners of the Obligations any legal or equitable right, remedy, power or claim under or with respect to this Agreement or any covenants, agreements, conditions and provisions contained herein. This Agreement and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto and the Owners of the Obligations, as provided herein.

SECTION 12.02. Severability.

(a) In case any section or provision of this Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

(b) Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, action, covenant, agreement, stipulation, obligation, act, provision, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

SECTION 12.03. Notices.

(a) Except as provided in Section 8.02 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is duly mailed by first class mail to the City and the Trustee addressed as follows:

(i) If to the City:

City of Benson, Arizona
160 S. Huachuca
Benson, Arizona 85602
Attention: City Manager
Phone: (520) 586-2245
Fax: (520) 586-3375

(ii) If to the Trustee:

Zions First National Bank
550 South Hope Street, Suite 2650
Los Angeles, California 90071
Attention: Corporate Trust Department
Phone: (213) 593-3150
Fax; (213) 593-3160

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the City or the Trustee to one or either of the others also shall be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent. The Trustee shall designate, by notice to the City, the addresses to which notices or copies thereof shall be sent to the Registrar and the Paying Agents.

(c) In connection with any notice mailed pursuant to the provisions of this Agreement, a certificate of the Trustee, the City, the City, the Registrar, any Paying Agent or the Owners of the Obligations, whichever or whoever mailed that notice, that the notice was so mailed shall be conclusive evidence of the proper mailing of the notice.

SECTION 12.04. Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this Agreement, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate mailing thereof, and the giving of that notice in that manner for all purposes of this Agreement shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein, the mailing of any notice shall be deemed com-

plete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

SECTION 12.05. Payments Due on Saturdays, Sundays and Holidays. If any Interest Payment Date, date of maturity of the principal of any Obligations, or date fixed for redemption of any Obligations is a Saturday, Sunday or a day on which (i) the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed or the Federal Reserve is closed for business, then payment of interest, principal and any redemption premium need not be made by the Trustee or any Paying Agent on that date, but that payment may be made on the next succeeding business day on which the Trustee and the Paying Agent are open for business with the same force and effect as if that payment were made on the Interest Payment Date, date of maturity or date fixed for redemption, and no interest shall accrue for the period after that date, or (ii) a Paying Agent is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of interest, principal and any redemption premium need not be made by that Paying Agent on that date, but that payment may be made on the next succeeding business day on which that Paying Agent is open for business with the same force and effect as if that payment were made on the Interest Payment Date, date of maturity or date fixed for redemption and no interest shall accrue for the period after that date; provided, that if the Trustee is open for business on the applicable Interest Payment Date, date of maturity or date fixed for redemption, it shall make any payment required hereunder with respect to payment of interest on outstanding Obligations and payment of principal of and premium on Obligations presented to it for payment, regardless of whether any Paying Agent shall be open for business or closed on the applicable Interest Payment Date, date of maturity or date fixed for redemption.

SECTION 12.06. Instruments of Owners.

(a) Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Agreement to be executed by any Owner may be in any number of concurrent writings of similar tenor and may be executed by that Owner in person or by an agent or attorney appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any agent or attorney, and (iii) the ownership of Obligations, shall be sufficient for any of the purposes of this Agreement, if made in the following manner, and if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

(A) The fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(B) The fact of ownership of Obligations shall be proved by the Register maintained by the Registrar.

(b) Nothing contained herein shall be construed to limit the Trustee to the foregoing proof, and the Trustee may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Owner of any Obligation shall bind every future Owner of the same Obligation, with respect to anything done or suffered to be done by the City, the Trustee, the Registrar or any Paying Agent pursuant to that writing.

SECTION 12.07. Priority of This Agreement. This Agreement shall be superior to any liens which may be placed upon the Revenues or any other funds created pursuant to this Agreement.

SECTION 12.08. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the City contained in this Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by and permitted by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement of the City contained in this Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the City in other than that person's official capacity.

SECTION 12.09. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 12.10. Parties Interested Herein. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Trustee, the Paying Agent, the Registrar and the Owners of the Obligations, any right, remedy or claim under or by reason of this Agreement, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, the Paying Agent, the Registrar and the Owners of the Obligations.

SECTION 12.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

SECTION 12.12. Cancellation. To the extent applicable by provision of law, the parties hereto acknowledge that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein.

SECTION 12.13. Governing Law. This Agreement and the Obligations shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers; in token of its acceptance of the trusts created hereunder, the Trustee has caused this Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officer; and in token of its acceptance of the duties and obligations of the Registrar hereunder, the Registrar has caused this Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, as Trustee and Registrar

By.....
Authorized Representative

CITY OF BENSON, ARIZONA, a municipal corporation

By.....
Mayor

ATTEST:

.....
City Clerk

APPROVED AS TO FORM:

By.....
City Attorney

IN WITNESS WHEREOF, the City has caused this Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers; in token of its acceptance of the trusts created hereunder, the Trustee has caused this Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officer; and in token of its acceptance of the duties and obligations of the Registrar hereunder, the Registrar has caused this Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, as Trustee and Registrar

By.....
Authorized Representative

CITY OF BENSON, ARIZONA, a municipal corporation

By.....
Mayor

ATTEST:

.....
City Clerk

APPROVED AS TO FORM:

By.....
City Attorney

PHX328,286,136v3

EXHIBIT A

(FORM OF SERIES 2008 OBLIGATION)

EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2008

Evidencing a Proportionate Interest of the Owner
Hereof in Lease Payments to be Made by

THE CITY OF BENSON, ARIZONA
to
ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT,
as Trustee

No:
R-.....

Denomination:
$.....

Interest Rate	Maturity Date	Dated Date	Internal CUSIP
4.75%	July 1, 20.....	July 22, 2008	

Registered Owner: ZIONS FIRST NATIONAL BANK, INVESTMENT DIVISION

Principal Amount: .....

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Excise Tax Revenue Obligation, Series 2008 (this "Obligation") is the owner of an undivided proportionate interest in the right to receive the "Base Rent" portion of the "Lease Payments" under and defined in that certain Series 2008 City Lease, dated as of July 1, 2008 (the "Series 2008 City Lease"), by and between Zions First National Bank, Corporate Trust Department, as trustee in its capacity as lessor (the "Trustee"), and the City of Benson, Arizona, a municipal corporation and a political subdivision existing under the laws of the State of Arizona, as lessee (the "City"), which Lease Payments and other rights and interests under the Series 2008 City Lease are held by the Trustee in trust under a Trust Agreement, dated as of July 1, 2008 (the "Trust Agreement"), by and between the City and the Trustee, as trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

The registered owner of this Obligation is entitled to receive, on the maturity date set forth above, the principal amount set forth above, representing such Base Rent portion of the Lease Payments designated as principal coming due on such date, and to receive semiannually on January 1 and July 1 of each year commencing January 1, 2009 (the "Payment Dates") until payment in full of said portion of principal and the registered owner's proportionate share of the Base Rent portion of the Lease Payments designated as interest coming due during the six (6)

months immediately preceding each of the Payment Dates. For the first Payment Date on January 1, 2009, the interest period shall be the period commencing on the dated date of this Obligation. Said proportionate share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each. Said amounts representing the registered owner's share of the Lease Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Payment Date at his address as it appears on the registration books of the Trustee. Said amounts representing the registered owner's share of the Lease Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office of the Trustee.

This Obligation has been executed and delivered by the Trustee pursuant to the terms of the Trust Agreement. The City is authorized to enter into the Series 2008 City Lease and the Trust Agreement under the laws of the State of Arizona and by resolution of the Mayor and Council of the City adopted July 14, 2008 (the "Resolution"). Reference is hereby made to the Series 2008 City Lease and the Trust Agreement (copies of which are on file at the Designated Office of the Trustee) for a description of the terms on which the series of obligations of which this Obligation is a part (the "Obligations") are delivered, the rights thereunder of the registered owners of the Obligations, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Series 2008 City Lease, to all of the provisions of which Series 2008 City Lease and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees.

The Obligations are payable from the Base Rent portion of Lease Payments to be made by the City pursuant to the Series 2008 City Lease. The City is required under the Series 2008 City Lease to make Lease Payments from revenues from the unrestricted transaction privilege (sales) tax which the City imposes; provided that the Mayor and council of the City may impose other transaction privilege taxes in the future, the uses of revenues from which will be restricted, at the discretion of such Council ("Excise Tax").

The Obligations are payable from a pledge of, and secured by a lien on, the revenues from the Excise Tax as are necessary for the prompt and punctual payment of the Obligations, all as more fully described in, and provided by, the Series 2008 City Lease with respect to the pledge of the revenues from the Excise Tax. The holder hereof shall never have the right to demand payment of this Obligation or any Lease Payments under the Series 2008 City Lease out of any funds other than revenues from the Excise Tax pledged for payment thereof and such other funds as may be provided for under the Trust Agreement. The rights of the holder hereof to payment from revenues from the Excise Taxes and State Shared Revenues are on a parity with the rights to payment from such revenues from the Excise Tax of the holders of on any other obligations hereafter issued on a parity therewith pursuant to the Trust Agreement and the Series 2008 City Lease.

The Obligations, the Series 2008 City Lease and the obligation of the City to make Lease Payments thereunder do not represent or constitute a general obligation of the City,

the State of Arizona or any political subdivision thereof for which the City or the State of Arizona or any political subdivision thereof is obligated to levy or pledge any form of taxation other than the Excise Taxes and State Shared Revenues nor do the Obligations, the Series 2008 City Lease or the obligation to make Lease Payments thereunder constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

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

The recitals, statements and representations made in this Obligation shall be taken and construed as made by and on the part of the 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 Obligation represents an interest in a limited obligation of the City (as described herein) and no Council member, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.

For further definitions, a more complete statement of the income and revenues from which, and conditions under which, this Obligation is payable, the conditions under which additional Obligations may be authorized and issued on a parity herewith, a statement of the terms under which the Trust Agreement or the Series 2008 City Lease may be modified and a statement of the general covenants and provisions pursuant to which this Obligation is issued, reference is made to the Trust Agreement and the Series 2008 City Lease. All Obligations of the total authorized amount are co-equal as to the pledge of and lien on revenues from the Excise Tax securing the payment thereof, and share ratably without any preference, priority or distinction as to the source or method of payment from revenues from the Excise Tax and security thereof.

The Obligations are issuable only as fully registered obligations in the denominations authorized and in printed or typewritten form. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Series 2008 City Lease or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Upon certain conditions, this Obligation may be subject to acceleration in the event of a default by the City under the Trust Agreement or the Series 2008 City Lease.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Series 2008 City Lease may be amended by the parties thereto with the written consent of the owners of a majority in aggregate value of the Ob-

ligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Lease Payment thereof in accordance with such owner's Obligation.

The Obligations are executed and delivered initially only in fully registered form in principal denominations of $100,000 or integral multiples of $1,000 in excess thereof.

