CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

REGULAR MEETING
April 19, 2010
7:00 PM

CALL TO ORDER BY MAYOR ROGERS
PLEDGE OF ALLEGIANCE
MOMENT OF REFLECTION

1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2 SCHEDULED PUBLIC APPEARANCES

a. PRESENTATION OF CHECK FROM IMS MARATHON ORGANIZER

3 UNSCHEDULED PUBLIC APPEARANCES

(Limit three minutes per person. Please state your name.)

4 CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. APPROVAL OF MINUTES

1. Budget Meeting of March 29, 2010
2. Work Session of April 5, 2010
3. Regular Meeting of April 5, 2010
4. Work Session of April 12, 2010

b. RATIFICATION OF EMPLOYMENT AGREEMENT FOR THE CITY MANAGER

Council will consider a request to ratify the existing employment agreement for the City Manager, Charles McClendon, with no changes and no salary increase for the upcoming fiscal year. Council will take appropriate action.

c. PROFESSIONAL SERVICE AGREEMENT – RITOCH POWELL & ASSOCIATES - CDBG STREET AND SIDEWALK IMPROVEMENTS

City Council will consider a request to approve a Professional Service Agreement with Ritoch Powell & Associates to provide design services for the CDBG Street and Sidewalk Improvement Project in the amount of $142,097.96, authorize the transfer of $150,000 from 304-1273-00-8420, 107th Ave - Indian School Rd to RID to 304-1162-00-8001 CDBG Street & Sidewalk Improvements, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

d. PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 1 - ELLIOT POLLACK & CO., INC.

City Council will consider Amendment No. 1 to a Professional Services Agreement with Elliott Pollack & Company, Inc. to increase their fees in the amount of $30,000 to provide additional Phase 1expert consulting services, advice, and opinions and authorize the expenditure of

$20,000 associated with Phase 2 expert testimony with regard to the acquisition of Rigby Water Company. The City Council will take appropriate action.

e. **PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 1 - URS CORPORATION - AVONDALE BOULEVARD & I-10 TRAFFIC INTERCHANGE IMPROVEMENTS**
City Council will consider the approval of Amendment No. 1 to the Professional Services Agreement with URS Corporation for the Avondale Boulevard and I-10 Traffic Interchange (TI) project in the amount of $113,603.00 and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

f. **RESOLUTION 2897-410 AND ORDINANCE 1406-410 - AVONDALE PRETREATMENT ORDINANCE**
City Council will consider a resolution declaring a public record a document entitled the "Pretreatment Ordinance" and an ordinance adopting said document. The Council will take appropriate action.

g. **ORDINANCE 1400-410 - AUTHORIZING THE EXCHANGE OF REAL PROPERTY AND EASEMENTS FOR PUBLIC RIGHT-OF-WAY, MAINTENANCE, AND ACCESS FOR THE VAN BUREN STREET – BRIDGE TO FAIRWAY IMPROVEMENT PROJECT**
City Council will consider an ordinance authorizing the exchange of land between the Flood Control District of Maricopa County (FCDMC) and the City for right-of-way and easements relating to the Van Buren - Bridge to Fairway street and trail improvements, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

5 **PUBLIC HEARING AND RESOLUTION 2893-410 - 2010-2014 CONSOLIDATED PLAN AND ANNUAL ACTION PLAN**

City Council will hold a public hearing and consider a resolution approving the 2010-2014 Consolidated Plan and the 2010-2011 Annual Action Plan which identify housing and community development needs and strategies and define how Community Development Block grant (CDBG) and HOME funds will be allocated next fiscal year, respectively. The Council will take appropriate action.

6 **ORDINANCE 1408-410 - AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS**

City Council will consider an ordinance providing for the sale and issuance of General Obligation Refunding Bonds Series 2010 of the City and supplemental interest certificates with respect thereto and for the annual levy of a tax for the payment of the Series 2010 bonds and such certificates; prescribing certain terms and conditions of the Series 2010 Bonds and such certificates including delegation of authority; approving and authorizing completion, execution and delivery of necessary agreements; authorizing the preparation and delivery of an official statement and declaring an emergency. The Council will take appropriate action.

7 **ORDINANCE 1407-410 - AUTHORIZING THE ISSUANCE OF WATER AND SEWER REFUNDING BONDS**

City Council will consider an ordinance authorizing the sale and execution and delivery of water and sewer system revenue obligations, evidencing proportionate interests in installment payments to be paid by the City pursuant to a Series 2010 purchase agreement; approving and authorizing completion, execution and delivery with respect thereto of agreements necessary of appropriate as part of refinancing part of the water and sewer system of the city and payment of related financing costs; delegating certain authority with respect to the pruposes thereof; authorizing the preparation and delivery of an official statement and declaring an emergency. The Council will take appropriate action.

8 **CONTRACT AWARD - MOUNTAIN STATES PIPE AND SUPPLY CO. FOR PURCHASE OF RADIO READ WATER METERS**

City Council will consider a request to award a Contract to Mountain States Pipe and Supply Co. for the purchase of radio read water meters and related equipment, in an amount not-to-exceed

$1,766,088 over the term of the contract (plus applicable sales tax), authorize the transfer of $750,000 from the Water Operations Contingency Fund and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take the appropriate action.

9 CONTRACT AWARD - NATIONAL METER AND AUTOMATION, INC., FOR PURCHASE OF RADIO READ WATER METERS

City Council will consider a request to approve a Contract with National Meter and Automation, Inc., for the purchase of radio read water meters and related equipment, in an amount not-to-exceed $1,820,118 over the term of the contract (plus applicable sales tax), and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

10 ADJOURNMENT

Respectfully submitted,

Carmen Martinez

Carmen Martinez
City Clerk

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oído, o con necesidad de impresión grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos días hábiles antes de la junta del Concejo.

CITY COUNCIL REPORT

SUBJECT:
PRESENTATION OF CHECK FROM IMS MARATHON ORGANIZER

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Carmen Martinez

THROUGH: Charlie McClendon, City Manager

ATTACHMENTS:

Click to download

No Attachments Available

CITY COUNCIL REPORT

SUBJECT:
APPROVAL OF MINUTES

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Carmen Martinez, City Clerk (623) 333-1214

THROUGH: Charlie McClendon, City Manager

PURPOSE:

1. Budget Meeting of March 29, 2010
2. Work Session of April 5, 2010
3. Regular Meeting of April 5, 2010
4. Work Session of April 12, 2010

ATTACHMENTS:

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No Attachments Available

CITY COUNCIL REPORT

SUBJECT:
Ratification of Employment Agreement for the City Manager

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Andrew McGuire, City Attorney (602) 257-7664

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council ratify the existing employment agreement for the City Manager, Charles McClendon, with no changes and no salary increase for the upcoming fiscal year.

DISCUSSION:

The purpose of this agenda item is to request City Council ratification of the existing employment agreement for the City Manager (the "Agreement") in accordance with the performance evaluation conducted by the Council in executive session on April 5, 2010. As no concensus may be reached in executive session, the Agreement is presented for your approval as part of the public agenda.

RECOMMENDATION:

Staff recommends that the City Council ratify the existing Agreement for the City Manager, Charles McClendon, with no changes and no salary increase for the upcoming fiscal year.

ATTACHMENTS:

Click to download

- Employment Agreement

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into April 21, 2008, by and between the City of Avondale, an Arizona municipal corporation (the "City") and Charles P. McClendon ("McClendon").

RECITALS

A. The City desires to employ McClendon as City Manager of the City, as provided by the City Charter of the City of Avondale (the "Charter").

B. It is the desire of the Council of the City of Avondale (the "City Council") to provide certain benefits, to establish certain conditions of employment and to set working conditions for McClendon.

C. McClendon desires to accept employment as City Manager of the City.

D. The parties acknowledge that McClendon is a member of the International City/County Management Association ("ICMA") and that McClendon is subject to the ICMA Code of Ethics.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated into and are deemed an integral part of this Agreement, the mutual covenants set forth below and other good and valuable considerations, the receipt and sufficiency of which are mutually acknowledged by the parties hereto, the City and McClendon hereby agree as follows:

1. Duties. McClendon shall perform the functions and duties specified for the City Manager in the Charter and to perform other legally permissible and proper duties and functions as the City Council shall from time to time assign.

2. Term. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until terminated by either the City or McClendon as set forth below. During the term of this Agreement McClendon shall be in the exclusive employ of the City and shall not accept other employment or carry out any other business except that of the position of the City Manager.

3. Termination. This Agreement may be terminated by the City with or without cause at any time, subject only to the severance provisions set forth in Subsection 3(b) below. McClendon may terminate this Agreement at any time, with or without cause, upon not less than 30 days written notice to the City Council.

a. Severance With Cause. If the City Council terminates this Agreement with cause, no severance pay will be paid to McClendon. For the purposes of this Agreement, "with cause" shall mean that the City Council, at a duly posted public meeting, has determined

that McClendon has (i) committed an act of gross insubordination by refusing to take a legal, valid action that is clearly within the scope of his employment when specifically directed to do so by a majority of the City Council at a duly posted public meeting, (ii) been incarcerated and charged with a felony as defined in Arizona Revised Statutes (the City Council may choose to suspend McClendon with pay during the pendency of any such prosecution), (iii) either in his personal or professional capacity, severely damaged the reputation of the City or the City Council or otherwise substantially impaired the City's ability to maintain or attract businesses, (iv) materially failed to perform a significant portion of his duties as the City Manager as set forth in this Agreement or (v) caused or allowed any practice, activity, decision or organizational circumstance which is either illegal, immoral, imprudent or in violation of the ICMA Code of Ethics.

b. Severance Without Cause. In the event the City Council terminates this Agreement without cause, McClendon shall be entitled to severance pay in an amount equal to six months of his annual base salary at the time of such termination. Beginning after McClendon's fifth year of consecutive employment with the City, such severance amount shall be increased by one month for each completed year of service to the City, up to a maximum of twelve months. Payment of any such severance shall be contingent upon (i) McClendon providing the City with a standard release agreement which releases all claims McClendon may have against the City relating to his employment and (ii) McClendon making himself reasonably available as needed by the City for consulting purposes for a period of time equal to the number of months of severance paid.

c. Voluntary Resignation. In the event McClendon voluntarily terminates this Agreement in accordance with Section 3 above, he shall not be entitled to severance pay.

4. Suspension. If the City Council has made a determination that "for cause" termination is appropriate as set forth in Section 4 above, the City Council may, in its sole discretion, as an alternative to termination, suspend McClendon with or without pay for a period of up to 30 days.

5. Disability. If McClendon is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four consecutive weeks beyond any accrued sick leave, the City shall have the option to terminate this Agreement; provided, the City shall pay the full amount of severance pay set forth in Section 5 above.

6. Compensation.

a. Salary. The City agrees to pay McClendon a base salary of $175,032.00 for fiscal year 2007-08 for his services rendered pursuant to this Agreement, payable in installments at the same time as other management employees of the City are paid. McClendon's base salary shall be increased in fiscal year 2008-09 by the same percentage amount approved for other Avondale employees as a merit increase, if any, by the City Council as part of the City's fiscal year 2008-09 budget. The City may adjust McClendon's base salary annually thereafter, such approval to be included as part of the City Council's adoption of the City's annual budget. The City shall adjust McClendon's other benefits, except for the deferred

compensation contribution set forth in Section 14 below, in such amounts as are generally provided other City employees.

b. Disability, Health and Life Insurance. The City agrees to provide life, accident, sickness, disability income benefits, major medical, hospitalization, surgical and comprehensive medical insurance in the same manner and at the same benefit level as is generally provided to all the City employees.

c. Retirement and Deferred Compensation. McClendon is presently enrolled in the Arizona State Retirement system and shall continue to receive the same benefits and make the same contributions as other enrolled members. In addition to any amounts contributed by McClendon, the City shall contribute an amount equal to the maximum annual amount that McClendon may be entitled to contribute into his existing ICMA-RC 457 plan account (any catch-up amounts permitted by the plan shall be made separately by McClendon). Such contributions shall be in 26 equal bi-monthly installments. The City further agrees to transfer ownership of McClendon's ICMA-RC 457 plan to any succeeding employer in the event of McClendon's termination from the City, for any reason.

d. Cellular Telephone Stipend. In the event the City Council adopts a policy allowing for a monthly stipend for cellular telephones for any City employee, the City shall pay McClendon a monthly amount for a cellular telephone consistent with other management employees of the City and according to the City's then-current policy.

e. Automobile Stipend. The City shall pay McClendon $600 per month as an automobile stipend.

f. Vacation, Sick and Military Leave. McClendon shall carry over all accrued and unused vacation and sick leave earned during his tenure as Assistant City Manager for the City. McClendon shall accrue (a) vacation hours at the rate of 160 hours per year, with 80 hours being eligible for carry over from fiscal year to fiscal year; provided, that not more than 240 hours may be accumulated at any time and (b) sick leave at the same rate as granted other employees. McClendon shall be entitled to military reserve leave time pursuant to state law and the City policy. McClendon shall be compensated for unused vacation and sick leave upon termination according to the provisions of the City's then-current personnel rules relating thereto.

7. Performance Evaluation. The City Council shall annually review and evaluate McClendon's performance as far in advance of the adoption of the annual operating budget as practicable, but not later than April 30. McClendon's review and evaluation shall be based upon the following: (a) success at fulfilling the reasonably achievable goals and performance objectives set forth by the City Council in its annual goal-setting retreat; (b) personnel management, including overall management style and ability to lead and direct staff and ability to supervise department heads, but specifically excluding any evaluation of McClendon's hiring and firing decisions with respect to individual staff members; (c) obtainment of additional, reasonably achievable policy objectives and goals as set forth by a majority of the City Council at a public meeting; provided, however, that such goals and objectives are generally obtainable within the time allowed and within the limitations of the annual budget; and (d) professionalism,

including manner of addressing the City Council, preparation of Council agendas and supporting material and preparation and management of the annual budget.

8. Hours of Work. The City Council recognizes that McClendon is a salaried employee and must devote a great deal of time beyond the normal office hours to business of the City and, to that end, McClendon will be allowed to take reasonable time off as he shall deem appropriate during said normal office hours.

9. Dues and Subscriptions. The City agrees to budget for and to pay for McClendon's professional dues and subscriptions necessary for his continuation and full participation in national, regional, state and local associations and organizations of which he is currently a member or expected to be a member because of his position as City Manager, and for other necessary and desirable expenses for his continued professional participation, growth, and advancement, and for the good of the City, as the City Council deems appropriate.

10. Professional Development.

a. Professional Associations. The City hereby agrees to budget for and to pay for McClendon's travel expenses of professional and official travel, meetings, and occasions it deems necessary to continue his professional development and to adequately pursue necessary official functions for the City, including but not limited to the ICMA Annual Conference, the League of Arizona Cities and Towns, and such other national, regional, state, and local governmental groups and committees thereof on which McClendon serves as a member.

b. Continuing Education. The City also agrees to budget for and to pay for McClendon's travel expenses for short courses, institutes and seminars that it deems necessary for his professional development and for the good of the City.

11. General Expenses. The City (a) recognizes that certain expenses of a non-personal and generally job-affiliated nature are periodically incurred by McClendon, (b) agrees to reimburse or to pay said general expenses and (c) authorizes the Financial Services Director or authorized designee to disburse such monies upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

12. Civic Club Membership. The City recognizes the desirability of representation in and before local civic and other organizations, and McClendon is authorized to become a member of such civic clubs or organizations the City Council deems necessary and for which the City shall pay all expenses. McClendon shall report to the City on each membership that he has taken out at the City's expense.

13. Indemnification. In addition to that required under state and local law, the City shall defend, save harmless, and indemnify McClendon from and against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of McClendon's duties as prescribed by the Charter or separate directions of the City Council.

14. Bonding. The City shall bear the full cost of any fidelity or other bonds required of McClendon under any law or ordinance.

15. No Reduction of Benefits. The City shall not, at any time during the term of this Agreement, reduce McClendon's salary, compensation or other financial benefits.

16. Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered to the party at the address set forth below, (b) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (c) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City:	City of Avondale 11465 West Civic Center Drive, Suite 220 Avondale, Arizona 85323-6809 Attn: Mayor
With copy to:	GUST ROSENFELD, P.L.C. 201 E. Washington, Suite 800 Phoenix, Arizona 85004-2327 Attn: Andrew J. McGuire, Esq.
If to McClendon:	Charles P. McClendon 10350 West McDowell Road, #3188 Avondale, Arizona 85323

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (a) when delivered to the party, (b) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (c) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

17. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or McClendon of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

18. Attorneys' Fees. In the event either party finds it necessary to bring any action at law or other proceeding against the other party to enforce any of the terms, covenants or conditions hereof, or by reason of any breach or default hereunder, the party prevailing in such action or other proceeding shall be paid all reasonable costs and reasonable attorneys' fees by the

other party and, in the event any judgment is secured by said prevailing party, all such costs and attorneys' fees shall be included therein, such fees to be set by the court and not by jury.

19. Headings. The descriptive headings of the sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

20. Further Acts. Each of the parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

21. Time of the Essence. Time is of the essence in this Agreement.

22. Assignment. This Agreement may not be assigned, in whole or in part.

23. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

24. Amendment. No amendment or waiver of any provision in this Agreement will be binding (a) on the City unless and until it has been approved by the City Council and has become effective or (b) on McClendon unless and until it has been executed by McClendon or his authorized representative.

25. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona.

26. Severability. Every provision of this Agreement is and will be construed to be a separate and independent covenant. If any provision in this Agreement or the application of the same is, to any extent, found to be invalid or unenforceable, then the remainder of this Agreement or the application of that provision to circumstances other than those to which it is invalid or unenforceable, will not be affected by that invalidity or unenforceability. Each provision in this Agreement will be valid and will be enforced to the extent permitted by law and the parties will negotiate in good faith for such amendments of this Agreement as may be necessary to achieve its intent, notwithstanding such invalidity or unenforceability.

27. Covenant of Good Faith. In exercising their rights and in performing their obligations pursuant to this Agreement, the parties will cooperate with one another in good faith to ensure the intent of this Agreement can be attained. The City and its City Council shall not unreasonably withhold appropriation authority to fund the salary, benefits and other provisions of this Agreement.

28. Conflict of Interest. This Agreement may be cancelled by the City pursuant to ARIZ. REV. STAT. § 38-511.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first set forth above.

"McClendon"

Charles P. McClendon

"City"

CITY OF AVONDALE, an Arizona municipal corporation

By: Marie Lopez Rogers, Mayor

ATTEST:

Linda M. Farris, City Clerk

726590.5

CITY COUNCIL REPORT

SUBJECT:
Professional Service Agreement – Ritoch Powell & Associates - CDBG Street and Sidewalk Improvements

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Sue McDermott, P.E., Director of Development Services & Engineering, 623-333-4211

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council approve a Professional Service Agreement with Ritoch Powell & Associates to provide design services for the CDBG Street and Sidewalk Improvement Project in the amount of $142,097.96, authorize the transfer of $150,000 from 304-1273-00-8420, 107th Ave - Indian School Rd to RID to 304-1162-00-8001 CDBG Street & Sidewalk Improvements, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

CDBG funds must be utilized to serve areas that have at least 50% of the population classified as low-to-moderate income. Traditionally, CDBG funds received by the City have been used to help develop or redevelop the areas of Cashion, Las Ligas, Rio Vista, South and Central Avondale.

The purpose of this project is to reconstruct streets to improve drainage, driving conditions, and the life expectancy of streets located within the project area. The project area is Wigwam Country Estates and Ambrose Estates. These subdivision are generally located at the NWC of Central Ave & Lower Buckeye (see attached vicinity map). These streets are deteriorated. The pavement has not received maintenance treatments such as crack sealing and patching, and therefore, extensive cracking continues. The pavement conditions are now at a point where routine maintenance measures are not enough. In order to extend the life of the roads, some form of reconstruction is required. With the installation of new streets it has been advantageous to install new water service lines. The existing water services are PVC and have begun to leak and would be a maintenance concern. It was discovered that for most of the homes in this area one sewer service is servicing two lots. This will be corrected with this project and each lot will have its own service.

DISCUSSION:

This contract will cover the design for the entire area of work. The construction will be completed over the next fiscal year. The scope of work for this project will include, but is not limited to:

<u>Design Survey</u>
- Geotechnical Investigation / Pavement Analysis
- Geometric Analysis and Design Drainage Design
- Construction Plans, Specifications, and Estimates

SELECTION PROCESS:

In accordance with the City's Procurement Policy, staff created a three (3) person panel and selected four (4) qualified firms from the current list of pre-qualified firms. All four (4) firms submitted

Statements of Qualifications (SOQs) for the project. After reviewing the SOQs, the panel met again and found Ritoch Powell & Associates to be the best qualified firm to provide engineering design consulting services for this project. Staff contacted references and found that Ritoch Powell & Associates is considered to be a competent, knowledgeable, and highly recommended consultant based on similar projects. Staff requested, received, and negotiated a proposal from Ritoch Powell & Associates for engineering services for the delivery of plans, specifications, and an engineer's estimate for roadway, sidewalk, sewer and water service improvements. Staff reviewed the proposal and negotiated the scope of services and contract price in the amount of $142,097.96 (see attached).

SCHEDULE:

Listed below is the tentative schedule for design and construction:

Design:
Design Concept Report (30% Plans) - May 2010
90% Plans - June 2010
Final Plans - July 2010

Construction:
Bid Award - July 2010
Begin Construction - August 2010
End Construction - March 2011

BUDGETARY IMPACT:

Current CDBG funding will be utilized for the construction of street and sidewalk improvements. Staff has determined that there is a project savings allowing funds to be available in the 107th Avenue project budget. Therefore, funding for the design of the CDBG project is available in Street Fund Line Item 304-1273-00-8420, 107th Ave - Indian School Rd to RID and will be transferred to Street Fund Line Item No. 304-1162-00-8001, CDBG Street and Sidewalk Improvements.

RECOMMENDATION:

Staff recommends that the City Council approve a Professional Service Agreement with Ritoch Powell & Associates to provide design services for the CDBG Street and Sidewalk Improvement Project in the amount of $142,097.96, authorize the transfer of $150,000 from 304-1273-00-8420, 107th Ave - Indian School Rd to RID to 304-1162-00-8001 CDBG Street & Sidewalk Improvements, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

- Vicinity Map
- PSA

AERIAL DATE: JANUARY 2008 - MAP CREATED FEB 2009

10-11 CDBG PROJECT AREA

MAP PRODUCED BY AVONDALE GIS DEPARTMENT

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
RITOCH-POWELL & ASSOCIATES CONSULTING ENGINEERS, INC.

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is made as of April 19, 2010, between the City of Avondale, an Arizona municipal corporation (the "City") and Ritoch-Powell & Associates Consulting Engineers, Inc., an Arizona corporation (the "Consultant").

RECITALS

A. The City has received Community Development Block Grant ("CDBG") Funds from the United States Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-38;

B. The City has allocated CDBG funds to reconstruct streets and to improve drainage, driving conditions and the life expectancy of streets located within the City (the "Project").

C. The City issued a Request for Qualifications, EN 08-017 "Request for Statements of Qualifications for FY 2008/2009 Professional Consultants Selection List" and amended on April 1, 2008 by that certain Addendum No. 1 (collectively the "RFQ"), attached hereto as Exhibit A and incorporated herein by reference, seeking statements of qualifications from vendors for professional consulting services.

D. The Consultant submitted an SOQ in response to the RFQ, attached hereto as Exhibit B, and incorporated herein by reference, and the City desires to enter into an Agreement with the Consultant to provide design services for the Project (the "Services").

E. The City wishes to engage the Consultant to provide the Services to assist the City in utilizing such funds for the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Consultant hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until August 31, 2010.

2. Scope of Work. The Consultant shall provide the Services as set forth in the Scope of Work, attached hereto as Exhibit C and incorporated herein by reference.

3. Compensation. The City shall pay Consultant a price not to exceed $142,097.96 for the Services as set forth in the Cost Schedule, attached hereto as Exhibit D and incorporated herein by reference.

4. Payments. The City shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. The invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Documents. All documents prepared and submitted to the City pursuant to this Agreement shall be the property of the City.

6. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. Consultant agrees to assign specific individuals to key positions. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the City of same and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the City.

8. Licenses; Materials. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The City has no obligation to provide Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The City has no obligation to provide tools, equipment or material to Consultant.

9. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and to the highest professional standards in the field.

10. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type

of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

a. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option.

b. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Consultant. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

c. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

d. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.

e. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the City as an Additional Insured.

f. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

g. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured

retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

h. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the City and Consultant. Consultant shall be responsible for executing any agreements with subcontractor and obtaining certificates of insurance verifying the insurance requirements.

i. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. In the event any insurance policy required by this Agreement is written on a "claims made" basis, coverage shall extend for two years past completion of the Services and the City's acceptance of the Consultant's work or services and as evidenced by annual certificates of insurance. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFQ number and title or this Agreement. A $25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFQ number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFQ number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability - Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(b) Auto Liability - Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability - Follow Form to underlying insurance.

(2) Consultant's insurance shall be primary insurance as respects performance of the Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) A 30-day advance notice cancellation provision. If ACORD certificate of insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

11.2 Required Insurance Coverage.

a. Commercial General Liability. Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

b. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

c. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three years past completion and acceptance of the Services, and the Consultant shall be required to submit certificates of insurance and a copy of the declaration page(s) of the insurance policies evidencing proper coverage is in effect as required above.

d. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or materially change without 30 days' prior written notice to the City.

12. Applicable Law; Venue. In the performance of this Agreement, Consultant shall abide by and conform to any and all laws of the United States, State of Arizona and City of Avondale, including but not limited to, federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this Agreement. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in the State of Arizona.

13. Termination; Cancellation.

13.1 For City's Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by Consultant of written notice by the City. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

13.2 For Cause. This Agreement may be terminated by either party upon 30 days' written notice should the other party fail to substantially perform in accordance with this Agreement's terms, through no fault of the party initiating the termination. In the event of such termination for cause, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the City upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of its departments or agencies is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement.

13.5 Gratuities. The City may, by written notice to the Consultant, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Consultant an amount equal to 150% of the gratuity.

13.6 Agreement Subject to Appropriation. The provisions of this Agreement for payment of funds by the City shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The City shall be the sole judge and authority in determining the availability of funds under this Agreement and the City shall keep the Consultant fully informed as to the availability of funds for the Agreement. The obligation of the City to make any payment pursuant to this Agreement is a current expense of the City, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the City. If the City Council fails to appropriate money sufficient to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the City and the Consultant shall be relieved of any subsequent obligation under this Agreement.

14. Miscellaneous.

14.1 Independent Contractor. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the City. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. Consultant, and not the City, shall determine the time of its performance of the Services provided under this Agreement so long as Consultant meets the requirements of its agreed scope of work as set forth in Section 2 above. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. City and Consultant do not intend to nor will they combine business operations under this Agreement.

14.2 Laws and Regulations. The Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible remains in compliance with all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to the following: (a)

existing and future City and County ordinances and regulations, (b) existing and future state and federal laws, (c) existing and future Occupational Safety and Health Administration ("OSHA") standards, (d) the provisions of 24 CFR, Part 570, CDBG, as revised, (e) the provisions of 24 CFR Part 92, HOME, as revised, and (f) the provisions contained in the City of Avondale Consolidated Plan.

14.3 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Consultant.

14.4 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement will promptly be physically amended to make such insertion or correction.

14.5 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Agreement which may remain in effect without the invalid provision or application.

14.6 Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and Consultant agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Agreement.

14.7 Patent and Copyrights. If this Agreement results in any patents or copyrightable materials or inventions, the patents, copyrightable materials or inventions will be the property of the City and shall not be used or released by the Consultant or any other person except with the prior written permission of the City.

14.8 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.9 Assignment. No right or interest in this Agreement shall be assigned by Consultant without prior, written permission of the City signed by the City Manager and no

delegation of any duty of Consultant shall be made without prior, written permission of the City signed by the City Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

14.10 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the City. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used.

14.11 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

14.12 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.13 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

14.14 Offset.

a. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Consultant any amounts Consultant owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

b. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Consultant any amounts Consultant owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

14.15 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered to the party at the address set forth below, (b) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (c) given to a recognized and reputable overnight delivery service, to the address set forth below or (d) delivered by facsimile transmission to the number set forth below:

If to the City:	City of Avondale 11465 West Civic Center Drive Avondale, Arizona 85323 Facsimile: (623) 333-0100 Attn: Charles P. McClendon, City Manager
With copy to:	GUST ROSENFELD, P.L.C. 201 East Washington Street, Suite 800 Phoenix, Arizona 85004-2327 Facsimile: (602) 340-1538 Attn: Andrew J. McGuire, Esq.
If to Consultant:	Ritoch-Powell & Associates Consulting Engineers, Inc. 3838 North Central Avenue, Suite 1250 Phoenix, Arizona 85012 Facsimile: (602) 277-6286 Attn: Josh Nies, PE

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (a) when delivered to the party, (b) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (c) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (d) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

14.16 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the City. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

14.17 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among: the Agreement, the Scope of Work, the Cost Schedule, the RFQ and the Consultant's response to the RFQ, the documents shall govern in the order listed herein.

15. Intentionally omitted.

16. Administrative Requirements.

16.1 Records to be Maintained. The Consultant shall maintain all records required by the Federal regulations specified in 24 CFR Part 570.506 that are pertinent to the activities to be funded under this Agreement.

16.2 Notice of Reporting Regulations and Requirements. Consultant acknowledges that the City shall report monthly on all program income as defined at 24 CFR 570.500(a) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income shall comply with the requirements set forth at 24 CFR 570.504. The Consultant may be required to submit bi-monthly progress reports to the City in the form, content and frequency as required by the City related to the City's reports.

16.3 Records Delivery. The Consultant shall deliver to the City all written and electronic records pertinent to expenditures incurred under this Agreement within ninety (90) days after report by the City.

16.4 Disclosure. The Consultant understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Consultant's responsibilities with respect to services provided under this Agreement, is prohibited unless consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

16.5 Records and Audit Rights. Consultant's and subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and subcontractor employee who works on the Agreement to ensure that the Consultant and its subcontractor are complying with the warranty under Section 16.6 below (all the foregoing and those records described in subsection 16.1 above hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours, as often as the City, its designees or the Federal government deem necessary, by the City, its designees or the Federal government to the extent necessary to adequately permit (1) auditing, examination and making excerpts or transcripts of all relevant data and (2) evaluation of the Consultant's and its subcontractor's compliance with the Arizona employer sanctions laws referenced in Section 16.6 below. Any deficiencies noted in audit reports must be fully cleared by the Consultant within 30 days after receipt by the Consultant. Failure of the Consultant to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. The Consultant hereby agrees to have an annual agency audit conducted in accordance with City policy concerning Consultant audits and, as applicable to OMB Circular A-133. To the extent necessary for the City to audit Records as set forth in this Section, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of examining the Records, the City shall have access to said Records from the effective date of this Agreement for the duration of the work and until five years after the date of final payment by the City to Consultant pursuant to this Contract. The City shall have access, during normal working hours, to all necessary Consultant and subcontractor facilities, and shall be

provided adequate and appropriate workspace, in order to conduct audits in compliance with the provisions of this subsection. The City shall give Consultant or subcontractor reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

16.6 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Agreement by the City.

16.7 Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the City.

17. Payment Procedures. The City will pay to the Consultant funds available under this Agreement based upon information submitted by the Consultant and consistent with an approved Payment Schedule and City policy concerning payments. Payments will be made for eligible expenses actually paid by the Consultant (reimbursement).

18. Procurement Compliance. The Consultant shall comply with City 24 C.F.R. Part 85 when procuring general construction contractors.

19. Personnel and Participant Conditions.

19.1 Civil Rights

a. Compliance. The Consultant agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Order 11375 and 12086.

b. Nondiscrimination. The Consultant will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, nation origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Consultant will take affirmative action to ensure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

19.2 Women and Minority Owned Business Enterprises.

a. Women and Minority Owned Business Enterprises. The Consultant will take all necessary affirmative steps to assure that minority and women owned business enterprises are used when possible in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least 51 percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Consultant may rely on written representation by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

b. Subcontracting Provisions. The Consultant will include the provisions of subsections 19.1, Civil Rights and 19.2, Women and Minority Owned Business Enterprises, in every subcontract or purchase orders, specifically or by reference, so that such provisions will be binding upon each of its Consultants or subcontractors.

19.3 Employment Restrictions.

a. Prohibited Activity. The Consultant is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities, sectarian or religious activities, lobbying, political patronage, and nepotism activities.

b. Labor Standards. The Consultant agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Consultant shall maintain documentation which demonstrates compliance with hour and wage requirements of this subsection. Such documentation shall be made available to the City for review upon request. The Consultant agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight units, all contracts engaged in excess of $2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply with Federal requirements adopted by the City pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeyworkers; provide, that if wage rates higher than those required under the regulations are imposed by state or local laws, nothing hereunder is intended to relieve the Consultant of its obligation, if any, to require payment of the higher wage. The Consultant will cause or require to be inserted in full, in all contracts subject to such regulations, provisions meeting the requirements of this subsection.

c. "Section 3" Clause.