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

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said Designated Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. No transfer of this Obligation shall be effective unless (i) the registered owner hereof shall first have complied with any applicable state and federal securities laws and regulations; (ii) the transfer will be to: (a) a transferee who executes and delivers a letter of transferee acceptable to the Trustee or (b) a transferee who qualifies as a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) under the Securities Act of 1933, as amended (the "Securities Act"), or (c) a transferee who qualifies as an "accredited investor" within the meaning of Section 2 (15) of the Securities Act; or (d) a securitization "special purpose vehicle" ("SPV") the interests in which SPV are sold to "institutional investors" only within the meaning of the Securities Act; and (iii) the registered owner hereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the finances of the City without the prior review and written consent of the City, in the sole discretion of the Mayor and Council of the City.

The Trustee has no obligation or liability to registered owners of the Certificates to make payments of principal or interest with respect to the Certificates, except from funds delivered to the Trustee by the Lessee.

Upon any permitted transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same aggregate principal amount will be delivered to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the City and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The Trustee may, but shall not be obligated to, exchange or register the transfer of this Series 2008 Obligation (i) if this Obligation has been called, or selected for call, for redemption, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of redemption. If this Obligation is transferred after having been called or selected for re-

demption, any notice of redemption which has been given to the transferor shall be binding on the transferee and a copy of the notice of redemption shall be delivered by the Trustee to the transferee along with the duly registered Series 2008 Obligation or Obligations.

The Obligations are subject to redemption from prepayments made at the option of the City pursuant to Series 2008 City Lease, in whole or in part on any date at a redemption price equal to the principal amount of Obligations or portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, but without premium.

As provided in the Trust Agreement, notice of redemption, other than redemption at maturity, shall be mailed by first class mail, not less than thirty (30) nor more than sixty (60) days before the redemption date, to the registered owner of this Obligation, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Obligation is called for redemption and payment is duly provided therefor as specified in the Trust Agreement, this Obligation shall cease to accrue interest from and after the date fixed for redemption.

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

Date of Execution: July 22, 2008

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, as Trustee

By.....
Authorized Representative

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

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

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

ASSIGNMENT

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

Insert Social Security or Other
Identifying Number of Transferee

.....

.....

.....

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

Dated.....

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

Signature Guaranteed:

.....
The Signature(s) should be guaranteed
by an eligible guarantor institution
pursuant to Securities and Exchange
Commission Rule 17Ad-15.

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

OBLIGATION PURCHASE AGREEMENT

July 21, 2008

CITY OF BENSON, ARIZONA
160 S. Huachuca
Benson, Arizona 85602

ZIONS FIRST NATIONAL BANK,
CORPORATE TRUST DEPARTMENT
550 S. Hope Street, Suite 2650
Los Angeles, California 90071

The undersigned, Zions First National Bank, Investment Division (the *"Series 2008 Purchaser"*), hereby offers to enter into this Obligation Purchase Agreement (this *"Funding Agreement"*) with the City of Benson, Arizona (the *"City"*), and Zions First National Bank, Corporate Trust Department (the *"Trustee"*), for the purchase by the Series 2008 Purchaser of the Series 2008 Obligations (as such term is hereinafter define). The Trustee is a party to this Funding Agreement solely for the purposes of making the representations and warranties of the Trustee contained in Section 4 hereof.

This offer is made subject to acceptance by the City prior to 11:59 p.m. (Mountain Standard Time) on the date hereof or such other time as is mutually agreed upon. Upon such acceptance and acknowledgment, as evidenced by signatures in the spaces therefor below, this Funding Agreement shall be in full force and effect in accordance with these terms and shall be binding upon the City, the Trustee and the Series 2008 Purchaser. If this offer is not so accepted and approved, it is subject to withdrawal by the Series 2008 Purchaser upon notice delivered to the City at any time prior to such acceptance and approval.

All capitalized terms used in this Funding Agreement and not otherwise defined herein have the same meaning as in the hereinafter described Series 2008 City Lease Agreement.

1. *Purchases of Series 2008 Obligations Waivers.* Upon the terms and conditions and basis of the representations and warranties hereinafter set forth, the Series 2008 Purchaser hereby agrees to purchase the Series 2008 Obligations as described in the hereinafter defined City Resolution in the principal amount of $691,000 at a price of $686,000, representing the initial principal amount thereof, less an origination fee of $5,000, on July 22, 2008, or such other date

agreed to by the City and the Series 2008 Purchaser (the *"Closing Date"* and the activities necessary in connection with such purchase as further described in Section 8 hereof, the *"Closing"*), in federal funds, representing the initial principal amount of the Series 2008 Obligations. The Series 2008 Purchaser, as the only owner of the Excise Tax Revenue Obligations, Series 2008, dated December 15, 2008, executed and delivered pursuant to a Trust Agreement, dated November 1, 2008, between the City and the Trustee, hereby (1) consents to payment of such obligations on the Closing Date instead of on the date otherwise due and (2) waives the notice of redemption necessary from the Trustee to redeem such obligations at the Closing.

2. *Representations and Warranties of the Series 2008 Purchaser.* The undersigned on behalf of the Series 2008 Purchaser, but not individually, represents and warrants to the City as follows:

(a) The Series 2008 Purchaser is a national banking association.

(b) The Series 2008 Purchaser acknowledges that the Series 2008 Obligations have not been, and will not be, registered under the Securities Act of 1933, as amended (the *"Securities Act"*), or registered or otherwise qualified under the securities laws of any state or other jurisdiction. The Series 2008 Purchaser further acknowledges that it assumes the responsibility for complying with any applicable federal and state securities laws in the event of its sale or transfer of its interest in the Series 2008 Obligations and that, in any case, its interest in the Series 2008 Obligations may be transferred only to a "qualified institutional buyer" within the meaning of "Regulation D" promulgated under the Securities Act and in compliance with the requirements of the Trust Agreement.

(c) The Series 2008 Purchaser has independently evaluated the factors associated with its investment decision with respect to the Series 2008 Obligations. Prior to the execution hereof, the City furnished to the Series 2008 Purchaser, and the Series 2008 Purchaser reviewed and relied upon, certain documents, including drafts of legal opinions of Greenberg Traurig, LLP, Special Counsel and the City Attorney, drafts of the Series 2008 City Lease and the Trust Agreement and the City's audited financial statements for the fiscal year ended June 30, 2007. The Series 2008 Purchaser was also afforded the opportunity to ask questions concerning the City and the revenues from the Excise Tax. This review and inquiry constituted the Series 2008 Purchaser's investigation in connection with its decision to purchase the Series 2008 Obligations.

(d) The Series 2008 Purchaser is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investments represented by the purchase of the Series 2008 Obligations.

(e) The Series 2008 Purchaser is purchasing the Series 2008 Obligations for its own account and not with a view to distribution, transfer or resale thereof, provided the disposition of any or all of the Series 2008 Obligations shall at all times be within the

sole control and discretion of the Series 2008 Purchaser under the terms established by the Trust Agreement.

(f) The Series 2008 Purchaser acknowledges that no offering document has been prepared in connection with the purchase of the Series 2008 Obligations and that the City has not entered into a continuing disclosure undertaking under SEC Rule 15c2-12.

(g) The Series 2008 Purchaser acknowledges that (i) the Lease Payments under the Series 2008 City Lease are payable solely from revenues from the Excise Tax, (ii) the obligation of the City to make Lease Payments under the Series 2008 City Lease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation other than as expressly set forth in the Series 2008 City Lease, nor does the obligation to make Lease Payments under the Series 2008 City Lease constitute an indebtedness of the City or of the State of Arizona or any of its political subdivisions within the meaning of the Constitution of the State of Arizona or otherwise, (iii) no ratings of the Series 2008 Obligations have been requested from any rating agency nor are any expected to be obtained, the lack of which and the transfer restrictions contained in the Trust Agreement and herein may adversely affect the Series 2008 Purchaser's ability to sell or assign its interests in the Series 2008 Obligations and (iv) Special Counsel represents the City and not the Series 2008 Purchaser in the transaction and the Series 2008 Purchaser waives any potential conflict of interest resulting from such representation.

All representations of the Series 2008 Purchaser contained herein shall survive as representations of fact existing as of the date of execution and delivery of this Funding Agreement and as of the date of purchase of each additional principal amount of the Series 2008 Obligations.

3. *Representations and Warranties of the City.* The undersigned on behalf of the City, but not individually, represents and warrants to the Series 2008 Purchaser as follows:

(a) The City is a political subdivision duly organized and validly existing under the laws of the State of Arizona and has full legal right, power and authority to (i) enter into this Funding Agreement, the Series 2008 City Lease and Trust Agreement and all other documents included as exhibits thereto and required thereunder to be executed and delivered by the City; (ii) execute and deliver this Funding Agreement, the Series 2008 City Lease and the Trust Agreement and such other documents; (iii) pledge the revenues from the Excise Tax pursuant to this Series 2008 City Lease; (iv) lease the Leased Property to the Trustee and lease-back the Leased Property from the Trustee; and (v) carry out and consummate all other transactions contemplated by this Funding Agreement, the Series 2008 City Lease and the Trust Agreement and all such other documents. This Funding Agreement, the Series 2008 City Lease and the Trust Agreement and all documents required thereunder to be executed and delivered are sometimes collectively referred to herein as the *"City Documents"*. The City has complied with all applicable provisions of law and has taken all actions required to be taken by it in connection with the transactions contemplated by the aforesaid documents.

(b) The City has duly authorized (i) the execution and delivery of, and the due performance of its obligations under, this Funding Agreement and the other City Documents and (ii) the taking of any and all actions as may be required on the part of the City to lease the Leased Property to the Trustee, to lease-back the Leased Property from the Trustee, to pledge revenues from the Excise Tax as provided in the Series 2008 City Lease, and to carry out, give effect to and consummate the transactions contemplated by these documents. The City will take any and all actions necessary or appropriate to consummate the transactions described in the City documents.

(c) This Funding Agreement has been duly executed and delivered by the City. The other City Documents (when executed and delivered by the parties thereto, if applicable) will be legal, valid and binding obligations of the City, enforceable in accordance with their terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and to the availability of equitable relief. At or prior to the Closing Date to the Series 2008 City Lease and the Trust Agreement shall have been duly authorized, executed and delivered by the City.

(d) The resolution authorizing the execution and delivery of this Funding Agreement, the Series 2008 City Lease, and the Trust Agreement (the "City Resolution") has been duly and validly adopted and approved by the City and is in full force and effect.

(e) The officers and officials of the City executing this Funding Agreement and the other City Documents, and the officers and officials of the City listed on the certificates of the City to be delivered at the Closing, have been duly appointed and are qualified to serve as such officers and officials of the City.

(f) The Lease Payments will be payable solely from amounts and revenues from the Excise Tax and are not otherwise obligations of the City. The City shall not be obligated to make Lease Payments from any other source, and neither the faith and credit nor the taxing power of the City is pledged as security for such payment, except as expressly provided in the Series 2008 City Lease. The City does not have any obligations payable from the revenues from the Excise Tax on a basis senior to, or on a parity with, the Series 2008 Obligations and will not issue any such obligations prior to the Closing Date without the prior written consent of the Series 2008 Purchaser.

(g) No approval, permit, consent, authorization, or order of any court or any governmental or public agency, authority or person not already obtained (other than any approvals that may be required under the "blue sky" laws of any jurisdiction) is required with respect to the City in connection with or the execution and delivery by the City of, or the performance by the City of its obligations under, this Funding Agreement or the other City Documents.

(h) The adoption by the City Council of the City Resolution and the execution and delivery by the City of the City Documents and all other documents executed and

delivered by the City in connection with the execution hereof and the lease and lease-back of the Leased Property and the compliance by the City with the provisions thereof do not and will not materially conflict with or result in a material breach or violation of any of the terms or provisions of, or constitute a default under any resolution, indenture, deed of trust, mortgage commitment, agreement, or other instrument to which the City is a party or by which the City is bound, or any constitutional provision, existing law, administrative regulation, court order, or consent decree to which the City or its property is subject.

(i) No person significantly involved in initiating, negotiating, securing, drafting, or creating the Series 2008 City Lease on behalf of the City is in effect an employee or agent of the Trustee in capacity or a consultant to the Trustee with respect to the subject matter of the Series 2008 City Lease.

(j) The City is not now and has never been in default in the payment of principal of or premium or interest on any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium or interest. No event has occurred or is continuing that, with the lapse of time or the giving of notice or both, would constitute an event of default under any such bonds, notes or other obligations.

(k) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the City and there is no basis therefor, (i) which in any way questions the powers of the City referred to in subparagraph (b) above, or the validity of the proceedings taken by City in connection with the execution hereof, the lease and lease-back of the Leased Property or the pledge of the revenues from the Excise Tax, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Funding Agreement, or would in any way adversely affect the validity or enforceability of the City Documents (or of any other instrument required or contemplated thereby or hereby) or the exclusion from gross income of the portion of each Lease Payment made by the City under Series 2008 City Lease and denominated as and comprising interest pursuant to the Series 2008 City Lease (the *"Interest Portion"*).

(l) Any certificate signed by an authorized officer of the City delivered to the Series 2008 Purchaser shall be deemed a representation and warranty by the City to the Series 2008 Purchaser as to the statements made therein.

(m) The representations of the City set forth herein and in the City Documents are, and as of the Closing Date will be, true and correct unless modified as provided herein.

(n) The audited financial statements of the City for the fiscal year ended June 30, 2007, (i) fairly present the financial position and results of operations of the City at the respective dates and for the respective periods indicated therein in accordance with generally accepted accounting principles (*"GAAP"*), and (ii) have been prepared in

accordance with GAAP consistently applied throughout the periods concerned (except as otherwise disclosed in the notes to such financial statements).

(o) Except as otherwise disclosed to the Series 2008 Purchaser, since June 30, 2007, the City has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the City, whether or not arising from transactions in the ordinary course of business.

(p) The City acknowledges that Special Counsel has represented and may in the future represent, the Series 2008 Purchaser in unrelated transactions and waives any conflict of interest that may result from such representation.

(q) The Series 2008 Purchaser, either directly or through the Trustee, is authorized to debit an account established with National Bank of Arizona in order to provide for payment of the Lease Payments when due.

(r) The City has submitted to the Arizona Department of Revenue the information required with respect to previous issuances of bonds and securities pursuant to A.R.S. §35-501.B.

4. *Representations and Warranties of the Trustee.* The undersigned on behalf of the Trustee, but not individually, represents and warrants to the Series 2008 Purchaser and the City as follows:

(a) The Trustee is a national banking association duly organized and validly existing under the laws of the United States.

(b) This Funding Agreement and, when executed by the respective parties thereto, the Trust Agreement and the Series 2008 City Lease and all documents included as exhibits thereto and required thereunder to be executed and delivered by the Trustee (collectively, the "*Trustee Documents*") will each constitute legal, valid and binding obligations of the Trustee in accordance with their respective terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and to the availability of equitable relief, assuming they are legal, valid and binding obligations of the other parties thereto.

(c) The Trustee has full power and authority to (i) exercise corporate trust powers in the State, (ii) execute and deliver the Series 2008 Obligations, and (iii) execute and deliver, and to perform its obligations in accordance with the Trustee Documents.

(d) The Trustee has by proper corporate action duly authorized (i) the execution and delivery of, and the due performance of its obligations pursuant to, the Trustee Documents, (ii) the execution and delivery of the Series 2008 Obligations and (iii) the taking of any and all other actions as may be required on the part of the Trustee

to carry out, give effect to, and consummate the transactions contemplated by such documents.

(e) The Trustee's execution and delivery of the Trustee Documents and its compliance with the terms thereof does not contravene any provision of any order, decree, writ, or injunction known to the Trustee, or the Articles of Incorporation or Bylaws of the Trustee, or result in breach of or default under, or require consent pursuant to, any agreement, indenture or other instrument to which the Trustee is a party or by which it is bound.

(f) The representations and warranties of the Trustee set forth in the Trustee Documents are, and as of the Closing Date will be, true, accurate and complete.

(g) There is no action, suit or proceeding, and there is no inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or overtly threatened against, the Trustee affecting the existence of the Trustee or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution or delivery of the Series 2008 Obligations or in any way contesting or affecting the validity or enforceability of the Trustee Documents, or contesting the corporate trust powers of the Trustee or any authority for the execution and delivery of the Trustee Documents.

5. *Closing*. By 11:00 a.m. (New York City Time) on the Closing Date, the City will deliver or cause to be delivered to the Series 2008 Purchaser at the offices of Special Counsel, the Series 2008 Obligations against payment of the amount set forth in Section 1 hereof, duly executed and authenticated, and will deliver the applicable items identified in Section 6 below (the *"Closing"*). It is not anticipated that a CUSIP number will be assigned to the Series 2008 Obligations.

6. *Conditions of Closing*. The Series 2008 Purchaser has entered into this Funding Agreement in reliance upon the representations and agreements of the City herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. The obligations of the Series 2008 Purchaser hereunder are and shall be subject to the following conditions:

(a) At the time of the Closing, the City Resolution and the City Documents shall be in full force and effect and shall not have been amended, modified, or supplemented prior to the Closing, except as may have been agreed to in writing by the City and the Series 2008 Purchaser; the City shall have duly adopted and there shall be in full force and effect such additional ordinances, resolutions or agreements as shall in the opinion of the Series 2008 Purchaser and Special Counsel, be necessary in connection with the transactions contemplated hereby; the representations and warranties of the City herein shall be true and accurate in all material respects; the payment described in Section 1 shall have been sent to the Trustee for deposit as provided in the Trust Agreement, less the origination fee described in Section 1 hereof, on behalf of the City as payment for the initial principal amount of the Series 2008 Obligations, such proceeds to

be used by the City in the manner described in the Trust Agreement; and the City shall perform or have performed all obligations required under or specified in this Funding Agreement to be performed at or prior to the Closing.

(b) At the time of the Closing, the Series 2008 Purchaser shall have received the following documents with respect to the Certificates satisfactory in each case to Special Counsel and the Series 2008 Purchaser:

(i) the unqualified approving opinion of Special Counsel, dated the Closing Date and substantially in the form attached hereto as Exhibit A;

(ii) the opinion of the City Attorney, dated the Closing Date and substantially in the form attached hereto as Exhibit B;

(iii) a certificate or certificates of the City, dated the Closing Date, signed by the Mayor and the City Manager and in form and substance satisfactory to the Series 2008 Purchaser, in which such officials, to the best of their knowledge, information and belief state that:

(A) the representations and warranties of the City contained herein are true and correct in all material respects as of the Closing, and that the City has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing;

(B) no litigation is pending or threatened before any judicial, quasi-judicial or administrative forum (1) to restrain or enjoin the issuance or delivery of the Series 2008 Obligations, the application of the proceeds thereof, or the performance by the City of the provisions of this Funding Agreement, the City Resolution, the Series 2008 City Lease or the Trust Agreement; (2) in any way contesting or affecting the authority for, or the validity of, this Funding Agreement, or the other City Documents, the application of the proceeds of the Series 2008 Obligations or the pledge of the revenues from the Excise Tax; (3) in any way contesting the lease by the City to the Trustee of the Leased Property or the lease-back by the City from the Trustee of the Leased Property; or (4) in any way contesting the existence or powers of the City, and

(C) the Audited Financial Statements were true and correct as of June 30, 2007, and are true and correct as of the date of such certificate.

(iv) copies each of the Series 2008 City Lease and the Trust Agreement duly executed by the parties thereto;

(v) a certified copy of the City Resolution and any other official action of the City Council approving and authorizing the lease of the Leased Property and authorizing the execution and delivery of the City Documents;

(vi) a certificate or certificates of the Trustee, dated the Closing Date, signed by an authorized representative of the Trustee and in form and substance satisfactory to Special Counsel and to the Series 2008 Purchaser, in which such official, to the best of his or her knowledge, states that the representations and warranties of the Trustee contained herein are true and correct as of the Closing Date; and

(vii) such additional certificates, instruments, or opinions as Special Counsel and the Series 2008 Purchaser may deem necessary or desirable.

All of the opinions letters, certificates, instruments and other documents mentioned in this Funding Agreement shall be deemed to be in compliance with the provisions of this Funding Agreement if, but only if, in the reasonable judgment of the Series 2008 Purchaser they are satisfactory in form and substance.

7. *Termination.* The Series 2008 Purchaser may terminate this Funding Agreement with respect to its obligation to purchase the initial principal amount or additional principal amounts of the Series 2008 Obligations by notification to the City if there shall be a failure to satisfy the conditions in Section 6 or if at any time from and after the date hereof but prior to the Closing or date of any subsequent purchase (or prior to such dates if not published or made known until after the date hereof):

(a) legislation or proposed legislation shall have been passed by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, the United States Department of the Treasury, the Internal Revenue Service or any member of the United States Congress, or a decision shall have been rendered by a court of the United States or by the Tax Court of the United States, or a ruling or an official statement (including a press release) or proposal shall have been made or a regulation shall have been proposed or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other federal or Arizona authority, with respect to federal or Arizona taxation upon interest on obligations of the general character of the Lease Payments represented by the Series 2008 Obligations; or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or Arizona tax consequences of any of the transactions contemplated in connection herewith, and which other action or events, in the judgment of the Series 2008 Purchaser, affect materially and adversely the value for the Series 2008 Obligations; or

(b) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission or other governmental or regulatory authority which, in the judgment of the Series 2008 Purchaser, has the effect of requiring the contemplated purchase of the Series 2008 Obligations or any action or instrument pertaining thereto to be registered under the Securities Act of 1933 as amended or under Arizona law or of requiring the Trust Agreement or any instrument pertaining thereto to be qualified pursuant to the Trust Indenture Act of 1939 as amended; or

(c) a general banking moratorium shall have been declared by either federal, Arizona, Utah or New York authorities having jurisdiction and be in force; or

(d) any litigation shall be instituted or be pending at Closing or date of any subsequent advance, to restrain or enjoin the execution of, or in any way contesting or affecting any authority for or the validity of the Trustee Documents, the pledge or application of any moneys provided for the payment of the Lease Payments, or the existence or powers of the City; or

(e) the City shall have sustained with respect to its properties a substantial loss by fire, flood, accident or other calamity that, in the judgment of the Series 2008 Purchaser, could have a material adverse impact on the ability of the City to make Lease Payments, whether or not such loss shall have been insured or any other material change in its financial condition or general affairs that, in the judgment of the Series 2008 Purchaser, could have a material adverse impact on the ability of the City to make Lease Payments, whether or not such loss shall have been insured; or

(f) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, is issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2008 Obligations, is or would be in violation of the federal securities laws as amended and then in effect; or

If the City shall be unable to satisfy the conditions to the obligations of the Series 2008 Purchaser contained in this Funding Agreement to be satisfied at Closing or the date of any subsequent purchase, or if the obligations of the Series 2008 Purchaser shall be terminated for any reason permitted by this Funding Agreement, this Funding Agreement shall terminate with respect to any purchase of the principal amount of the Series 2008 Obligations which has not yet occurred and neither the Series 2008 Purchaser nor the City shall have any further obligations hereunder, except as provided in Section 9 hereof. However, the Series 2008 Purchaser may in its discretion waive one or more of the conditions imposed by this Funding Agreement and proceed with the applicable Closing or any subsequent purchase of additional principal amounts of the Series 2008 Obligations.