(1) Compliance. Compliance with the provisions of "Section 3" of the Housing and Community Development Act of 1968, as amended, 12 U.S.C. 1701, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued

hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the City, the Consultant and any of the Consultant's contractors and subcontractors. Failure to fulfill these requirements shall subject the City, the Consultant and any of the Consultant's contractors and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Consultant certifies and agrees that no contractual or other disability exist which would prevent compliance with these requirements. The Consultant further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

> "The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of "Section 3" of the Housing and Community Development Act of 1968, as amended, 12 U.S.C. 1701. "Section 3" requires that to the greatest extent feasible, opportunities for training and employment be given to low and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low and very low-income persons residing in the metropolitan area in which the project is located."

The Consultant further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation, housing construction, or other public construction project are given to low and very low-income persons residing within the metropolitan area in which the CDBG funded project is located; where feasible, priority should be given to low and very low-income persons within the service area of the project or neighborhood in which the project is located, and to low and very low-income participants in other HUD programs, and award contracts for work undertaken in connection to housing rehabilitation, housing construction, or other public construction projects are given to business concerns that provide economic opportunities for low and very low-income persons residing within the metropolitan area in which CDBG funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low and very low-income residents within the service area or neighborhood in which the project is located, and to low and very low-income participants in other HUD programs. The Consultant certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

(2) Notifications. The Consultant agrees to send to each labor organization or representative of worker with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this "Section 3" Clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

(3) Subcontracts. The Consultant will include the "Section 3" Clause set forth above in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Consultant will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not enter any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations. The Consultant will ensure that every subcontract will contain all of the contractual provisions required by 24 CFR 85.36(i).

19.4 Conduct.

a. Subcontracts. In addition to the requirements of subsection 14.9, the following provisions shall apply:

(1) Monitoring. The Consultant will monitor all subcontracted services on a regular basis to ensure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions to correct areas of noncompliance.

(2) Content. The Consultant shall cause all the provisions of this Agreement in its entirety to be incorporated into and made a part of any subcontract executed in the performance of this Agreement.

(3) Selection Process. The Consultant shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the City along with documentation concerning the selection process.

b. Drug Free Workplace. The Consultant certifies that it will provide a drug-free workplace by:

(1) Publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

(2) Establishing a drug-free awareness program to inform its employees about:

(a) The dangers of drug abuse in the workplace.

(b) The grantees policy of maintaining a drug-free workplace.

(c) Any available drug counseling, rehabilitation, and employee assistance programs.

(d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

(3) Making it a requirement that each employee to be engaged in the performance of the Agreement be given a copy of the statement required by subsection 19.4(b)(1) above.

(4) Notifying the employee in the statement required by subsection 19.4(b)(1) above that, as a condition of employment under the Agreement, the employee will:

(a) Abide by the terms of the statement.

(b) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.

(5) Notifying the City within ten days after receiving notice under subsection 19.4(b)(4)(b) above from an employee or otherwise receiving actual notice of such conviction.

(6) Taking one of the following actions, within 30 days of receiving notice under subsection 19.4(b)(4)(b) above, with respect to any employee who is so convicted:

(a) Taking appropriate personnel action against such an employee, up to and including termination.

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or Local health, Law enforcement, or other appropriate agency.

(7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of subsections 19.4(b)(1), (2), (3) (4), (5) and (6).

20. Environmental Conditions. The Consultant agrees to comply with the following requirements insofar as they apply to the performance of this Agreement: (i) Clean Air Act, 42 U.S.C., 7401, et seq., (ii) Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder, (iii) Executive Order 11738, providing for the Administration of the Clean Air Act and the federal Water Pollution Control Act and (iv) Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

21. Energy Policy and Conservation Act. The Consultant agrees to comply with the Energy Policy and Conservation Act as set forth in Pub. L. 94-163 insofar as they apply to the performance of this Agreement.

22. Scrutinized Business Operations. Pursuant to ARIZ. REV. STAT. §§ 35-391.06 and 35-393.06, the Consultant certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this subsection the term "scrutinized business operations" shall have the meanings set forth in ARIZ. REV. STAT. § 35-391 or and 35-393, as applicable. If the City determines that the Consultant submitted a false certification, the City may impose remedies as provided by law including terminating this Agreement pursuant to subsection 13.2 above.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

"**City**"

CITY OF AVONDALE, an Arizona municipal corporation

_____
Charles P. McClendon, City Manager

ATTEST:

_____
Carmen Martinez, City Clerk

"**Consultant**"

RITOCH-POWELL & ASSOCIATES CONSULTING ENGINEERS, INC., an Arizona corporation

By:_____

Name:_____

Its:_____

(ACKNOWLEDGEMENTS)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____, 2010, by Charles P. McClendon, the City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, on behalf of the City of Avondale.

_____
Notary Public in and for the State of Arizona

My Commission Expires:

_____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____, 2010, by _____ as _____ of Ritoch-Powell & Associates Consulting Engineers, Inc., an Arizona corporation, on behalf of the corporation.

_____
Notary Public in and for the State of Arizona

My Commission Expires:

_____

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
RITOCH-POWELL & ASSOCIATES CONSULTING ENGINEERS, INC.

[RFQ]

See following pages.

REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR FY 2008/2009 PROFESSIONAL CONSULTANTS SELECTION LIST

City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323

SOLICITATION INFORMATION AND SELECTION SCHEDULE

Solicitation Number:	**EN 08-017**
Solicitation Title:	**FY 2008/2009 Professional Consultants Selection List**
Release Date:	**March 25, 2008**
Final Date for Inquires and Place to Send Inquiries	**April 4, 2008** Charles Andrews, P.E., Senior Project Manager City of Avondale Engineering Dept. 11465 West Civic Center Drive, Suite 120 Avondale, Arizona 85323 OR candrews@avondale.org
SOQs Due Date, Time and Location:	**April 16, 2008** **3:00 p.m.** (local time, Phoenix, Arizona) City of Avondale 11465 West Civic Center Drive, Suite 200 Avondale, Arizona 85323-6804
Letters to Final Listed Firms:	**June 30, 2008**
City Representatives:	**Charles Andrews** **candrews@avondale.org** **623-333-4200** **Mary Rogers** **mrogers@avondale.org** **623-333-2200**

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I. INTRODUCTION

1. Purpose. The City of Avondale (the "City") is seeking Statements of Qualification ("SOQ") from professional consulting engineering firms ("Vendors") to be considered for a Professional Consultants Selection List aimed at capital improvement projects during the 2008/2009 and 2009/2010 Fiscal Years. Only Vendors capable of providing the requested discipline category of professional services will receive consideration. Qualified Vendors are invited to submit SOQs.

2. Discipline Categories of Projects. During Fiscal Years 2008/2009 and 2009/2010, the City plans to contract for professional services specific projects within the 16 (sixteen) different discipline categories of projects listed below. The scope of work for these specific projects may include studies, site investigations, planning, preliminary design concepts, and contract document development (preparing detailed plans, schedules, designs, assembly of specifications and reports). Project duties may also involve budget estimating, engineering designs, phasing, recommendations for future infrastructure needs (master plans), improvement district administration and presentations at public meetings. Please note, all projects involving the preparation of design plans and specifications require the design plans and specifications to be sealed by a Professional registered in the State of Arizona.

The Professional Consultants Selection List discipline categories are:

- Water Distribution System – Feasibility studies, wells, distribution systems, pump stations, storage facilities and treatment plants.

- Wastewater Systems – Studies, collection and disposal system designs, treatment plants and lift stations.

- Transportation Engineering – Roadway improvement projects, master plans, transportation planning, traffic calming projects and intersection designs.

- Traffic Engineering – Speed, volume and classification studies, traffic signal warrant studies, other traffic engineering and traffic control studies (such as All-way STOP warrant studies), pedestrian & bicycle studies, Safe Routes to School plans, school crosswalk studies, traffic signal design, traffic control design such as signing and pavement marking, traffic crash analysis, design of safety improvement projects, design of bike lane/transit/crosswalk facilities, street lights, and Intelligent Transportation Systems (ITS such as Traffic Operations Center design, variable message signs, fiber optic and conduit design, and Wireless Advanced Traffic Management Systems).

- Surveying - Including topographic surveys, boundary surveys, construction staking, as-built surveys, right-of-way and easement investigation, ALTA and preparation of legal descriptions.

- Hydrology/Hydraulic Projects – Master plans, hydrology studies and designing storm water drainage facilities.

- Plan Review Services – Includes plan review of subdivision plats, residential and commercial developments, construction plans for water, sewer, paving, drainage, street/traffic lights and grading.

- Landscape Architect – Master plans, conceptual planning, site designs, parks and community facilities, streetscapes, sidewalks, bicycle and pedestrian pathway design, scenery planting and irrigation.

- Hydrogeological Engineering – Provide aquifer impact and well feasibility studies. Ability to provide well abandonment services. Design of wells; provide construction inspection/observation services during the drilling of new or replacement wells.

- GIS Programs – Services to support Geographic Information Systems Programs including: data collection and development, map compilation, transformation and systems integration.

- Geotechnical and Environmental **-** Geotechnical engineering, pavement design, materials sampling and testing, pavement evaluation, design recommendations and specifications. Environmental site assessments, compliance audits, risk evaluations and recommendations.

- Foundation and Structural Design - To include load calculations and recommendations for construction of retaining walls, steel reinforced concrete structures, small buildings, and vehicular and pedestrian bridges.

- Electrical Design and Supervisory Control and Data Acquisition (SCADA) Programming - Provide design and inspection services for electric power supply, control systems and equipment specifications. Design and programming of local SCADA systems, PLC programming, and telemetry.

- Construction Management – Provide Construction Management at Risk (CMAR) and Design Build process management or construction administration and inspection services, such as estimation, bid document preparation, QA/QC services, shop drawing review, and post design services.

- Architect - Planning, renovation, interior and exterior design and construction management of small public building projects.

- Improvement District Administration – Qualifications will be considered from Vendors who are well established in this field, who are financially responsible and who have the resources and ability to provide the services requested in a professional and timely manner. Improvement District infrastructure improvements include, but are not limited to, roadway, water, wastewater, drainage systems, parks and other types of infrastructure.

II. STATEMENT OF QUALIFICATIONS REQUIREMENTS

1. Preparation/Submission of SOQ. Vendors are invited to participate in the competitive selection process for the Professional Consultants Selection Lists for Fiscal Year 2008/2009 and 2009/2010 outlined in this RFQ. Responding parties shall review their SOQ submissions to ensure the following requirements are met.

a. Interested parties must submit **one (1) original** and **eight (8) copies** (nine (9) total submittals) of the SOQ.

b. The SOQ shall be submitted with a cover letter with an original ink signature by a person authorized to bind the Vendor. Any erasures, interlineations, or other modifications in the SOQ shall be initialed in original ink by the authorized person signing the SOQ.

c. The SOQ shall be a maximum of 15 pages to address the SOQ criteria (excluding résumés and the Vendor Information Form, but including the materials necessary to address project understanding, general information, organizational chart, photos, tables, graphs, and diagrams). Each page side (maximum 8 1/2" x 11") with criteria information shall be counted. However, one page may be substituted with an 11" x 17" sheet of paper, folded to 8 1/2" x 11", showing a proposed project schedule, a discipline category/staffing matrix, or organizational chart and only having criteria information on one side. The cover letter, cover, back, table of contents and tabs may be used and shall not be included in the page count, unless they include additional project-specific information or SOQ criteria responses. The minimum allowable font for the SOQ is **11 pt**.

d. All Vendors shall (i) examine the entire RFQ, (ii) seek clarification of any item or requirement that may not be clear, (iii) check all responses for accuracy before submitting a SOQ and (iv) submit the entire SOQ by the official Due Date and Time. Negligence in preparing a SOQ confers no right of withdrawal after the SOQ Due Date and Time.

e. All SOQs shall be sealed and clearly marked with the SOQ title and number**, FY 2008/2009 Professional Consultants Selection List (EN 08-017)**, on the lower left hand corner of the sealed mailing envelope. A return address must also appear on the outside of the sealed SOQ. The City is not responsible fore the pre-opening of, post-opening of, or the failure to open, any SOQs not properly addressed or identified.

f. All SOQs shall be directed to the following address: City Clerk, 11465 West Civic Center Drive, Suite 200, Avondale, Arizona 85323, or hand-delivered to the City Clerk's office by the time and date indicated on the cover page of this RFQ.

g. Telegraphic (facsimile), electronic (email) or mailgram SOQs will not be considered.

2. Irregular or Non-responsive SOQ. The City will consider as "irregular" or "non-responsive" and reject any SOQ not prepared and submitted in accordance with this RFQ, or any SOQ lacking sufficient information to enable the City to make a reasonable determination of compliance to the minimum qualifications. Unauthorized conditions, limitations, or provisions shall be cause for rejection.

3. Inquiries. Any question related to the RFQ shall be directed to the City Representative whose name appears on the cover page of this RFQ. Questions shall be submitted in writing by the date indicated on the cover page of this RFQ. Any correspondence related to the RFQ shall refer to the title and number, page and paragraph. However, the Vendor shall not place the RFQ number and title on the outside of any envelope containing questions, because such an envelope may be identified as a sealed SOQ and may not be opened until after the Due Date and Time.

4. Late SOQs. Late SOQs will not be considered, except as provided by the City Procurement Code. A Vendor submitting a late SOQ shall be so notified.

5. Withdrawal of SOQ. At any time prior to the specified Due Date and Time, a Vendor (or designated representative) may withdraw its SOQ. Facsimile, electronic (email) or mailgram SOQ withdrawals will not be considered.

6. Amendment of SOQ. At any time prior to the specified Due Date and Time, a Vendor (or designated representative) may amend its SOQ. Facsimile, electronic (email) or mailgram SOQ amendments will not be considered.

7. Cost of SOQ Preparation. The City does not reimburse the cost of developing, presenting or providing any response to this solicitation. SOQs submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The Vendor is responsible for all costs incurred in responding to this RFQ. All materials and documents submitted in response to this RFQ become the property of the City and will not be returned.

8. Offer. An SOQ submittal is an offer to contract with the City based upon the terms, conditions and specifications contained in this RFQ and the Vendor's responsive SOQ, unless any of the terms, conditions, or specifications is modified by a written addendum or agreement amendment. Provided, however, that no contractual relationship shall be established until the Vendor has signed, and the City has approved, a professional services agreement between the City and the Vendor in the form included herein.

9. Public Record. All SOQs shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code.

10. Confidential Information.

a. If a Vendor believes that a SOQ or protest contains information that should be withheld from the public record, a statement advising the City Representative of this fact shall accompany the submission and the information shall be identified.

b. The information identified by the Vendor as confidential shall not be disclosed until the City Representative makes a written determination.

c. The City Representative shall review the statement and information and shall determine in writing whether the information shall be withheld.

d. If the City Representative determines to disclose the information, the City Representative shall inform the Vendor in writing of such determination.

11. Vendor Licensing and Registration. Prior to the award of the Agreement, the successful Vendor shall (a) be licensed with the Arizona Corporation Commission to do business in Arizona and (b) have a completed Request for Vendor Number on file with the City Financial Services Department. The Vendor shall provide licensure information with the SOQ.

12. Certification. By submitting a SOQ, the Vendor certifies:

a. The submission of the SOQ did not involve collusion or other anti-competitive practices.

b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11456.

c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a City employee, officer or agent in connection with the submitted SOQ. Failure to sign the SOQ, or signing it with a false statement, shall void the submitted SOQ and any resulting Agreement.

d. It (including the firm's employees, representatives, agents, lobbyists, attorneys, and subcontractors) will refrain, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the Selection Committee, elected officials, the City Manager, Assistant City Managers, Department Heads, and other staff. All contact must be addressed to the City's Procurement Agent, except for questions submitted as set forth in Section 3, Inquiries, above.

e. In addition to reviewing and understanding the submittal requirements, it has reviewed the attached Professional Service Agreement including the Exhibits.

13. Protests. Any Bidder may protest this RFQ issued by the City, the proposed award of an Agreement, or the actual award of an Agreement. All protests will be considered in accordance with the City Procurement Code.

III. STATEMENT OF QUALIFICATIONS FORMAT; SCORING

A Selection Committee composed of representatives from the City will conduct the selection process according to the schedule on the cover page of this RFQ. Upon receipt of an SOQ, each submittal will be reviewed for compliance with the submittal requirements by the Selection Committee. SOQs shall be organized and submitted in the format as outlined below. Failure to conform to the designated format, standards and minimum requirements may result in a determination that the SOQ is non-responsive. Additionally, the Selection Committee will evaluate and award points to each SOQ based upon the evaluation criteria as outlined in this document. Points listed below are the maximum number of points possible for each criteria and not the minimum number that the Selection Committee may award. Up to ten (10) of the highest rated professional consultants from each discipline category will be selected for inclusion on the Professional Consultants Selection shortlist.

These Professional Consultant Selection shortlists will be used to invite Vendors to submit proposals to provide professional services on specific project assignments. The City reserves the right to conduct formal interviews with selected Vendors depending upon the size and complexity of the specific project. The final Professional Consultant Selection List will be used by the City for at least one year and at the discretion of the City Manager for a second consecutive year.

For large or complex projects or for very specialized work, the City may use a separate Request for Proposals or Request for Qualifications process.

All processes will be conducted in accordance with ARIZ. REV. STAT. Title 34.

Section 1: General Factors and Compliance 10 pts

a. One page cover letter as described in Section II, 1(b) addressed to Charles Andrews, Senior Project Manager.

b. Completed Discipline Specialty Check List – Please ONLY check the discipline category(ies) for which you are particularly qualified, fully addressed and desire to be considered.

c. Title sheet with the following information:
   1. Title: Statement of Interest to provide Professional Services for Capital Improvement Projects for the 2008/2009 and 2009/2010 Fiscal Years.
   2. Submitted to: City of Avondale City Clerk
   3. Submittal date: April 16, 2008 (local time, Phoenix, Arizona)

4. Submitted by: Engineering firm or Individual (submitting) include address, contract person and telephone number.

d. Provide a statement regarding the following:

1. Your firm's familiarity and intention to comply with City's insurance requirements and contract documents. A sample copy of the City's Professional Services Agreement is attached herein. A copy of the City's "Notice of Request for Proposal" which includes standard contract provisions, terms and conditions is available upon request.

2. Your firm's design philosophy and approach to developing sound engineering recommendations and your approach to problem resolution.

e. Vendor Information Form shall be attached as separate appendix and excluded from the page count limitation pursuant to Section II(1)(c).

Section 2: Vendor's relevant experience, availability and capability 50 pts

a. Provide a brief description of the firm including the number and types of personnel who would serve on projects.

b. Provide a list of relevant projects in which the firm had a significant contribution with an emphasis on local experience. Include references and telephone numbers of clients familiar with the projects.

c. Provide a general description of the company that is proposing to provide the required services. Explain the legal organization of the company.

d. Provide identification information of your firm. Include the legal name, address and legal form of the firm (e.g., partnership, corporation, joint venture, sole proprietorship). If a join venture, identify the members of the joint venture and provide all of the information required under this section for each member. If the firm is a wholly owned subsidiary of another company, identify the parent company. Provide the name, address and telephone number of the person to contact concerning the SOQ.

e. Identify the location of the firm's principal office and the local work office, if different.

Section 3: Personnel qualification and pertinent experience 35 pts

a. Provide the firm's general or specific experience pertaining to the Professional Consultant Selection List discipline category(ies) the firm desires to be considered for.

b. Provide a matrix listing all categories within the discipline for which the firm is qualified to provide services and identify the participating staff/key personnel. Include a matrix listing for all subcontractors.

c. Provide certifications, licenses and memberships in professional associations, societies or boards.

d. Provide a résumé for the personnel who will serve in key positions for projects, including specific experience for each person on relevant projects, the number of years the personnel has been with the present firm and the total years of experience. Résumés shall be limited to two pages per résumé. Résumés shall be attached as an appendix and excluded from the page count limitation pursuant to Section II(1)(c).

Section 4: Disadvantaged Business Enterprise preference 5 pts

It is the policy of the city that disadvantaged business enterprises (DBE) shall have the opportunity to participate to the maximum extent feasible in all required aspects of procurement and contracting in accordance with applicable statutes, regulations, and executive orders (Ord. No. 588, 5-15-95). Qualifying DBE shall indicate their status with a statement in the cover letter.

A "disadvantaged business enterprise (DBE)" is defined as a business at least fifty-one (51%) of which is owned, operated and controlled by minority group members, or in the case of publicly owned businesses, at least fifty-one (51%) percent of the stock of which is owned, operated and controlled by minority group members. "Minority group members" are defined as Blacks, Hispanics, Asian Americans, Native Americans, Alaskan Natives, or women, regardless of race or nationality. A "small business" is defined under Small Business Administration (SBA) section 8(a) rules.

Total Possible Points for SOQ Submittal: 100

IV. AWARD OF AGREEMENT

1. Award of Agreement. The selected Vendor from the Professional Consultants Selection List for each specific project will be required to execute the City's standard Professional Services Agreement in a form acceptable to the City Attorney. A sample of the standard agreement is included with this RFQ. If the City is unsuccessful in negotiating an Agreement with the highest-scoring firm, the City may then negotiate with the second, then third, highest-scoring firm until an Agreement is executed. City Council approval may be required. The City reserves the right to terminate the selection process at any time.

2. Waiver; Rejection; Reissuance. Notwithstanding any other provision of this RFQ, the City expressly reserves the right to: (i) waive any immaterial defect or informality, (ii) reject any or all SOQs or portions thereof and (iii) reissue an RFQ.

V. DISCIPLINE SPECIALTY CHECK LIST
FY 2008/2009 PROFESSIONAL CONSULTANTS SELECTION LIST

Name of Firm _____

Address _____

City _____ State _____ Zip _____

Contact Name: _____

Title: _____

Telephone _____ Fax _____

Please check only those discipline categories for which you are particularly qualified, fully addresses, and desired to be considered.

_____ Water Distribution System

_____ Wastewater Systems

_____ Transportation Engineering

_____ Traffic Engineering

_____ Surveying

_____ Hydrology/Hydraulic Projects

_____ Plan Review Services

_____ Landscape Architects

_____ Hydrogeological Engineering

_____ GIS Programs

_____ Geotechnical and Environmental Engineering

_____ Foundations & Structural Design

_____ Electrical & SCADA Programming

_____ Construction Management

_____ Architects

_____ Improvement District Administration

VI. VENDOR INFORMATION FORM

By sending a Statement of Qualifications, the submitting firm certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

_____	_____
FIRM SUBMITTING SOQ	FEDERAL TAX ID NUMBER
_____	_____
PRINTED NAME AND TITLE	AUTHORIZED SIGNATURE
_____	_____
ADDRESS	TELEPHONE FAX #
_____	_____
CITY STATE ZIP	DATE
WEB SITE: _____	EMAIL ADDRESS: _____

MINORITY/WOMEN-OWNED SMALL BUSINESSES (check appropriate item):

_____ Disadvantaged Business Enterprise (DBE)
_____ Women-Owned Business Enterprise (WBE)
_____ Minority Business Enterprise (MBE)
_____ Small Business Enterprise (SBE)

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise?

If yes, please provide details and documentation of the certification.

REQUEST FOR STATEMENTS OF QUALIFICATIONS

FY 2008/2009 Professional Consultants Selection List
EN08-017

Addendum No. 1

Date: April 1, 2008

From: Mary Rogers, Buyer

Subject: Addendum No. 1 to the Request for Statements of Qualifications, FY 2008/2009 Professional Consultants Selection List (EN08-017)

Due Date and Time: **April 16, 2008**, 3:00 p.m. local time, Phoenix, Arizona

SCOPE

This Addendum forms a part of the Contract and clarifies, corrects, or modifies the original Request for Statements of Qualifications documents prepared by the City of Avondale. Acknowledge receipt of this addendum in the space provided on the attached form. This acknowledgement and addendum must accompany the submitted SOQ. Failure to do so may subject the Vendor to disqualification.

This Addendum No. 1 consists of modifications to Section B(III), Request for Statements of Qualifications Format; Scoring.

ADDENDUM

1. Section B(III), Page 5, Section 1: General Factors and Compliance, subsection d(1), is hereby amended to read as follows:

   d. Provide a statement regarding the following:

      1. Your firm's familiarity and capability of compliance with City's standard insurance requirements and contract documents. A sample copy of the City's Professional Services Agreement is attached herein.

2. Section B(III), Page 5, Section 3: Personnel qualification and pertinent experience, is hereby amended to read as follows:

Section 3: Personnel qualification and pertinent experience 40 pts

3. Section B(III), Page 6, Section 4: Disadvantaged Business Enterprise preference, is hereby deleted in its entirety.

***

CITY OF AVONDALE
ACKNOWLEDGMENT OF ADDENDA RECEIVED

REQUEST FOR STATEMENTS OF QUALIFICATIONS

FY 2008/2009 Professional Consultants Selection List
EN08-017

Addendum No. 1

_____, affirms that ADDENDUM No. 1 has
(Name of Vendor/Designee)
been received and that the information contained in ADDENDUM No. 1 has been incorporated in formulating the Vendor's Offer.

_____, _____2008
Signed Date

_____
Print Name

_____
Title

_____
Company Name

_____
Address

_____
City, State, Zip Code

END OF ADDENDUM No. 1

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE City OF AVONDALE
AND
RITOCH-POWELL & ASSOCIATES CONSULTING ENGINEERS, INC.

[Consultant's SOQ]

See following pages.

RITOCH-POWELL
& ASSOCIATES
3800 N. Central Avenue, Suite 605
Phoenix, Arizona 85012
o: 602.265.1177 • f: 602.277.6286
www.ritochpowell.com

April 16, 2008

Charles Andrews, PE, Senior Project Manager
CITY OF AVONDALE
Engineering Department
11465 West Civic Center Drive, Suite 120
Avondale, Arizona 85323

RE: **Statement of Qualifications:**
FY 2008/2009 Professional Consultant Selection List
EN 08-017

Dear Selection Panel:

RITOCH-POWELL & ASSOCIATES (RPA) is a firm of practical, analytical and creative civil engineers and surveyors who want to demonstrate to the City of Avondale our capabilities as a design team. We are proud of our reputation, our staff, our management, our capabilities and the team members identified in this Statement of Qualification. RPA is "*An Arizona Firm Devoted to Arizona First*". We have been providing survey, civil engineering design and construction inspection services in Arizona since 1978.

We are providing a team that combines technical experience and unsurpassable capabilities to meet project schedule and deliverable requirements *on-time and within budget*. This team understands schedules, administrative procedures and *cost estimates*. RPA will provide the City with a *reliable cost estimate* for the on-call projects and a schedule that outlines project development that meets the City's desired construction start date; we will work with the City to ensure the scope fits the budget and any funding that has been acquired. Our team can provide City of Avondale with all the administrative, engineering and management services required for your studies, site investigations, planning, preliminary design concepts, engineering design, master plans and improvement district administration and construction administrative services. Our Project Managers know their role – ensure the RPA team provides engineering excellence that meets our scope and City of Avondale's requirements. Our principals know their role – provide adequate staff with technical excellence and accountable productivity to meet our Project Manager requirements. It all adds up – a positive impact on your community

RPA has completed more than 400 miles of roadway, street, drainage and utility design throughout Arizona, thus allowing us to be extensively familiar with project coordination, schedules and cost control procedures. We offer the City an engineering team experienced in project management, Water Distribution System, Wastewater Systems, Transportation Engineering, Surveying, Hydrology/Hydraulic Projects, Plan Review Services, Improvement District Administration, Construction Management and AutoCAD drafting, and the know-how for the coordination of City projects. RPA's design team would be geared for each project requirements.

RPA continues to build a reputation of quality products, engineering excellence, cost conformance and accurate estimating. Being part of your FY '08/'09 Professional Consultant Selection will allow us to demonstrate our individual capabilities to specifically address your needs. *Our reputation for integrity, honesty and diligence has promoted staff growth, business success and increased recognition from our clients.* We are prepared to do the same for the City of Avondale.

Respectfully yours,
RITOCH-POWELL & ASSOCIATES

Karl G. Obergh, P.E.
President

VI. VENDOR INFORMATION FORM

By sending a Statement of Qualifications, the submitting firm certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

Ritoch-Powell & Associates
FIRM SUBMITTING SOQ

86-0392527
FEDERAL TAX ID NUMBER

Karl Obergh/President
PRINTED NAME AND TITLE

President
AUTHORIZED SIGNATURE

3800 North Central Avenue
Suite 605
ADDRESS

(602) 263-1177 (602) 277-6286
TELEPHONE FAX #

Phoenix, AZ 85012
CITY STATE ZIP

April 16, 2008
DATE

WEB SITE: www.ritochpowell.com

EMAIL ADDRESS: kobergh@ritochpowell.com

MINORITY/WOMEN-OWNED SMALL BUSINESSES (check appropriate item):

_____ Disadvantaged Business Enterprise (DBE)
_____ Women-Owned Business Enterprise (WBE)
_____ Minority Business Enterprise (MBE)
_____ Small Business Enterprise (SBE)

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise?

If yes, please provide details and documentation of the certification.

SECTION 1. GENERAL FACTORS AND COMPLIANCE:

C: Title Sheet

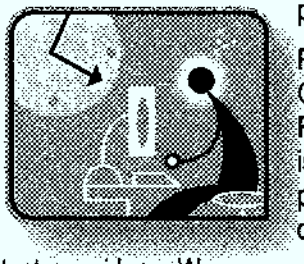
TITLE:	Statement of Interest to Provide Services for Capital Improvement Projects for 2008/2009 and 2009/2010 Fiscal Years
SUBMITTED TO:	City Of Avondale City Clerk
SUBMITTAL DATE:	April 16, 2008
SUBMITTED BY:	RITOCH-POWELL & ASSOCIATES

Karl Obergh, PE

3800 North Central Avenue, Suite 605
Phoenix, Arizona 85012
O: (602) 263-1177
F: (602) 277-6286

D1: Familiarity and Intention to Comply with City's Insurance: RPA read the City's Professional Services Agreement and has no objections and intends to comply with the City of Avondale's requirements.

D2: Firm's design philosophy and approach to developing sound engineering recommendations and approach to problem resolution: RPA's design philosophy and approach is founded on making our client's vision a reality. We will work in partnership with the City of Avondale to turn City needs into innovative, cost-effective design by RPA's exceptional engineering and surveying professionals. Throughout our progressive design we hold ourselves to stringent quality standards.



RPA will ask difficult questions, explore options, challenge preconceived solutions, research previous results and test new ideas. We are committed to creative and rigorous intellectual processes which build on the collective power of individual talent and expertise. In partnership with our clients, our team members will orchestrate project management services with our design capabilities to interpret the client needs, understand their budgetary parameters and realize their schedule requirements. RPA listens, understands and collaborates with our partners to generate a project that is sound, sensitive to the environment and provides maximum amenity within budgetary constraints.

One of RPA's goals is to build a long-lasting and valued relationship with the City of Avondale. Our team will provide professional services to meet your quality and schedule expectations. A close relationship is more than simply effective project management. It is a necessary part of the design process. ***Our client's review is the ultimate test of our performance. This is a statement of our reputation. Our mission is to serve our clients long after projects construction is complete.***

Each project has unique goals and milestones for success. We understand the City has several goals for the completion of their projects. We will work with the City Project Manager (PM) to establish the goals and discuss the path to achievement.

Key components to our design philosophy and approach incorporate the following items:

- Assigning a qualified Project Manager for the specific task;
- Listening to you to fully understand your project goals;
- Communicating project progress, status and issues to keep you well informed;
- Providing experienced staff to complete assignments on time;
- Reviewing the work effort on a regular basis by experienced senior staff for quality control/assurance;
- Monitoring project costs at milestone submittals to verify City budget conformance.

Assigning a qualified Project Manager for the specific task: RPA has the capabilities to provide the City of Avondale with the necessary components for the '08/'09 Professional Consultant Selection. Our team members have provided similar previous project experience and are extremely familiar with each others' project procedures. We have fostered a stance of supporting each other on elements that become necessary for a successful project completion. RPA is committed to delivering improvement projects in a timely, efficient and cost effective approach.

RPA is presently administered by four working principals, Karl G. Obergh, PE, Steve Lewis, PE, Josh Nies, PE and Joe Falinski, RLS. What this means to the City of Avondale is that your project is our primary concern. RPA can assure the City that one of our principals will be in direct charge of project management and design.

Listening to you to fully understand your goals for each project: A solid understanding of the features along a street is vital to ensuring a well designed and economical project. Our team, through completion of numerous studies, site investigations, planning, preliminary design concepts, engineering design, master plans and improvement district administration projects coupled with lessons learned, will compile a scope to incorporate as much pertinent information during the Scoping Phase.

During the Scoping Phase, RPA will work with the City of Avondale staff to determine the project needs, the impacts the project will have on resources, public, other agencies and the environment. Upon completion of the Scoping Phase, RPA will proceed with the Design Phase. A kick-off meeting and project site visit will be scheduled with the City PM and all other interested parties.

Keeping you well informed on the progress, status and issues for each project: It is critical that dialogue with all stakeholders be maintained so that issues can be addressed and resolved in a timely manner.

Our project managers hold weekly internal team meetings at regular intervals to coordinate and control ongoing work. At these meetings the design team discusses progress updates, issues/task assignments, staff workload and check list.

Providing experienced staff to complete assignments on time: Our design team works as an extension of Avondale's staff. Our team, which possesses a strong background in transportation engineering, has the ability to make decisions for the best interest of the City. Unique projects with short time frames and limited budgets require innovative thinking and expertise to complete the projects in an efficient and cost effective manner. RPA's project team provides the expertise, experience and diversity to meet the project objectives.

Reviewing the work effort on a regular basis by experienced senior staff for quality control/assurance: Every RPA staff member understands our success depends on quality products, timely deliveries, schedule conformance and accurate services.

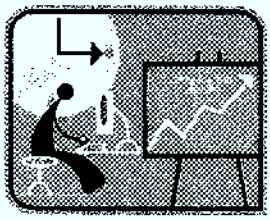
Quality is ingrained as an ongoing process at RPA. Our quality program consists of building in quality at each and every step of the process. RPA's quality services include:

- Monitoring schedules and budgets;
- Monitoring critical work sequencing;
- Identifying scope of work;
- Estimating costs;
- Contract negotiating;
- Attending construction meetings;
- Assisting with public relations/information meetings;
- Coordinating with property owners and tenants;
- Value engineering;
- Timely issuance of RFI responses and shop drawing reviews;
- Field reviewing contractor's work for general compliance with plans and specifications;
- Verifying and preparing change orders;
- Maintaining project records;
- Issuing project reports;
- If requested, assisting with claims and negotiations;
- Attending substantial completion field review;
- Attending final completion field review.

We understand the importance of having trained and certified personnel. Providing you with the best engineering services means retaining a staff that is well-trained and prepared to handle daily project challenges and also equipped to make intelligent decisions and communicate these details with our clients. They are an extension of you. We encourage our staff participate in providing a quality product by raising questions and actively seeking a better way to design. Our young staff is especially encouraged to solicit senior staff for problem resolution and solution ideas. Our company is growing because we promote the involvement of all team members in the quality process and delivering the best possible project to the City.

Monitoring project costs at milestone submittals to verify City budget conformance: At project onset, our PM's develop a weekly expenditure estimate in an Excel spreadsheet that graphs the total project budget. Each week, the PM inputs actual expenditures in the same spreadsheet that creates a second curve of actual expenditures superimposed on anticipated costs. The PM then inputs actual total work completed to determine an "earned value" to date. Earned value is the measure (percentage) of work completed for each major task. The earned value approach creates an accurate assessment of the value of work complete compared to the actual expenditures to date. This process allows the PM to determine which tasks are ahead of the project plan (more work completed than anticipated expenditures to complete that task) and which tasks are behind plan. The PM is then able to focus attention in the areas that are running behind plan.

Approach: The City of Avondale can be assured that when you turn a project over to us, we will take charge and anticipate what needs to be done and by when. Then, we plan the tasks accordingly and set appointments so that the necessary information is available when it is needed by our project team to do their work.



We know the key requirement of providing quality engineering services is to meet the client's objectives and to deliver engineering services within City deadlines and budgets.

RPA will prepare plans, specifications and estimates with utmost care and include all details and notes that eliminate potential contractor change orders. RPA will also prepare plans that are legible without unnecessary or contradictory information.

RPA will confer with City staff on a regular basis and make timely decisions to maintain schedule and budget.

We anticipate utilizing Maricopa Association of Governments (MAG) Specifications and Details and any City Supplements to MAG for most project construction items. For your Capital Improvement Projects, we understand that utilizing City standards is essential to maintain consistency within City limits and minimize future maintenance issues for the City. We are familiar with the MAG and City's standard details and will incorporate them into the plans appropriately.

RPA will utilize ADOT construction standards and material specifications that have been approved by Avondale if they are not covered by the MAG or any City Supplement to MAG and are required for the roadway improvements.

RPA will streamline and improve timeliness of review processes by early involvement of all relevant parties through proactive participation. Our PM will be the single point of contact; and where ever feasible elimination of unnecessary paperwork and processing steps will be assessed.

Problem resolution: Dispute resolution requires honest, factual and effective communication between all parties. Throughout RPA's 30 year history, we have never had a claim against our firm by a client or been involved in the mediation process to resolve contract or performance issues.

RPA's team members can assist public sector clients in resolving construction project claims if requested by the City's PM. If requested, we will promptly and thoroughly evaluate each claim to assess if the claim has merit. We will research contract documents and listen to key people on each side of the issue.

The matter is then discussed with the owner and a formal response to the contractor is made concerning the claim, including processing any change orders, if warranted. Often times, claims are without merit based on the contract documents.

At the City's direction, RPA will provide post-design services as required for any unforeseen or changed conditions encountered during construction activities. We propose to include a field "walk through" of the project and plans with the City PM to ensure that all existing conditions have been incorporated into the construction documents. This activity should include the City, key RPA team members, and utility owners.

Sound Engineering Recommendations: Our design approach prioritizes our client's scope, financial requirements and schedule. From the onset RPA's design team is focused on meeting client/city objectives. Our process avoids miscommunication, misunderstandings, delay and excess expenditures. ***It is imperative for project success that our staff, team with city staff to develop a mutual understanding of project goals from the onset.***

Our approach is to minimize impacts by implementing solid design procedures that encompass continuous communication with all stakeholders to achieve an effective end product – ***SUCCESSFUL CAPITAL IMPROVEMENT PROJECTS!***

E: Vendor Information Form: The "Vendor Information Form" for RPA is included after the cover letter. The information form contains RPA's current firm address, web site, Federal Tax ID and other information requested by the City's Finance and Budget Department. We herby certify as of the date this submittal information contained in the form is accurate and current.

SECTION 2. VENDOR RELEVANT EXPERIENCE, AVAILABILITY AND CAPABILITY:

A: Brief Description of the firm including the number and types of personnel: RITOCH-POWELL & ASSOCIATES, INC. (RPA) is a locally owned and operated civil engineering firm with only one office located in Phoenix, Arizona. Established in 1978, RPA has astutely grown from a 2-person firm to a 35-person company employing registered land surveyors, engineers, technicians/specialists and professional administration staff. RPA is located at 3800 North Central Avenue, Suite 605 in Phoenix, Arizona; office: (602) 263-1177; fax: (602) 277-6286; web: www.ritochpowell.com.

RPA is ***"An Arizona Firm Devoted to Arizona First"***. Because of this, we pride ourselves in a quality product. We have built a reputation of providing ***Quality Civil Engineering and Surveying Services*** with a highly technical and qualified staff. RPA is a full service civil engineering and surveying firm specializing in transportation, public works and private development projects throughout Arizona.

Number and types of personnel: RPA has seven (6) Arizona Registered Professional Engineers and (5) Arizona Registered Land Surveyors readily available to provide the City of Chandler with technical skills upon notice to proceed on this project.

Categories	Number and Types of Personnel	
Water Distribution Systems/Wastewater Systems	4	Project Manager/ Project Engineer
	4	Engineers-in-Training
	2	CADD
Transportation Engineering/Planning	5	Project Manager/ Project Engineer
	4	Engineers-in-Training
	5	CADD
Traffic Engineering	1	Project Manager/ Project Engineer
	1	Engineers-in-Training
	2	CADD
Surveying	5	Registered Land Surveyors
	9	Crews/Technicians
Hydrology/Hydraulics	3	Project Manager/ Project Engineer
	4	Engineers-in-Training
	6	CADD
Plan Review	6	Project Manager/ Project Engineer
Construction Management	4	Project Managers
	4	Inspectors/Technicians
Improvement District Administration	2	Project Managers

B: Relevant projects: RPA has experience and is interested in providing professional services in the following categories: ***Water Distribution System, Wastewater Systems, Transportation Engineering, Surveying, Hydrology/Hydraulic Projects, Plan Review Services, Improvement District Administration and Construction Management.***

WATER/WASTEWATER SYSTEMS

RPA was the prime consultant and provided route studies and/or engineering design services for the following water/reclaimed water main projects.

56TH STREET WATER LINE, SEWER EXTENSION AND LIFT STATION: RPA designed a 42" water line vertical relocation, a 36" sewer extension and abandonment of an existing sewer lift station. The project required extensive surveying, utilities mapping and design coordination. Due to the complexity of this project, the RPA Team had to use innovative and "out of the box" designs to account for all of the factors affecting this project. This

includes the relocation or adjustment of multiple utilities crossing the site while simultaneously coordinating a 20" well transmission line going through the middle of the 42" water line vertical relocation. RPA was the Resident Engineer throughout the construction phase. Construction is nearly complete and RPA is preparing record drawings. ***Role of the Firm:* Prime; *Original / Final Construction Cost:* $600k (±); *Construction Dates:* 2006; *Project Owner:* City of Phoenix; *References:* Aimee Conroy (602)534-2976/ Darlene Helm (602)534-1938**

54" WATER TRANSMISSION MAIN: RPA completed the design of the Segment 2 Foothills/South Mountain water transmission main. The project extended from 43rd Avenue and Carver Road to Estrella Drive and 51st Avenue and south on 51st Avenue, tying into Segment 3 (2 miles). ***Role of the Firm:* Prime; *Original / Final Construction Cost:* $N/A; *Construction Dates:* 2000; *Project Owner:* City of Phoenix; *References:* Aimee Conroy (602)534-2676/Pete Johnson (retired)**

35TH AVENUE WATER LINE: RPA designed 1,800 linear feet of a 48" water main to pass under the Southern Pacific Railroad and traverse through the myriad of utilities at the six-point intersection of Indian School Road, Grand Avenue, and 35th Avenue. RPA also managed the installation of vaults for valves and telemetric equipment required for the project. RPA successfully met the challenge! ***Role of the Firm:* Prime; *Original / Final Construction Cost:* $1.2 Million; *Construction Dates:* Awarded 1999; *Project Owner:* City of Phoenix; *References:* Pete Johnson (retired from Phoenix)/Art Glover (retired from Phoenix)/Mark Glock (602)495-2050.**

Additional Water Line Projects, Project (Line Size), Location/Limits (Miles) Agency

- 24th Street South of Baseline Rd, (12") Water and (12") Sewer, (.25) Phoenix
- 32nd/36th Street Reclaimed Waterline (24"), Cactus Rd to North of Bell Road, (3.2) Phoenix
- 83rd Avenue (42"), Thomas Rd to Indian School Rd, (1.0) Phoenix
- College Avenue (16"), McKellips Rd to Curry Rd, (1.3) Tempe
- Hawes Road (20"), Brown Rd to University Dr, (1.2) Mesa
- Reclaimed Water Main (36"), NW Reclamation Plant - Superstition Freeway, (5.0) Mesa

TRANSPORTATION ENGINEERING

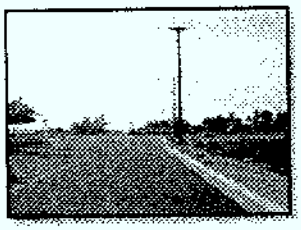
RPA was the prime consultant providing detailed design; construction plans cost estimates and special provision for the construction of arterial street paving improvements and storm drain and associated drainage culverts improvements for the following projects.

RPA's niche is highway/roadway design. Since the company's inception in 1978, we have worked on more than 400 miles of roadway, street, drainage and utility design throughout Arizona.

43RD AVENUE/PEORIA CANAL CROSSING SAFETY IMPROVEMENTS SAFETY REPORT: RPA prepared a Scoping Report for conceptual improvements to a canal crossing at which a fatality had recently occurred. The report included five separate alternatives recommending safety improvements to prevent vehicles and pedestrians from inadvertently entering the canal. RPA was responsible for preparing the report, meeting ADA requirements/city standards, and working with various utility owners. ***Role of the Firm:* Prime; *Original/Final Construction Cost:* $300k (±); *Construction Dates:* 2006; *Project Owner:* City of Phoenix; *References:* Kerry Wilcoxon (602)534-5688/Raimundo Dovalina (602)262-4057**

PM-10 PAVING FOR FISCAL YEAR 2007 FEDERAL AID PROJECT: The City of Phoenix, in collaboration with Maricopa County Department of Transportation, awarded RPA design services for the asphaltic paving of unpaved roadways and shoulders for the fiscal year 2007 PM-10 Paving Project. There are an estimated total of 8.8 miles of unpaved roadways and 12.1 miles of unpaved shoulders to be paved to provide dust control. ***Role of the Firm:* Prime; *Original / Final Construction Cost:* $500k; *Construction Dates:* 2007-TBD; *Project Owner:* City of Phoenix; *Reference:* Susan Beitler (602) 534-9564**

McQUEEN ROAD IMPROVEMENT PROJECT: This project will widen two miles of McQueen Road to six travel lanes to match the City's Standard Detail C-203 from Queen Creek Road to Chandler Heights Road. One additional mile of McQueen Road will be widened to four travel lanes utilizing the City's Standard Detail C-205 between Chandler Heights Road and Riggs Road. The project includes adding bike lanes, sidewalks, curbs, gutters, street lighting, traffic signals, storm drainage and landscaping, acquiring right-of-way and completing all utility relocations necessary to accommodate the roadway widening. Portions of this roadway segment have been constructed to the half street section by private developments along McQueen Rd. This project will complete the half street areas to full width major or minor arterial section and construct the full street section in the areas that are currently two lanes only. ***Role of the Firm:* Prime; *Original / Final Construction Cost:* $1.6 mil.; *Construction Dates:* TBD; *Project Owner:* City of Chandler; *Reference:* Kurt Krause (480) 782-3317**



COPPERLEAF TRAFFIC INTERCHANGE: This project is a Design Concept Report and Change of Access phase, but will progress into the final design Construction Manager at Risk (CMAR). RPA is providing the necessary technical and design capabilities in order to provide a new proposed traffic interchange along I-10. RPA is the prime consultant and coordinating with ADOT, Private Developers, MCDOT and the CMAR. ***Role of the Firm:* Prime; *Original / Final Construction Cost:* $19.5 Million; *Construction Dates:* TBD; *Project Owner:* ADOT/Lead Group; *References:* Bahram Dariush-ADOT (602)712-8427/Rick Jellies-Lead Group (480)557-7771**

NAVAJO BOULEVARD ROADWAY WIDENING: This project focused on widening a 3.5 mile stretch of an existing 3-lane section of Navajo Boulevard in Holbrook, Arizona. The roadway improvements called for the design of a five-lane, 64 foot roadway through the City of Holbrook. The project included a drainage area study and a storm drain system to carry both roadway and off-site flows that tie into a wash with concrete box culverts. The project required coordinating utility relocations including water and power. RPA's design consisted of a new 72" storm drain, driveways, lighting, curb & gutter and sidewalk improvements. The challenging aspect of this project was managing traffic through the City's urban business district during the construction phase. ***Role of the Firm:* Prime; *Original / Final Construction Cost:* $6 Million; *Construction Dates:* Awarded Sept. 2006–Aug. 2007; *Project Owner:* ADOT; *References:* Michael Andazola (602)712-7629/Carl Erickson (928)524-5801**

HAPPY VALLEY ROAD- 67TH AVENUE TO 43RD AVENUE PREDESIGN: RPA prepared a Scoping Report for conceptual improvements to widen the roadway from three to five lanes. Responsible for preparing a written report describing the proposed improvements to include drainage, right-of-way, utilities, and geometric design. The report also included plan sheets with utility information, existing aerial photography, and the proposed edges of pavement. A detailed project schedule and cost estimate were also provided. ***Role of the Firm:* Prime; *Original/Final Construction Cost:* $5 Million; *Construction Dates:* TBD; *Project Owner:* City of Phoenix; *References:* Heidi Young (602)262-7580/Raimundo Dovalina (602)262-4057**

HAPPY VALLEY ROAD-LAKE PLEASANT PARKWAY TO 67TH AVENUE IMPROVEMENTS: This project will provide a vital east-west link for northern Peoria by constructing the missing segment of Happy Valley Road over New River between 91st Avenue and Terramar Boulevard. This new link to Peoria's street network will provide additional options for traffic now using Lake Pleasant Parkway, 83rd Avenue, 67th Avenue, and Deer Valley Road. As a subconsultant, RPA is providing survey, roadway and utility design for this 3.1 mile improvement project. The project includes curb and gutter on the north side and median curb on the south side. The improvements will include six-lane with raised median of roadway plus bike lanes, street lighting, landscaping, drainage, and a 16-inch waterline. There will also be two (2) new six-lane, three-span AASHTO bridges over New River. ***Role of the Firm:* Subconsultant; *Original / Final Construction Cost:* $58 Million; *Construction Dates:* Currently under construction; *Project Owner:* City of Peoria; *References:* Dan Nissen (623)773-7212; Chris Kmetty (623)773-7247**

FINAL DESIGN FOR I-17 FRONTAGE ROAD: RPA lead the design effort for a future high-traveled frontage road along I-17 northbound between Pinnacle Peak and Happy Valley Road. This frontage road was a CMAR project. The frontage road has access points for future and present commercial/retail properties along the 17 North Corporate Center. The intersection and entrance ramp to northbound I-17 was designed to ADOT requirements per the Roadway Design Guidelines. Our team coordinated with Developers, ADOT, City of Phoenix and the Construction Manager at Risk on this project. ***Role of the Firm:* Prime; *Original/Final Construction Cost:* $475k; *Construction Dates:* Awarded Aug. 2006–Completion May 2007; *Project Owner:* ADOT/City of Phoenix; *References:*Steve Beasley (602)712-7645/Don Herp (602)262-4872**

UTOPIA ROAD DESIGN IMPROVEMENTS – CAVE CREEK ROAD TO 31ST STREET: The first phase improvements included the widening and construction of curb, gutter and sidewalk. The second phase required the preparation of a drainage study to determine storm drainage needs. RPA also designed the storm drainage system from Cave Creek Road to the East Fork of Cave Creek Wash and prepared construction documents. ***Role of the Firm:* Prime; *Original/Final Construction Cost:* $1.4 mil.(Includes Phase I & II); *Construction Dates:* 2003; *Project Owner:* City of Phoenix; *References:* Ralph Goodall (602)495-2050/Brian Butler (602) 495-2050**

JOMAX ROAD DESIGN IMPROVEMENTS: The Jomax Road paving project extended approximately 4,800 feet, from 23rd Avenue to 19th Avenue. The project work included the preparation of plans, special provisions, and cost estimates for paving, landscaping and a storm drain system. This project interfaced with two other on-going City projects at 19th and 23rd Avenues. As a result, close coordination with the other designers, and the utility companies in the area was required. The paving plans were designed and prepared for the south two lanes of traffic with curb, gutter and sidewalk, and a 14-foot median. A drainage report and plans were prepared as part of the project. ***Role of the Firm:* Prime; *Original/Final Construction Cost:* $900k; *Construction Dates:* 2001; *Project Owner:* City of Phoenix; *References:* Ralph Goodall (602)495-2050/Gary Benton (602)495-2050**

ENGINEERING/CONSULTING ANNUAL SERVICES '04-'06 & '06-'08: **37th Avenue-Camelback Rd to Oregon St.; 47th Avenue-Hearn Road to Greenway Road; Encanto Blvd-75th Ave to 72nd Dr; Encanto Blvd-85th Ave to 83rd Ave; Maryland Avenue-30th Ave to 27th Ave; Sweetwater Ave-39th Ave to 35th Ave.** RPA prepared construction drawings for numerous projects under the Annual Engineering and Consulting Contract with the City of Phoenix. These projects involved widening the existing roadway, and the construction of new curb, gutter, and sidewalk. They ranged in length from approximately

1,000 feet to one-half mile. Work included coordination for the relocation/design of irrigation facilities. In addition, the storm drain projects entailed extending an existing storm drain or constructing a new storm drainage system. Some of the sites required new right-of-way, which was delineated for the City. ***Role of the Firm:*** **Prime;** ***Original/Final Construction Cost:*** **Varies;** ***Construction Dates:*** **Varies;** ***Project Owner:*** **City of Phoenix;** ***References:*** **Pete Johnson (retired from Phoenix)/Art Glover (retired from Phoenix)/Mark Glock (602)495-2050.**

WEST VALLEY SALT RIVER CROSSINGS 59TH AVE TO 99TH AVENUE CANDIDATE ASSESSMENT REPORT: This project included research and understanding of existing utilities, land use, future transportation corridors, traffic analysis, right-of-way, and costs to determine a preferred alternative to cross the Salt River (bridge and/or low water). The Candidate Assessment Report studied six possible crossings of the Salt River between 59th Avenue and 99th Avenue. ***Role of the Firm:*** **Prime;** ***Original/Final Construction Cost:*** **$27 mil.;** ***Construction Dates:*** **2007;** ***Project Owner:*** **MCDOT;** ***References:*** **Robert Woodring (602) 506-1766/Joe Pinto (602) 506-8068**

LONE PINE DAM AND BRIDGE DESIGN CONCEPT REPORT: RPA is designing construction drawings to re-align approximately 4,000 lineal feet of roadway around the existing dam and construct a bridge over Show Low Creek. The team is responsible for preparing a Design Concept Report (DCR) and Environmental Design Report (EDR) thru ADOT Local Government Section ***due to federal funding***. Once the DCR is complete RPA will begin the final design. We are approximately 98% complete with the DCR and 20% with the design. ***Role of the Firm:*** **Prime;** ***Original/Final Construction Cost:*** **$5.5 mil.;** ***Construction Dates:*** **2006;** ***Project Owner:*** **Navajo County/ADOT;** ***References:*** **Dusty Parsons (928) 524-4100/Bill Snarr (602) 712-7025**

TRAFFIC ENGINEERING

RPA will provide all traffic engineering services including signing/marking, signal design, safety evaluation, street lighting and maintenance of traffic (traffic control). Karl Obergh's project experience includes all forms of traffic engineering and project manager for two ADOT on-call traffic contracts. He will be assisted by Robert Willett who has 7 years experience performing design tasks and preparing traffic PS&E.

ROADSIDE SAFETY PROGRAM, TRAFFIC ON-CALL: RPA under an On-call contract with MCDOT assisted in the development of a "Roadside Safety Program", which was set-up as a proactive approach to Hazard Elimination along County roadways. RPA prepared a sequence to determine if a "Hazard" existed. RPA created a 3-step "proactive" process to identify, verify, justify, and mitigate any roadside hazards that may exist within Maricopa County jurisdictional transportation facilities. The development of a "Roadside Safety Program" was prepared to be utilized with the MCDOT "Roadrunner" GIS system. RPA's contract provided the steps for: Identification - prepare a simple system for the resident engineers and maintenance personnel to place in their vehicles. Once an individual notes a possible "hazard" they will document it and provide it to Traffic Engineering Group, which is then sent to the next step; Verification - during this phase an Engineer will verify if this "hazard" is justified to move to the next step; Matrix - RPA created a sophisticated data base that evaluates certain aspects of roadside safety, then assigns a value to this issue. This database has proven to be user-friendly and successful. We were requested to provide a "sample" run of our database for a 20-mile segment of Old US 80. The "sample" run was a success. ***Role of the Firm:*** **Prime;** ***Original / Final Construction Cost:*** **TBD;** ***Construction Dates:*** **TBD;** ***Project Owner:*** **MCDOT;** ***References:*** **Jim Sargent (602)506-8678/Ben Wilson (623)773-7185**

MARICOPA ASSOCIATION OF GOVERNMENTS (MAG), CITY OF AVONDALE PEDESTRIAN AREA DESIGN ASSISTANCE: As a subconsultant, RPA was part of a team selected by MAG to improve pedestrian access for a defined sidewalk connection along the south side of Van Buren Street, from La Jolla Boulevard to about 500 feet west of Central Avenue, and along La Jolla Boulevard to about 212 feet south of Van Buren Street, in Avondale. The goal of the project was to design a sidewalk for this corridor to improve pedestrian flow and utilizing *MAG Pedestrian Area Policies and Design Guidelines*. ***Role of the Firm:*** **Subconsultant;** ***Original / Final Construction Cost:*** **$15k;** ***Construction Dates:*** **2007-TBD;** ***Project Owner:*** **e-group/MAG;** ***Reference:*** **Jason Harrington (602) 462-9000**

THOMAS ROAD PEDESTRIAN AND BICYCLE IMPROVEMENTS PIMA TO 64TH STREET: RPA is currently underway with Scottsdale to prepare a Project Assessment Report (PA) and 10% design plans for this corridor. This corridor is experiencing a higher volume of pedestrians and bicyclists with a need to improve the overall safety and functionality without adversely affecting the traffic patterns. Our team is working closely with the City of Scottsdale and e group to establish a design that is considered a win-win for all stakeholders. ***Role of the Firm:*** **Subconsultant;** ***Original / Final Construction Cost:*** **$18 mil.;** ***Construction Dates:*** **10/2006-12/2007;** ***Project Owner:*** **City of Scottsdale;** ***References:*** **Jennifer Bohac (480) 312-7515**

CROSSCUT CANAL MULTI-USE PATH PHASE II (CANAL PARK TO MOEUR PARK): As the subconsultant, RPA completed the surveying and is currently providing civil engineering for this 12 acre park (1-mile path) that consisted of grading & drainage, and path geometry. This project is a continuation of the multiuse path system that begins at Canal Park to Moeur Park. ***Role of the Firm:*** **Subconsultant;** ***Original / Final Construction Cost:*** **$2.5 mil.;** ***Construction Dates:*** **8/2006-12/2007;** ***Project Owner:*** **City of Tempe;** ***References:*** **RonTatasciore (602) 462-9000**

SURVEYING

In providing field surveys and base mapping, we utilize GPS/total station/robotic/data collection equipment, downloading the field data directly into our computer workstations. Our hands-on experience, state-of-the-art equipment and community contacts make us an ideal choice for your survey and right-of-way projects. RPA's Survey Services include: legal descriptions, ALTA land title surveys, monumentation plans, field and easement surveys, boundary/topographic surveys, staking and right-of-way services RPA understands the need for field survey information and staking that is required by the various multi-disciplined City of Phoenix projects where RPA has provided survey services since 1990. The RPA Survey team has been trained in Microstation V8/InRoads/COGO-PC and SimPro for completing right-of-way projects. RPA has provided right-of-way strip maps and exhibits (per City of Phoenix), and is thoroughly familiar with the City's process (i.e. Easements, Letters of Permission, etc.).

MISCELLANEOUS (ELEVEN) BUS BAY DESIGN: Multiple bus bay locations throughout the City of Phoenix. RPA was responsible for producing roadway, utility coordination and design, and estimates for either type 1, 2 or 3 City of Phoenix standard bus bays. Project highlights included coordination between the City of Phoenix and the adjacent utilities. ***Role of the Firm:*** **Prime;** ***Original/Final Construction Cost:*** **$100k (±) each;** ***Construction Dates:*** **Awarded 2004 – Completion 2008;** ***Project Owner:*** **City of Phoenix;** ***References:*** **Jim Williams (602) 534-7068/Laura Fritschi (602)534-2072**

COTTON LANE RIGHT-OF-WAY: Cotton Lane project is a six-lane, 2,100-foot-long bridge – including bike lanes, pedestrian access and a roundabout – over the Gila River to connect Interstate 10 to present and future developments. RPA researched and evaluated new right-of-way requirements for the entire project. They coordinated with surveyors who performed ALTA's and used the latest survey data to calculate parcel and existing right-of-way. With this data, new right-of-way calculations, legal descriptions and exhibits were prepared for the City of Goodyear. These documents assisted the City in acquiring necessary properties. ***Role of the Firm:*** **Subconsultant;** ***Original/Final Construction Cost:*** **$54 Million;** ***Construction Dates:*** **Awarded 2004–Completion 2007;** ***Project Owner:*** **MCDOT/City of Goodyear;** ***References:*** **Richard Wallace (602)506-8744/Keith Brown (623)882-7956**

99TH AVENUE/LOWER BUCKEYE ROAD ROUNDABOUT: The 99th Avenue and Lower Buckeye Road Roundabout project extends approximately 1000 feet along Lower Buckeye's west and east legs and 99th Avenue's north and south legs. RPA conducted a design survey for this location in accordance with the City's Administrative Procedure (AP) No. 155 (DRAFT, October 2005). The field data was collected with electronic data collectors. Hard copies and electronic copies of the field survey were provided to the City in ASCII Format. The data was presented by northing, easting, elevation and description.

RPA's survey located all above ground physical features, including above ground utilities. The survey extended from the monument lines of the two intersecting streets. ***Role of the Firm:*** **Prime;** ***Original / Final Construction Cost:*** **Project on Hold;** ***Construction Dates:*** **Project on Hold;** ***Project Owner:*** **City of Phoenix;** ***References:*** **David Peterson (602)495-2050/Priscilla Pappas (602)534-7056**

STORM DRAINAGE

The RPA design team has completed storm drain projects in the valley metropolitan area and throughout Arizona. Tasks included the design of storm drains, cross pipes, and catch basins, and conducting hydrologic and hydraulic analyses.

28TH STREET STORM DRAIN: RPA prepared a storm drainage study along 28th Street from I-10 to Camelback Road. As a result of our team's performance and due diligence, RPA was requested to provide additional design services for a segment of the storm drain. The segment began at Thomas Road and extended to the south to tie into an existing 72-inch system at the freeway right-of-way boundary. This project collected and conveyed multiple tributary watershed basins through the dense residential developments. This system was designed to provide capacity for the 10-year 2-hour storm event. This project also utilized jack and bore design to minimize existing traffic impact especially at major urban arterials crossings. RPA provided permit, license and construction approval from SRP to make a 300 foot crossing under a major canal. This project included extensive design and construction sequence coordination for multiple utility relocations. Project scope included the 72-inch trunk line in 24th Street and numerous 24-inch laterals through adjoining residential neighborhoods. ***Role of the Firm:*** **Prime;** ***Original / Final Construction Cost:*** **$2.1 Million;** ***Construction Dates:*** **TBD** ***Project Owner:*** **City of Phoenix;** ***References:*** **Belinda Cummings (602)495-2050/Paul Driver (602)261-8853**

PLAN REVIEW/IMPROVEMENT DISTRICT ADMINISTRATION

PLAN REVIEW FOR CITY OF GOODYEAR IMPROVEMENT DISTRICTS: RPA provided plan review on several improvement district projects by verifying stationing, bearings, call-outs; verifying scale and blue stake information; verifying clarity and workmanship; identification of responsible parties; along with verification of some pertinent design criteria (as needed).

Improvement Districts included:

- McDowell Road Improvements
- Bullard Avenue Improvements
- Monte Vista Drive Improvements
- Encanto Boulevard Improvements
- 151st Avenue, McDowell Road to Encanto Boulevard

Role of the Firm: **Subconsultant;** ***Original / Final Construction Cost:*** **$various;** ***Construction Dates:*** **2007;** ***Project Owner:*** **City of Goodyear;** ***References:*** **Al Gonzales (623) 882-7924**

Previous Experience: RPA has provided engineering services to the following Improvement Districts for similar Towns and agencies.

- Saddleback Improvement District, Maricopa County Department of Transportation
- West Central Improvement District, City of Casa Grande
- Apache Junction Improvement District, City of Apache Junction
- Gilbert Improvement District, Cooper to Stapley, Town of Gilbert, Arizona
- Inland Improvement District, Maricopa County Department of Transportation
- Paradise Lane Improvement District, Goldman and Associates
- Goodyear Improvement District Plan Review, City of Goodyear

CONSTRUCTION MANAGEMENT

67TH AVENUE; CAMELBACK ROAD TO GLENDALE AVENUE (CMAR): RPA was selected to assist the City of Glendale in widening nearly two miles of 67th Avenue to four travel lanes to match the City's Standard Detail A-4 for major arterial streets between recently completed "Glendale GO!" intersection improvements at the Camelback Road and Glendale Avenue intersections. Project includes sidewalks, curbs, gutters, street lights, traffic signals, landscaping, right-of-way, irrigation pipe and relocating overhead power, cable television and telephone cables to underground ducts to accommodate widening and improve aesthetics. After the improvements are completed, the entire street section will be slurry sealed to enhance the asphalt pavement and extend the service life. ***Role of the Firm:*** **Prime;** ***Original / Final Construction Cost:*** **$500k;** ***Construction Dates:*** **2008;** ***Project Owner:*** **City of Glendale;** ***References:*** **Jim McMains (623) 930-3667**

C: Legal Organization: RPA began as Ritoch-Herz-Powell Consulting Engineers, Inc. as it was formerly known. In August of 1980, RPA was incorporated in Arizona and is now known as Ritoch-Powell & Associates, (RPA). RPA is a civil engineering and surveying consultant allowed to provide consulting services in the state of Arizona.

D: Identification Information: RPA is classified as a C-Corporation, and is presently administered by four working principals, Karl G. Obergh, PE, Steve Lewis, PE, Josh Nies, PE and Joe Falinski, RLS. RPA is located at 3800 North Central Avenue, Suite 605 in Phoenix, Arizona 85012; office: (602) 263-1177; fax: (602) 277-6286; web: www.ritochpowell.com. **Karl Obergh, PE** is President/Principal for RPA and is the main contact person for any issues concerning this Statement of Qualifications.

E: Location of Principal office: RPA's principle office and home office of all key staff is in Phoenix, Arizona. All of our proposed team members are local and will perform 100% of all work related to this contract from our Phoenix office.