8. *Expenses.* The Series 2008 Purchaser shall be under no obligation to pay and the City shall pay, all expenses incident to the performance of its obligations hereunder and the obligations of the Trustee, including, without limitation, (i) the fees and disbursements of Special Counsel and (ii) the fees and disbursements of the Trustee, the City's financial advisor, independent public accountants, and any other experts, advisors, or consultants retained to assist the City, if any.

9. *Survival of Contract.* The respective agreements, representations, warranties and other statements of the City and the Series 2008 Purchaser set forth in, or made pursuant to, this Funding Agreement will remain in full force and effect regardless of any investigation or

statement as to the results thereof made by or on behalf of the City or the Series 2008 Purchaser and shall survive delivery of and payment for the Series 2008 Obligations.

10. *Benefit.* This Funding Agreement is made for the benefit of the parties hereto. No other person shall acquire or have any right hereunder or by virtue hereof.

11. *Notices.* Any notice or other communication to be given under this Funding Agreement may be given by delivering the same in writing, as follows:

City of Benson, Arizona
160 S. Huachuca
Benson, Arizona 85602
Attention: City Manager

Zions First National Bank
One South Main Street, 17th Floor
Salt Lake City, Utah 84111
Attention: Investment Division

12. *No Recourse.* No recourse shall be had for any claim based on this Funding Agreement, or any resolution, certificate, document or instrument delivered pursuant hereto, against any member, officer or employee, past, present or future, of the City or of any successor body, either directly or through the City or any such successor body.

13. *Execution in Counterparts.* This Funding Agreement may be executed in any number of counterparts, all of which, taken together, shall be one and the same instrument, and any parties hereto may execute this Funding Agreement by signing any such counterpart.

14. *Severability.* The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Funding Agreement as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

15. *Waiver or Modification.* No waiver or modification of any one or more of the terms and conditions of this Funding Agreement shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

16. *Governing Law.* This Funding Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

17. *Notice Concerning Cancellation of Contracts.* As required by Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the City, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract made by the City, its political subdivisions or any of the departments or agencies of either, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City, its political subdivisions or any of the departments or agencies of either, is at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

If you agree with the foregoing, please sign the enclosed counterpart of this Funding Agreement and return it to the Series 2008 Purchaser. This Funding Agreement shall become a binding agreement between each of you and the Series 2008 Purchaser when at least one counterpart of this Funding Agreement shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ZIONS FIRST NATIONAL BANK, INVESTMENT DIVISION, as Series 2008 Purchaser

By.....
Its Manager

ACCEPTED 9:00 A.M. local time on July 21, 2008

CITY OF BENSON, ARIZONA

By.....
Mayor

Attest:

.....
City Clerk

Approved as to form:

.....
City Attorney

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, as Trustee

By.....
Authorized Officer

If you agree with the foregoing, please sign the enclosed counterpart of this Funding Agreement and return it to the Series 2008 Purchaser. This Funding Agreement shall become a binding agreement between each of you and the Series 2008 Purchaser when at least one counterpart of this Funding Agreement shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ZIONS FIRST NATIONAL BANK, INVESTMENT DIVISION, as Series 2008 Purchaser

By.....
Its Vice President

ACCEPTED 9:00 A.M. local time on July 21, 2008

CITY OF BENSON, ARIZONA

By.....
Mayor

Attest:

Vicki L. Vivian
.....
City Clerk

Approved as to form:

.....
City Attorney

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, as Trustee

By.....
Authorized Officer

PHX328,285,916v4

If you agree with the foregoing, please sign the enclosed counterpart of this Funding Agreement and return it to the Series 2008 Purchaser. This Funding Agreement shall become a binding agreement between each of you and the Series 2008 Purchaser when at least one counterpart of this Funding Agreement shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ZIONS FIRST NATIONAL BANK, INVESTMENT DIVISION, as Series 2008 Purchaser

By.....
Its Vice President

ACCEPTED 9:00 A.M. local time on July 21, 2008

CITY OF BENSON, ARIZONA

By.....
Mayor

Attest:

.....
City Clerk

Approved as to form:

.....
City Attorney

ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, as Trustee

By.....
Authorized Officer

EXHIBIT A

[FORM OF OPINION OF SPECIAL COUNSEL]

[Closing Date]

Zions First National Bank
Corporate Trust Department, as Trustee
550 S. Hope Street, Suite 2050
Los Angeles, California 90071

Re: City of Benson Excise Tax Revenue Refunding Obligations, Series 2008

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by Zions First National Bank, Corporate Trust Department, as trustee (the "Trustee") of $691,000 aggregate principal amount of Excise Tax Revenue Refunding Obligations, Series 2008, dated the date hereof (the "Series 2008 Obligations"), pursuant to a Trust Agreement, dated as of July 1, 2008 (the "Trust Agreement"), between the Trustee and the City of Benson, Arizona (the "City"). Each of the Series 2008 Obligations represents a participating interest in lease payments ("Lease Payments") to be made by the City under a Series 2008 City Lease, dated as of July 1, 2008 (the "Series 2008 City Lease"). The Series 2008 Obligations are being executed and delivered for the purpose of refinancing the costs of acquisition of certain improvements to the water system of, and construction of a swimming pool for, the City by refunding $667,000 principal amount of Excise Tax Revenue Obligations, Series 2005, dated December 15, 2005. The documents examined included an executed counterpart of each of the following: (i) the Series 2008 City Lease and (ii) the Trust Agreement. In addition, we have examined such other proceedings, proofs, instruments, certificates, and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinion of the City Attorney delivered even date herewith as to the matters provided therein, except as to State of Arizona constitutional and statutory debt limitations and requirements applicable to political subdivisions of the State of Arizona insofar as they relate to opinion number 3 thereof.

Based on such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Series 2008 Obligations, the Series 2008 City Lease and the Trust Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, except to the extent that the enforceability thereof and the rights thereunder may be subject to the exercise of judicial discretion in accordance with general principles of equity and, as to the Series 2008 City Lease, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The Series 2008 Obligations evidencing a proportionate interest in the Lease Payments unless paid from other sources are payable solely from the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure that payment. Those revenues and other moneys include payments required to be made by the City pursuant to the Series 2008 City Lease, and the obligation of the City to make those payments is secured by a pledge of revenues from the unrestricted transaction privilege (sales) tax which the City imposes; provided, however, that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of which will be restricted, at the discretion of such Council. The payment of such debt service is not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes; the Series 2008 Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Series 2008 City Lease, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. (a) Subject to the assumption stated in the last sentence of this paragraph, the Interest Portion (as such term is hereinafter defined) is excludible from the gross income of the owners thereof for federal income tax purposes. Furthermore, the Interest Portion is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, the Interest Portion is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. (We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of the Interest Portion on, or disposition of, the Series 2008 Obligations.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to hereinbelow that must be met after the execution and delivery of the Series 2008 Obligations in order that the Interest Portion not be included in gross income for federal tax purposes.

(b) Assuming the Interest Portion is so excludible for federal income tax purposes, the Interest Portion is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the ownership of, receipt or accrual of the Interest Portion on or the disposition of the Series 2008 Obligations.)

(c) The City has properly designated the Series 2008 Obligations as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265(b) of the hereinafter described Code.

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Series 2008 Obligations in order that the portion of each Lease Payment (the "Interest Portion") made by the City pursuant to the Series 2008 City Lease and denominated as and comprising interest not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Series 2008 City Lease to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. (Subject to exceptions described in the first numbered paragraph hereof, the City has full legal power and authority to comply with such covenants.)

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

EXHIBIT B

[FORM OF OPINION OF CITY ATTORNEY]

[Closing Date]

Zions First National Bank
Investment Division
One South Main Street, 17th Floor
Salt Lake City, Utah 84111

Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

Re: City of Benson Excise Tax Revenue Refunding Obligations, Series 2008

I hold the office of City Attorney for the City of Benson, Arizona (the "City"), and am rendering this opinion pursuant to the Obligation Purchase Agreement, dated July 21, 2008 (the "Agreement"), with respect to the captioned Series 2008 Obligations. (The capitalized terms used in this opinion and not otherwise defined herein have the meaning ascribed to them in the Agreement.)

I have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery of the Series 2008 Obligations, including originals or copies, certified or otherwise identified to our satisfaction, of the included documents, resolutions, instruments, records, certificates and opinions, and have reviewed laws and information and have made investigations, as I have considered necessary or appropriate for the purpose of rendering this opinion. In such examination of the Transcript, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to me as copies. As to any facts material to our opinion, I have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

Based upon such examination, I am of the opinion that, under the law existing on the date of this opinion:

1. The City is a municipal corporation, duly incorporated and existing under the laws of the State, and has full legal right, power and authority to enter into, execute and deliver the Series 2008 City Lease, the Trust Agreement, and the Funding Agreement (collectively, the "City Documents"), and the City has complied, and will at the date hereof be in compliance in all respects, with the terms of the City Documents as they pertain to such transactions.

2. By all necessary official action of the City prior to or concurrently with the acceptance of the Funding Agreement, the City has duly authorized all necessary action to be taken by it for the approval execution and delivery of, and performance by the City of the obligations on its part, contained in the City Documents and the consummation by it of all of the transactions contemplated by the City Documents.

3. The City Documents have been duly authorized, executed, and delivered by the City and constitute legal, valid, and binding obligations of the City, enforceable against the City in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights.

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

5. There is no litigation, action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened against the City or affecting the titles of it officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Series 2008 Obligations or the collection of taxes securing the payment of principal of and interest on the Series 2008 Obligations pursuant to the Trust Agreement or in any way contesting or affecting the validity or enforceability of the Series 2008 Obligations or the City Documents or contesting the exclusion from gross income of Lease Payments denominated as interest on the Series 2008 Obligations for federal income tax purposes, or contesting the power of the City to execute and deliver the City Documents, nor, to the best of our knowledge, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the City Documents or the ability of the city to perform its obligations thereunder.

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

Respectfully submitted,

ITEM 4

CERTIFICATE AS TO RESOLUTION NO. 50-2008

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

I, the undersigned, the Clerk of the City of Benson, Arizona (the "City"), HEREBY CERTIFY that I am the duly chosen, qualified and acting Clerk of the City, and that the resolution attached hereto is a true and correct copy of Resolution No. 50-2008 adopted at a duly called meeting of the Mayor and Council of the City held on July 14, 2008, notice of which was duly given in accordance with law, at which meeting a quorum was present and acting throughout and was adopted as an emergency, which Resolution No. 50-2008 has not been amended, repealed, revoked, rescinded or modified and is in full force and effect on the date hereof.

WITNESS my hand this 22nd day of July, 2008.

Vicki Vivian

Vicki Vivian, Clerk, City of Benson, Arizona

RESOLUTION NO. 50-2008

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2008 CITY LEASE, A TRUST AGREEMENT, AND AN OBLIGATION PURCHASE AGREEMENT; APPROVING THE EXECUTION AND DELIVERY OF NOT TO EXCEED $750,000 PRINCIPAL AMOUNT OF EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2008, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN LEASE PAYMENTS UNDER THE SERIES 2008 CITY LEASE AND THE SALE THEREOF TO THE PURCHASER THEREOF PURSUANT TO THE OBLIGATION PURCHASE AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY.

WHEREAS the Mayor and Council of the City of Benson, Arizona (the "City"), desires to refinance the costs of acquisition of various improvements to its water system and construction of a swimming pool (the "Project") through the execution and delivery of not to exceed $750,000 principal amount of Excise Tax Revenue Refunding Obligations, Series 2008, to be dated no earlier than July 1, 2008 (the "Obligations"), by Zions First National Bank, Corporate Trust Department, as trustee (the "Trustee"), pursuant to a Trust Agreement, to be dated no earlier then July 1, 2008 (the "Trust Agreement"), between the Trustee and the City, evidencing a proportionate interest of the owners thereof in a Series 2008 City Lease, to be dated no earlier then July 1, 2008 (the "Series 2008 City Lease"), between the Trustee and the City pursuant to which the City will lease to the Trustee the Series 2008 Project to refund, $667,000 principal amount of Excise Tax Revenue Obligations, Series 2005, dated December 15, 2005 (the "Obligations Being Refunded"); and

WHEREAS, a proposal in the form of an Obligation Purchase Agreement (the "Funding Agreement") has been received from Zions First National Bank, Investment Division (the "Purchaser") for the purchase of the Obligations; and

WHEREAS, proposed forms of the following documents (collectively, the "Documents") have been filed with the City Clerk for this meeting:

(i) the proposed form of the Series 2008 City Lease;

(ii) the proposed form of the Trust Agreement; and

(iii) the proposed form of the Funding Agreement; and

WHEREAS, the refinancing of the Project pursuant to the terms of the Series 2008 City Lease, the Trust Agreement, and the Funding Agreement is in the best interest and furtherance of the purposes of the City and in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, THAT:

Section 1. The execution and delivery of the Obligations by the Trustee is hereby approved. The Obligations shall be executed in the aggregate principal amount of $689,500 (plus accrued interest on the Obligation Being Refunded until the delivery of the Obligations) rounded up to the next $1,000 of principal amount; shall initially be in the denomination of $100,000 of principal amount due on a specified maturity date or any integral multiples of $1,000 in excess thereof; shall be dated the date of their initial execution and delivery; shall bear interest from such date payable on the dates provided in the Trust Agreement; shall be fully registered without coupons as provided in the Trust Agreement and shall bear interest at the rate of 4.75% per annum and mature on July 1, 2009 and 2010, in amounts equal to one-half the principal amount borrowed. Otherwise, the form, terms, dated date, interest payment dates, provisions for redemption and other provisions of the Obligations, and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number, shall be as further set forth in the Trust Agreement.

Section 2. The Obligations shall be sold to the Purchaser pursuant to the Funding Agreement.

Section 3. With the advice of the Manager, the Mayor or Vice Mayor is authorized and directed to determine and approve the interest payment dates, purchase price, provisions for redemption and other provisions of the Obligations and cause the same to be set forth in the Documents. The form, terms and provisions of the Series 2008 City Lease, the Trust Agreement and the Funding Agreement, in substantially the form of such documents (including form of the Obligations and other exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such final provisions, insertions, deletions and changes as shall be approved by the Mayor or Vice Mayor, the execution of each such document being conclusive evidence of such approval, and the Mayor or Vice Mayor and the Clerk are hereby authorized and directed to execute, attest and deliver, where applicable, or approve the Series 2008 City Lease, the Trust Agreement and the Funding Agreement and to take all action to carry out and comply with the terms of the Documents.

Section 4. The Trustee shall take any and all action necessary in connection with the execution and delivery of the Documents and the sale, execution and delivery of the Obligations.

Section 5. Pursuant to the Series 2008 City Lease and the Trust Agreement, the unrestricted transaction privilege (sales) tax which the City imposes is hereby pledged to the applicable payments due pursuant to the Series 2008 City Lease; provided, however, that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council. The City's obligation to make the payments under the Series 2008 City Lease or the Trust Agreement does

not constitute an obligation of the City or the State of Arizona, or any of its political subdivisions, for which the City or the State of Arizona, or any of its political subdivisions, is obligated to levy or pledge any form of ad valorem property taxation nor does the obligation to make any payments under the Series 2008 City Lease or the Trust Agreement constitute an indebtedness of the City or of the State of Arizona or any of its political subdivisions within the meaning of the Constitution of the State of Arizona or otherwise.

Section 6. After any of the Obligations are delivered by the Trustee to the Purchaser thereof upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Obligations and the interest, if any, thereon shall have been fully paid, cancelled and discharged.

Section 7. The Mayor, the Vice Mayor, the Clerk, the 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 hereby.

Section 8. If any section, paragraph, clause, or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution.

Section 9. All orders, resolutions, and ordinances or parts thereof inconsistent herewith are hereby waived only to the extent of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 10. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public health and welfare and for the further reason that the refinancing of the Project is urgently needed to attempt to secure the lowest possible interest cost to the City; therefore, an emergency is hereby declared to exist and this Resolution is enacted as an emergency measure and shall be in full force and effect from and after the passage and adoption by the Mayor and Council of the City, as required by law, and this Resolution is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Mayor and Council of the City of Benson, Arizona, this 14th day of July, 2008.

.....
Mayor

ATTEST:

.....
Clerk

APPROVED AS TO FORM:

.....
City Attorney

PHX328,285,585v2

CERTIFICATION

I, Vicki Vivian, Clerk for the City of Benson, Cochise County, Arizona, do hereby certify the attached to be a true and exact copy of Resolution No. 50..-2008 passed and adopted by the Mayor & City Council of the City of Benson on the 14th day of July, 2008 by a vote..7.... ayes ..0... nays with ...0. abstaining.

Dated this 22nd day of July, 2008.

Vicki Vivian

.....

Clerk

PHX328,285,585v2

CERTIFICATE OF MAYOR, CLERK AND MANAGER OF THE CITY OF BENSON, ARIZONA

$691,000 CITY OF BENSON, ARIZONA EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2008

We, the undersigned, the Mayor, the Clerk and the Manager of the City of Benson, Arizona (the "City"), HEREBY CERTIFY as follows:

1. We are the duly chosen, qualified and acting Mayor, Clerk and Manager of the City, respectively, and as such Mayor, Clerk and Manager are familiar with the properties, affairs, books and corporate records of the City.

2. The City is a duly organized and validly existing municipal corporation and political subdivision of the State of Arizona.

3. On July 14, 2008, Resolution No. 50-2008 (the "Approving Resolution") was duly adopted as an emergency by the Mayor and Council of the City, composed of persons who were then and are now the duly qualified and acting incumbents of such offices, at a duly called meeting of the Council of the City (the "Meeting"); the Approving Resolution has not been altered, amended, repealed, revoked or rescinded as of the date hereof; notice of the Meeting was posted more than 24 hours prior to the Meeting; the Meeting was open to the public and the City has no rules of procedure which would invalidate or make ineffective the Approving Resolution.

4. The Documents (as such term is defined in the Approving Resolution) are in substantially the form and text as the copies of such instruments which were approved by the Mayor and Council of the City at the meeting at which the Approving Resolution was adopted.

5. The persons named below were on the date or dates of the execution of the Documents, and are on the date hereof, the duly qualified and acting incumbents of the offices of the City set above their respective names, and the signatures appearing above their respective names, including, for purposes of the Trust Agreement (as such term is defined in the Approving Resolution) as a "City Representative," the signature of the City Manager, are the genuine official signatures of said officers.

6. Upon the delivery of the captioned "Series 2008 Obligations", the Series 2008 City Lease (as such term is defined in the Approving Resolution) will constitute the only agreement or other existing debt instrument of the City in any manner secured by or payable

from the pledge of the amounts on the basis described in Section 3.3 of the Series 2008 City Lease (the "Pledged Revenues").

7. The pledge of the Pledged Revenues, as it applies to the covenants and obligations of the City pursuant to the Series 2008 City Lease, are liens upon the Pledged Revenues as described in the Series 2008 City Lease.

8. The Documents have been duly authorized, executed and delivered by the City, and, as of the date hereof, such documents have not been amended, added to, altered, revoked or repealed.

9. The consummation of the transactions contemplated by the Approving Resolution and the City Documents and the compliance, as applicable, by the City with the provisions thereof will not, to the best knowledge of the undersigned, result in any breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, agreement or other instrument to which the City is a party or by which the City may be bound or conflict with any law, rule or regulation, or any order, judgment or decree of any court or administrative body, to which the City is subject.

10. The City, to the best knowledge of the undersigneds, is not in default in the payment of principal of or interest on any of its indebtedness for borrowed money and is not in default under any instruments or agreements under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such instrument or agreement which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

11. To the best knowledge of the undersigneds, all approvals and consents required under the laws of the State of Arizona in connection with the delivery and sale of the Series 2008 Obligations, and the execution and delivery of the Documents by the City, have been obtained and all reports required to be filed by the City with the Arizona Department of Revenue before the Series 2008 Obligations can be issued have been filed.

12. No litigation or proceeding is pending or, to the best knowledge of the undersigneds, threatened, in any court or administrative body contesting the due organization and valid existence of the City, nor the titles of the Council of the City, or any of them, to their respective offices, or the validity, due authorization and execution of the Documents, restricting or preventing the City from performing its obligations under the City Documents, or attempting to limit, enjoin or otherwise restrict or prevent the Mayor and Council of the City or the City from functioning and making rental payments due under the Series 2008 City Lease.

13. All of the representations and warranties of the City made and contained in the Documents (which representations and warranties are hereby incorporated and stated herein by reference as fully and with the same effect as if set forth at length herein) are true and correct as of the date hereof as if said representations and warranties were set forth herein as of the date hereof.

14. That for purposes of the Funding Agreement (as such term is defined in the Approving Resolution), to the best of our knowledge, information and belief:

(A) the representations and warranties of the City contained in the Funding Contract are true and correct in all material respects as of the date hereof, and the City has complied with all agreements and satisfied all conditions on its part to be performed or satisfied under the Funding Contract at or prior to the Closing;

(B) no litigation is pending or threatened before any judicial, quasi-judicial or administrative forum (1) to restrain or enjoin the issuance or delivery of the Series 2008 Obligations, the application of the proceeds thereof, or the performance by the City of the provisions of the Funding Agreement, the Approving Resolution, the Series 2008 City Lease or the Trust Agreement; (2) in any way contesting or affecting the authority for, or the validity of, the Funding Agreement, the Series 2008 City Lease or the Trust Agreement, the application of the proceeds of the Series 2008 Obligations or the pledge of the revenues from the Excise Tax (as such term is defined in the Funding Agreement); (3) in any way contesting the lease by the City of the Leased Property (as such term is defined in the Funding Agreement) or the lease-back by the City of the Leased Property; or (4) in any way contesting the existence or powers of the City, and

(C) the Audited Financial Statements (as such term is defined in the Funding Agreement) were true and correct as of June 30, 2007, and are true and correct as of the date hereof.