SECTION 3. PERSONNEL QUALIFICATION AND PERTINENT EXPERIENCE:

A: Professional Consultant Selection List: RPA has experience and is interested in providing professional services in the following categories: ***Water Distribution System, Wastewater Systems, Transportation Engineering, Surveying, Hydrology/Hydraulic Projects, Plan Review Services, Improvement District Administration and Construction Management.***

The RPA team offers the benefit of a successful project history and cohesive team communication from initiation to completion of projects. The following brief team member descriptions highlight the commitment of this team; we have the resources to staff the project immediately; we do not anticipate any conflicts in performing the work; our experience in the State is comprised of a variety of roadway projects which were successfully completed for various municipal agencies. This team has solidly collaborated on similar projects. Detailed resumes for each team member are included in the Appendix.

John M. Ritoch, PE – John is the founder of RPA, he has more than 42 years experience in the planning and design of civil engineering and transportation projects in the private and public sectors of the economy. John has been responsible for coordination and management of civil engineering projects in the public sector throughout his professional career. He has coordinated and designed numerous city, county, state, and federal public works projects involving the design, grading/drainage, water, sewer, storm sewer, paving and improvement district projects.

Richard Powell, PE, RLS – One of the founders of RPA, Rick has more than 32 years of experience and 30 with RPA in the planning and design of civil engineering and transportation projects in the private and public sectors of the economy. He has coordinated and designed numerous city, county, state, and federal public works projects involving design, grading/drainage, water, sewer, storm sewer, and street improvement projects utilizing the necessary resources needed to provide a quality project.

Karl Obergh, PE – Karl has over 18 years experience in construction administration and transportation design/pre-design for private/public work projects. Karl has been with RPA for 4 years. As project principal/project manager, Karl will be responsible for the contractual obligations for the team and will ensure that adequate personnel and other resources are made

available throughout the duration of this contract. Karl will be accountable for the quality and timelines of this team's performance and is committed to deliver a successful project to the City of Avondale. Karl has broad knowledge in roadway design, concept reports, improvement designs, utility coordination/design, agency coordination, storm drainage, design of curb and gutter, sidewalks and bus bays.

Josh Nies, PE – Josh has over 11 years of experience, 3 with RPA, in all aspects of transportation engineering, with an emphasis in civil design, geometric layout, utility coordination, local street improvements, site development, construction inspection, and managing post-design services. Josh has worked on several widening projects for local municipalities and is very familiar with compiling and analyzing data to prepare construction documents. Josh has worked on urban/rural streets and highway projects and understands the requirement needs for each.

Frank Henderson, PE – Frank has more than 25 years of civil engineering experience; he joined RPA 6 months ago. Frank is a leader in transportation design, water and wastewater system design, stormwater hydrology and hydraulics, and utility system relocation design. Project experience features include client and project management; design report preparation; plan, specification and cost estimate preparation; technical design staff and subconsultant supervision and coordination; regulatory and funding agencies coordination; construction administration and alternative delivery (CM@Risk and design-build) projects.

Steve Lewis, PE – Steve has 13 years of engineering experience and has been with RPA for 3 years. Steve specializes in utility design and coordination. Steve has experience in private client and public works projects involving water and sewer systems, paving, grading, hydrology, drainage, and storm sewers. Steve's background is in civil and environmental engineering design and project management. He leads design teams on a variety of projects ranging in scope and complexity. He is responsible for multiple on-going contracts.

Andy Bhakta, EIT – Andy has more than 15 years of experience in California, Nevada and Arizona. His expertise includes master planning in land development subdivision and commercial. Andy has experienced many aspects of consultant services from project inception through completion of construction, on site development and public works projects including design of site grading, drainage, water and sewer utilities and roadways.

Andrew Matusak, EIT – Andrew has over 15 years experience in transportation infrastructure including project management and design of highways, light rail transit, heavy freight rail, intermodal freight facilities, and ancillary drainage, utilities and wall design. His background also includes conceptual design studies, urban/rural street improvements, plan and profile, construction cost estimates and post construction management. Andrew has been with RPA for 2 years.

John Catt, EIT – John has three years engineering experience in water and sewer infrastructure design and transportation design. John specializes in design tasks, construction preparation, project coordination and plan review, with detailed knowledge of utility coordination and relocation.

Ashley Lucas, EIT – Ashley has three years engineering experience in water and sewer infrastructure design and transportation design. She specializes in design tasks, develops plans, and specifications for roadway and highway improvements, pavement repair and preservation, and sidewalk, curb and gutter improvements. She assists in the development of design concept reports, mitigation reports, and conceptual plans..

Keith Drunasky, EIT – Keith has four years engineering experience in water and sewer infrastructure design and transportation design. He specializes in design of streets, drainage facilities, water main, sanitary sewer, and other civil engineering projects.

Joe Falinski, RLS – Joe has over 28 years experience in right-of-way plans, results of surveys and legal descriptions for urban freeways and rural highways, streets and field and property survey data. He has worked on over 140 roadway and right-of-way projects over the past few years. Joe is the survey party chief for RPA and has been with the company for 20 years.

Bob Umbanhowar, RLS – Bob is a survey project manager with RPA, has over 30 years of surveying experience. His experience includes serving as a Cadastral Surveyor for the Bureau of Land Management, in the South Maricopa Mountain Wilderness Area, Pellincillo Wilderness Area and the Mount Tipton Wilderness Area. He specializes in field and property survey data, as well as right-of-way plans, results of surveys and legal descriptions. Bob has worked as Survey Analyst on various locations across Arizona. He is knowledgeable in results of surveys for commercial and agricultural properties and has experience in Electric Easements, Exhibits and Legal Descriptions for utility companies such APS. Additionally Bob has provided various private surveys, ALTA's, ROS's, Topo, Aerial Control Survey and Elevation Certificates.

Robert Stephenson, RLS – Robert has 12 years of experience in horizontal and vertical control networks for master planned communities. He has performed static and real time kinematic Right of Way Surveys for ADOT on call survey projects ranging in size from 3 miles in length and 7 sections to 24 miles in length and 67 sectiosn. Supervised field completion of over ALTA/ASCM Land Surveys. Research of NGS, ADOT, city and county comtrol systems.

Joel LaKose – Joel has over 20 years experience in survey and engineering design of intersection/roadway improvements, drainage and utilities. Joel will assist in the geometric layout and creation of roadway plans. Joel has been with RPA for 18-years.

Steve Baldwin – Steve has worked with RPA's principals since 1974 and with RPA since 1979. He is very experienced in the design and preparation of transportation related projects. Steve has worked on public works projects involving the design of roads, streets, storm drainage facilities and water and sewer systems. He is an excellent designer and has the capability of designing and preparing plans on CADD systems using either AutoCAD or MicroStation formats.

Thomas Bower – Tom is a Senior CAD Designer with over 15 years with RPA. He has worked on roadway projects for the construction of new roadways and the reconstruction of roadway facilities deemed inadequate. Tom is one of RPA's senior designers for bus bays, sidewalks, park sites and has worked on parks and campgrounds for cities in the metropolitan area and throughout the State. Tom assists the RPA design team in designing and preparing plans using AutoCAD on our computer workstations.

Robert Willett – Robert has over seven years experience in transportation and traffic engineering design of intersection/roadway improvements, signing/pavement marking, traffic control, traffic signal, and roadway lighting plans. Robert has been with RPA for over a year, and his responsibilities on this project will be to assist in the geometric layout and creation of roadway plans.

Phil Lorenz – Phil performs quality assurance observations on a variety of civil engineering and public works projects completed by developers, utility companies or under municipal contracts. Phil has a thorough knowledge of national building codes, MAG Standard Specifications and Details and ensures projects meet appropriate industry and governmental standards. Past responsibilities have been for both vertical and horizontal construction.

B & C: Key Staff Category Matrix: RPA's design management team members and the services we provide, are unparalleled when it comes to representing your interests during the project and seeing that the intent of the design is implemented.

The RPA's Key Team Members and Classifications matrices list our team members and our subcontractors for this project. Identified on the matrix are categories they are qualified to provide services for along with their certifications, licenses and memberships in professional associations, societies or boards.

RPA's Key Team Members and Classifications

Individual Name	Years Experience	Professional Affiliations	Type of Certification or Registration	AZ Certification or Registration Numbers	Applicable Consultant Work Category
John Ritoch	42	ACEC/APWA	PE, RLS	8677 15901	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Traffic Engineering; Survey; Plan Review; Construction Management; Improvement District Administration
Richard Powell	32	ACEC/County Engineers	PE, RLS	11314 16181	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Traffic Engineering; Survey; Plan Review; Construction Management; Improvement District Administration
Karl Obergh	18	ASCE/ACEC APWA/ITE/STAC Committee Phx	PE	34008	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Traffic Engineering; Plan Review; Construction Management
Josh Nies	11	ACEC/APWA SAME	PE	39617	Transportation Engineering; Plan Review; Construction Management
Frank Henderson	25	ACEC/APWA SAME	PE	28940	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Traffic Engineering; Hydrology/Hydraulics, Plan Review; Construction Management
Steve Lewis	13	ACEC/APWA Valley Partnership	PE	34589	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Plan Review
Andy Bahtak	15	Valley Partnership	EIT	n/a	Transportation Engineering
Andrew Matusak	15	ACEC/APWA	EIT	n/a	Transportation Engineering; Construction Management
John Catt	3	ACEC/ASCE YMF	EIT	n/a	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Hydrology/Hydraulics
Ashley Lucas	3	ACEC/ASCE YMF	EIT	n/a	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Hydrology/Hydraulics
Keith Drunasky	4	ACEC/ASCE YMF	EIT	n/a	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Hydrology/Hydraulics

RPA's Key Team Members and Classifications

Individual Name	Years Experience	Professional Affiliations	Type of Certification or Registration	AZ Certification or Registration Numbers	Applicable Consultant Work Category
Robert Willett	7	ACEC	n/a	n/a	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Hydrology/Hydraulics
Tom Bower	15	ACEC	n/a	n/a	Water Systems Distribution; Wastewater Systems; Transportation Engineering
Joel Lakose	20	ACEC	n/a	n/a	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Hydrology/Hydraulics
Steve Baldwin	29	ACEC	n/a	n/a	Water Systems Distribution; Wastewater Systems; Transportation Engineering; Hydrology/Hydraulics
Joe Falinski	28	APLS	RLS	31591	Survey
Robert Stephenson	12	APLS	RLS	34562	Survey
Bob Umbanhowar	30	APLS	RLS	22285	Survey
Philip Lorenz	34	SAME	IMSA, ICC	SI 86477, ZZ 86477 5230794-BI	Construction Management/Inspection
SUBCONSUTANTS					
Ron Tatasciore (e-group)	37	ASLA, APA, Valley Forward, APWA	RLA, ASLA, APA	27539	Landscape Architect
Jason Harrington (e-group)	32	ASLA, ASIC	RLA, ASLA, ASIC, CLARB, Certified State Nurseyman	AZ 44161 NM 396 CLARB 2689	Landscape Architect
Stephen Smelser, (GEC)	23	ACEC, APWA	Registered Geologist, Certified Environmental Mgr OSHA 40-Hour Training in Hazardous Waste Operations with Annual Update American Red Cross First Aid and CPR Training		Geotechnical
Marvin Silva	25	ACEC, APWA	Ph D, PE	43472	Geotechnical
Michelle Fowler	20	ACEC, APWA	PE OSHA 40-Hour Training in Hazardous Waste Operations with Annual Update American Red Cross First Aid and CPR Training		Geotechnical

V. DISCIPLINE SPECIALTY CHECK LIST
FY 2008/2009 PROFESSIONAL CONSULTANTS SELECTION LIST

Name of Firm Ritoch-Powell & Associates

Address 3800 North Central Avenue, Suite 605

City Phoenix State AZ Zip 85012

Contact Name: Karl Obergh

Title: President

Telephone (602) 263-1177 Fax (602) 277-6286

Please check only those discipline categories for which you are particularly qualified, fully addresses, and desired to be considered.

- ✓ Water Distribution System
- ✓ Wastewater Systems
- ✓ Transportation Engineering
- ✓ Traffic Engineering
- ✓ Surveying
- ✓ Hydrology/Hydraulic Projects
- ✓ Plan Review Services
- ✓ Landscape Architects
- ____ Hydrogeological Engineering
- ____ GIS Programs
- ✓ Geotechnical and Environmental Engineering
- ____ Foundations & Structural Design
- ____ Electrical & SCADA Programming
- ✓ Construction Management
- ____ Architects
- ✓ Improvement District Administration

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RITOCH-POWELL & ASSOCIATES

JOHN RITOCH, P.E., R.L.S.

Principal/Project Manager

EDUCATION
Arizona State University, Tempe, Arizona B.S. Engineering - Civil Engineering

REGISTRATION
Arizona Professional Civil Engineer #8677

Arizona Registered Land Surveyor #15901

California Professional Civil Engineer #21090

Idaho Professional Civil Engineer #2456

PROFESSIONAL AFFILIATIONS
Arizona Consulting Engineers Association (Past President))

American Public Works Association-Arizona (Past State President)

American Society of Civil Engineers (Past Chapter Officer)

Arizona Society of Professional Engineers (Past State President)

National Society of Professional Engineers

Mr. Ritoch has had more than 41 years experience in the planning and design of civil engineering projects in the private and public sectors of the economy, and has worked with RITOCH-POWELL & Associates since 1978. Mr. Ritoch has been responsible for the coordination and management of civil engineering projects in the public sector throughout his professional career.

He has coordinated and designed numerous city, county, state Federal public works, and military base projects involving the planning, design, and contract administration for grading/drainage, water, sewer, storm sewer, paving, campground, served as the City Engineer for the Town of Clifton, Arizona and completed numerous improvement district projects.

John worked for the U.S. Forest Service in surveys and design early in his career. He worked over 9 years for the California Department of Transportation's Highways Division (CalTans), where he was responsible for various alternative studies and designs of surface transportation corridors in the San Francisco bay area. Some of those projects included Interstate Routes 17, 101, 192, 280, 580 and 880. He also participated in and conducted public hearings and was responsible for the preparation of environmental assessments and impact statements for projects in Arizona, California and Idaho.

John has been project manager for numerous roadway and street improvement projects for multiple agencies throughout Arizona. He has worked on the Design Concept Report for the Estrella Roadway, Phase I, 2.5 miles of Guadalupe Road improvements - Power to Hawes and 2.3 miles of the new Queen Creek Road and Hawes Road roadways.

Additional roadway projects have included the Joseph City Interstate bypass, the Ray Road I-10 traffic interchange, 25 miles of safety improvement projects, widening 2+ miles of Navajo Blvd (B-40) through Holbrook, widening 5 miles of U.S. 191, widening 2.3 miles of S.R. 90, 4+ miles of S.R. 92 just south of Sierra Vista, the design 3.4 miles of 4-lane divided highway on S.R. 68 and several intersection projects along U.S. 95 from the City of Yuma to Lake Havasu City.

Additionally, John has experience in subdivision, condominium, commercial and industrial developments involving on-site and off-site improvements, utility relocations and civil designs, such as grading, drainage, paving improvements, package treatment plants, and water and sewer line extensions.

RICHARD POWELL, P.E., R.L.S

Project Principal

RITOCH-POWELL & ASSOCIATES

Mr. Powell has worked with RITOCH-POWELL & Associates, Consulting Engineers, as a civil engineer since 1978. With RPA, Rick is responsible for project plan development and engineering quality.

He has been involved in surface transportation studies and design. He has worked on route planning studies involving site selection, environmental assessment, and engineering design for a number of highway and streets projects in Arizona and other western states.

Rick's engineering design background has encompassed hydrology and drainage studies, storm drainage systems, earthwork and grading, water/sewer systems, and freeway, highway and street design for projects for state and local governments. Rick has been project manager or engineer for projects such as 28th Street Storm Drain, Utopia Road Improvements and Storm Drain, Edgemont Avenue, 8th Street improvements, 39th Avenue sidewalk, Maryland Avenue, Jomax Road improvements, Encanto Boulevard - 72nd Avenue to 75th Avenue improvements, Encanto Boulevard - 83rd Avenue to 85th Avenue improvements, 37th Avenue - Camelback Rd to Oregon Avenue improvements, Maryland Avenue - 27th Avenue to 35th Avenue improvements, Sweetwater Avenue - 35th Avenue to 39th Avenue improvements, Weir Street/28th Street - 28th Street to 32nd Street & Broadway to Weir improvements, and 19th Avenue/Van Buren storm drain design.

Rick has experience in private client and public works projects involving water and sewer systems, paving, grading, hydrology, drainage, and storm sewers for improvement districts, airports, military bases, and other state and local government's projects.

As a professional engineer, his work experience has also included the site planning, layout and design for commercial, industrial, and residential subdivision projects. Mr. Powell has worked as project manager on subdivision and commercial development projects which required master plans, plats, design of the roadway system, grading/drainage, and water/sewer facilities for these projects.

He is very familiar with local and state codes, standard details and specifications, and is responsible for preparing cost estimates, from budgetary to final bidding items, for all RPA projects.

EDUCATION

Purdue University, Indiana
B.S.C.E., Civil Engineering

REGISTRATION

Arizona PE 11314 & LS 16181

PROFESSIONAL AFFILIATIONS

American Society of Civil Engineers. (ASCE)
Arizona Consulting Engineers Association (ACEC)

RITOCH-POWELL & ASSOCIATES

KARL G. OBERGH, P.E.

Principal/Project Manager

EDUCATION
Northern Arizona University, B.S. Civil Engineering, 1994

REGISTRATION
Arizona Professional Civil Engineer, 34008

PROFESSIONAL AFFILIATIONS
Arizona Society of Professional Engineers

Arizona Council of Engineering Companies

Arizona Society of Civil Engineers

American Public Works Association

PUBLICATIONS
3-D Scanning for the Railroad Electrification project in San Jose California, Whitepaper

MCDOT Design, Draft and Production Manual, Phoenix, AZ 1999.

Mr. Obergh has more than 18 years experience in civil and transportation engineering design and project/construction management. His current emphasis is in transportation, traffic, utilities, and coordination. His responsibilities include project management, design, marketing, business development, and contract negotiations. He leads design teams on a variety of projects ranging in scope and complexity. He is responsible for multiple ongoing contracts.

His experience includes Design/Build, CMAR, traffic engineering, roadway design, water resources, intelligent transportation systems, transportation planning, site development, and structural design. He is involved with a variety of projects for local, state, and national agencies.

He is responsible for all day-to-day operations, review, and approval of engineering plans and reports, client relations, survey coordination, and marketing. He manages a workload of 10-20 projects varying in size and scope, most of which are small transportation projects. Mr. Obergh began as a civil engineer-in-training and became a project manager with a national engineering firm that specialized in transportation projects. At this company, he managed tasks for approximately 10-20 projects mostly consisting of on-call contracts with ADOT, City of Phoenix, City of Glendale and MCDOT.

RELEVANT PROJECT EXPERIENCE

Annual Services On-Call (2004-2006; 2006-2008), City of Phoenix, Arizona Project Manager/Engineer for a multiple City of Phoenix projects. Responsible for meeting with DCM, Street Transportation, and Water Services personnel and producing project reports or plans. Karl has managed approximately 20 separate projects/tasks for these on-call contracts.

8th Street, Cave Creek Road to Hatcher Road, City of Phoenix, AZ. Project Manager for a paving and drainage improvement project which included the addition of curb, gutter, and sidewalk. Project consisted of redesigning an existing two-lane roadway to assist with drainage issues within a minimum right-of-way strip. Responsibilities included the coordination and management

Sunset Ridge Park at 87th Ave. & Missouri Ave, Glendale, AZ. Project Manager for the design of a 12-acre city neighborhood park. Responsible for coordination between city reviewers and landscape/irrigation and electrical sub consultants, preparation of plan set, and cost estimate. The construction plans consisted of grading & drainage, park layout, parking lot design, and utility connections for drinking fountains and irrigation controls. Park amenities consisted of a playground facility, turf ball field, basketball & volleyball court, and a multiuse path that encircled the park.

SRP Tailwater Ditch at 87th Ave. and Missouri Ave., Glendale, AZ. Project Principal for the design of 1,000 lineal feet of tailwater pipe. The project consisted of removing the existing concrete lined ditch and replacing with a 24" pipe due to the close proximity of a proposed neighborhood park.

Responsible for plan production, costs estimates, coordination with SRP and their irrigation structures, and the city.

SR 73 @ MP 334 Drainage Repair Project Assessment Report, ADOT, AZ. Project Manager for the conceptual replacement of a 14' steel plate pipe. The project consisted of creating alternatives for replacing the pipe with a bridge structure, calculating right-of-way takes, laying out detour plans, and preparing cost estimates. The pipe replacement was considered an emergency project due to the recent wildfires and significant amounts of erosion that had occurred.

Miscellaneous Bus Bay Designs (eleven), City of Phoenix, Arizona
Project Manager/Engineer for a multiple bus bay locations throughout the City of Phoenix. Responsible for producing roadway, utility coordination and design, and estimates for either type 1, 2 or 3 City of Phoenix standard bus bays. Coordination between the City of Phoenix and the adjacent utilities.

Design Concept Report for the 395th Avenue / I-10 Traffic Interchange, Tonopah, AZ. Project Manager for the conceptual and final design of the Copperleaf traffic interchange. Estimate construction cost of $19.5M. The project consisted of the re-alignment of 395th Avenue to create a perpendicular crossing over I-10. The traffic interchange will be a designed as tight diamond with parallel type ramps. The traffic numbers increase dramatically with the expansions of several large housing developments in the area. This traffic interchange will serve as the primary access point to I-10 and connection east to Phoenix and west to California. Design issues consisted of the limited amount of space between the existing crossroads and the skewed alignment of I-10. The design criteria were defined by the ADOT roadway design guidelines for a future 'I-10 ultimate expansions' with a 4+1 lane configuration in each direction. The changes for this project were coordination with the agencies concerning the type and length of bridge structure. The length of the bridge structure defines many factors such as ramp geometry starting and ending point, side slope requirements, clearance, and defining the vertical geometry.

Navajo Boulevard Roadway Widening, ADOT, Holbrook, AZ. Project Engineer for post-design services. The project consisted of widening 3.5 miles of an existing 3-lane road to 5-lanes, coordinate utility relocations such as water and power. Design consisted of a new 72" storm drain, driveways, lighting, curb & gutter, and sidewalk improvements. Challenges included maintaining traffic through an urban area with business's while under construction.

RITOCH-POWELL & ASSOCIATES

JOSH NIES, P.E.

Project Manager/Engineer

Mr. Nies has more than eleven years of experience in the civil engineering field specializing in transportation engineering and pre-design reports. Key areas of expertise consist of civil design, geometric layout, utility coordination, local street improvements, site development, construction inspection, and managing post-design services. Additionally, he has researched, written, and prepared numerous pre-design concept reports. Further experiences include the design of retaining walls and noise walls, light rail projects, and interchange geometric layout and design. He has extensive knowledge of Microstation and InRoads civil design software.

RELEVANT PROJECT EXPERIENCE

8th Street, Cave Creek Road to Hatcher Road, City of Phoenix, AZ. Project Manager/Engineer for a paving and drainage improvement project which included the addition of curb, gutter, and sidewalk. Project consisted of redesigning an existing two-lane roadway to assist with drainage issues within a minimum right-of-way strip. Responsibilities included the coordination and management of the design, preparation of plans and a detailed cost estimate, preparing driveway profiles & culvert profiles, and preparing right-of-way area calculation sheets.

39th Drive, Creedance to Alameda, City of Phoenix, AZ. Project Manager/Engineer for new sidewalk and ADA ramps. Project consisted of designing a new sidewalk, curb & gutter, Sidewalk ramps, and short retaining walls. Responsibilities included the coordination and management of the design, preparation of plans and a detailed cost estimate, and preparing right-of-way area calculation sheets.

Navajo Boulevard Roadway Widening, ADOT, Holbrook, AZ. Project Engineer for post-design services. The project consisted of widening 3.5 miles of an existing 3-lane road to 5-lanes, coordinate utility relocations such as water and power. Design consisted of a new 72" storm drain, driveways, lighting, curb & gutter, and sidewalk improvements. Challenges included maintaining traffic through an urban area with business's while under construction.

On-Call Consultant Design Services, ADOT, Phoenix, AZ. (Earth Tech, 1999). Design Engineer responsible for preparation of construction plans, technical specifications, and detailed construction cost estimates for pavement preservation projects. Coordinated design with ADOT and utility companies to eliminate project conflicts. Performed field reviews and miscellaneous roadway surveys.

Ironwood Village Neighborhood Park, Scottsdale, AZ. (Earth Tech, 1998). Design Engineer for a four acre residential park. Responsible for preparation of construction plans, technical specifications, and a detailed construction cost estimate. Plans consisted of storm drain & sewer design, paving plan, site grading & layout, and utility relocations. Coordination included close work

EDUCATION

United States Navy, Certificate. School of Aviation Electronics, July, 1990.

University of Arizona, B.S. Civil Engineering, May, 1998.

University of Phoenix, M.B.A. Business Administration, May, 2001.

REGISTRATION

Arizona Professional Civil Engineer #39617, 2003

PROFESSIONAL AFFILIATIONS

List professional societies

PUBLICATIONS

Author, Publication title, location, date

with architectural and landscape designers, the City of Scottsdale, and various utility companies.

Lone Pine Dam Road & Bridge Design, Navajo County, AZ. Project Manager for the realignment of approximately 3,400' of roadway around an existing dam and construction of a 440' long bridge over Show Low Creek. Responsible for preparing 60% plans, specifications, and cost estimate thru ADOT Local Government Section.

Sunset Ridge Park at 87th Ave. & Missouri Ave Construction Administration Services, Glendale, AZ. Project Manager for the Construction Administration Services for a 12 acre city neighborhood park. The project consisted of managing the Contractor to be responsible for a revised set of drawings and park amenities. Responsible for running weekly meetings, managing project change orders, design submittals, & RFI logs, verifying budgets, and performing site inspections.

West Valley Salt River Crossings 59th Ave to 99th Ave. Candidate Assessment Report, MCDOT, AZ. Project Manager for the DCR to study six possible crossings of the Salt River between 59th Ave and 99th Ave. The project included research and understanding of existing utilities, land use, future transportation corridors, traffic analysis, right-of-way, and costs to determine a preferred alternative to cross the Salt River (bridge and/or low water).

SR 73 @ MP 334 Drainage Repair Project Assessment Report, ADOT, AZ. Project Manager for the conceptual replacement of a 14' steel plate pipe. The project consisted of creating alternatives for replacing the pipe with a bridge structure, calculating right-of-way takes, laying out detour plans, and preparing cost estimates. The pipe replacement was considered an emergency project due to the recent wildfires and significant amounts of erosion that had occurred.

Rittenhouse Road Intersection Improvements, Town of Queen Creek, AZ. Project Manager for four separate intersections improvements. This project was an interim intersection improvement project that widened the roadway at four intersections. The primary objective was to install new traffic signals at each intersection. In doing so, vertical curb was installed to discourage errant vehicles from striking adjacent power poles. Overhead power poles, traffic signs, gas risers, and other utilities were all potential conflicts that had to be relocated or designed around.

RITOCH-POWELL & ASSOCIATES

FRANK E. HENDERSON, III, PE

Project Manager

Mr. Henderson has more than 20 years of civil engineering experience in transportation design, water and wastewater system design, stormwater hydrology and hydraulics, and utility system relocation design. Project experience features include client and project management; design report preparation; plan, specification and cost estimate preparation; technical design staff and subconsultant supervision and coordination; regulatory and funding agencies coordination; construction administration and alternative delivery (CM@Risk and design-build) projects. Specific project experience includes municipal potable water supply, distribution and pumping systems; wastewater collection, transport and pumping systems; rural and urban freeway design, arterial street design, stormwater collection, conveyance and pump station system design, open channel hydraulics; large-diameter pipe design; cross country fiber optic cable networks; and airport and airfield improvements.

EDUCATION

B.S. Civil Engineering, United States Air Force Academy, Colorado Springs, Colorado, 1979

REGISTRATION

Arizona Professional Civil Engineer, 28940
Illinois Professional Civil Engineer, 062-049047
Wisconsin Professional Civil Engineer, 29751

PROFESSIONAL AFFILIATIONS

Arizona Society of Professional Engineers (ASPE)

Arizona Council of Engineering Companies (ACEC)

Arizona Society of Civil Engineers (ASCE)

American Public Works Association (APWA)

RELEVANT PROJECT EXPERIENCE

City of Glendale, Bethany Home Road Improvements Construction Administration, Glendale, Arizona. Project manager for construction administration services including inspection, daily reports, shop drawing reviews, RFI responses, conducting weekly progress meetings, review monthly pay estimates, conduct final walk-throughs, and complete project acceptance for closeout. [11/2006 - 2007]

Town of Gilbert, Pecos Road Realignment, Gilbert, Arizona. Project manager responsible for survey, design, geotechnical investigation, construction documents, estimates, construction permits, legal descriptions and construction management for 4.0-mile project realignment and widening project between Lindsay Road and Recker Road. Project was completed using the construction manager at risk (CM@R) alternative procurement method. Project design features included 4.0 miles of 6-lane divided urban roadway, stormwater collection system, stormwater detention basins, two miles of new 16-inch water line, 1.5 miles of 10-inch sanitary sewer, 3.7 miles of reclaimed water line (2.5 miles of 16", 1000 feet of 30" and 1.0 mile of 42") Provided design coordination for new utility infrastructure and utility relocations, including power, cable TV, telephone, natural gas, fiber optic communication and high pressure petroleum. [07/2003 - 10/2005]

Arizona Department of Transportation, Santan Freeway, Gilbert Road to Frye Road, Phoenix, Arizona. Project engineer responsible for hydrologic drainage study, storm water conveyance channel, detention basins, storm drain system hydraulic calculations and design, pump station design and numerous public utility relocations for 3.5 miles of 6-lane urban freeway with one diamond traffic interchange and one half diamond interchange. Drainage components included hydrologic analysis of 100-year off-site event, hydrologic analysis of 10-year and 50-year on site (freeway pavement) storm event, open channel design for 100-year event, large-diameter (24 to 78 inch) storm drain system and two storm water pump stations. Public utility relocations included telephone, fiber optic, cable television, 20-inch water line and irrigation system relocations. The existing overhead 12 kV and 69kV power relocations required substantial design and construction sequencing

coordination to complete power transmission lines are relocated during nonpeak (winter) demands to ensure no service interruptions. The project also required design and construction coordination to relocate existing Roosevelt Water Conservation District features in the project corridor without affecting existing agriculture irrigation demands. Irrigation relocation required substantial right of way and easement acquisition for the new facilities. A 6-inch-diameter high-pressure line was relocated and depressed under the freeway. [05/2003 - 08/2004]

City of Scottsdale, Thompson Peak Parkway, Scottsdale, Arizona. Project engineer for a drainage analysis, storm drain system design, water line design and utility relocation design for $6.0 million project to construct 1.0 mile of six lane urban roadway project. Unique project component including suspended water line and storm drain systems from bridge structures including expansion capabilities. Utility locations were coordinated with bridge design to ensure cost effective location without increasing structure cost for added dead load.

City of Scottsdale, Ironwood Park, Scottsdale, Arizona. Project engineer for drainage analysis, site grading, parking lot and utility relocation coordination. Park site is located adjacent a major wash that inundates site during 100-year event. City code requires protection form the 100-year event without disturbing the Native Area Open Space (NAOS). Public and site aesthetic requirements precluded retaining or flood walls. Civil site work developed an aesthetic earth berm compatible with the existing landscape to complement the park theme while providing flood protection and minimizing grading disturbance to the NAOS.

City of Phoenix, Indian School Road Water Main, Phoenix, Arizona. Project manager and lead engineer responsible for design of a 48-inch water main at the Indian School Road crossing of the Agua Fria Freeway (Loop 101). The water main provided potable water across Loop 101 to expanding west valley by connecting to the existing 48-inch water main at 93rd Avenue. The water main crossing design required a 40-foot excavation to clear the depressed freeway at Indian School Road.

RITOCH-POWELL
& ASSOCIATES

STEVE LEWIS, PE

Project Manager/ Engineer

EDUCATION
Northern Arizona University, B.S. Civil Engineering, 1994

REGISTRATION
Arizona Professional Civil Engineer #34589, 2000

PROFESSIONAL AFFILIATIONS
American Society of Civil Engineers, Since 1993

American Public Works Association, Since 1999

American Council of Engineering Companies, Since 2004

Mr. Lewis has more than 13 years experience in civil and environmental engineering design and project management. His current emphasis is in transportation, utilities, and commercial development projects. His responsibilities include project management, design, marketing, business development, and contract negotiations. He leads design teams on a variety of projects ranging in scope and complexity. He is responsible for multiple ongoing contracts. Currently, Mr. Lewis is project manager and lead engineer on the City of Phoenix Lift Station 63 Removal project, which included a 36" sewer extension and a 42" waterline vertical relocation. Mr. Lewis is also the project manager for the City of Peoria Rio Vista Park Phase II improvements which includes entrance roadway widening plans, park improvement plans, and utilities plans (extension of water and sewer infrastructure for new facilities).