WITNESS our hands this 22nd day of July, 2008.

.....
Mark Fenn, Mayor, City of Benson, Arizona

.....
Vicki Vivian, Clerk, City of Benson, Arizona

.....
Martin Roush, Manager, City of Benson, Arizona

ITEM 6

REQUEST FOR EXECUTION AND DELIVERY
AND OTHER MATTERS

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

Zions First National Bank, Corporate Trust Division,
as trustee (the "Trustee") under the Trust
Agreement between the City of Benson,
Arizona (the "City"), and the Trustee, dated as
of July 1, 2008 (the "Trust Agreement")

July 22, 2008

It is hereby requested that the Trustee execute the City's Excise Tax Revenue Refunding Obligations, Series 2008, in the aggregate principal amount of $691,000 (the "Series 2008 Obligations"), dated the date hereof, pursuant to the Trust Agreement by manually affixed signatures and deliver them to Zions First National Bank, Investment Division, the purchaser of the Series 2008 Obligations, upon payment by Zions First National Bank, Investment Division, of $686,000 (being the principal amount of the first draw of Series 2008 Obligations, less an origination fee of $5,000).

The Trustee shall receive such proceeds of the sale of the Series 2008 Obligations and is hereby instructed as the Trustee to deposit such amount as provided in the Trust Agreement.

CITY OF BENSON, ARIZONA

By.....
Mark Fenn, Mayor

ATTEST:

.....
Vicki Vivian, Clerk

PHX328,286,108v2

ITEM 7

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

AFFIDAVIT OF MAILING IRS FORM 8038-G

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

....Jonathan....Hargett....., being first duly sworn, upon his or her oath deposes and says:

1. That on July .....23....., 2008, at ....3:20..... ...P...m., he or she placed in the United States Post Office, postage prepaid, certified mail, return receipt requested, an envelope addressed to Internal Revenue Service Center, Ogden, Utah 84201.

2. A copy of Form 8038-G which was enclosed in said envelope is attached hereto as Exhibit A.

.....

SUBSCRIBED AND SWORN TO before me this .....23rd..... day of July, 2008.

.....
Notary Public

OFFICIAL SEAL
CAROLYN GERSH
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires Jan. 9, 2009

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Internal Revenue Service Center
Street, Apt. No.; or PO Box No.
Ogden, UT 84201
City, State, ZIP+4

7006 3450 0000 3932 4747

Form **8038-G**
(Rev. November 2000)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate Instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name City of Benson, Arizona		2 Issuer's employer identification number 86 6000234	
3 Number and street (or P.O. box if mail is not delivered to street address) ~~[illegible]~~ PO Box 2223	Room/suite	4 Report number 302	
5 City, town, or post office, state, and ZIP code Benson, Arizona 85602		6 Date of issue July 22, 2008	
7 Name of issue Excise Tax Revenue Refunding Obligations, Series 2008		8 CUSIP number 082443 AB 8	
9 Name and title of officer or legal representative whom the IRS may call for more information Mr. Martin Rousch, City Manager		10 Telephone number of officer or legal representative (520) 586-2245	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☐ Utilities	17	691,000.00
18	☒ Other. Describe ▶ Water utilities, swimming pool	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	July 1, 2008	$691,000.00	$691,000.00	1.4 years	4.7520%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest		22	0.00
23	Issue price of entire issue (enter amount from line 21, column (b))		23	691,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24 21,500.00		
25	Proceeds used for credit enhancement	25 0.00		
26	Proceeds allocated to reasonably required reserve or replacement fund	26 0.00		
27	Proceeds used to currently refund prior issues	27 669,245.83		
28	Proceeds used to advance refund prior issues	28 0.00		
29	Total (add lines 24 through 28)		29	690,745.83
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	254.17

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	0.0 years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	- years
33	Enter the last date on which the refunded bonds will be called ▶	July 22, 2008
34	Enter the date(s) the refunded bonds were issued ▶	December 15, 2005

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the Issuer ▶ and the date of the issue ▶		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐		
40	If the issuer has identified a hedge, check box ▶ ☐		

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature of issuer's authorized representative — Date: July 22, 2008 — ▶ Mark Fenn, Mayor (Type or print name and title)

Greenberg Traurig

Michael Cafiso
(602) 445-8452
CafisoM@GTLaw.com

July 23, 2008

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service Center
Ogden, Utah 84201

Re: City of Benson, Arizona Excise Tax Revenue Refunding Obligations, Series 2008

To whom it may concern:

We are enclosing herewith an 8038-G with respect to the captioned Bonds as well as an Acknowledgement Copy which we request be returned to us in the enclosed return envelope. Please call me if you have any questions.

Yours very truly,

Michael Cafiso

Michael Cafiso

MC:cg
Enclosures

Letter\IRS 8038

RECEIVED
126
AUG 05 2008
OGDEN, UT
IRS-OSC

ALBANY
AMSTERDAM
ATLANTA
BERLIN*
BOCA RATON
BOSTON
BRUSSELS*
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DALLAS
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DENVER
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PHILADELPHIA
PHOENIX
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SACRAMENTO
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA
TOKYO*
TYSONS CORNER
WASHINGTON, D.C.
WEST PALM BEACH
ZURICH
*Strategic Alliance

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

AFFIDAVIT OF MAILING OF REPORT RELATING TO ISSUANCE OF BONDS FOR ARIZONA DEPARTMENT OF REVENUE

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

Jonathan Hargett, being first duly sworn, upon his or her oath deposes and says:

1. That on July 23, 2008, at 3:20 p.m., he or she placed in the United States Post Office, postage prepaid, certified mail, return receipt requested, an envelope addressed to Arizona Department of Revenue, Ninth Floor, 1600 West Monroe Street, Phoenix, Arizona 85007.

2. A copy of Report Relating to Issuance of Bonds for Arizona Department of Revenue under Section 35-501, Arizona Revised Statutes, As Amended, which was enclosed in said envelope is attached hereto as Exhibit A.

SUBSCRIBED AND SWORN TO before me this 23rd day of July, 2008.

Notary Public

OFFICIAL SEAL
CAROLYN GERSH
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires Jan. 9, 2009

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here
JUL 23 2008
USPS

Sent To: Arizona Department of Revenue
Street, Apt. No.; or PO Box No.: 1600 W Monroe, 9th Fl.
City, State, ZIP+4: Phoenix, AZ 85007

Report of Bond and Security Issuance
Pursuant To A.R.S. § 35-501B

This information is due to the Department of Revenue within 60 days of the issue.

1. Jurisdiction: City of Benson, Arizona	
2. Issue name / title: Excise Tax Revenue Refunding Obligations, Series 2008	
3. Dated Date: July 22, 2008 Closing Date: July 22,, 2008	4. Par amount: $ 691,000
5. Overall interest rate (TIC OR NIC): 4.7520% TIC 4.7499% NIC	6. Type of Bond or Security: Revenue Obligations
7. Repayment sources: City transaction privilege tax	
8. Total amount outstanding: $ 691,000	9. Total amount outstanding of senior or subordinate bonds: $ 0
10. Original issue price: Attach Schedule 1 a. Par Amount (Principal Amount) $ 691,000	11. Total limitations (Constitutional or Statutory) on the type of bonds/securities issued: **For general obligation Bonds:**
b. Original Issue Discount (–) $ -	a. Secondary net assessed value: $
c. Premium Amount (+) $ -	b. Debt limit percentage: %
d. Original Issue Price (=) $ 691,000	c. Total debt limit: $
e. Underwriter Compensation (Discount) (–) $ 5,000	12. Available debt limit: $ N/A
f. Net Proceeds (=) $ 686,000	13. Total amount authorized: $ N/A
14. Remaining authorized amount: $ N/A	15. If voter authorized, Election date: N/A

15 - 18 Please attach 1) a schedule providing a detailed listing of Issue Costs; 2) the Debt Service Schedule; 3) Form 8038; and 4) the Final Official Statement. Please refer to instructions.

Signature: Mart 2 Roush

Date: July 22, 2008

Title, address and phone number/Political Subdivision Contact name, address and phone number

Mr. Martin Roush
City Manager
120 West Sixth Street
Benson, Arizona 85602
(520) 586-2245

Trustee name, address and phone number

Zions First National Bank
550 South Hope Street, Suite 2650
Los Angeles, California 90071
Attention: Corporate Trust Department
(213) 593-3150

Submit this form with attachments within 60 days of issuance to:

Arizona Department of Revenue
Attention Econometrics Section
1600 W Monroe
Phoenix AZ 85007

'HX328,286,108v2

Arizona Department of Revenue
Report of Bond and Security Issuance

Schedule 1

Name of Issue: City of Benson, Arizona Excise Tax Revenue Refunding Obligations, Series 2008

Par Amount: $ 691,000 Date Closed: July 22, 2008

Maturity Date (July 1)	Par Amount (Principal Amount)	Coupon Rate	Yield	Original Issue Price	Premium or Discount
2008	$346,000	4.78%	4.78%	$346,000	$ --
2009	345,000	4.75	4.75	345,000	--
Total	$500,000	N/A	N/A	$691,000	$ --

10e. Underwriter's Discount and/or Placement Agent Fee, if any	5,000
10f. Net Proceeds (as shown on issuance form)	$686,000

Arizona Department of Revenue
Report of Bond and Security Issuance

Listing of Issuance Costs

Name of Issue: City of Benson, Arizona Excise Tax Revenue Refunding Obligations, Series 2008

Date Closed: July 22, 2008

(A)	Underwriter's compensation -	$	5,000.00
(B)	Bond Counsel fees -	$	15,000.00
(C)	Financial advisor fees -	$	0.00
(D)	Verification agent fees -	$	0.00
(E)	Placement agent fees -	$	0.00
(F)	Investment securities brokerage fees -	$	0.00
(G)	Registrar fees -	$	0.00
(H)	Trustee fees -	$	1,500.00
(I)	Credit enhancement fees -	$	0.00
(J)	Rating agency fees -	$	0.00
(K)	Printing costs -	$	0.00
(L)	Registration fees -	$	0.00
(M)	Transfer and recording fees -	$	0.00
(N)	Other -	$	0.00

Arizona Department of Revenue
Report of Bond and Security Issuance

Debt Service Schedule

Name of Issue: City of Benson, Arizona Excise Tax Revenue Refunding Obligations, Series 2008

Date Closed: July 22, 2008

Attached

CITY OF BENSON RFND

$690,000 Excise Tax Revenue Obligations

Dated July 15, 2008

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
01/01/2009	-	-	15,112.92	15,112.92
07/01/2009	345,000.00	4.750%	16,387.50	361,387.50
01/01/2010	-	-	8,193.75	8,193.75
07/01/2010	345,000.00	4.750%	8,193.75	353,193.75
Total	**$690,000.00**	-	**$47,887.92**	**$737,887.92**

Yield Statistics

Bond Year Dollars	$1,008.17
Average Life	1.461 Years
Average Coupon	4.7500003%
Net Interest Cost (NIC)	4.7500003%
True Interest Cost (TIC)	4.7514128%
Bond Yield for Arbitrage Purposes	4.7514128%
All Inclusive Cost (AIC)	7.0466044%

IRS Form 8038

Net Interest Cost	4.7500003%
Weighted Average Maturity	1.461 Years

Arizona Department of Revenue
Report of Bond and Security Issuance

Form 8038-G

Name of Issue: City of Benson, Arizona Excise Tax Revenue Refunding Obligations, Series 2008

Date Closed: July 22, 2008

Attached

Form **8038-G**
(Rev. November 2000)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate Instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name City of Benson, Arizona		2 Issuer's employer identification number 86 6000234	
3 Number and street (or P.O. box if mail is not delivered to street address) ~~150 South Huachuca~~ PO Box 2223	Room/suite	4 Report number 302	
5 City, town, or post office, state, and ZIP code Benson, Arizona 85602		6 Date of issue July 22, 2008	
7 Name of issue Excise Tax Revenue Refunding Obligations, Series 2008		8 CUSIP number 082443 AB 8	
9 Name and title of officer or legal representative whom the IRS may call for more information Mr. Martin Rousch, City Manager		10 Telephone number of officer or legal representative (520) 586-2245	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☐ Environment (including sewage bonds)	15	
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17	☐ Utilities	17	691,000.00
18	☒ Other. Describe ▶ Water utilities, swimming pool	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	July 1, 2008	$691,000.00	$691,000.00	1.4 years	4.7520%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0.00
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28	Proceeds used to advance refund prior issues	28	0.00		
29	Total (add lines 24 through 28)			29	690,745.83
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	254.17

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

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33	Enter the last date on which the refunded bonds will be called ▶	July 22, 2008
34	Enter the date(s) the refunded bonds were issued ▶	December 15, 2005

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the Issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature of issuer's authorized representative — Date: July 22, 2008 — ▶ Mark Fenn, Mayor (Type or print name and title)

PHX328,286,108v2

Arizona Department of Revenue
Report of Bond and Security Issuance

Final Official Statement

Name of Issue: City of Benson, Arizona Excise Tax Revenue Refunding Obligations, Series 2008

Date Closed: July 22, 2008

None

CERTIFICATE AS TO DELIVERY AND PAYMENT AND OTHER MATTERS

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2008

The undersigned, a duly qualified and acting Trust Officer of Zions First National Bank, Corporate Trust Division (the "Trustee"), trustee under the Trust Agreement, dated as of November 1, 2004 (the "2004 Trust Agreement"), and the Trust Agreement, dated as of July 1, 2008 (the "2008 Trust Agreement"), each between the City of Benson, Arizona, and the Trustee, for and on behalf of the Trustee, HEREBY CERTIFIES as follows:

1. $691,000 aggregate principal amount of Excise Tax Revenue Refunding Obligations, Series 2008 (the "Series 2008 Obligations") maturing on July 1, 2008, in the amount of $346,000 and on July 1, 2009, in the amount of $345,000 and bearing interest from the date hereof (payable semiannually on January 1 and July 1 in each years, commencing on January 1, 2009) at the rate of four and 75/100ths percent (4.75%) per annum have this day been executed delivered upon payment to the Trustee of the purchase price of the Series 2008 Obligations as follows:

Principal Amount	$691,000.00
Origination Fee	(5,000.00)
Total Purchase Price Received	$686,000.00

2. Pursuant to the provisions of Section 5.02 of the 2008 Trust Agreement, such amount has been applied as follows (terms not defined herein having the meaning ascribed to them in the 2008 Trust Agreement):

(a) deposited to the credit of the Series 2008 Costs of Issuance Fund - $16,500.00;

(b) deposited to the credit of the Interest Fund - $254.17; and

(c) applied to pay the Excise Tax Revenue Obligations, Series 2005, dated December 15, 2005, pursuant to the 2004 Trust Agreement - $669,245.83.

3. To the best of my knowledge, the representations and warranties of the Trustee contained in the Funding Agreement (as such term is defined in the 2008 Trust Agreement) are true and correct as of the date hereof.

WITNESS my hand this 22nd day of July, 2008.

.....

Authorized Officer, Zions First National Bank, Corporate Trust Division

ITEM 10

RECEIPT FOR THE SERIES 2008 OBLIGATIONS AND DOCUMENTS

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

The undersigned, on behalf of Zions First National Bank, Investment Division (the "Purchaser"), HEREBY ACKNOWLEDGES receipt from Zions First National Bank, Corporate Trust Division, as trustee (the "Trustee"), of $691,000 principal amount of Excise Tax Revenue Refunding Obligations, Series 2008 of the City of Benson, Arizona (the "City"), delivered pursuant to the Trust Agreement, dated as of July 1, 2008, between the City and the Trustee, and receipt of all of the documents required to be delivered by the City, to the Purchaser pursuant to the provisions of the Obligation and Funding Purchase Agreement, dated July 21, 2008, from the Purchaser to the City.

DATED this 22nd day of July, 2008.

.....

Mark Tsuyuki, Manager
Zions First National Bank,
Investment Division

Greenberg Traurig

July 22, 2008

Zions First National Bank
Corporate Trust Department, as Trustee
550 S. Hope Street, Suite 2050
Los Angeles, California 90071

Re: City of Benson Excise Tax Revenue Refunding Obligations, Series 2008

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by Zions First National Bank, Corporate Trust Department, as trustee (the "Trustee") of $691,000 aggregate principal amount of Excise Tax Revenue Refunding Obligations, Series 2008, dated the date hereof (the "Series 2008 Obligations"), pursuant to a Trust Agreement, dated as of July 1, 2008 (the "Trust Agreement"), between the Trustee and the City of Benson, Arizona (the "City"). Each of the Series 2008 Obligations represents a participating interest in lease payments ("Lease Payments") to be made by the City under a Series 2008 City Lease, dated as of July 1, 2008 (the "Series 2008 City Lease"). The Series 2008 Obligations are being executed and delivered for the purpose of refinancing the costs of acquisition of certain improvements to the water system of, and construction of a swimming pool for, the City by refunding $667,000 principal amount of Excise Tax Revenue Obligations, Series 2005, dated December 15, 2005. The documents examined included an executed counterpart of each of the following: (i) the Series 2008 City Lease and (ii) the Trust Agreement. In addition, we have examined such other proceedings, proofs, instruments, certificates, and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in

ALBANY
AMSTERDAM
ATLANTA
BERLIN*
BOCA RATON
BOSTON
BRUSSELS*
CHICAGO
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DELAWARE
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FORT LAUDERDALE
HOUSTON
LAS VEGAS
LONDON*
LOS ANGELES
MIAMI
MILAN*
NEW JERSEY
NEW YORK
ORANGE COUNTY
ORLANDO
PHILADELPHIA
PHOENIX
ROME*
SACRAMENTO
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA
TOKYO*
TYSONS CORNER
WASHINGTON, D.C.
WEST PALM BEACH
ZURICH
*Strategic Alliance

such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinion of the City Attorney delivered even date herewith as to the matters provided therein, except as to State of Arizona constitutional and statutory debt limitations and requirements applicable to political subdivisions of the State of Arizona insofar as they relate to opinion number 3 thereof.

Based on such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Series 2008 Obligations, the Series 2008 City Lease and the Trust Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, except to the extent that the enforceability thereof and the rights thereunder may be subject to the exercise of judicial discretion in accordance with general principles of equity and, as to the Series 2008 City Lease, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The Series 2008 Obligations evidencing a proportionate interest in the Lease Payments unless paid from other sources are payable solely from the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure that payment. Those revenues and other moneys include payments required to be made by the City pursuant to the Series 2008 City Lease, and the obligation of the City to make those payments is secured by a pledge of revenues from the unrestricted transaction privilege (sales) tax which the City imposes; provided, however, that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of which will be restricted, at the discretion of such Council. The payment of such debt service is not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes; the Series 2008 Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Series 2008 City Lease, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. (a) Subject to the assumption stated in the last sentence of this paragraph, the Interest Portion (as such term is hereinafter defined) is excludible from the gross income of the owners thereof for federal income tax purposes. Furthermore, the Interest Portion is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, the Interest Portion is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on

certain corporations. (We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of the Interest Portion on, or disposition of, the Series 2008 Obligations.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to hereinbelow that must be met after the execution and delivery of the Series 2008 Obligations in order that the Interest Portion not be included in gross income for federal tax purposes.

(b) Assuming the Interest Portion is so excludible for federal income tax purposes, the Interest Portion is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the ownership of, receipt or accrual of the Interest Portion on or the disposition of the Series 2008 Obligations.)

(c) The City has properly designated the Series 2008 Obligations as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265(b) of the hereinafter described Code.

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Series 2008 Obligations in order that the portion of each Lease Payment (the "Interest Portion") made by the City pursuant to the Series 2008 City Lease and denominated as and comprising interest not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Series 2008 City Lease to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. (Subject to exceptions described in the first numbered paragraph hereof, the City has full legal power and authority to comply with such covenants.)

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

Greenberg Traurig, LLP

BENAVIDEZ LAW GROUP, P.C.
AN ARIZONA LAW FIRM

Thomas A. Benavidez, Shareholder

Christopher R. Blevins
Elisabeth I. Lashbrook
Jennifer N. Manzi
Christopher B. Wencker

Joeli P. Secrest, Paralegal & Office Manager
Dawn M. Nickel, Paralegal
Olivia V. Smith, Paralegal

July 23, 2008

Zions First National Bank
Investment Division
One South Main Street, 17th Floor
Salt Lake City, Utah 84111

Michael Cafiso, Esq.
Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

Re: City of Benson, Arizona Excise Tax Revenue Refunding Obligations, Series 2008

Dear Messrs. and Mses.:

I hold the office of City Attorney for the City of Benson, Arizona (the "City"), and am rendering this opinion pursuant to the Obligation Purchase Agreement, dated July 21, 2008 (the "Agreement"), with respect to the captioned Series 2008 Obligations. (The capitalized terms used in this opinion and not otherwise defined herein have the meaning ascribed to them in the Agreement.)

I have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery of the Series 2008 Obligations, including originals or copies, certified or otherwise identified to our satisfaction, of the included documents, resolutions, instruments, records, certificates and opinions, and have reviewed laws and information and have made investigations, as I have considered necessary or appropriate for the purpose of rendering this opinion. In such examination of the Transcript, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to me as copies. As to any facts material to our opinion, I have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

Based upon such examination, I am of the opinion that, under the law existing on the date of this opinion:

7440 N. Oracle, Building 7, Tucson, Arizona 85704
Phone: (520) 623-1461 Fax: (520) 293-2793
Website www.benavidezlaw.com Email: tbenavidez@benavidezlaw.com

1. The City is a municipal corporation, duly incorporated and existing under the laws of the State, and has full legal right, power and authority to enter into, execute and deliver the Series 2008 City Lease, the Trust Agreement, and the Funding Agreement (collectively, the "City Documents"), and the City has complied, and will at the date hereof be in compliance in all respects, with the terms of the City Documents as they pertain to such transactions.