Previous to RPA, Mr. Lewis was a Project Engineer for Parsons Corporation for two years. In this position, Mr. Lewis specialized in transportation projects and utilities projects. Mr. Lewis' main roadway and utilities projects included Happy Valley Road, Terramar Boulevard to Lake Pleasant Parkway and Santan freeway, Higley Road to Power Road. The Happy Valley Road project included 3.5 miles of new roadway and 16" waterline. The Santan Freeway project included vertical relocation of a 36" water line and triple sewer force main for the City of Mesa and Town of Gilbert. In addition, Mr. Lewis was the lead engineer on the General Motors, Milford Proving Ground Test Tracks project. This project included design of four vehicular test tracks and upgrades to site water systems.

Previous to Parsons, Mr. Lewis was the Office Manager and Associate Principal of a small satellite engineering office in Phoenix, Arizona. He was directly responsible for all day-to-day operations, review and approval of engineering plans and reports, client relations, survey coordination, and marketing. He managed a workload of 10-20 projects varying in size and scope, most of which are small commercial land development projects. Mr. Lewis began as a civil engineer-in-training and became a project manager with a national engineering and environmental firm that specialized in environmental and water resource projects. At this company, he managed 5-10 projects mostly consisting of on-call annual support government contracts and he worked on a wide variety of projects including water treatment plants, landfill closures, evaporation ponds, pipelines, and permitting. His main projects were with the U.S. Army Yuma Proving Grounds, the City of Scottsdale, and Motorola.

RELEVANT PROJECT EXPERIENCE

Eloy Industrial Park:
Currently working on three industrial subdivisions in Eloy Arizona with a combined total acreage of 173 acres. We are currently in the process of doing the conceptual layout for the 3 sites to include feasibility analysis and siting analysis for utilities. The project also includes design of water and sewer mains and service lines.

Annual Services On-Call (2004-2006; 2006-2008), City of Phoenix, Arizona
Project Manager/Engineer for a multiple City of Phoenix projects. Responsible for meeting with DCM, Street Transportation, and Water Services personnel and producing project reports or plans. Karl has managed approximately 20 separate projects/tasks for these on-call contracts.

ACO Polymer Products: Currently in construction
RPA completed design and is involved construction management for a 20 acre industrial development in Casa Grande. The project included coordination with APS on new electrical services for the subdivision and the new ACO facility. The project also included design of water and sewer mains and service lines.

City of Peoria Rio Vista Park Phase 2
Currently in construction- RPA completed the civil engineering design for 26 acres of park improvements including parking lots, ball fields, a recreation center, and access roadways. This project included coordination of new electrical facilities for the new portion of the park. The project also included design of water and sewer mains and service lines.

McDowell Towers
5 Acre, 900-Unit, 3,000 s.f. retail Mixed-use Development located at the northwest corner of McDowell Road and Central Ave in downtown Phoenix, Arizona.

Canvas 1011
4 Acres Mixed-use Development located at the northeast corner of Roosevelt St. & 3rd Street in downtown Phoenix, Arizona

Flats in Downtown Phoenix
4 Acre Mixed-use Development at the southeast corner of 3rd Street and Portland St. in Downtown Phoenix, Arizona

Currently working on design for multiple Circle K sites throughout Southern Arizona.

ADOT Santan Freeway (with Parsons Transportation Group)
Coordination and design for the relocation of several 69kV overhead electrical lines and conversion of several 12kV lines from overhead to underground. The project also included design of water and sewer mains and service lines.

RITOCH-POWELL
& ASSOCIATES

EDUCATION
High School graduate, assorted college courses, technical courses and work related seminars.

THOMAS BOWER

Project Manager/Senior Designer

Mr. Bower has worked in Civil Engineering for over 32 years at various positions that entailed both office and field duties. They included survey, geotechnical and structural testing, drafting, project team leader, project manager, designer and construction administration.

He is proficient in several computer design software programs including Microstation, AutoCAD, and other coordinate geometry and modeling programs.

He worked for a geotechnical firm where his duties included performing concrete slump tests, collecting concrete samples (cylinders) at construction sites, performing the tests on those samples to determine their strength. Also, soil density tests and other assorted soil tests to determine loading for building footings.

Public utility design projects he has been involved with include municipal sanitary sewer collection systems, rehabilitation of existing wastewater collection systems, lift stations and forced mains, municipal wastewater treatment plants, on-site septic systems, leach fields, evapotranspiration systems, municipal storm water collection systems, municipal potable water systems and transmission mains in excess of 84".

Several dozen municipal paving ranging from residential streets to major arterials and over a dozen ADOT pavement preservation projects. Municipal and private site development that included paving, water, and sanitary sewer for project from under 5 acres to over 500 acres. Municipal county and state park projects that ranged from developing construction documents for new city parks to complete renovations to existing state parks that included paving, potable water treatment and storage systems, wastewater treatment with storage and reuse disposal systems.

ADOT Right-of-Way projects that required documents research, determination of property locations and right of way corridors.

Preparing ALTA, boundary and topographic surveys for municipal and private clients. Also, preparing documents for lot subdivision and right of way acquisition and the writing of legal descriptions.

He has been involved in multiple phases on many of these projects that included evaluating existing conditions, preparing exhibits for proposals, attending and assisting in presentation to potential clients, collecting field data as part of the survey crew, transferring that data to basemapping, being the team leader on projects in which there were several engineering and architectural disciplines involved, designing and preparing construction documents, coordinating and assembling construction documents for those projects that had more than one discipline, attending public meetings, reporting progress and attending meetings with clients, preparing documents to assist in obtaining permits from municipal and state agencies, meeting with those agencies to answer any questions, coordinating with private utilities, preparing cost estimates, assisting clients in the bidding process, reviewing shop drawings, construction observation and construction administration.

RELEVANT PROJECT EXPERIENCE

Buckskin Mountain State Park
Client: Arizona State Parks
Location: Parker, Arizona
Description: Complete Park Renovation, (Grading, Paving, Potable Water Filtration System, & Storage, Potable Water Distribution, Wastewater Collection, Wastewater Treatment, Effluent Storage, Reuse Disposal System)
Duties: Project Manager, Senior Designer, Construction Administrator

Cattail Cove State Park
Client: Arizona State Parks
Location: Parker, Arizona
Description: Renovations to RV Campsites and Potable Water System
Duties: Project Manager, Senior Designer

Cave Creek Regional Park
Client: Maricopa County Parks & Recreation
Location: Cave Creek, Arizona
Description: Design of Evapotranspiration Bed (Approx. 100′ x 300′)
Duties: Project Manager, Senior Designer, Construction Administrator

Lake Pleasant Regional Park
Client: Maricopa County Parks & Recreation
Location: Morristown, Arizona
Description: Design of Recreational Vehicle Dump Station & Septic System
Duties: Project Manager, Senior Designer, Construction Administrator

Augusta Park
Client: City of Mesa
Location: Mesa, Arizona
Description: New Neighborhood Park (Approx. 10 Acres)
Duties: Project Manager, Senior Designer

Valencia Park
Client: City of Mesa
Location: Mesa, Arizona
Description: New Neighborhood Park (Approx. 5 Acres)
Duties: Project Manager, Senior Designer

Goodyear Community Park
Client: Town of Goodyear
Location: Goodyear, Arizona
Description: New Community Park
Duties: Senior Designer (Water, Sewer, Paving & Hardscape Layout)

Lake Havasu Water Safety Center
Client: Arizona State Parks
Location: Lake Havasu, Arizona
Description: Potable Water System, Wastewater System and Roadways
Duties: Senior Designer

RITOCH-POWELL
& ASSOCIATES

EDUCATION
Rio Salado Community College: CADD Classes

Glendale Community College: CADD Classes

Joel La Kose

Senior CAD Technician

Mr. La Kose has worked with RPA for over 19 years. He started with the firm as an instrument man on our survey crew. Joel has moved indoors and is now a CADD technician specializing in MicroStation and AutoCAD. He has been the lead CADD technician on various projects including paving, grading and drainage, water and sewer, property surveys and right of way. Joel is a valuable part of our staff because of his experience in both survey and CADD.

RELEVANT PROJECT EXPERIENCE

Design projects involved in include numerous ADOT, ADOT R/W Maricopa County and various City Municipalities.

ADOT Projects:

- I-17 Frontage Road
- 395th Avenue/I-10 Traffic Interchange
- US 70 MP 282 to 283
- Navajo Boulevard
- Sunland Gin Road Traffic Interchange
- SR260\US 60 Intersection
- US 60 Carrizo Drive
- US 60 Pinto Valley Road
- SR 73 Emergency Road Repair
- SR 260 Hon Dah-McNary, Pavement Preservation MP 357 to 361
- I-40 Querino- Hawthorne, Pavement Preservation
- I-10 Valencia-Wilmont EB Frontage Road
- I-40B Navajo Blvd-Holbrook MP 287.6 to 289.8
- SR 77 Winkelman, Pavement Preservation-Guard Rail Replacement
- SR 80 Bisbee Tunnel to Lowell Circle, Pavement Preservation
- SR 89 Hamblin Wash, Pave Preservation
- US 95 Castle Dome Intersection Realignment
- US 180 Mt Calvary Church - Widening Left Turn Lane
- I-40 Walnut Canyon TI - Winona WB
- I-15 Littlefield - Virgin River MP 7.94 to 13.12, Pavement Preservation
- I-10 E WilcoxTI - Luzena MP 344 to 356, Pavement Preservation
- US 93 Temple Bar - Divided Sec (SB)

County Projects:

- Lone Pine Dam Road and Bridge, Navajo
- Intersection of Williams Field Road and Higley Road, Maricopa
- 7th Street - Carefree Highway to Desert Springs Road, Maricopa
- Cave Creek\White Tank\Lake Pleasant Dump Station\ET Bed Design, MC Parks

Municipal Projects:

- Bus Bays, City of Phoenix
- 8th Street Improvements, City of Phoenix
- 39th Avenue sidewalk, City of Phoenix
- Van Buren Pedestrian Safety Improvements, City of Avondale
- Thomas Road Bicycle and Pedestrian Improvements, City of Scottsdale
- Power Road Median Channelization, Mesa
- Bell\Holmes Storm Drain Study

RITOCH-POWELL & ASSOCIATES

ANDREW MATUSAK, E.I.T.

Project Engineer

Mr. Matusak has more than fifteen years of experience in the civil engineering field specializing in transportation engineering, including project management and design of highway, light rail transit, heavy freight rail, intermodal freight facilities, and ancillary drainage, utilities, and wall design. He has worked extensively with the State of Arizona and County Agencies in addition to projects in Ohio, Missouri, Nebraska, Texas, New Mexico and California. Key areas of expertise consist of civil design, geometric layout, Urban/Rural street improvements, site development, design concept reports, value engineering and managing post-design services. He has extensive experience with the use of Microstation and InRoads civil design software. Andrew is experienced in administration public speaking.

EDUCATION

Youngstown State University, B.S. Civil Engineering, June 1991.

The University of Kansas, M.S. Engineering Management, Field Study in progress.

REGISTRATION

EIT Missouri

PROFESSIONAL AFFILIATIONS

American Society of Civil Engineers. (ASCE)

PUBLICATIONS

HNTB InRoads Training Manual, Kansas City, MO 1995.

New Mexico State Highway Transportation InRoads Training Manual and Design Implementation, Santa Fe, NM 1998.

MCDOT Design, Draft and Production Manual, Phoenix, AZ 1999.

RELEVANT PROJECT EXPERIENCE

ADOT Final Design for I-17 Frontage Road, Phoenix, AZ.
Project Manager/Design Engineer for the design of a 1 mile Frontage Road between Pinnacle Peak and Happy Valley Road. This design project require coordination between several roadway project being design within the same project limits. These projects included the widening of I-17, the connection to the existing Happy Valley Town Center, and the development 17 North Corporation Center. Coordination between agencies, project managers, and developers was a major challenge in the success of this project.

ADOT Design Concept Report for the 395th Avenue / I-10 Traffic Interchange, Tonopah, AZ.
Project Manager/Design Engineer for the conceptual and final design of the Copperleaf traffic interchange. Estimate construction cost of $19.5M. The project consisted of the re-alignment of 395th Avenue to create a perpendicular crossing over I-10. The traffic interchange will be a designed as tight diamond with parallel type ramps. The traffic numbers increase dramatically with the expansions of several large housing developments in the area. This traffic interchange will serve as the primary access point to I-10 and connection east to Phoenix and west to California. Design issues consisted of the limited amount of space between the existing crossroads and the skewed alignment of I-10. The design criteria were defined by the ADOT roadway design guidelines for a future 'I-10 ultimate expansions' with a 4+1 lane configuration in each direction. The changes for this project was coordination with the agencies concerning the type and length of bridge structure. The length of the bridge structure defines many factors such as ramp geometry starting and ending point, side slope requirements, clearance, and defining the vertical geometry.

MCDOT Jomax Road Feasibility Report, Peoria/Surprise, AZ.
Project Engineer for the development of an East/West Arterial Roadway by providing a conceptual alignment for the 6.0 mile phased improvements of Jomax Road between 163rd Avenue and Loop 303/Happy Valley Road. Design issues consisted of eliminating the tight curves around the Butte East of 155th Avenue, connection at Happy Valley Road between Dysart and El Mirage Road, and design geometrics to meet MCDOT design criteria. The

preferred alternative would be phased base on population/urbanization growth within the project limits. This phasing would include initial improvements of Jomax Road to a Rural Minor Arterial, phase interim to an Urban Principal Arterial, and final phase to an 'Enhanced' Urban Principal Arterial (Super Street) with 190' foot right-of-way, bridges for direct traffic flow, and half-mile signalized intersections. Responsibilities included the coordination and management of the design, right-of-way acquisitions, detailed cost estimates per phase, and assist in preferred alternative selection.

Valley Metro Light Rail Project, Phoenix/Tempe/Mesa, AZ.
Value Engineer for the review process of the 20 mile $1.4B initial phase urban corridor. Design reviewer of the five segment light rail submittals, maintenance storage facility, station finishes, and the Tempe Town Lake Bridge from preliminary to final design.

ADOT Pre-Design On-Call, AZ.
Project Engineer for design and task management for preparing scoping letters, project assessment reports, and design concept reports for rural and urban projects throughout the state. Responsibilities include research, writing, quantity take-offs, cost estimates, and coordination with various municipalities.

ADOT US60/Loop 101 Traffic Interchange, Tempe, AZ.
Design Engineer for the level-4 traffic interchange. Responsibilities include the geometric alignment of the semi-directional ramps, high volume detour alignments and phasing plans, signing and markings plans, cost estimates, and specifications.

RITOCH-POWELL & ASSOCIATES

JOSEPH FALINSKI, RLS

Survey Manager

EDUCATION
Paul Smith College, Forestry and Land Surveying

REGISTRATION
Arizona Registered Land Surveyor #31591

PROFESSIONAL AFFILIATIONS
Member of Arizona Professional Land Surveyors
Member of Tempe Elks Lodge #2251

Mr. Falinski, a survey project manager with RPA, has over 28 years of office and field experience. Joe provides RITOCH-POWELL with the ability to obtain the necessary field and property survey data through his combined experience as a survey party chief and as an office survey manager. With extensive seasoning solving complex parcel discrepancies and survey datum control issues, Joe is able to combine the legal descriptions with the field data into the end product necessary for design and acquisitions. Once the fieldwork and property research is completed, it is Joe's responsibility to translate that data in electronic files for design purposes.

Mr. Falinski has worked on 140+ roadway and right-of-way projects over the past eighteen years with Ritoch-Powell. The roadway projects were located in Districts outside the Phoenix area. He has prepared right-of-way plans, results of surveys and legal descriptions for multiple municipalities and DOT's throughout Arizona.

RELEVANT PROJECT EXPERIENCE

Municipal Projects:

- 67th Avenue – Pinnacle Peak Rd to Happy Valley Rd. (right-of-way annexation), City of Peoria
- Rio Vista Park, Phase II (Design/Build), City of Peoria
- Market Street, City of Peoria
- 91st Avenue/Monroe, City of Peoria
- Cotton lane; Bridge over the Gila River legal descriptions and r/w strip map per the City of Goodyear
- Goodyear Park, Phase I & II, City of Goodyear
- 28th Street storm drain, City of Phoenix
- Utopia Road improvements and storm drain, City of Phoenix
- 8th Street improvements, City of Phoenix
- Maryland Avenue, City of Phoenix
- Jomax Road improvements, City of Phoenix
- Encanto Boulevard-72nd Avenue to 75th Avenue improvements, City of Phoenix
- Encanto Boulevard-83rd Avenue to 85th Avenue improvements, City of Phoenix
- 37th Avenue-Camelback Rd to Oregon Avenue improvements, City of Phoenix
- 19th Avenue/Van Buren storm drain design, City of Phoenix
- Water Park at Tempe Town Lake - City of Tempe
- Valencia Park - City of Mesa

County Projects:

- Lone Pine Dam Road and Bridge, Navajo
- Cotton Lane, Bridge over the Gila River, Maricopa
- 7th Street Candidate Assessment Report-Carefree Highway to Desert
- Estrella Roadway Drainage & Right of Way-Grand Avenue to Lake
- Pleasant Road, Maricopa
- Queen Creek Road – Hawes Road to Power Road, Maricopa

- Estrella Interim Roadway Limited Scope Design Concept Report, Maricopa

ADOT Projects:

- I-40, Querino to Hawthorne
- US 60 Carrizo Drive
- US 60 CBC Extension MP 352
- I-17 / Munds Park T.I.
- SR 260/US 60 Intersection
- Grand Avenue Survey - X-Section NB MP 129-136
- SR 87 - Emergency Flood Repair MP 230
- I-10/Tucson-Benson Highway, Alvernon, Valencia & Kolb T.I.'S
- US 93 overlay s 4A/4B
- US 70 - Safford Streets R/W
- Loop 101 R/W – Via Linda to Scottsdale Road
- SR 51 R/W - Dreamy Draw to Bell Road
- SR 95 R/W + ROS – Bullhead City – Clubhouse Drive
- US 60 R/W + ROS - Globe – Ragus Road

Commercial Projects:

- McDowell Towers – 25 Acres Commercial Development located in downtown Phoenix, Arizona
- Canvas 1011 – 12 Acres Commercial Development located in downtown Phoenix, Arizona
- Flats in Downtown Phoenix – 12 Acres Commercial Development located in downtown Phoenix, Arizona
- Bowne Properties - 5 Acres Commercial Development located in downtown Phoenix, Arizona
- Navajo Rose Storage – 12 Acres Commercial Storage location in old Valley, Arizona
- Eloy Industrial Park – 173 Acres Industrial Development adjacent to Interstate 10 in Eloy, Arizona
- Multiple Circle K sites throughout southern Arizona
- ACO Polymers - 20 Acres industrial development in Casa Grande, Arizona.
- City of Peoria Rio Vista Park Phase 2 –26 acres of park improvements

RITOCH-POWELL & ASSOCIATES

EDUCATION
General Studies

REGISTRATION
Arizona Registered Land Surveyor #22285

PROFESSIONAL AFFILIATIONS
Member of Arizona Professional Land Surveyors

ROBERT UMBANHOWAR, RLS

Survey Project Manager

Mr. Umbanhowar, is a survey project manager with RPA, has over 30 years of surveying experience. His experience includes serving as a Cadastral Surveyor for the Bureau of Land Management, in the South Maricopa Mountain Wilderness Area, Pellincillo Wilderness Area and the Mount Tipton Wilderness Area. He specializes in field and property survey data, as well as right-of-way plans, results of surveys and legal descriptions.

Bob has worked as Survey Analyst on various locations across Arizona. He is knowledgeable in results of surveys for commercial and agricultural properties and has experience in Electric Easements, Exhibits and Legal Descriptions for utility companies such APS. Additionally Bob has provided various private surveys, ALTA's, ROS's, Topo, Aerial Control Survey and Elevation Certificates.

RELEVANT PROJECT EXPERIENCE

County Projects:

- Deer Valley Road, 109th Avenue (west of Lake Pleasant Parkway) to Loop 303, Maricopa County
- El Mirage Design Concept Report, Maricopa County
- Lone Pine Dam Road and Bridge, Navajo County

Municipal Projects:

- 83rd Avenue Widening, Williams Road to Calle Lejos
- 67th Avenue – Pinnacle Peak Rd to Happy Valley Rd. (right-of-way annexation), City of Peoria

ADOT Projects:

- I-40, Querino to Hawthorne
- US 60 Carrizo Drive
- US 60 CBC Extension MP 352
- I-17 / Munds Park T.I.
- SR 260/US 60 Intersection
- I-10/Tucson-Benson Highway, Alvernon, Valencia & Kolb T.I.'S
- US 70 - Safford Streets R/W
- SR 95 R/W + ROS – Bullhead City – Clubhouse Drive
- US 60 R/W + ROS - Globe – Ragus Road
- US 87 Emergency Flood Repair MP 230
- Mohawk Rest Area, I-8, Yuma, AZ
- Needle Mountain Rest Area I-40, Topock, AZ
- McGuireville Rest Area I-17
- I-17/Loop 101 to Carefree Highway, ROS
- SR 78 Murder Camp Wash ROW and ROS
- 101 Loop, Pima Freeway. I-17- Cave Creek Road Right of Way
- 101 Loop, Pima Freeway, Cave Creek-56th St Right of Way
- 101 Loop, Pima Freeway, 56th St.-Scottsdale Road Right of Way
- 101 Loop, Pima Freeway, Scottsdale Road-90th Street (Pima) R/W
- SR 51 Squaw Peak Freeway, Thunderbird-Bell Road Right of Way
- Sunset Rest Area I-17
- SR 95 Courtwright-Valencia Right of Way
- US 95 San Luis-Sommerton Right of Way
- Right of Way Cadd Standards

RITOCH-POWELL
& ASSOCIATES

ROBERT WILLETT

Traffic Designer/Designer

Mr. Willett has over 7 years of experience in Traffic Engineering and over 5 years of Survey experience. His responsibilities have included: traffic engineering design of intersection/roadway improvements, signing/pavement marking, traffic control, traffic signal, and roadway lighting plans. He has also collected the necessary field data for both design and traffic analyses. His specialty is traffic signal and roadway lighting design. Robert has experience with several lighting analysis programs, including Visual, CalaPro and Lumen Micro.

RELEVANT PROJECT EXPERIENCE

Traffic Signals for the City of Glendale:
As part of various On-Call Contracts with the City of Glendale, Robert assisted in the design of over ten traffic signals. These projects required coordination with the power service company for the delivery of electrical service to the intersection of the traffic signal.

Avondale Boulevard, MC 85 to I-10, City of Avondale:
Robert was the Lead Traffic Designer on this CM@Risk project. His design responsibilities included the signing/marking, traffic signal, and roadway lighting plans for the roadway portion of the project. Robert performed the lighting analysis for the roadway and coordinated the lighting design with APS, the power company that would maintain the lighting for the City of Avondale.

Traffic Engineering On-Call, MCDOT:
As a Traffic Designer, Robert assisted in the traffic signal design at ten locations for the County: Indian School Road/127th Avenue, Northern Avenue/107th Avenue, Loop 303/Greenway Road, 111th Avenue/Fire Station #3, Palmeras Drive/99th Avenue and MC85/Buckeye Road with 83rd, 91st, 99th, 107th and 115th Avenues. This included coordinating the power source location with the local power company.

US 60 (Grand Avenue) Intersection Improvements, ADOT:
Robert prepared the traffic signal and roadway lighting designs performed as part of the intersection improvements along Grand Avenue at 27th/Thomas, 43rd/Camelback and 51st/Bethany Home intersections. He coordinated with both SRP and APS for electrical service and the Burlington Northern – Santa Fe Railroad for signal pre-emption during the design of the plans. The lighting and signal plan designs were coordinated with the cities of Phoenix, Peoria and Glendale in order to incorporate their design standards as the appropriate agency would eventually be responsible for the maintenance of the facilities.

Signing/Pavement Marking Plans for Various Developments throughout the Phoenix Metropolitan Area:
For these projects, Robert assisted in the preparation of the final signing/pavement marking plans for both subdivision and arterial streets. He is familiar with the signing/marking design standards of the following agencies: ADOT, Maricopa County DOT, and cities of Glendale, Peoria, Scottsdale, Tempe, Chandler, Mesa, El Mirage and Gilbert.

EDUCATION

Glendale Community College
Associates - General Studies,
2000

Thomas Road, Higley to Recker, City of Mesa:
Robert was the Lead Traffic Designer on this project. His design responsibilities included the signing/marking, traffic signal, and roadway lighting plans for the roadway portion of the project. Robert performed the lighting analysis for the roadway and coordinated the lighting design with SRP, the power company that would maintain the lighting for the City of Mesa.

SR51, Bell Road to Loop 101, ADOT:
Robert was the initial pavement marking designer on this project. His design responsibilities included the pavement marking plans for the roadway portion of the project. This included coordination with another firm for interim pavement marking during the construction of this project.

US 60 (Superstition Freeway) Intersection Improvements, ADOT:
Robert prepared the roadway lighting designs performed as part of the intersection improvements along US60 at Rural, McClintock, Dobson, Alma School and Mesa Drive intersections. He coordinated with SRP for electrical service during the design of the plans. The lighting plan designs were coordinated with the cities of Tempe and Mesa in order to incorporate their design standards as the appropriate agency would eventually be responsible for the maintenance of the facilities.

SR95, Lake Havasu, Roadway Widening, ADOT:
Robert was the Lead Traffic Designer on this project. His design responsibilities included the signing/marking, traffic signal, and roadway lighting plans for the roadway portion of the project. He coordinated with Citizens Utilities for electrical service during the design of the plans.

SR260, Camp Verde, Main Street Enhancement, ADOT:
Robert prepared the pedestrian lighting designs performed as part of the main street enhancement on this project. Robert performed the lighting analysis for the walkways and coordinated the lighting design with APS for power source location.

Loop 202/US 60 Traffic Interchange (Super Redtan TI), ADOT:
Robert was a traffic designer for this multi-phase freeway-freeway interchange in the Phoenix Metropolitan area. His responsibilities included the roadway lighting/FMS designs. In addition, he was responsible for electrical service coordination with SRP. Coordination also was required with the City of Mesa and MCDOT due to overlapping jurisdictional boundaries.

Pima Centre - 90th Street Improvements, City of Scottsdale:
Robert was the lead traffic designer for the roadway improvements required for this new commercial center. His responsibilities included traffic signal, signing/marking and traffic control designs. In addition, he was responsible for electrical service coordination with SRP. Coordination also was required with the Salt River Maricopa Indian Community and ADOT due to overlapping jurisdictional boundaries.

Résumé

Ronald D. Tatasciore, RLA, ASLA, APA

Associate, **e group.**

Education

Arizona State University, Bachelor of Architecture, 1971

Professional Registration

Landscape Architect, Arizona # 27539

Professional Associations and Awards

ASU CAED Alumni Achievement Award, 2002;
American Society of Landscape Architects, ASLA, Member;
Past-President of Arizona Chapter of ASLA;
American Planning Association, APA, Member;
Member of: Alpha Rho Chi, Valley Forward, and APWA.

Background

1996 to Present: **e group.**, Phoenix, Associate, Landscape Architect, responsible for planning, design, team leadership, marketing public works projects.
1994-1996: ***Martino & Tatasciore***, Phoenix, Principal of Landscape Architectural partnership, responsible for planning, design and project management.
1993-1994: ***EDA USA, Inc.***, Phoenix, Principal, manager, Landscape Architectural firm, U.S. Southwest.
1978–1993: ***EDA Collaborative Inc.***, Toronto, Edmonton, Hong Kong. Principal, co-founder, partner, responsible for western regional, urban design, landscape architecture, management, planning, design projects, Canada and Asia.
1975-1978: ***Project Planning Associates***, Toronto, London, Saudi Arabia, responsible for landscape, urban design and project management of special desert projects.
1971-1975: ***HLC, Inc.*** New York City, responsible for downtown planning, landscape and urban design projects.
1969-1971: ***Bowlsby and Zimmerman***, Phoenix, responsible for planning and landscape design drawings.
1969: ***Haver, Nunn and Jensen Architects***, Phoenix, responsible for design drawings.
1968: ***Arizona State University, Physical Plant***, Tempe, responsible for design studies, campus master plan.

Responsibilities

An Associate of **e group.**, Ron is responsible for team leadership, project management, planning, landscape design, urban design, and marketing public works projects.

Experience

Ron Tatasciore brings over 37 years professional experience on a wide range of award winning planning and design projects. His experience includes pedestrian design, streetscapes, parks, cultural and institutional projects. A New York City native and early Arizona resident, Ron earned International reputation in landscape architecture, urban design, and planning. Projects in the USA, Canada, Middle East and Asia give him a broad base of desert experiences in unique cultural and climatic environments. Ron believes design must be sensitive to client needs, environmental and cultural factors. His collaborative team approach is committed to quality and professional service. His focus is public urban design, parks, transportation enhancements and pedestrian design projects that create a sense of place. His skills include team leadership, project management, design process, design synthesis, and public facilitation.

A highlight of Ron's project experiences include:

PARKS & RECREATION

Desert Valley Park, Glendale, Arizona. Team leader to renovate and upgrade the existing flood irrigated sports fields into a neighborhood park.
Dynamite Park, Phoenix, Arizona. Project manager, working with the City of Phoenix on landscape design for a neighborhood park to integrate new facilities in a desert site at Dynamite Road near Tatum Blvd. Budget: $1.2 million.
Tovrea Castle Park, Phoenix, Arizona. Project manager, working with the City of Phoenix on the master plan and Garden Restoration of the historic cultural desert landscape. Budget, phase one: $500,000.
Phoenix Cancer Survivors Park, Phoenix, Arizona. Project Manager, working with the architect, responsible for this award-winning landscape design, integrating art, creating a park within the downtown streetscape of 1st Street.
Sunset Vista Park, Glendale, Arizona. Responsible for master plan, public meetings, neighborhood linear park along the Skunk Creek. Budget: $650,000.
Mountain View Park, City of Phoenix, Arizona. Project Manager, responsible for landscape design, renovation and park expansion, with trail connection to North Mountain Preserve. Budget: $500,000.
Rio Salado Town Lake Park, Tempe, Arizona. Responsible for the master plan to integrate park facilities and set the framework for trails, lighting, marinas and lake edges.
Bud Miller All Seasons Urban Park, Lloydminster, Alberta. Led master plan, design and implementation team for this 200-acre, award-winning urban park. Budget: $ 5 million.
Mount Butler Urban Fringe Park, Hong Kong. Produced a master plan for park and development uses based on landscape factors and cultural needs of the community.
Riyadh Public Park, Saudi Arabia. Ron was responsible for master planning, landscape design ideas, integrating cultural needs with the sensitive desert environment.
Central River Valley Park, Edmonton, Alberta. Responsible for master plan and design strategy ideas for parks, trails, bike paths, along 4-miles of the River Valley park system.
Red Willow Urban Park - Trail Network, St. Albert, Alberta. Ron led the master plan and design team for parks, walks and bicycle trails along the river valley.

PEDESTRIAN DESIGN, PATHS, STREETSCAPE, & URBAN DESIGN

Crosscut Canal Multi-Use Path Phase II, Tempe, Arizona. Team leader for the design of this path, connecting phase 1 from Papago Park near the Canal Park to Moeur Park.

Thomas Road Streetscape, Scottsdale. Team leader of a design concept and budget for pedestrian and bike amenities for 3-miles between 64th Street and Pima Rd.

Pedestrian Design – Mesa/MAG. Team leader for phase two of a multi-use path along Lewis Street with downtown links.

Pedestrian Design – Avondale/MAG. Team leader for a multi-use path sidewalk for a safe trip to the Littleton school along Buckeye Road, plus a sidewalk along Van Buren St.

Agua Fria River Pathway, Avondale, Arizona. Team leader of the landscape integration for this multi-use path.

Stetson Drive Streetscape/Southbank Canal, Scottsdale, Arizona. Contact for the City and the development team to improve streetscape, paths and public access along Southbank of Arizona Canal, adjacent to the Waterfront.

Rio Salado Pathway, Phoenix & Tempe, Arizona. Team leader, with Cities of Phoenix, Tempe, and MAG, for a Project Assessment and Concept Plan for 4 miles of multi-use path along the south bank of the Rio Salado between 28th Street and Priest Drive, for Federal Funding.

Tempe Canal, Tempe Arizona. Working with the City of Tempe, leading the consulting team for the design of ¾ mile, multi-use path along the Tempe Canal.

Surprise Path, Surprise, Arizona. Project Manager, working with MAG and the City of Surprise, to design a multi-use path along a wash of the north original townsite.

Renaissance Historic Downtown Area, Winslow Arizona. Team leader, working with the City of Winslow, and Federal TEA-21 Enhancement Funds, to design a linear park and downtown streetscape pedestrian enhancements.

Pedestrian Design - South Mountain to River Trail System, Phoenix. Project Manager, working with MAG and the City of Phoenix, Neighborhood Services to produce a study to improve trail access along south 24th Street and 32nd Streets.

Pedestrian Design - Watercourse Trail System, Laveen, Phoenix. Project Manager, with MAG and the City of Phoenix Planning, to design an open space system and future town center, to integrate future development.

West Valley Multi-Modal Transportation Corridor Master Plan. Ron was Project Manager for landscape, as part of the Entranco team working for MAG for 42 miles of trail paths.

Pedestrian Design, Gila Bend, Arizona. Worked with MAG and the Town of Gila Bend to design a new pedestrian walkway to enhance the historic town center.

Environmentally Sensitive Development Areas, Maricopa County. Project Manager for this desert open space guideline study for MAG, protecting sensitive lands.

Skunk Creek, Bell Rd., Glendale, Arizona. Project Manager, for a concept plan of pedestrian linkages.

Bike Study, Camelback Rd, and Glendale Ave, Glendale, Arizona. Project Manager for this study to improve on-street bike lanes along these major arterial streets.

Pedestrian Design Guidelines, Maricopa Association of Governments (MAG), Phoenix, Arizona. Ron provided design ideas, report sketches, design guidelines. Project received an Arizona ASLA Honor Award in Urban Design.

Town Center Revitalization, Town of Carefree, Arizona. Ron provided design ideas and alternatives for a master plan.

56th Street Extension, Papago Center, Tempe, Arizona
Ron coordinated this desert landscape streetscape design.

Whyte Avenue Streetscape, Old Strathcona, Alberta.
Ron was project manager and urban designer for this award winning streetscape, creating a successful historic district revitalization, including: pedestrian paving, street trees, lighting, banners, site furniture. Budget: $2.4 million.

Main Street Reconstruction, Whitehorse, Yukon
Ron was responsible for streetscape design, three downtown blocks including pedestrian paving, street trees, lighting, banners, site furnishings and amenities. Budget: $3 million.

Downtown Plan, Streetscape, St. Albert, Alberta
Ron led a downtown improvement/streetscape design with river park linkages. Design amenities included pedestrian paving, street trees, lighting, banners and site furniture. Budget: $2 million.

CULTURAL, INSTITUTIONAL, UNIVERSITY

ASU Malls, Tempe Campus, Arizona. Team leader, working with ASU on landscape design ideas for rehabilitation of three campus entries.

UNLV, Student Recreation & Wellness Center, Las Vegas, NV. Project Manager for landscape of new building at the University of Nevada at Las Vegas campus, working with DMJM Design, and Hastings+Chivetta Architects team.

The Polly Rosenbaum Archives & History Building, Phoenix, Arizona. Project Manager for landscape design, working with DWL Architects team.

Desert Botanical Garden, Opuntia Exhibit, Phoenix, Arizona. Ron led the design team to explore alternative ideas for expansion of this unique garden collection exhibit.

All Saints Episcopal Day School, Phoenix, Arizona. Ron coordinated with the architects on the landscape design to upgrade this campus. Budget: $300,000.

Baptist Hospital, Phoenix, Arizona. Working with the architectural team, Ron led the landscape design for a new building entry and the master plan to upgrade the existing parking and site. Landscape Budget: $200,000.

Canadian Museum of Civilization, Ottawa/Hull. Ron was project manager, designer and team leader for design of the landscape, water features and plazas for this unique 25-acre cultural site. A National Award-winning design project, published in ASLA Landscape Architecture Magazine, October 1989. Landscape Budget: $10 million.

King Abdulaziz University Campus, Jeddah, Saudi Arabia. Landscape Architect working with the architectural and engineering team on a Campus Master Plan, a Cultural Complex and Landscape Designs for new campus courts and associated student and faculty housing areas.

Résumé

Jason Harrington, R.L.A., A.S.L.A., A.S.I.C.

Director of Public Works and Urban Design, **e group.**

Education

Iowa State University 1990-1994
University of Northern Iowa 1988-1989

Professional Registration

Landscape Architect, Arizona #44161
Landscape Architect, New Mexico #396
CLARB Certified # 2689
Certified State Nurseryman - State of Iowa, June 1995

Professional Associations

ASLA Member, American Society of Landscape Architects.
ASIC – American Society of Irrigation Consultants

Employment History

2005 to Present: **e group.**, Phoenix, Arizona. Director of Public Works and Urban Design responsible for planning and landscape architecture design.

1/02 – 6/05: LA-IT / Project Manager with A DYE DESIGN in Phoenix, AZ
He was responsible for Project management and irrigation design of municipal and public projects throughout Arizona. He also oversaw production staff on multiple urban design and transportation projects, and assisted in public presentations and administration.

8/01 – 11/01: Sr. Project Manager with SITE Design Group, Inc. in Tempe, AZ.
Jason's role at this firm was project management of Skate Park and Extreme Sports projects concurrently across the U.S. He was also responsible for proposal generation and client contact, marketing, and staff management. Additional responsibilities included presentation graphics for public meeting, site analysis, planning, and schematic design, and product selection, cost estimating, construction documentation and specifications for projects.

1/00 – 8/01: Landscape Designer / Planner at Tetra Tech (Collins/Pina) in Phoenix, AZ.
Jason's tasks included manual and computer graphics and renderings, construction documents, and estimate preparation while at Tetra Tech. He was involved with recreation master planning and trail design on many projects including Design Concept Reports and environmental report documentation preparation.

8/98 - 1/00: Landscape Designer with David Evans & Associates in Phoenix, AZ.
As a designer, Jason's responsibilities included product selection, cost estimating, construction documentation and specifications for projects.

Responsibilities

As an **e group.** Director of Public Works and Urban Design projects, Jason is responsible for design and production of landscape architectural and planning projects. His direct responsibilities involve all phases of the design process, project coordination/administration, and construction supervision.

Experience

Jason has 13 years experience in the landscape architecture industry. He has additional years of experience as a Civil Engineering Testing Assistant, a Nursery Manager, and a Survey Technician. Jason is an accomplished designer and project manager. He has a strong background in planning and landscape design, irrigation design, graphic design, a wide range of plant material knowledge, extensive education in recreation planning, historic preservation and park/public space design. Jason has recent experience and interest in security design and planning for threat level conditions of public sites.

A highlight of Jason's project experiences include:

PARKS AND RECREATION

Thomas Road Bicycle & Pedestrian Improvements, Scottsdale, AZ Project manager and designer for 3 mile arterial road improvements to add bike lanes and improve pedestrian comfort in south Scottsdale.

Glendale Foothills Recreation Center, Glendale, AZ,; Project management / project designer for regional aquatics and recreation center landscape, irrigation, and hardscape project adjacent to the Skunk River.

Jerome State Park, Jerome, AZ,; Parking and circulation improvements to the historic 1916 Douglas mansion site in Jerome, Arizona, for Arizona State Parks and Arizona Department of Transportation. Jason was the project manager and landscape / irrigation designer.

Cross Cut Canal Multi-use Trail, Tempe, AZ

Grand Canyon EMS Building, Grand Canyon, AZ; Nation Parks Service Project. The Emergency Medical Services facility was updated and redeveloped for the 2020 Master Plan at the Grand Canyon. Project included plant salvage and planting design per NPS standards. Jason was the lead designer and lead coordinator.

Jefferson Park Improvements, Mesa, AZ,; City of Mesa Park improvements to an existing district facility.

Desert Valley Park, Glendale, Arizona. Project Manager to renovate and upgrade the existing flood irrigated sports fields into a neighborhood park.

Tempe Canal, Tempe Arizona. Working with the City of Tempe, managing the consulting team for the design of ¾ mile, multi-use path along the Tempe Canal. Jason was the project manager and Client contact for this project.

Agua Fria River Pathway, Avondale, Arizona. Project Manager and lead designer of the landscape integration with this multi-use path adjacent to eco-sensitive floodway.

William-Sam Skate Park, Midland, TX; City of Midland Parks Department desired to create a 25,000 SF skate facility at an existing park site. The skate park also included various site improvements such as an entry plaza, picnic structures, planting design, and hardscape circulation. Jason was the Project Manager and Site Planner.

Verdugo Skate Park, Glendale, CA.; Design of a skate facility within the existing Verdugo Park. The skate park was a concrete in-ground facility with street course elements and a divided bowl area. Jason was the Project Manager and Site Planner.

Prescott YMCA Skate Park, Prescott, AZ,; YMCA of Prescott, Arizona to design a facility for the client to use during summer camps. The skate park was a partial above ground facility with a rhythm course, a street course and included a 12' tall vert ramp and 9' kidney bowl. Jason was the Project Manager and Site Planner.

Paradise Valley Skate Park, Phoenix, AZ,; Performed construction administration of the skate facility in north Phoenix. Jason was the construction administrator.

Mesa Skate Court/Reed Park Improvements, Mesa, AZ,; Development of the final design and construction documents for City of Mesa's first skate park. Jason was the Project Manager and landscape designer on this project.

Tropicana & Flamingo Washes Recreation Plan, Clark County, NV;. The United States Army Corps of Engineers and Clark County Nevada Parks and Recreation Master Plan, outlining all existing recreation facilities and existing land uses within the Tropicana-Flamingo Washes watershed. The study includes approximately 19 miles of channels or washes and four existing detention basins. Preliminary recreation plans were generated for the four large basins, each over 120 acres in size. Jason was a supporting team member with a variety of duties.

Crossroads Park, Gilbert, AZ,; Park master plan for regional facility in the East Valley. Site included planning for ball fields, pedestrian paths, recreation areas, playground equipment and other park facilities. Jason was the project landscape designer and coordinator for this project.

McQueen Park, Gilbert, AZ,;. Park master plan for regional facility in the East Valley. Site included planning for ball fields, sports courts, picnic areas, playground equipment and other park facilities. Jason was the lead project coordinator for this project.

Nichols / Water Ranch Park, Gilbert, AZ,; Park master plan for regional facility in the East Valley. Site included planning for ball fields, pedestrian paths, recreation areas, playground equipment and equestrian trailheads. Jason was an assistant designer and project coordinator.

Lost Canyon Youth Camp, Williams, AZ,; Resort style Christian youth camp in Northern Arizona. The camp included open fields, sports facilities, and multi-use pathways. The water supply for the remote site was pumped from a recreational lake within the camp. Jason was the lead irrigation designer and site planning support.

Rio Salado Maintenance Facility, Phoenix, AZ,; US Army Corps of Engineers Study to recommend a site for the Rio Salado Project Maintenance Facility. The purpose of the investigation was to evaluate the suitability of three sites for a maintenance and operation center. Jason was the project manager and site planner for this project.

Agua Fria River, Maricopa County, AZ; The United States Army Corps of Engineers Preliminary Restoration Plan and design solution for habitat rehabilitation along a six-mile reach of the Agua Fria River. Jason was a coordination team member and graphics support to the project manager.

Buckeye Library Expansion and Recreation Facility, Buckeye, AZ,; Project included expansion of existing town library and construction of new Community Recreation Center at a separate site of this growing west valley community.

Pueblo Grande Museum, Phoenix, AZ; New artifacts storage building at historic landmark. Landscape and irrigation design of sensitive site around building using native plant materials and low water use irrigation system.

East Maricopa Floodway Multi-Use Corridor Study, Maricopa County, AZ,; Flood Control District of Maricopa County for the East Maricopa Floodway (EMF) Capacity Mitigation and Multi-Use Corridor Study in Maricopa County, Arizona. Development of three alternative master plans for the 27-mile EMF (renamed the Superstition-San Tan Corridor and Marathon Trail).

Arizona State University Packard Stadium Renovation, Tempe, AZ,; Site planning, landscape, hardscape and irrigation design for baseball stadium. The project involved construction of a new viewing berms and entrance plaza at University sports field.

Environmental · Geotechnical · Chemical · Materials Testing

2801 South 35th Street, Phoenix, AZ 85034

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STEPHEN J. SMELSER, R.G., C.E.M.
Principal

EDUCATION: B.S. in Geology, 1984
Arizona State University

REGISTRATION: Registered Geologist:
Arizona, California
Certified Environmental Manager: Nevada

CERTIFICATIONS: OSHA 40-Hour Training in Hazardous Waste Operations with Annual Update
American Red Cross First Aid and CPR Training

GENERAL BACKGROUND

Mr. Smelser is a Registered Geologist with more than 23 years of experience in Arizona on a wide variety of environmental, geotechnical, and geologic projects. His experience on environmental projects includes the performance and management of numerous Phase I and II environmental site assessments (ESAs); underground storage tank (UST) investigations; limited compliance evaluations; asbestos assessments; test drilling; soil sampling and logging; installation of groundwater monitoring wells; groundwater sampling; soil vapor extraction well installations; soil vapor sampling; and the installation soil vapor wells, air sparge wells and groundwater water wells for investigation and remediation of soil and groundwater. He has successfully completed hundreds of projects requiring these types of services, and he has managed and supervised staff conducting these services for more than 15 years.

Mr. Smelser's experience includes project planning; reviewing documents and files to collect data for analysis; conducting field explorations to gather data for further evaluation; site visits and audits to gather data for report preparation; technical review of permits for compliance sampling, testing, and monitoring; technical research to obtain regulatory closure of sites and facilities; evaluating remedial alternatives; conducting feasibility studies; risk assessments; managing environmental remediation systems; researching historical and technical information; and preparation of plans, specification, and technical reports. He is very familiar with the Arizona Department of Environmental Quality's (ADEQ's) regulatory requirements. He has assisted developers, site owners, attorneys, and lending institutions regarding environmental site assessments, compliance monitoring, analysis of regulations, and permitting.

STEPHEN J. SMELSER, - INDIVIDUAL PROJECT EXPERIENCE

Soil Investigation/Consent Order Compliance Assessment /Demolition Oversight/Data Collection and Evaluation/Remediation, Gould Manufacturing Facility, Chandler, Arizona Project Manager for investigation of the soils beneath numerous manufacturing areas where concrete floor slabs/containments had significantly deteriorated, and ADEQ required investigation. Prepared workplans; directed investigation of the subsurface soils for heavy metals and cyanide; designed investigation programs to keep the manufacturing areas operational during the assessment activities. Principal for site assessment, characterization, and remediation of soil contamination and backfill during facility demolition under ADEQ oversight. GEC collected over 4,000 soil samples for analytical testing and evaluation, and conducted hundreds of field tests. Directed soil sampling activities, collection and analysis of data, and technical report preparation.

Phase I and II Environmental Site Assessment, Former Industrial/Commercial Site, Phoenix, Arizona: Project Manager for the assessment of a former industrial/commercial facility in west Phoenix, Arizona used in the past as a used car lot, used airplane parts salvage yard, a clay pipe manufacturer, and a portable toilet and dumpster cleaning and storage facility. Phase I tasks included site reconnaissance, interviews, agency record review, aerial photograph review, historical research, identifying previous tenants and past site activities, data evaluation, and technical report preparation. During the Phase I investigation, discrepancies were identified in UST records, fire records, and previous Phase I reports. The Phase II investigation included the performance of a geophysical survey using a subcontracted geophysicist, the excavation of test pits, and auger drilling with soil sampling and testing. The Phase II assessment identified a former UST pit, two remaining USTs that were not registered, a drywell containing concentrations of heavy metals, and a septic system that may have previously received industrial discharges.

Land Transaction Due Diligence for Valley Metro Light Rail Project, Tempe, Arizona: Principal for a number of Phase I and II environmental site assessment services for multiple commercial, residential, and transportation properties. The projects involved assisting the City of Tempe in making decisions regarding acquisition of property in and along the Apache Boulevard corridor for the Valley Metro Light Rail project. Phase II services included geophysical surveys, exploratory excavation, exploratory drilling, and soil and soil-gas sampling and testing for the evaluation of drywells, USTs, sumps, and hydraulic lifts.

Environmental Site Assessments, Various Facilities, Statewide, Arizona: Principal for conducting environmental assessments on hundreds of properties throughout the southwest United States including vacant land, agricultural fields, residential and commercial developments, and industrial and manufacturing facilities. These assessments included technical research and review of historical aspects of each property from various sources and collection of data and information for preparation of a report.

ADOT Right-Of-Way Abandonment, Florence, Arizona: Project Engineer for the abandonment in-place of three USTs and the removal of one hydraulic lift. The project involved widening State Route 79 south of Florence. The USTs encroached on the new right-of-way for State Route 79. The USTs were abandoned in-place to prevent damage to a nearby building. Directed the field activities, obtained soil samples from beneath the USTs using a drilling contractor, and wrote the technical report.

UST Investigation and Removal - Phoenix, Arizona: Directed GEC's efforts to remove a 10,000-gallon underground storage tank (UST) encountered during realignment of 24th Street on the west side of Sky Harbor International Airport for the City of Phoenix. The project was complicated since the UST was unregistered, contained about 10,000 gallons of gasoline, and was next to a newly installed water main. GEC coordinated with the Arizona Department of Environmental Quality and local fire department to obtain the appropriate permits for closure of the UST. GEC performed an historical review of the site which revealed that the UST was for a former car rental facility and that another UST was likely present. Our services included a metal detection survey and exploratory excavation in the suspected area of the other UST. A 500-gallon UST was discovered during this work. The USTs were removed within one week of discovery. GEC obtained soil samples after the USTs were removed and prepare a closure report for both USTs. The work was completed within ADEQ's requirements and minimal impact to the roadway project.

Environmental Geotechnical Chemical Materials Testing

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MARVIN J. SILVA, Ph.D, P.E.
Project Manager

EDUCATION:

Ph.D. in Geotechnical/Geoenvironmental Engineering
University of Alberta, Canada, 1999
Associate Degree in Civil Engineering Technology
Northern Alberta Institute of Technology, Canada, 1991
M.S.E. in Civil/Agricultural Engineering
Agricultural Institute of Odessa, Ukraine, 1985
B.S.E. in Civil Engineering
Universidad Nacional Autonoma de Nicaragua, 1981

REGISTRATIONS:

Professional Engineer:
Arizona (Civil) - License No. 43472; Massachusetts (Civil);
Alberta (Civil), Canada

GENERAL BACKGROUND

Dr. Silva is a professional Geotechnical Engineer with over 25 years experience on a wide variety of projects. Dr. Silva has planned, conducted, and completed numerous geotechnical, environmental, and materials investigations and studies. His experience includes client contact, project planning, proposal and cost estimate preparation, planning and conducting field investigations, preparing laboratory testing programs, conducting engineering evaluations and analyses, developing engineering recommendations, and preparing technical reports. His experience includes recommendations relative to shallow and deep foundations, retaining walls, shoring systems, earth dams, surface and subsurface drainage systems, slope stability analysis, and recommendations for reinforcement using geosynthetic materials. His computer modeling experience includes soil/rock slope stability analysis, reinforced soil slope, soil nailing, design of geogrid reinforcement, and contaminant transport analyses in landfill sites. His shoring analysis and design experience include timber shoring, cantilever driven soldier/sheet piles, soldier/sheet pile with single and multiple tiebacks, and soil nailing using methods described in NAVFAC, FHWA, and CALTRANS. He has developed in-house computer models to calculate settlements based on compression tests and standard penetration tests. He is experienced with the geotechnical investigation and pavement design requirements of the City of Chandler, City of Tempe, Town of Gilbert, Arizona Department of Transportation, and the Maricopa County Department of Transportation.

Dr. Silva's experience on geotechnical/materials testing/environmental projects includes directing and conducting field investigations using conventional methods (i.e., borings, test pits, etc.) and non-conventional methods (i.e., cone penetration, seismic refraction, etc.), directing and conducting all types of conventional (i.e., direct shear, unconfined compression, simple shear, sieve analysis, Atterberg limits, etc.) and specialized laboratory testing (i.e., plate load test, triaxial test, etc.). His projects have involved sampling of air, soils, rock and groundwater. He has planned, directed and conducted installation, monitoring and sampling of groundwater wells and piezometers; preparation of plans and specifications; consultation during construction; materials testing; and forensic evaluations. He has conducted earth fissure and land subsidence studies using Interferometric Synthetic Aperture Radar (InSAR).

He has planned, directed, and conducted engineering observation and materials testing during construction of numerous projects. These materials have included soils, soil-cement, slope protection materials, fabrics, geogrids, concrete and asphalt. He has conducted visual inspection of small and intermediate concrete and earth dams providing recommendations for dam repairs and maintenance.

MARVIN J. SILVA, P.E., Ph.D. - INDIVIDUAL PROJECT EXPERIENCE

Geotechnical Investigation, Marley Park Development, Surprise, Arizona: Project Manager for the geotechnical investigation of a 960-acre development. Conducted geotechnical explorations and construction observation and materials testing on the first half of the development. Conducted numerous geotechnical explorations for various developments within the community for buildings, roadways, utilities, and other infrastructure improvements.

Geotechnical Investigation – Parcland Crossing Mixed Use Development, Chandler, Arizona: Project Manager for geotechnical investigation for 80-acre mixed use commercial and residential development. Supervised field investigation and sampling and testing programs. Provided geotechnical recommendations for all aspects of the proposed development, including residential and commercial structures, local, collector, and arterial roadway pavements, and utility line installation. Arterial and collector roadways included sections of Alma School Road and Willis Road. Performed evaluation of suitability of the use of buried PVC pipe as specifically required by the City of Chandler.

Geotechnical Investigation – Dysart Road Improvements, El Mirage, Arizona: Project Manager for geotechnical investigation for one-mile reach of Dysart Road from Peoria Avenue to Northern Avenue. Developed traffic control plan and coordinated traffic control during the field exploration. Supervised field investigation and sampling and testing programs. Provided geotechnical recommendations for arterial roadway pavements.

Excavation Plan/Slope Stability/Observation, Gould Manufacturing Facility, Chandler, Arizona: Project Engineer for the preparation of Excavation Plans for the demolition and remediation of existing industrial plant. Slope stability analyses were conducted for the side slopes of the temporary excavation. The maximum depth of the open excavation was about 33 feet and the maximum side slope recommended was 0.5H to 1V, which was based on a minimum factor of safety of 1.5. Observation of the excavation side slopes were performed twice per month giving recommendations to correct deficiencies and making modifications during excavation depending on soil profile changes.

Geotechnical Investigation – Prasada Commercial Development, Surprise, Arizona: Project Manager for geotechnical investigation for 425-acre commercial development. Supervised field investigation and sampling and testing programs. Provided geotechnical recommendations for all aspects of the proposed development, including foundation recommendations, and local, collector, and arterial roadway pavements. Arterial roadways included sections of Cotton Lane, Greenway Road, Sarival Avenue, Cactus Road, and Waddell Road.

Excavation Plan/Slope Stability/Observation - Gould Electronics, Inc. - Chandler, Arizona: Project Engineer for the preparation of Excavation Plans for the demolition and remediation of existing industrial plant. Slope stability analyses were conducted for the side slopes of the temporary excavation. The maximum depth of the open excavation was about 33 feet and the maximum side slope recommended was 0.5H to 1V, which was based on a minimum factor of safety of 1.5. Observation of the excavation side slopes were performed twice per month giving recommendations to correct deficiencies and making modifications during excavation depending on soil profile changes.

Geotechnical Investigations - Verrado Master Planned Community, Buckeye, Arizona: Project Manager for numerous geotechnical investigations of a new residential community on over 8,000 acres of vacant desert and previously developed land in Buckeye, Arizona. The project includes evaluation of former gravel mining areas, a large slope mitigation area to evaluate current conditions and potential slope restoration alternatives, and Phase II, and III developments including major and minor roads, multiple utilities, numerous drainage channels and washes, box culverts, retention basins, a golf course, a school, various commercial developments, and numerous residential subdivisions.

Environmental · Geotechnical · Chemical · Materials Testing

2801 South 35th Street, Phoenix, AZ 85034

ph 602.393.4800 info@gecaz.com 602.393.4801 fax

MICHELLE A. FOWLER, P.E.
Project Manager

EDUCATION: B.S.E. in Chemical Engineering
Arizona State University, 1987

REGISTRATIONS: Professional Engineer
Arizona (Chemical)

CERTIFICATIONS: OSHA 40-Hour Training in Hazardous Waste Operations with Annual Updates
American Heart Association First Aid and CPR Training

GENERAL BACKGROUND

Ms. Fowler is an Arizona-registered professional engineer (Chemical) and Project Manager with over 20 years of professional experience in Arizona. During her years of working experience, Ms. Fowler has supervised a broad range of environmental services, including Phase I Environmental Site Assessments (ESAs); development and implementation of work plans to characterize potential subsurface soil and groundwater impact from various chemicals such as solvents, petroleum fuels, heavy metals, and pesticides; and assessment, remediation, and/or closure of subsurface features such as septic systems, drywells, pits, groundwater wells, and sumps; waste testing and characterization; preparation of annual Toxic Chemical Release Inventory Reports (Form Rs), Facility Annual Reports (FARs), and hazardous material inventories (Tier II's); underground storage tank (UST) closures and leaking UST assessments; reviewing applicable historical records, regulatory files, and facility documents; directing field personnel to complete project scope of work; compliance assessments; regulatory closures of facilities; preparation of Spill Prevention, Control, and Countermeasure (SPCC) and Best Management Practices (BMPs) Plans;

Her experience as a Project Manager includes project planning; development and monitoring of project budgets; interaction with regulatory agencies, lawyers, and various types of clients including government agencies and private industries; and reviewing documents and files and preparation and implementation of work plans to gather information and data to develop recommendations and conclusions with regards to a property.

MICHELLE A. FOWLER - INDIVIDUAL PROJECT EXPERIENCE

Phase I and Phase II Environmental Site Assessments, City of Phoenix - Phoenix, Arizona: Project Manager for hundreds of Phase I ESAs throughout the Phoenix metropolitan area for various agencies in the City of Phoenix. Properties have included desert land, manufacturing facilities, machine shops, food manufacturers, agricultural land, gasoline stations, automotive repair and salvage facilities, and soda bottling facilities. Also contracted by the City of Phoenix Streets Department to perform Phase I ESAs for planned right-of-way procurements located along major roadways including 51st Avenue between Buckeye Road and Van Buren Street, McDowell Road between 75th and 83rd Avenues, and 35th Avenue between Broadway Road and Southern Avenue. Based on the results of the Phase I ESAs, was the Project Manager for the development and implementation of work plans for Phase II ESAs which have included sampling and closure of a septic tank for an automotive repair facility, regulatory file review, drywell assessments, subsurface soil sampling and analysis, and soil remediation.

Phase I and II Environmental Site Assessments for Light Rail Station; Phoenix, Arizona: Project Manager for a project where the City of Phoenix planned to construct a light rail transfer station. The area of interest had been developed with service stations with multiple generations of USTs, a car wash with USTs, and a dry cleaning facility. These facilities operated on the site since the 1950s to the present. GEC performed a Phase I ESA, which included summarizing historical data obtained for the various facilities that had been located on the site and preparing groundwater and soil contaminant plume maps based on this data. Developed a work plan, that was approved by the Environmental Protection Agency (EPA) under the Brownfields program, to perform a comprehensive Phase II ESA of the site to assist the City of Phoenix in assessing if soil, soil/gas, or groundwater at the site contained contamination that may affect construction workers or future users or operators of the light rail station and how this contamination impacted the value of the site. This work included drilling test borings to obtain soil and soil/gas samples of the surface and subsurface soils, the installation of ground monitoring wells and nested soil vapor monitoring wells, abandonment of an existing groundwater monitoring well, sampling and testing of groundwater from the groundwater monitor wells and soil/gas from the soil vapor monitoring well, and disposal of investigative derived wastes.

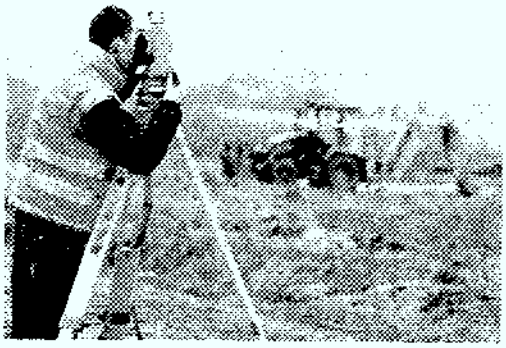
Phase I and II Environmental Site Assessments at Marley Park Development, Surprise, Arizona: Since 2004, has acted as the Project Manager for former agricultural land being converted to a residential community in Surprise, Arizona. The agricultural property included a former farm worker housing area, a former equipment maintenance area, irrigation wells, and crop land. Performed Phase I ESAs for portions of the property to be sold to different developers, prepared and implemented work plans to remediate selected areas on the property including the former housing and maintenance areas, oversaw Phase II ESA and soil remediation activities at former maintenance and housing areas and former farm fields, applied for and obtained Arizona Department of Environmental Quality (ADEQ) decisions of No Further Action (NFA) and Declaration of Environmental Use Restrictions (DEURs) for areas planned for commercial development, and worked with ADEQ to removed an area planned for a recreational park from coverage by a DEUR.

Phase I and Phase II Environmental Site Assessments, City of Mesa, - Mesa, Arizona: Project Manager for Phase I ESAs including assessment of a portion of 39 different properties where a planned light rail transportation system was to be constructed along a major City of Mesa thoroughfare. Properties included apartment complexes, automotive repair facilities, shopping centers, and restaurants. Based on the Phase I ESA reports, City of Mesa contracted with GEC to complete a Phase II ESA of a former gas station. Based on the results of the Phase II ESA of the property, GEC concluded the former operation of the gasoline station was unlikely to impact planned City of Mesa development activities. Also, Project Manager for Phase I ESAs on various types of properties including desert land, an automotive repair facility, and a property located at the Falcon Field Airport owned by the City of Mesa.

Preliminary Initial Site Assessments (PISA) and Phase I ESAs, UST Closures, Subsurface Soil and Groundwater Investigations - Arizona Department of Transportation (ADOT) - Statewide, Arizona: Worked on over 100 Preliminary Initial Site Assessments (PISA) and Phase I ESAs for ADOT, both as a contractor and subcontractor. The PISAs and Phase I ESAs have included single locations, such as a servicestations, industrial and commercial sites, and vacant land, to right-of-ways several miles long, such as the Grand Avenue Expressway. Worked with ADOT to successfully investigate and/or close both USTs and LUSTs.

Phase I/Phase II Environmental Site Assessments and Hazardous Waste and Materials Consultation, - Phoenix and Casa Grande, Arizona: Provided client with hazardous waste and materials consultation and performed Phase I ESAs. Projects have included an agricultural property with wildcat dumps, groundwater wells, and a pesticide aerial applicator, sod farms, a former grain distribution facility, and a metal frame assembly facility. Based on their Phase I ESAs, Investigated various environmental concerns to assess potential impacts to the various properties.

City of Avondale



ADDENDUM No.1

FY 2008/2009
Professional Consultant
Selection List

RITOCH-POWELL
& ASSOCIATES

CITY OF AVONDALE
ACKNOWLEDGMENT OF ADDENDA RECEIVED
REQUEST FOR STATEMENTS OF QUALIFICATIONS

FY 2008/2009 Professional Consultants Selection List
EN08-017

Addendum No. 1

Ritoch-Powell & Associates, affirms that ADDENDUM No. 1 has
(Name of Vendor/Designee)
been received and that the information contained in ADDENDUM No. 1 has been incorporated in formulating the Vendor's Offer.

Signed, April 16 2008
Date

Karl Obergh
Print Name

President
Title

Ritoch-Powell & Associates
Company Name

3800 North Central Avenue, Suite 605
Address

Phoenix, Arizona 85012
City, State, Zip Code

END OF ADDENDUM No. 1

850925.1

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
RITOCH-POWELL & ASSOCIATES CONSULTING ENGINEERS, INC.

[Scope of Work]

See following pages.

SCOPE OF WORK

A BACKGROUND

The City has requested Community Development Block Grant funds to improve the neighborhood from Central Avenue to 3rd Avenue and from Lower Buckeye Road to Mountain View Drive. The improvements will consist of replacing existing water meters for individual properties with a new one-inch (1") copper service from the mainline, removal and replacement of existing sanitary sewer lines in order to provide a single point of service for each individual property, upgrade existing sidewalk ramps to meet ADA standards, install new street lighting, and the design of miscellaneous paving and drainage improvements.

EXAMPLE: The Riggs Road project consists of improving Riggs Road to a six-lane roadway, from Gilbert Road to Val Vista Road. Improvements include a raised median; left and right turn lanes; curb and gutter; vertical curb; sidewalk; drainage features; traffic signals; street lighting; irrigation and landscaping; utility relocations; and right of way acquisition.

B GENERAL TASKS

B.1 GENERAL REQUIREMENTS – THE DESIGN AND ALL WORK SHALL CONFORM TO THE LATEST EDITION AND AMENDMENTS OF THE FOLLOWING:

- MAG Uniform Standard Specifications and Details
- City of Avondale Supplement to MAG Uniform Standard Specifications and Details for Public Works Construction ("City Supplement")
- U.S. Department of Transportation, Manual on Uniform Traffic Control Devices for Streets and Highways
- AASHTO *Policy on Geometric Design of Highways and Streets*
- The Code of the City of Avondale
- In the event that there is a conflict between the provisions of any of the aforementioned documents, the provisions of the City Supplement shall control.

B.2 DATA COLLECTION

- City shall provide upon request at no cost to Consultant the following existing information as available, not necessarily limited to, as-built drawings, related design studies and reports, geotechnical investigations, traffic data and projections, maintenance records, and drawings of developments planned within the project area.

- Consultant shall keep a log of all documents and information provided by City staff and related stakeholders.