2. By all necessary official action of the City prior to or concurrently with the acceptance of the Funding Agreement, the City has duly authorized all necessary action to be taken by it for the approval execution and delivery of, and performance by the City of the obligations on its part, contained in the City Documents and the consummation by it of all of the transactions contemplated by the City Documents.

3. The City Documents have been duly authorized, executed, and delivered by the City and constitute legal, valid, and binding obligations of the City, enforceable against the City in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights.

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

5. There is no litigation, action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened against the City or affecting the titles of it officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Series 2008 Obligations or the collection of taxes securing the payment of principal of and interest on the Series 2008 Obligations pursuant to the Trust Agreement or in any way contesting or affecting the validity or enforceability of the Series 2008 Obligations or the City Documents or contesting the exclusion from gross income of Lease Payments denominated as interest on the Series 2008 Obligations for federal income tax purposes, or contesting the power of the City to execute and deliver the City Documents, nor, to the best of our knowledge, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the City Documents or the ability of the city to perform its obligations thereunder.

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

Very truly yours,

Thomas A. Benavidez
City Attorney

TAB/dmn

cc: Jim Cox, Benson Finance Director

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ITEM 13

SERIES 2008 DELIVERY COSTS DISBURSEMENT REQUISITION

$691,000
CITY OF BENSON, ARIZONA
EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2008

Pursuant to Section 5.03 of the Trust Agreement, dated as of July 1, 2008, between the City of Benson, Arizona and Zions First National Bank, Corporate Trust Division, as trustee (the "Trustee"), the Trustee is hereby requested to disburse from the Series 2008 Costs of Issuance Fund (as defined in the Trust Agreement) to the persons named on Exhibit A hereto the respective amounts set forth thereon in payment of Series 2008 Delivery Costs (as defined in the Trust Agreement), which amounts are for Series 2008 Delivery Costs properly chargeable to the Series 2008 Costs of Issuance Fund.

Dated: July 22, 2008

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Martin Roush, City Manager,
City of Benson, Arizona

EXHIBIT A

SERIES 2008 DELIVERY COSTS

Payee	Purpose	Amount
Greenberg Traurig, LLP	Bond Counsel Fees and Expenses	$15,000
Zions First National Bank	Trustee	1,500
		$16,500

EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2008

Evidencing a Proportionate Interest of the Owner
Hereof in Lease Payments to be Made by

THE CITY OF BENSON, ARIZONA
to
ZIONS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT,
as Trustee

No:
R-1

Denomination:
$346,000

Interest Rate	Maturity Date	Dated Date	Internal CUSIP
4.75%	July 1, 2009	July 22, 2008	082443 AA 0

SPECIMEN

Registered Owner: ZIONS FIRST NATIONAL BANK, INVESTMENT DIVISION

Principal Amount: THREE HUNDRED FORTY-SIX THOUSAND DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Excise Tax Revenue Obligation, Series 2008 (this "Obligation") is the owner of an undivided proportionate interest in the right to receive the "Base Rent" portion of the "Lease Payments" under and defined in that certain Series 2008 City Lease, dated as of July 1, 2008 (the "Series 2008 City Lease"), by and between Zions First National Bank, Corporate Trust Department, as trustee in its capacity as lessor (the "Trustee"), and the City of Benson, Arizona, a municipal corporation and a political subdivision existing under the laws of the State of Arizona, as lessee (the "City"), which Lease Payments and other rights and interests under the Series 2008 City Lease are held by the Trustee in trust under a Trust Agreement, dated as of July 1, 2008 (the "Trust Agreement"), by and between the City and the Trustee, as trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

The registered owner of this Obligation is entitled to receive, on the maturity date set forth above, the principal amount set forth above, representing such Base Rent portion of the Lease Payments designated as principal coming due on such date, and to receive semiannually on January 1 and July 1 of each year commencing January 1, 2009 (the "Payment Dates") until payment in full of said portion of principal and the registered owner's proportionate share of the Base Rent portion of the Lease Payments designated as interest coming due during the six (6) months immediately preceding each of the Payment Dates. For the first Payment Date on January 1, 2009, the interest period shall be the period commencing on the dated date of this

Obligation. Said proportionate share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each. Said amounts representing the registered owner's share of the Lease Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Payment Date at his address as it appears on the registration books of the Trustee. Said amounts representing the registered owner's share of the Lease Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office of the Trustee.

This Obligation has been executed and delivered by the Trustee pursuant to the terms of the Trust Agreement. The City is authorized to enter into the Series 2008 City Lease and the Trust Agreement under the laws of the State of Arizona and by resolution of the Mayor and Council of the City adopted July 14, 2008 (the "Resolution"). Reference is hereby made to the Series 2008 City Lease and the Trust Agreement (copies of which are on file at the Designated Office of the Trustee) for a description of the terms on which the series of obligations of which this Obligation is a part (the "Obligations") are delivered, the rights thereunder of the registered owners of the Obligations, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Series 2008 City Lease, to all of the provisions of which Series 2008 City Lease and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees.

The Obligations are payable from the Base Rent portion of Lease Payments to be made by the City pursuant to the Series 2008 City Lease. The City is required under the Series 2008 City Lease to make Lease Payments from revenues from the unrestricted transaction privilege (sales) tax which the City imposes; provided that the Mayor and council of the City may impose other transaction privilege taxes in the future, the uses of revenues from which will be restricted, at the discretion of such Council ("Excise Tax").

The Obligations are payable from a pledge of, and secured by a lien on, the revenues from the Excise Tax as are necessary for the prompt and punctual payment of the Obligations, all as more fully described in, and provided by, the Series 2008 City Lease with respect to the pledge of the revenues from the Excise Tax. The holder hereof shall never have the right to demand payment of this Obligation or any Lease Payments under the Series 2008 City Lease out of any funds other than revenues from the Excise Tax pledged for payment thereof and such other funds as may be provided for under the Trust Agreement. The rights of the holder hereof to payment from revenues from the Excise Taxes and State Shared Revenues are on a parity with the rights to payment from such revenues from the Excise Tax of the holders of on any other obligations hereafter issued on a parity therewith pursuant to the Trust Agreement and the Series 2008 City Lease.

The Obligations, the Series 2008 City Lease and the obligation of the City to make Lease Payments thereunder do not represent or constitute a general obligation of the City, the State of Arizona or any political subdivision thereof for which the City or the State of Arizona or any political subdivision thereof is obligated to levy or pledge any form of taxation other than

the Excise Taxes and State Shared Revenues nor do the Obligations, the Series 2008 City Lease or the obligation to make Lease Payments thereunder constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

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

The recitals, statements and representations made in this Obligation shall be taken and construed as made by and on the part of the 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 Obligation represents an interest in a limited obligation of the City (as described herein) and no Council member, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.

For further definitions, a more complete statement of the income and revenues from which, and conditions under which, this Obligation is payable, the conditions under which additional Obligations may be authorized and issued on a parity herewith, a statement of the terms under which the Trust Agreement or the Series 2008 City Lease may be modified and a statement of the general covenants and provisions pursuant to which this Obligation is issued, reference is made to the Trust Agreement and the Series 2008 City Lease. All Obligations of the total authorized amount are co-equal as to the pledge of and lien on revenues from the Excise Tax securing the payment thereof, and share ratably without any preference, priority or distinction as to the source or method of payment from revenues from the Excise Tax and security thereof.

The Obligations are issuable only as fully registered obligations in the denominations authorized and in printed or typewritten form. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Series 2008 City Lease or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Upon certain conditions, this Obligation may be subject to acceleration in the event of a default by the City under the Trust Agreement or the Series 2008 City Lease.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Series 2008 City Lease may be amended by the parties thereto with the written consent of the owners of a majority in aggregate value of the Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are

adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Lease Payment thereof in accordance with such owner's Obligation.

The Obligations are executed and delivered initially only in fully registered form in principal denominations of $100,000 or integral multiples of $1,000 in excess thereof.

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

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said Designated Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. No transfer of this Obligation shall be effective unless (i) the registered owner hereof shall first have complied with any applicable state and federal securities laws and regulations; (ii) the transfer will be to: (a) a transferee who executes and delivers a letter of transferee acceptable to the Trustee or (b) a transferee who qualifies as a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) under the Securities Act of 1933, as amended (the "Securities Act"), or (c) a transferee who qualifies as an "accredited investor" within the meaning of Section 2 (15) of the Securities Act; or (d) a securitization "special purpose vehicle" ("SPV") the interests in which SPV are sold to "institutional investors" only within the meaning of the Securities Act; and (iii) the registered owner hereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the finances of the City without the prior review and written consent of the City, in the sole discretion of the Mayor and Council of the City.

The Trustee has no obligation or liability to registered owners of the Certificates to make payments of principal or interest with respect to the Certificates, except from funds delivered to the Trustee by the Lessee.

Upon any permitted transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same aggregate principal amount will be delivered to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the City and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The Trustee may, but shall not be obligated to, exchange or register the transfer of this Series 2008 Obligation (i) if this Obligation has been called, or selected for call, for redemption, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of redemption. If this Obligation is transferred after having been called or selected for redemption, any notice of redemption which has been given to the transferor shall be binding on

the transferee and a copy of the notice of redemption shall be delivered by the Trustee to the transferee along with the duly registered Series 2008 Obligation or Obligations.

The Obligations are subject to redemption from prepayments made at the option of the City pursuant to Series 2008 City Lease, in whole or in part on any date at a redemption price equal to the principal amount of Obligations or portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, but without premium.

As provided in the Trust Agreement, notice of redemption, other than redemption at maturity, shall be mailed by first class mail, not less than thirty (30) nor more than sixty (60) days before the redemption date, to the registered owner of this Obligation, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Obligation is called for redemption and payment is duly provided therefor as specified in the Trust Agreement, this Obligation shall cease to accrue interest from and after the date fixed for redemption.

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

Date of Execution: July 22, 2008

SPECIMEN

ILLINOIS FIRST NATIONAL BANK, CORPORATE TRUST DEPARTMENT, as Trustee

By.....
Authorized Representative

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

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

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

ASSIGNMENT

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

Insert Social Security or Other
Identifying Number of Transferee

.....

.....

.....

(Please print or typewrite Name and Address of Transferee)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints ....., attorney to transfer the within certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated.....

.....

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

Signature Guaranteed:

.....

The Signature(s) should be guaranteed by an eligible guarantor institution pursuant to Securities and Exchange Commission Rule 17Ad-15.

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

SG

ITEM 15

SECRETARY OF STATE

2008 JUL 23 PM 3:18

FILED

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Michael Cafiso, Esq.
Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

07/23/2008 3:15PM 000004#7488 ****
UCC 2 TERM $2.00

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

200513901690

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interests(s) of the Secured Party authorizing this Termination Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. ☐ DELETE name: Give record name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

7d. TAX ID #: SSN OR EIN | ADD'L INFO RE ORGANIZATION DEBTOR | 7e. TYPE OF ORGANIZATION | 7f. JURISDICTION OF ORGANIZATION | 7g. ORGANIZATIONAL ID #, if any ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Zions First National Bank, Corporate Trust Division

OR

9b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

10. OPTIONAL FILER REFERENCE DATA