B.3 PUBLIC UTILITY COORDINATION

- Consultant shall coordinate with utility companies, private development, and the City to incorporate existing and proposed utilities into the construction plans, in accordance with the latest version of the Arizona Utility Coordinating Committee "Public Improvement Project Guide." Consultant shall show all existing and proposed utilities on the paving plan and profile sheets.

- Consultant shall coordinate with each utility company to determine if the utilities have any need to upgrade their facilities before or during the project's construction.

- Consultant shall work with the City to coordinate the early determination of facilities that may be abandoned or deactivated.

- Consultant shall be responsible for field verifying the horizontal locations of all utilities within the project limits prior to the Preliminary (30%) design submittal. Consultant shall prepare base maps detailing all existing utility data and transmit them to the utility companies for verification and comment concerning the utility locations. Consultant shall incorporate the utility company comments into the base maps.

- Consultant shall specifically identify utility conflicts, with input from utility companies, which might affect alignment or grade and recommend alignment alternatives. Include overhead conflicts which might affect overhead light equipment or materials installation.

- Consultant shall send a letter to each utility company notifying them of the project and defining the project scope and timeline, and shall also send plans at each submittal phase to each utility company for their review along with a request for written response from each company to determine the disposition of their utility as it relates to the planned roadway improvements. Consultant shall incorporate the utility company and private developer construction requirements into the bid documents.

- Consultant shall provide the utility companies with electronic base files or other pertinent information necessary for the utility companies to design the relocation of their facilities. Consultant shall coordinate with the utilities to facilitate the design to relocate their facilities. Consultant shall request a letter from each utility impacted by the planned roadway improvement identifying a time line for relocating their facilities.

- Prior to 30% plan submittal, Consultant shall develop preliminary alignments of any utilities requiring relocation for which the City's Utility Coordinator has requested an alignment design. Consultant shall submit preliminary locations to each utility for review along with a request for written response from each utility.

Consultant shall make joint trenching recommendations for underground utilities, and submit those recommendations to the City's Utility Coordinator for approval.

- At the 70% design submittal, Consultant shall develop a utility strip map showing all existing and proposed utilities designed by others i.e., SRP, APS, and existing and proposed easements for each utility provided by utility stakeholders, to include parcel numbers and addresses, at a scale of 1"=40' H.

- Consultant shall work with the City's utility coordinator to facilitate utility coordination meetings upon notice to proceed and at the 70% submittal and provide a strip map showing proposed City and private installations, and existing and proposed easements.

- Consultant shall review all utility plans for constructability within the project limits.

- Prior to submittal of Final (100%) construction documents, Consultant shall be responsible for ensuring all utility relocations have been designed and coordinated with proposed City and private installations, and that such relocations will not impact the proposed construction schedule of the City's project. ADOT style Utility Clearance letters from each utility stakeholder shall also be submitted for the project.

B.4 PROGRESS MEETINGS

- Consultant shall hold the following progress meetings at the City of Avondale's offices or project site.

  - A Project kickoff meeting shall be held no later than two weeks after receiving the notice to proceed (1 meeting).

  - Comment Resolution Meetings shall be held no later than one week after redlines are returned to Consultant after the 30% and 70% plan submittals (2 meetings).

  - Utility Coordination Meetings shall be held at each the 30% and 70% plan submittal and one additional meeting if required (3 meetings).

- Consultant shall prepare and distribute meeting minutes for each Progress Meeting, including Action Items to be reviewed and updated at each Progress Meeting. The minutes are to be reviewed and approved by the City's Project Manager prior to distribution and updated at each Progress Meeting.

B.5 PUBLIC MEETINGS

- Consultant shall prepare for and participate in a Public Information Meetings. Consultant shall prepare display boards that feature the horizontal alignment and depict the existing right-of-way from the most recent plan submittal, and also a display board depicting the proposed improvements (1 meeting).

- Consultant shall be responsible for the following:

  - Develop and setup display boards
  - Prepare a meeting sign-in sheet
  - Give a brief presentation and answer questions as needed
  - Prepare and make available a public comment sheet at each meeting.
  - Prepare and distribute meeting minutes.

- City shall be responsible for the following:

  - Secure a location and time for each public meeting
  - Prepare and distribute mailers/flyers to those residents within and adjacent to the project corridor, if required
  - Prepare newspaper notice of meeting, if required

B.6 PROJECT MANAGEMENT

- Consultant shall prepare regular progress reports; perform regular budget and schedule monitoring; coordinate with utilities, City representatives and other project stakeholders; and manage sub-consultants.

B.7 DESIGN SURVEY

Consultant shall perform all project survey as detailed below:

- Consultant shall perform ground survey to establish horizontal and vertical control throughout the project limits based on the datum specified by the City. Survey control for the project shall be in accordance with City requirements Currently, the horizontal survey data used for the project shall be presented in State Plane Coordinates, North American Datum of 1983 (NAD 83) 1992 epoch, and Arizona Central Zone, International Foot. Vertical datum shall be referenced to the North American Vertical Datum of 1988 (NAVD 88), International Foot. Existing roadway centerline shall be established through Maricopa County Recorder's maps and land surveys in conjunction with existing street monuments. Aerial surveying and mapping procedures such as Global Positioning System (GPS) methods are acceptable provided the above criteria are adhered to.

- Consultant shall perform a full topographic survey of all existing features including but not limited to curb and gutter, sidewalk, sidewalk ramps, driveways,

catch basins, scuppers, *water meter boxes*, water and gas valves, manholes, utility poles and guy wires, street signage, light poles, utility boxes, fences, trees, mailboxes, public and private irrigation, plants and shrubs, adjacent finished floors, and ground elevations at the existing right-of-way line.

- Consultant shall perform a survey of all existing Finish Floor Elevations (141 homes), to include printing and delivery of door hangers detailing the date our crew will be on site.

- SURVEY LIMITS:

  - Consultant shall obtain cross section elevations at 25-foot intervals at the following locations;
    - the crown line or centerline of the roadway
    - the lip of gutter
    - the gutter flow line
    - the face of curb
    - the back of curb
    - the back of sidewalk
    - the back and edges of driveway
    - the existing property fence

  - Consultant shall take elevations at the inverts of all catch basins, manholes, pipes, rim elevations of manholes and all water valve nuts within the project limits. Consultant shall establish temporary benchmarks as necessary.

  - Consultant shall provide a sketch showing each benchmark and temporary benchmark with a minimum of 3 ties to features that will not be disturbed by construction.

B.8 RIGHT-OF-WAY BASE MAPPING

Consultant shall prepare a base map of the existing right-of-way. It is anticipated that there will be no new right-of-way, legal descriptions, temporary construction easements or right of access agreements required for this project. The City of Avondale will provide RPA with electronic or hard copies of existing right-of-way information within the project limits. This data will be added to the CAD files to be referenced into the improvement plans in order to verify all design will occur within public right-of-way.

B.9 TOPOGRAPHIC BASE MAPPING

Consultant shall prepare a topographic base map using the data collected during the survey and data collection phase of the project. This base map will represent the existing conditions within the project limits and will be used to determine exact design elements, sizes and locations required. A complete Digital Terrain Model (DTM) of the project will be included in the base map.

B.10 UTILITY BASE MAPPING

Consultant shall field verify the horizontal locations of all at or above grade utilities within the project limits and shall prepare base maps to detail this information and transmit them to the utility companies for verification and comments concerning the utility locations. RPA shall incorporate the utility company comments into the base maps.

B.11 PLANS, SPECIAL PROVISIONS AND OPINION OF PROBABLE COST

Consultant shall prepare plans, special provisions and opinion of probable cost for the project in accordance with City standards. The plans shall include, but not be limited to:

- Cover Sheet
- Typical Roadway Sections Sheets
- General Notes & Index Sheets
- Special Detail Sheets
- Paving & Drainage Plans/Profiles (1”=20’H/1”=2’ V) – See Task 12 for additional information
- Sanitary Sewer Plans (1”=20’ H/1”=2’ V) – See Task 15 for additional information
- Waterline Plans (1”=20’ H/1”=2’ V) – See Task 16 for additional information

- Consultant shall submit plans at the 30%, 70% and 100% stages. The plan submittals will follow the checklists provided by the City.

- As requested at the 30%, 70% and 100% plan submittals, Consultant shall submit a CD containing complete improvement base files in AutoCAD .DWG format, and AutoCAD .DWF (Design Web Format) exports of each plan sheet or scanned .PDF images of each plan sheet.

- At the completion of the design, Consultant shall submit a CD containing complete improvement base files in AutoCAD .DWG format and scanned .PDF images of each plan sheet (signature set.)

- Specifications will be in accordance with the MAG Standard Specifications and City of Avondale Standard Specifications. Consultant shall supply special provisions for all items not adequately covered by the standard specifications.

- Consultant shall prepare an opinion of probable cost for all pay items per the standard specifications and special provisions.

- Following each review, Consultant shall review the City’s comments and complete the comment resolution forms provided by the City. Consultant will provide a matrix that summarizes the comments and indicates whether the

comment was incorporated or provides justification for not implementing the change noted in the plan review comments. Consultant shall provide the comment matrix to the City one week prior to the Comment Resolution Meeting. All comments will be incorporated unless otherwise authorized by the City.

- Consultant shall return redline comments with each plan submittal.

- Consultant shall be responsible for delivering to the City a complete set of constructible plans and shall be responsible for ensuring constructability of such plans.

B.12 PAVING PLAN/PROFILES

- Consultant shall perform work necessary to create Typical Roadway Sections, Geometric Layout and Paving Plan & Profile Sheets within the existing right-of-way and existing curb & gutter street section. The existing roadway will not be widening with this project, however specific areas of pavement may be replaced as determined by the project team during the field review.

- Consultant shall prepare paving and profile plans at a scale of 1”=20’ horizontal and 1”=2’ vertical, to include base sheet preparation including survey control, topographic mapping, centerline stationing, curb and gutter, sidewalk, handicap ramps, driveways, intersecting streets, utilities, existing right-of-way, existing utilities, construction notes, etc. Profiles shall show centerline stationing, existing ground, proposed curb and gutter grades, benchmarks and underground utilities.

- Consultant shall design new sidewalk ramps for only those locations where existing sidewalk ramps are currently located. No new sidewalk ramp locations will be designed for this project. All newly designed sidewalk ramps will conform to the latest ADA requirements. If existing sidewalk ramps meet ADA requirements they will remain as-is.

- Consultant shall examine all existing sidewalk and curb & gutter facilities to determine if replacement is required based on deterioration. If new facilities are required the Consultant shall prepare plans detailing the replacement.

B.13 DRAINAGE DESIGN

- Consultant shall ensure adequate street drainage is being maintained for all existing streets wherever possible. All non-compliant pavement grades will be reconstructed to maintain positive drainage within the existing curb & gutter street section. No new curb & gutter will be designed for this project.

- The drainage design will be incorporated into the roadway paving plan and profile sheets.

B.14 STREET LIGHT PLANS

- Consultant shall design street lighting within the project limits in accordance with applicable City of Avondale Street Light Standards and Specifications. See Wright Engineering Scope and Fee proposal for detailed information.

B.15 SANITARY SEWER PLANS

- The existing configuration for the sanitary sewer is that for every two properties there is a "Y" connection that goes into the main sanitary sewer trunk line. The purpose of this project is to eliminate the "Y" connection and provide a single sanitary sewer line from each property to the main sanitary sewer trunk line.

- Consultant shall design sanitary sewer services from the main sanitary sewer trunk line to the property line of each parcel within the project limits.

- Consultant shall attempt to maintain every other sanitary sewer connection thus eliminating and/or capping the "Y" connection. The remainder of the properties shall receive a new sanitary sewer connection directly from the main sanitary sewer trunk line.

B.16 WATERLINE PLANS

- Consultant shall design a new water service to each parcel from the main waterline to the property line.

- Consultant shall specify a new one-inch (1") copper service line be installed from the main waterline to the existing property line. Each new service line will incorporate a new water meter to be located at the existing property line.

- The existing water meter at each parcel will be salvaged by the contractor. The City will relocate the meters per the project plans. The contractor will install the new meter box and service line at the existing right of way.

- The Consultant shall specify up to 141 new water meters and new one-inch (1") service connections within the project limits.

- The Consultant will design two (2) fire hydrant, relocations or new services.

B.17 GEOTECHNICAL

- Consultant shall conduct a visual geologic reconnaissance of the project area and review available geologic literature and aerial photographs of the project site. Consultant shall conduct a visual pavement reconnaissance of the roadway segments within the project limits to determine the segments of pavement to remain as-is and the segments that will require reconstruction.

- Consultant shall establish test locations in the field and arrange for the mark-out of underground utilities through Arizona Blue Stake.

- Consultant shall core the existing pavement of the roadway segments in question at up to ten (10) locations to determine the existing structural (asphalt and aggregate base) section.

- Consultant shall perform geotechnical investigation per City request. See Alpha Geotechnical Scope and Fee proposal for detailed information.

B.18 UTILITY LOCATING SERVICES (POTHOLING)

- Following the 30% design phase, Consultant shall develop a list of proposed pothole locations detailing the type of utility and location to include the pothole number, northing, easting and elevation. This list will be provided to the City and the City shall be responsible for obtaining a contractor to perform these services.

- Consultant shall coordinate with the potholing contractor to ensure all data is obtained in a timely manner and provided in an acceptable format to be utilized for final design services.

B.19 CONSTRUCTABILITY REVIEW

- Constructability review services shall consist of the reviewing construction plans, special provisions, utility relocation plans and other construction contract documents for conformance to the design.

C CONSTRUCTION DOCUMENTS

Consultant shall prepare the construction documents for each design submittal listed in the table below.

Construction Document	**30%**	**70%**	**Final**
Face Sheet	F	F	S
Design Sheet/Index	P	P	S
Special Detail Drawings	P	P	S
Typical Roadway Sections	F	F	S
Paving Plan & Profile Sheets	P	P	S
Waterline Sheets	P	P	S
Sanitary Sewer Sheets	P	P	S
Utility Plan/Profile/Details	P	P	S
Lighting Plans & Details	P	P	S
Quantity & Cost Estimate	P	P	S
Special Provisions	P	P	S
Geotechnical Report	NA	P	NA
Utility Strip Map	P	P	NA

P – Denotes Preliminary, F – Denotes Final, S – Denotes Sealed

C.1 PRELIMINARY (30% & 70%) PLANS

- Consultant shall incorporate any changes, corrections and/or additions as a result of the previous plan review. Consultant shall submit to the City all previous redline comments, six (6) copies of comment resolutions, three (3) full size sets of construction plans, three (3) half size sets of construction plans, six (6) copies of the opinion of probable costs, six (6) copies of the special provisions.

- Consultant shall submit a copy of the "Testhole Data Summary Sheet" and one (1) full size set of construction plans to each utility company affected by the project.

- Consultant shall submit a CD containing complete improvement base files in AutoCAD .DWG format and scanned .PDF images of each plan sheet.

C.2 FINAL (100%) CONSTRUCTION DOCUMENTS

- Consultant shall incorporate any changes, corrections and/or additions as a result of the 70% plan review. Consultant shall submit to the City all previous redline comments, six (6) copies of comment resolutions, one (1) sealed set of special provisions, one (1) full size set of sealed construction plans, and one (1) copy of the final opinion of probable cost and bid schedule.

- Consultant shall submit a CD containing complete improvement base files in AutoCAD .DWG format, and scanned .PDF images of each plan sheet.

D POST-DESIGN SERVICES

- Consultant shall attend and actively participate in a pre-bid meeting. Consultant shall give a brief overview of the project and address questions related to the construction documents. Consultant shall prepare and deliver to City to issue any necessary Addenda for clarification or correction of the construction documents.

- Consultant shall assist the City during construction by answering RFIs.

E QUALITY CONTROL

- Consultant shall institute and comply with the Design Quality Control Plan established for the project.

F PROJECT SCHEDULE

Consultant shall produce a project schedule within one week of the Notice to Proceed and adhere to the schedule established for the project and such schedule may not be modified or deviated from without written consent by the City. Consultant shall revise and submit for review an updated schedule whenever completion of the project design, or any of the partial completion points listed in the schedule are delayed by one week or more. Such adjusted schedule shall include a written explanation stating

the reasons for the schedule change and a plan for getting back on schedule. Consultant shall take all reasonable action necessary to get the project back on schedule and City shall cooperate to assist Consultant.

Excluded Items:

- Signing and Striping Plans
- Landscape and Irrigation Plans
- Stormwater Pollution Prevention Plans
- Erosion and Sediment Control Plans
- Environmental Investigation and Clearance
- Cross Sections
- Earthwork Quantities and/or Calculations
- Field Staking of Potholes
- Construction Management or Observation/Inspection
- Participation in Construction Meetings
- Right-of-Way Acquisition
- Obtaining Title Reports
- Provide Legal Descriptions & Exhibits
- Survey Finish Floor Elevations of Existing Properties

WRIGHT ENGINEERING CORPORATION

ELECTRICAL ENGINEERING & DESIGN

#5250

March 19, 2010

Ritoch-Powell & Associates
3838 N. Central
Suite 1250
Phoenix, AZ 85012

Re: **Avondale CDBG Street Lighting Design**

Attn: Josh Nies, P.E.

Dear Josh,

Wright Engineering appreciates this opportunity to submit a proposal for electrical engineering services on the above referenced project. The following services will be performed in a professional manner to meet the City of Avondale requirements:

Public Street Lighting Design Scope of Services:

1. Coordinate design with City of Avondale, ASP, and Ritoch-Powell & Associates.
2. Visit the site to determine existing conditions. This task will require extensive onsite discovery of the existing conditions, existing luminaire types and existing wattages.
3. Prepare sealed photometric calculation drawings 24 x 36. The photometric calculations will show the proposed lighting levels for all streets and intersections as required.
4. Design will include the required lighting levels and locations to meet City of Avondale requirements.
5. Prepare 24" X 36" street light construction drawings.
6. Provide an overall site plan showing all public street lighting for the following roadways: S. Central Avenue, S. Holbert Place, S. Frost Lane, S. 3rd Avenue, W. Elm Lane, W. Rio Vista Lane, W. Del Rio Lane.
7. Prepare an engineers estimate of probable lighting & electrical construction costs if requested.
8. Perform in-house QAQC review and modifications.

165 EAST CHILTON • CHANDLER, ARIZONA 85225 OFFICE: 480/497-5829 FAX: 480/497-5807
www.wrightengr.com

9. The above plans will be provided to Ritoch-Powell & Associates for submittal review and comment from the City of Avondale. Submittals will include one print of electrical drawings and a soft copy in electronic format. Ritoch-Powell & Associates will copy and submit to owner as needed.
10. Meet with design team to discuss redlines from design team and municipality for up to (2) two meetings.
11. All redlines whether internal, design team, or municipality will be responded to and addressed.

Please Note: All underground electrical utilities, providing power to public street lights, shall be designed by APS.

Construction Phase Scope of Services:

1. Attend (1) one Pre-construction meeting.
2. Review all electrical equipment submittal packages for conformance to contract documents and provide written itemized submittal review and response letter.
3. Review all RFI's and provide written itemized review and response letter.
4. No inspections are included in the construction services as the City of Avondale staff will perform inspections.

Responsibilities of Others

1. Provide Wright Engineering Corp. electronic base files in an AutoCAD format which includes all proposed and existing utilities, all proposed improvements, and any existing conditions that affect this scope.
2. Wright Engineering will submit plans to the civil engineer for submittal to the local government agencies for approval and permits.
3. Designation of electrical services location will be determined by the local utility company. The City of Avondale is responsible for coordination of the design of all electrical utility power services during the design process.

Final Deliverables

1. Upon completion of the design, we will provide one set each of final sealed documents bearing the signature of a registered electrical engineer in the State of Arizona.

Engineering Fee

The above services will be provided as follows:
Public Street Lighting Design Services:
($5,875.00) Five Thousand Eight Hundred Seventy Five Dollars Lump Sum

Construction Services:
($1,440.00) One Thousand Four Hundred Forty Dollars Billed Hourly

Please Note: Services as stated above can be provided in whole or part to meet client needs.

Additional Services

Any services not specifically included in the Scope of Services section shall be additional services payable at an hourly fee at the following rates:

Principal	$120.00/hour
Senior Engineer	$105.00/hour
Engineer	$95.00/hour
Designer	$85.00/hour
Draftsman	$75.00/hour
Secretary	$45.00/hour

Printing Charges

The following printing and deliveries are included in this scope of services:
6 sets of blacklines
3 standard deliveries

Additional printing and delivery will be charged as follows:

Blacklines	$ .90 each
Vellum Sepia	$ 6.00 each
Mylar Sepia	$15.00 each
Delivery Cost	cost

We will bill you on a monthly basis for these services. Payment terms are Net 30 days. This proposal will be valid for the next 90 days. If you have any questions, please contact us at your earliest convenience.

I look forward to working with you on this project. Please show your acceptance of this proposal by signing below and returning one copy for my records.

Sincerely,

R. Scott Wright

R. Scott Wright, P.E., LC
Wright Engineering Corporation

I have received and read Appendix 'A' and agree to all terms and conditions as outlined in Appendix 'A' and this proposal. By signing, the proposal becomes the agreement and is executed.

Accepted this_____day of_____2010

_____
(Company Name)

_____
(Signature)

_____
(Print or Type Name)

_____
(Title)

The Client agrees that the technical methods, techniques, and pricing information contained in any proposal submitted by Wright Engineering pertaining to this project or in this Agreement or any addendum thereto, are to be considered confidential and proprietary, and shall not be released or otherwise made available to any third party without the express written consent of Wright Engineering.

Appendix 'A'
Terms and Conditions

Certifications
Wright Engineering Corp. shall not be required to execute any document that would result in its certifying, guaranteeing or warranting the existence of conditions whose existence Wright Engineering Corp. cannot ascertain.

Termination of Services
This agreement may be terminated by the Client or Wright Engineering Corp. should the other fail to perform its obligations hereunder. In the event of termination, the Client shall pay Wright Engineering Corp. for all service rendered to the date of termination and all reimbursable expenses.

Ownership of Documents
All documents produced by Wright Engineering Corp. under this agreement shall remain the property of Wright Engineering Corp. and may not be used by the Client for any other endeavor without the written consent of Wright Engineering Corp.

Billings/Payments
Invoices for Wright Engineering Corporation services shall be submitted, at Wright Engineering Corporation's option, either upon completion of such services or on a monthly basis. Invoices shall be payable within 30 days after the invoice date. If the invoice is not paid within 30 days, Wright Engineering Corporation may, without waiving any claim or right against the Client, and without liability whatsoever to the Client, terminate or suspend the performance of the service. Accounts unpaid 60 days after the invoice date may be subject to a monthly service charge of one-and-one-half percent (1.5%) (or the maximum rate allowed by law, whichever is less) on the then unpaid balance. In the event any portion, or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection including reasonable attorney's fees.

Unauthorized Changes
In the event the Client, the Client's contractors or subcontractors, or anyone for whom the Client is legally liable makes or permits to be made any changes to any reports, plans, specifications or other construction documents prepared by Wright Engineering Corp. without obtaining Wright Engineering Corporation's prior written consent, the Client shall assume full responsibility for the results of such changes. Therefore the Client agrees to waive any claim against Wright Engineering Corp. and to release Wright Engineering Corp. from any liability arising directly or indirectly from such changes. In addition, the Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Wright Engineering Corp. from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes. In addition, the Client agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any subcontractors of any tier from making any changes or modifications to Wright Engineering Corporation's construction documents without the prior written approval of Wright Engineering Corp. and that further requires the Contractor to indemnify both Wright Engineering Corp. and the Client from any liability or cost arising from such changes made without such proper authorization.

Permits and Approvals
It is the responsibility of the Client to obtain all permits and approvals normally required by law for projects similar to the one for which Wright Engineering Corporation's services are being engaged. Wright Engineering Corp. may assist the Client as requested in applying for those permits and approvals for an additional fee. This service is not included in the Basic Services of this Agreement.

Construction Supervision
The Consultant shall not supervise, direct or have control over the Contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with this Work. These rights and responsibilities are solely those of the Contractor in accordance with the Contract Documents. The Consultant shall not be responsible for any acts or omissions of the Contractor, subcontractor, any entity performing any portions of the Work, or any agents or employees of any of them. The Consultant does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform its Work in accordance with the Contract Documents or any applicable laws, codes, rules or regulations.

Changed Conditions
If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the Consultant are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, the Consultant may call for renegotiation of appropriate portions of this Agreement. The Consultant shall notify the Client of the changed conditions necessitating renegotiation, and the Consultant and the Client shall promptly and in good faith enter into renegotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the Termination provision hereof.

Attorneys' Fees
In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

Mediation
In an effort to resolve any conflicts that arise during the design and construction of the Project or following the completion of the Project, the Client and the Consultant agree that all disputes between them arising out of or relating to this Agreement or the Project shall be submitted to non-binding mediation unless parties mutually agree otherwise.

Proprietary Information
The Client agrees that the technical methods, design details, techniques and pricing data contained in any material submitted by Wright Engineering Corp pertaining to this Project or this Agreement shall be considered confidential and proprietary, and shall not be released or otherwise made available to any third party without the express written consent of Wright Engineering Corp.

Indemnification
The Consultant and the Subconsultant mutually agree, to the fullest extent permitted by law, to indemnify and hold each other harmless against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising from their own negligent acts in the performance of their services under this Agreement, to the extent that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

Limitation of Liability
Neither the engineer, the engineer's consultants, nor their agents or employees shall be jointly or individually liable to the owner in an amount in excess of our fees.

Alpha
Geotechnical & Materials, Inc.

March 24, 2010
Alpha Proposal 10GP059

RITOCH-POWELL & Associates
3838 N. Central Ave, Suite 1250
Phoenix, AZ 85012
P: 602-263-1177
F: 602-277-6286
C: 480-747-7908
Email: cgriffith@ritochpowell.com
Website: www.ritochpowell.com

Attention: **Mr. Charles Griffith**

Re: **Proposal for Geotechnical Subsurface Exploration**
Community Development Block Grant (CDBG)
Street and Sidewalk Improvements (ST1162)
N.W. of Central Avenue and Lower Buckeye Road
Avondale, Arizona

Alpha Geotechnical & Materials, Inc. (Alpha) is pleased to present this proposal to perform a geotechnical subsurface exploration at the above-referenced site. This proposal is based on a Draft Scope of Work provided by Mr. Griffith on March 23, 2010.

PROJECT UNDERSTANDING

The proposed project consists of replacing existing water meters for individual properties with new one-inch (1") copper service from the mainline, removal and replacement of existing sanitary sewer line to provide a single point of service for each individual property, upgrade existing sidewalk ramps to meet ADA standards, install new street lighting, and the design of miscellaneous pavement drainage improvements. The proposed project limits are form Central Avenue to 3rd Avenue and from Lower Buckeye Road to Mountain View Drive within Avondale, Arizona.

COST AND SCHEDULE

Alpha proposes to perform the geotechnical subsurface exploration as detailed on the follow page on a fixed fee (lump sum) basis of **($4,100.00)**. This fee also assumes that one (1) color report and one (1) copy will be printed. Additionally an electronic PDF version will also be provided. Extra reports will be provided if requested prior to the initial report printing. Additional reports requested after the original printing will be available for a fee of fifty dollars ($50.00) each.

SCOPE OF SERVICES

A geotechnical subsurface exploration is required to develop information relative to foundation recommendations, pavement recommendations, and on-site soil corrosion assessment. Alpha proposes to provide the following scope of services:

- Attend progress meeting at the City of Avondale's office (a total of 2 meetings, 2 hrs per meeting);

- Perform a review of pertinent documents provided by the client regarding geotechnical information associated with the property;

- Perform a geotechnical site reconnaissance;

- Review available construction information for the proposed structure as it relates to the geotechnical characteristics of the site;

- Explore the existing subsurface conditions by drilling 10 soil borings to a depth of 10 feet or auger refusal with a power drill rig to determine foundation recommendations, pavement recommendations, and information relative to the corrosion potential of the site soil. Representative soil samples will be obtained at 2 feet, at 5 feet, and at 5 feet intervals thereafter using a split spoon sampler and the standard penetration procedures.

ASSUMPTIONS

Our proposed Scope of Work and cost estimate are based on the following assumptions:

- The project owner will provide right-of-entry and unrestricted access to all locations for borings.
- Locations of the borings will staked and checked by "Blue Stake". The client will provide any other possible utility or underground facility locations. Damage to unknown buried facilities, not detected through "Blue Stake" or review of available utility maps provided to us, will not be the responsibility of Alpha.
- The Scope of Work included within our fee estimate does not include any services in connection with the discovery of potential contamination during our drilling and sampling operations. In the event that such material is suspected, we will notify you immediately for direction before proceeding on any out-of-scope services.
- All borings will be backfilled with the excavated materials, no borings will require grout. Cold Patch Asphalt Repair will be used to patch asphaltic concrete where encountered.
- This proposal assumes that the site is accessible with a truck-mounted drill rig, under its own power, without the need for towing or pushing. If weather, access or site conditions restrict our field operations, we may need to revise our estimate. Attendance at meetings, reviews of plans and specifications or the preparation of supplemental reports and letters are not included in the fee.
- This proposal includes drilling to a maximum depth of 10 feet below existing site grade, if deeper borings are required we will need to revise our Scope of Work and fee estimate.
- Any service or cost not specifically included in this proposal is not included in the Scope of Work and associated fee. Costs generated from any work requested by the client that is outside the above Scope of Work will be charged to the client.
- The above estimate applies to work performed within 60 days. After that time, we should review the proposal.

All borings will be drilled to the proposed depths or refusal on rock or very dense or strongly cemented soils, whichever occurs first. The borings will be advanced with a jeep-mounted solid stem auger. Additionally, no access roads or drilling roads will be necessary. Alpha will

maintain a log of the soils encountered and obtain samples for visual observation, classification and laboratory testing. The depth to groundwater will be measured, if encountered. All borings will be backfilled with the excavated materials.

At the completion of the fieldwork, representative samples will be sealed in plastic bags or brass and plastic containers and transported to our laboratory. The samples will then be classified in general accordance with the Unified Soil Classification System (USCS) and reviewed by an experienced geotechnical engineer. Field boring logs will be prepared presenting a description of the soils encountered by the borings. Typical laboratory testing will include natural moisture contents, percent passing a No. 200 sieve, Atterberg limits, one dimensional consolidation tests, undisturbed ring densities, sulfate contents, chloride contents, pH and resistivity tests. All tests will be performed in general accordance with applicable ASTM procedures.

Based upon our analyses, a geotechnical engineering report will be prepared and issued for each site separately. The following items will be included in the report:

- A brief review of our field and laboratory procedures and all test results, including boring logs;
- A review of existing pavement conditions to determine the segments of pavement to remain as-is;
- A discussion of the general subsurface conditions including soil and groundwater conditions;
- A review of the proposed construction design conditions;
- Any unsatisfactory soil conditions (if applicable) and recommended remedial measures;
- A general evaluation of possible alternate foundation systems (if applicable), and a discussion of the recommended foundation system;
- Design criteria related to the recommended foundation system including allowable bearing pressure, minimum sizes, predicted performance and lateral earth pressures;
- Recommended construction procedures and quality control measures related to foundations and earthwork;
- Recommended pavement sections for the on-site pavements.

Work will be scheduled upon receipt of your authorization to proceed. We understand that the Client will provide access to the property. Once the Client has provided Alpha with access to the site, we estimate the geotechnical report will be complete within ten to fifteen (10 to 15) working days following receipt of your authorization to proceed.

AUTHORIZATION

If this proposal meets with your approval, please send your notice to proceed and remit with a contract outlining terms and conditions. On behalf of Alpha, I would like to thank you for the opportunity to submit this proposal. We look forward to working with you on this project. Should you have any questions, or if we can be of any additional assistance, please do not hesitate to contact the undersigned at (602) 453-3265.

Respectfully submitted,
Alpha Geotechnical & Materials, Inc.

James P Floyd, P.E.
Project Manager

Armando Ortega, P.E.
Vice President, Engineering

CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT is made by and between RITOCH-POWELL & Associates hereinafter referred to as CLIENT, and Alpha Geotechnical & Materials, Inc., hereinafter called Alpha.

The CONSULTING SERVICES AGREEMENT between the parties consists of these terms and conditions, the attached PROPOSAL identified as Alpha Proposal No. 10GP059, dated march 24, 2010, and any exhibits or attachments noted in the PROPOSAL. Together, these elements will constitute the entire AGREEMENT superseding any and all prior negotiations, correspondence, or agreements either written or oral. Any changes to this CONSULTING SERVICES AGREEMENT must be mutually agreed to in writing.

SECTION 1 - SCOPE OF WORK

Alpha shall perform pursuant to the terms and conditions of this CONSULTING SERVICES AGREEMENT the services as set forth in the accompanying PROPOSAL.

SECTION 2 - PERMITS & UTILITIES

1. Unless otherwise stated in the PROPOSAL, CLIENT shall apply for and obtain all required permits and licenses. CLIENT shall make all necessary arrangements for right of entry to provide Alpha access to the site for all equipment and personnel at no charge to Alpha. Alpha will contact Bluestake prior to beginning field exploration services.
2. While Alpha will take all reasonable precautions to minimize any damage to the property, CLIENT agrees to hold Alpha harmless for any damages to structures or any damage required for right of entry, in the absence of willful and gross misconduct by Alpha.

SECTION 3 - SAMPLES

Samples collected during this study will be retained for approximately 30 days after the report is submitted and then disposed.

SECTION 4 - INVOICES

Alpha will submit an invoice to CLIENT upon completion of services. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. CLIENT agrees to pay a finance charge of one and one-half percent (1 1/2%) per month on past due invoices.

SECTION 5 - OWNERSHIP OF DOCUMENTS

1. All reports, field data, field notes, calculations, estimates and other documents prepared by Alpha, as instruments of service, shall remain the property of Alpha.
2. CLIENT agrees that all reports and other work furnished to CLIENT or his agents, which are not paid for, will be returned upon demand and will not be used by CLIENT for any purpose whatsoever.
3. Alpha will retain all pertinent records relating to the services performed for a period of five years following submission of the report, during which period the records will be made available to CLIENT at reasonable times.

SECTION 6 - DISPUTES

In an effort to resolve any conflicts that arise during the design or construction of the Project or following the completion of the Project, the CLIENT and Alpha agree that all disputes arising between them out of or relating to this Agreement or the Project shall be submitted to non-bonding mediation unless the parties mutually agree otherwise.

SECTION 7 - STANDARD OF CARE & NOTIFICATION

1. Services performed by Alpha under this CONSULTING SERVICES AGREEMENT will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. No warranty express or implied is made.
2. Alpha agrees to notify CLIENT when unanticipated hazardous materials or suspected hazardous materials are encountered. CLIENT agrees to make any disclosures required by law to the appropriate governing agencies.
3. Alpha will be responsible for data, interpretations, and recommendations, but shall not be responsible for the interpretation by others of the information developed.

SECTION 8 - LIMITATION OF LIABILITY

1. CLIENT agrees to limit Alpha's liability to CLIENT and all third parties arising from Alpha's negligent acts, errors or omissions, such that the total aggregate liability of Alpha to all those named shall not exceed our fees for the project or $50,000, whichever is greater. Neither CLIENT nor any third parties assume any liability for damages to others, which may arise solely on account of Alpha's negligent acts, errors or omissions.
2. As part of the consideration Alpha requires for provision of the Services indicated herein, CLIENT agrees that any claim for damages filed against Alpha by CLIENT or any contractor or subcontractor hired directly or indirectly by CLIENT will be filed solely against Alpha or its successors or assigns and that no individual person shall be made personally liable or liable for damages, in whole or in part.

SECTION 9 - INSURANCE

Alpha represents and warrants that it and its agents, staff and consultants employed by it are protected by worker's compensation insurance and that Alpha has such coverage under public liability and property damage insurance policies which Alpha deems to be adequate. Certificates for all such policies of insurance will be provided to CLIENT, if requested. Within the limits and conditions of such insurance, Alpha agrees to indemnify and hold CLIENT harmless from and against any loss, damage, or liability arising from any negligent acts by Alpha, it agents, staff, and consultants employed by it. Alpha shall not be responsible for any loss, damage or liability arising from any acts by CLIENT, its agents, staff, and other consultants employed by it.

SECTION 10 - TERMINATION

1. This CONSULTING SERVICES AGREEMENT may be terminated by either party upon seven (7) days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof, or in the event of the parties' failure to agree upon an

adjustment to this CONSULTING SERVICES AGREEMENT in accordance with Section 6. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, Alpha shall be paid for services performed to the termination notice date plus reasonable termination expenses.

2. In the event of termination or suspension for more than three (3) months prior to completion of all reports contemplated by this CONSULTING SERVICES AGREEMENT, Alpha may complete such analyses and records as are necessary to complete ALPHA's Project files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of ALPHA in completing such analyses, records and reports.

SECTION 11 - ENTIRE AGREEMENT

1. This CONSULTING SERVICES AGREEMENT along with the exhibits and/or proposals appended hereto constitute the entire CONSULTING SERVICES AGREEMENT of the parties with respect to the subject matter hereof.
2. The Parties have read the foregoing, understand completely the terms and conditions, and willingly enter into this CONSULTING SERVICES AGREEMENT which will become effective on the date signed by the CLIENT below.

Alpha Geotechnical & Materials, Inc.

By:	_____	By:	_____
Name:	Armando Ortega, P.E.	Name:	_____ (Please Print)
Title:	Vice President Engineering	Title:	_____
Date:	_____	Date:	_____

EXHIBIT D
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
RITOCH-POWELL & ASSOCIATES CONSULTING ENGINEERS, INC.

[Cost Schedule]

See following pages.

RITOCH-POWELL & ASSOCIATES

Cost Proposal Data
City of Avondale
3/24/2010

CONSULTANT: RITOCH-POWELL & Associates

PROJECT NAME: City of Avondale CDBG Street and Sidewalk Improvements

DIRECT LABOR RATES:

CLASSIFICATION	MAN HOURS	BILLABLE RATES	COSTS
Project Principal	14	$ 204.25	$ 2,859.56
Project Manager	114	$ 164.46	$ 18,749.00
Survey Project Manager	33	$ 116.72	$ 3,852.00
Project Engineer	296	$ 116.72	$ 34,548.00
CADD Tech	396	$ 76.93	$ 30,463.00
Survey Crew (2-person)	90	$ 137.94	$ 12,414.40
Clerical	31	$ 55.71	$ 1,727.00
Total Hours	974		
		Total Labor	$ 104,612.96

DIRECT AND OUTSIDE EXPENSES:

Description	Unit	Unit Rate	Quanitity	Total
Vehicle Mileage	Miles	$ 0.48	440	$ 211.00
Reproduction Charges				
Copying (8.5" x 11")	per sheet	$ 0.06	900	$ 54.00
Copying (11" x 17")	per sheet	$ 0.18	260	$ 47.00
Copying Bond Plot	per sheet	$ 0.36	200	$ 72.00
Printing (8.5" x 11")	per sheet	$ 0.26	210	$ 55.00
Printing (11" x 17")	per sheet	$ 0.48	100	$ 48.00
Printing Bond Plot	per sheet	$ 6.00	68	$ 408.00
Mylar Plot	per sheet	$ 18.00	0	$ -
Deliveries/Mailings	Time & Mat.	$ 175.00	1	$ 175.00
			Total Expenses	$ 1,070.00

SUBCONSULTANTS:

Wright Engineering	$ 7,315.00
Alpha Geotechnical	$ 4,100.00
Total Subs	$ 11,415.00

OPTIONAL ALLOWANCES:

Additonal Design	$ 25,000.00
Total Optional Allowances	$ 25,000.00

TOTAL PROPOSED FEE $ 142,097.96

Josh A. Nies

Signature

24-Mar-10

Date

Project Principal

Title

Project No. ST1162
City of Avondale CDBG Street and Sidewalk Improvements
RPA PLAN SHEET HOURS AND GENERAL HOURS

	TASK	TOTAL HOURS	Proj. Principal	Proj. Manager	Survey Proj. Manager	Proj. Engineer	Tech./ Drafter	Survey Crew	Sec./ Clerical
B.2	Data Collection	10	0	0	0	8	0	0	2
B.3	Public Utility Coordination	32	0	4	0	24	0	0	4
B.4	Progress Meetings (6)	24	0	18	0	0	0	0	6
B.5	Public Meetings (1)	22	3	5	0	8	4	0	2
B.7	Design Survey								
	Topographic Survey	70	0	4	12	4	0	50	0
	Finish Floor Elevations (141)	54	0	2	12	0	0	40	0
B.8	Right-of-Way Base Mapping	25	0	1	4	4	16	0	0
B.9	Topographic Base Mapping	28	0	1	5	2	20	0	0
B.10	Utility Base Mapping	17	0	1	0	4	12	0	0
B.11	30% Plans								
	Cover Sheet	6	0	0	0	0	6	0	0
	Typical Sections Sheet	17	0	1	0	4	12	0	0
	General Notes & Index	8	0	1	0	1	4	0	2
	Special Details Sheet	0	0	0	0	0	0	0	0
	Paving & Drainage Sheets	96	0	6	0	40	50	0	0
	Waterline Sheets	84	0	10	0	24	50	0	0
	Sanitary Sewer Sheets	73	0	8	0	20	45	0	0
	Special Provisions	7	0	1	0	4	0	0	2
	Opinion of Probable Cost	9	0	1	0	6	0	0	2
	70% Plans								
	Cover Sheet	3	0	0	0	1	2	0	0
	Typical Sections Sheet	11	0	1	0	2	8	0	0
	General Notes & Index	8	0	1	0	1	4	0	2
	Special Details Sheet	52	0	6	0	16	30	0	0
	Paving & Drainage Sheets	36	0	4	0	12	20	0	0
	Waterline Sheets	46	0	6	0	16	24	0	0
	Sanitary Sewer Sheets	36	0	4	0	12	20	0	0
	Special Provisions	10	1	1	0	6	0	0	2
	Opinion of Probable Cost	6	1	1	0	2	0	0	2
	Final Plans								
	Cover Sheet	1	0	0	0	0	1	0	0
	Typical Sections Sheet	4	0	1	0	1	2	0	0
	General Notes & Index	5	0	1	0	1	2	0	1
	Special Details Sheet	17	0	1	0	6	10	0	0
	Paving & Drainage Sheets	27	1	2	0	8	16	0	0
	Waterline Sheets	27	1	2	0	8	16	0	0
	Sanitary Sewer Sheets	27	1	2	0	8	16	0	0
	Special Provisions	10	1	2	0	6	0	0	1
	Opinion of Probable Cost	4	1	1	0	1	0	0	1
B.17	Geotechnical Coordination	9	0	3	0	6	0	0	0
B.18	Utility Locating Services	11	0	1	0	4	6	0	0
B.19	Constructability Review	12	0	2	0	10	0	0	0
D	Post Design Services	30	4	8	0	16	0	0	2
	TOTAL FOR RPA	974	14	114	33	296	396	90	31
		TOTAL HOURS	Proj. Principal	Proj. Manager	Survey Proj. Manager	Proj. Engineer	Tech./ Drafter	Survey Crew	Sec./ Clerical
		---	1.4%	11.7%	3.4%	30.4%	40.7%	9.2%	3.2%

CITY COUNCIL REPORT

SUBJECT:
Professional Services Agreement Amendment No. 1 - Elliot Pollack & Co., Inc.

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: David Fitzhugh

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff requests the City Council approve Amendment No. 1 to the Professional Services Contract with Elliott Pollack & Company, Inc. in the amount of $30,000 to provide additional expert consulting services, advice and opinions, authorize the expenditure of $20,000 associated with expert testimony relating to the Rigby Water Company Acquisition and authorize the Mayor or City Manager and City Clerk to execute the appropriate documents.

BACKGROUND:

The City Manager approved a Professional Services Agreement with Elliott Pollack & Associates on December 17, 2009 in the amount of $45,000 for Phase 1 work and $20,000 for work in Phase 2. Phase 1 work included analysis of land use, absortion, revenue/profit, present value estimate and review of opposing reports. Phase 2 work includes all work completed in preparation for trial testimony. The consultant has completed, billed and received payment for work completed under Phase 1 work tasks.

DISCUSSION:

Elliott Pollack & Associates, Inc. has completed all work originally identified in the Agreement's Phase 1 scope of work. There is a need to expand the Phase 1 scope of work to include additional analysis associated with the acquisitions of Rigby Water Company. The consultant has prepared a revised scope and fee for Phase 1 work increasing their fee by $30,000. (See Attached Exhibit A-1)

The original Agreement's Scope of Work also included a fee of $20,000 for Phase 2 services related to preparing and providing, on the City's behalf, expert testimony at trial should it become necessary.

The City Manager approval of the original contract was limited to $50,000 or less which excluded the Phase 2 work. Therefore, staff requests council authorization to increase the Phase 1 fee by $30,000 to a not to exceed amount of $75,000 and authority to expend $20,000 for Phase 2 expert testimony services for a total contract not to exceed amount of $95,000.

BUDGETARY IMPACT:

Funds for this work will be paid from the Capital Improvement Program, Water Fund, Line Item No. 514-1212-00-8520.

RECOMMENDATION:

Staff recommends the City Council approve Amendment No. 1 to the Professional Services Contract with Elliott Pollack & Company, Inc. in the amount of $30,000 to provide additional Phase 1 expert consulting services, advice and opinions, authorize the expenditure of $20,000 associated with

Phase 2 expert testimony relating to the Rigby Water Company Acquisition and authorize the Mayor or City Manager and City Clerk to execute the appropriate documents. .

ATTACHMENTS:

Click to download

- A1 to PSA - Pollack - expert services

FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
ELLIOTT D. POLLACK & COMPANY, INC.

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "First Amendment") is made as of April 19, 2010, between the City of Avondale, an Arizona municipal corporation (the "City") and Elliott D. Pollack & Company, Inc., an Arizona corporation (the "Consultant").

RECITALS

A. The City and Consultant entered into a Professional Services Agreement dated December 17, 2009 (the "Agreement") for expert consulting services and related services of Mr. Pollack and other professionals of the Consultant to provide expert consulting, advice, analyses, opinions and reports, and to provide affidavits and serve as expert witness(es) in depositions, at trial and in any other evidentiary hearings held with regard to the Acquisition. All capitalized terms in this First Amendment shall have the meanings set forth in the Agreement unless otherwise specified herein.

B. The City has determined that additional Phase One Services are needed and will require more time, consultant fees and costs than envisioned in the Agreement (the "Additional Services").

C. The City and Consultant desire to enter into this First Amendment in order to secure the Additional Services needed by the City for the Acquisition and to compensate the Consultant for the fees and costs of providing the Additional Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the mutual covenants and conditions set forth in the Agreement as modified by this First Amendment, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Consultant hereby agree to amend the Agreement as follows:

1. Compensation. The Consultant's total compensation under the Agreement for Phase One Services shall be increased by no more than $30,000.00 from $45,000.00 to a total aggregate price not to exceed $75,000.00 as consideration for the Additional Services as more particularly set forth in the Amended Scope of Work and Fee Arrangement attached hereto as Exhibit A-1 and incorporated herein by reference.

2. Effect of Amendment. In all other respects, the Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

3. Non-Default. By executing this First Amendment, the Consultant affirmatively asserts that the City is not currently in default, nor has been in default at any time prior to this First Amendment, under any of the terms or conditions of the Agreement.

4. Conflict of Interest. This First Amendment and the Agreement may be cancelled pursuant to ARIZ. REV. STAT. § 38-511.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

"**City**"

CITY OF AVONDALE, an Arizona municipal corporation

_____

Charles P. McClendon, City Manager

ATTEST:

_____

Carmen Martinez, City Clerk

"**Consultant**"

ELLIOTT D. POLLACK & COMPANY, INC., an Arizona corporation

_____

Elliott D. Pollack, Chief Executive Officer

(ACKNOWLEDGEMENTS)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____, 2010, by Charles P. McClendon, the City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, on behalf of the City of Avondale.

_____
Notary Public in and for the State of Arizona

My Commission Expires:

_____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____, 2010, by Elliott D. Pollack, Chief Executive Officer of ELLIOTT D. POLLACK & COMPANY, INC., an Arizona corporation, on behalf of the company.

_____
Notary Public in and for the State of Arizona

My Commission Expires:

_____

EXHIBIT A-1
TO
FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
ELLIOTT D. POLLACK & COMPANY, INC.

[Amended Scope of Work and Fee Arrangement]

See following pages.

Economic and Real Estate Consulting

April 13, 2010

Charles McClendon
City Manager
City of Avondale
11465 West Civic Center Drive
Avondale, AZ 85323

Re: Rigby Water Company Litigation

Dear Charles:

Thank you for the opportunity to submit a proposal to provide litigation support in the Rigby Water Company eminent domain proceedings. This letter will outline the scope of work and fee arrangement with respect to this representation.

1. Scope of Engagement. This engagement will be broken into two phases: 1) the period through the deposition, and if necessary, 2) preparation and trial. The scope of our engagement for the two phases will include the following:

   Phase 1: The first phase will include all work done through the deposition. Specific tasks are outlined below.

   - Land Use Analysis – Review general plans, recent zoning decisions, local development patterns, and other development determinants for the area surrounding the Rigby Water company in order to estimate the ultimate build-out density that could be expected within the acquisition area.

   - Absorption Analysis – Based on anticipated development in the local area and the total build out potential, an expected absorption timeline will be determined for the acquisition area.

   - Revenue/Profit Forecast – An estimate will be developed of Rigby Water Company revenues and profits over an assumed time horizon, most likely 20 to 30 years.

   - Present Value Estimate – Provide a present value estimate of the revenue stream that would accrue to the Rigby Water Company as a result of the future development of the land within the service boundaries.

   - Review of Opposing Report – The methodology, assumptions, and conclusions from the opposition's report will be reviewed.

Elliott D. Pollack & company
7505 East 6th Avenue, Suite 100 Scottsdale, Arizona 85251 ■ P 480.423.9200 ■ F 480.423.5942 ■ pollack@edpco.com ■ www.arizonaeconomy.com

Phase 2: The second phase will include all work done in preparation for testimony at trial including hours spent testifying by Mr. Pollack.

It is specifically understood that we have not made any guarantee as to the results regarding this matter and that our fees are not contingent or conditioned upon obtaining any particular result.

2. Responsible Parties. The party primarily assigned to this representation will be Elliott Pollack. Mr. Pollack will provide expert testimony as needed. Additional research support and oversight will be provided by Rick Merritt and Scott Ripley. It is understood for the purposes of this agreement that the City of Avondale is the client and will be the recipient of the monthly statements.

3. Fees. It is unclear at this time precisely how much time and resources will be needed to complete this analysis. Therefore this engagement will proceed on an hourly basis with a do-not-exceed amount for each of the two phases. The hourly rate for analysis will be $350 for Elliott Pollack, $260 for Rick Merritt, and $195 for Scott Ripley. Any time spent preparing for and attending a deposition or trial will be billed at the rate of $400 for Elliott Pollack. If required, additional staff research support will be billed at $175 per hour. The do-not-exceed amounts are summarized below:

   Phase 1: $75,000
   Phase 2: $20,000

4. Billing Procedure. We will render statements for professional services on a monthly basis, except in those instances when it is more appropriate to bill upon completion of a matter. Unless otherwise requested, our billings contain a brief summary of the nature of the work, the fees, and the costs advanced.

5. If we, as a part of our services, provide testimony in any legal proceedings, we reserve the right to require as a condition of such testimony that all previously billed fees be paid prior to the time that we actually testify in the legal proceedings.

   In addition, you will be billed for all costs and expenses incurred on your behalf, including printing and photocopying charges (not to exceed ten cents per page), long distance charges, transportation expenses, transcript and/or deposition costs, delivery charges, external computer research, expert witness fees, purchase of necessary data, and other usual and customary costs.

5. Terms of Payment. Our statements are due and payable upon receipt and considered to be past due if not paid within 30 days of the invoice date. Because of the added bookkeeping and financing costs inherent in delayed payment, a service charge of one and one-half per cent per month (18% per annum) will be imposed on all past-due balances. We reserve the right to turn over any bill that is 60 days or more past due to an attorney for collection.

6. Cooperation by Client. You agree to cooperate with us in our representation by complying on a timely basis with all reasonable requests for information and assistance in connection with our representation. We shall have the right to withdraw if payment of our fees is not made as set forth herein, or if you misrepresent or fail to disclose material facts to us.

If the above is consistent with your understanding regarding our representation, please execute the enclosed copy of this letter and return it to me. Should you have any questions, please do not hesitate to contact me.

We appreciate the opportunity to provide this proposal to you and look forward to undertaking the study.

Sincerely,
ELLIOTT D. POLLACK & CO.

Elliott D. Pollack

CITY COUNCIL REPORT

SUBJECT:
Professional Services Agreement Amendment No. 1 - URS Corporation - Avondale Boulevard & I-10 Traffic Interchange Improvements

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Sue McDermott, P.E., Director of Development Services & Engineering, 623-333-4211

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff requests that the City Council approve Amendment No. 1 to the Professional Services Agreement with URS Corporation for the Avondale Boulevard and I-10 Traffic Interchange (TI) project in the amount of $113,603.00 and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

On February 9, 2009, Council approved a Professional Services Agreement with URS Corporation in the amount of $690,537 to provide design services for the Avondale Boulevard and I-10 TI Improvement Project. This project will widen Avondale Boulevard to its ultimate condition from Hilton Drive to north of the Arizona Department of Transportation (ADOT) drainage channel bridge. Avondale Boulevard will be completely reconstructed and will include three (3) through travel lanes, dual left turn lanes, and dual right turn lanes to the eastbound on ramp. A new retaining wall, curb and gutter, sidewalks, and lighting will be installed with the project. The existing ADOT drainage channel bridge will also be widened to accommodate the new roadway section.

DISCUSSION:

The Avondale Boulevard at I-10 Improvement Project is jointly funded by the City of Avondale and ADOT. We strongly prefer to control the design and construction process to ensure the delivery of the project on time and within budget and petitioned ADOT to allow this to occur. Since we had not received a response prior to the award of the design contract to URS, we had to assume ADOT standards were required and that construction would be managed by ADOT. After the design work began, ADOT approved our request to use our standards and to manage the construction. The plans were modified using City's standards. The City also had to coordinate an SRP irrigation relocation that was under USA fee. This required several legal descriptions and exhibits when originally it was thought to be one (1). When the project design and plans were approximately 90% complete, ADOT changed the pavement within their right of way from asphalt concrete pavement (ACP) to Portland Cement Concrete Paving (PCCP). This change required the redesign of the related portion of the plans. ADOT has agreed to provide an additional $660,000 through the Intergovernmental Agreement to fund the additional cost to construct the PCCP. During the underground utility investigation, we discovered that El Paso Natural Gas did not have adequate clearance for their pipeline. URS will design the bridge deck to widen it an additional 2.5-ft to the required clearance. The cost for the additional design and construction will be repaid to the City through an agreement with El Paso which will be brought to Council for consideration in the near future. ADOT originally intended to fund their portion of the project with federal funds including the preparation of environmental documents in conformance with ADOT and Federal Highway Administration procedures. Later in the process ADOT determined that they would fund the project with state

monies in order to allow the City to administer construction of the project. Due to the change in funding from federal to state, changes to the documents were required by ADOT to conform to their policies for state funded projects. The scope of services for Amendment No. 1 includes the following elements:

- Additional Legal Descriptions
- Roadway Design
- Bridge Widening Design
- Environment Investigation
- Utility Coordination
- Drainage Design
- Additional Potholes

SCHEDULE:

Amendment No. 1 lengthened the original schedule. Listed below is the schedule for design and construction:

Design:
Final Design - May 2010

Construction:
Advertisement - May 2010
Council Award - June 2010
Construction Begin - July 2010
Construction Ends - July 2011

BUDGETARY IMPACT:

Funding for the redesign in the amount of $113,603,985 is available in CIP Street Fund Line Item No. 304-1152-00-8420, Avondale Blvd Bridge Widening North of I-10.

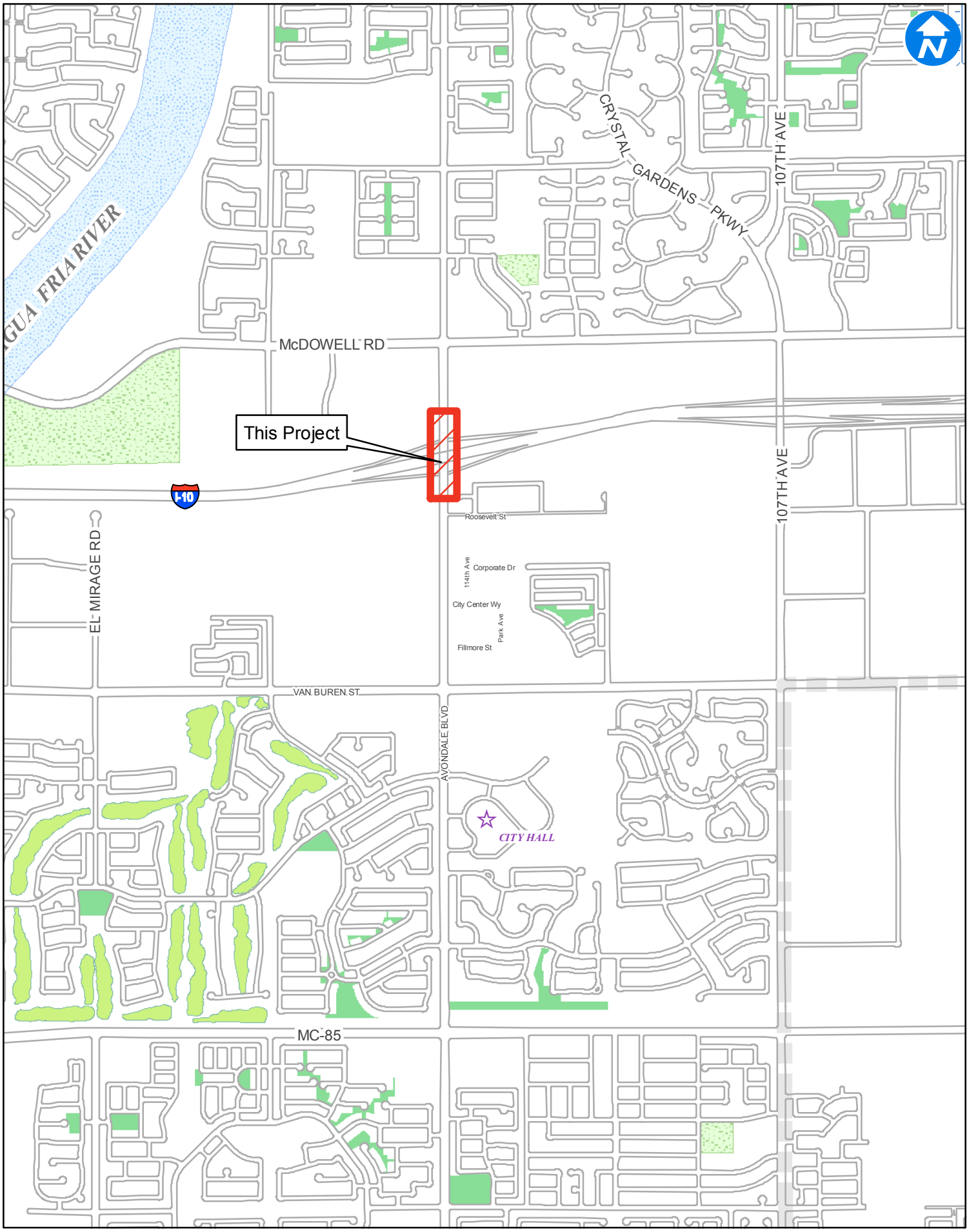
RECOMMENDATION:

Staff recommends that the City Council approve Amendment No. 1 to the Professional Services Agreement with URS Corporation for the Avondale Boulevard and I-10 Traffic Interchange (TI) project in the amount of $113,603.00 and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

- Vicinity Map
- First Amendment



Map Produced by Avondale Water Resources/GIS Division

City of Avondale
Avondale Blvd & I-10 TI Improvements

FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
URS CORPORATION

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "First Amendment") is made as of April 19, 2010, between the City of Avondale, an Arizona municipal corporation (the "City") and URS Corporation, a Nevada corporation (the "Consultant").

RECITALS

A. The City and the Consultant entered into a Professional Services Agreement dated February 9, 2009 (the "Agreement"), for the design of the Avondale Boulevard and Interstate I-10 Traffic Interchange street and sidewalk improvements from Roosevelt Street, Avondale, Arizona proceeding north approximately 1,400 feet north under Interstate I-10, across the ADOT drainage channel and tying into the existing roadway north of the ADOT drainage channel right-of-way (the "Services")

B. The City has determined that additional services by the Consultant are necessary to complete the project (the "Additional Services").

C. The City and the Consultant desire to enter into this First Amendment to provide for the Additional Services, extend the term of the Agreement and to increase the Consultant's compensation.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Consultant hereby agree to amend the Agreement as follows:

1. Term of Agreement. The term of the Agreement shall be extended from August 9, 2010 to March 31, 2011.

2. Scope of Work. Consultant shall provide the Additional Services as set forth in the Additional Scope of Work, attached hereto as Exhibit A and incorporated herein by reference.

3. Compensation. The Consultant's total compensation under the Agreement shall be increased by no more than $113,603.00 from $690,537.00 to $804,140.00 as consideration for

the Additional Services as more particularly set forth in the Cost Proposal attached hereto as Exhibit B and incorporated herein by reference.

4. Effect of Amendment. In all other respects, the Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

5. Non-Default. By executing this First Amendment, the Consultant affirmatively asserts that the City is not currently in default, nor has been in default at any time prior to this First Amendment, under any of the terms or conditions of the Agreement.

6. Conflict of Interest. This First Amendment and the Agreement may be cancelled pursuant to ARIZ. REV. STAT. § 38-511.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

"**City**"	"**Consultant**"
CITY OF AVONDALE, an Arizona municipal corporation	URS CORPORATION, a Nevada corporation
_____	By:_____
Charles P. McClendon, City Manager	
ATTEST:	Name:_____
_____	Its:_____
Carmen Martinez, City Clerk	

(ACKNOWLEDGEMENTS)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____, 2010, by Charles P. McClendon, the City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, on behalf of the City of Avondale.

_____
Notary Public in and for the State of Arizona

My Commission Expires:

_____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2010, by _____ as _____ of URS CORPORATION, a Nevada corporation, on behalf of the corporation.

_____
Notary Public in and for the State of _____

My Commission Expires:

_____

EXHIBIT A
TO
FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
URS CORPORATION

[Additional Scope of Work]

See following pages.

Additional SCOPE OF WORK

PROJECT TITLE: **AVONDALE BOULEVARD AND I-10 TRAFFIC INTERCHANGE IMPROVEMENTS**

PROJECT NO.: **ST1152**

Below is a summary of additional work required to complete the design of this project. Tasks are based on the original Scope of Work approved on January 28, 2009.

120 – RIGHT-OF-WAY/EASEMENT DESCRIPTIONS

Prepare 2 additional right-of-way /easement descriptions for use by the City in obtaining required right-of way and easements. The original Scope of Work provided for 10 right-of-way/ easement descriptions. During design it was determined that two additional easement descriptions would be required.

Prepare easement descriptions for use by SRP to relocate the USA facility within the project. Preparing easement descriptions for SRP was not included in the original scope of work. Work includes:

1. Coordinating with the SRP Land Management representative on specific description requirements and prepare draft descriptions for review.

2. Prepare legal descriptions for new USA easements as well as describing the existing USA easements in the area.

3. Stake the existing and new USA easements for the Environmental Assessment Field Inspection. Environmental Assessment for SRP is provided by others.

200 – UTILITY COORDINATION

The original scope of work assumed utility coordination would take place mainly during the utility meetings. To meet project schedule, additional coordination was required outside of these meetings. URS staff has been in contact with El Paso Natural Gas, SRP Irrigation, SRP Power, Qwest, Cox and SouthWest Gas to discuss potential conflicts and relocation approaches for the proposed project improvements.

220 – UTILITY POTHOLING

TBE Group completed the initial utility potholing for the project on November 25, 2009. Additional potholing was required to confirm the location of the El Paso Natural Gas Line and the Cox Fiber Optic Line.

See attached estimate from TBE Group dated February 22, 2010.

400 – ROADWAY DESIGN AND PLANS

In the original scope of work the plans, specifications and estimate were to be prepared in accordance with ADOT standards. After submitting the 30% plans, URS was directed by the Project Manager to prepare the plans, specifications and estimate in accordance with City of Avondale standards. This change resulted in revising the roadway plan sheets to accommodate the City's sheet borders and include the item description call outs on each plan sheet. In addition, preparing specifications for the project in accordance with the City standards required additional effort than was originally estimated as ADOT specifications are standardized.

It was agreed that the project will be designed using ADOT standards for the ADOT Channel Bridge and I-10 ramps only. City of Avondale standards will be used for the remainder of the project.

After the 90% plans were submitted the City revised the type of pavement section within the ADOT R/W. URS was directed to use PCCP instead of AC pavement. Revising the roadway plans at 90% from AC to PCCP included:

- Revising the Typical Section Sheet
- Adding Joint Layout plans
- Revising the plan sheets to show PCCP
- Revising Traffic Control plans to accommodate PCCP construction
- Revising earthwork modeling and cross sections for revised PCCP section

420 – DRAINAGE DESIGN AND PLANS

In the original scope of work the plans, specifications and estimate were to be prepared in accordance with ADOT standards. After submitting the 30% plans, URS was directed by the Project Manager to prepare the plans, specifications and estimate in accordance with City of Avondale standards. This change resulted in revising the drainage plan sheets by incorporating the drainage design onto the roadway plans. The pipe summary sheet information was converted to item description call outs on each roadway plan sheet.

REVISE AVONDALE BLVD CROSS SLOPE

On March 16, 2010 the City requested that the cross slope for the dual right turn lanes to the I-10 EB on-ramp be revised to a continuous cross slope. Revising the cross slope of the right turn lanes will require roadway and drainage plan revisions to the following:

- Typical Section Sheets
- Roadway Plan and Profile in the area of the turn lane
- I-10 EB Ramp Plan and Profile
- Median and Intersection Staking sheets
- Revisions to the current wall design at the Ruby Tuesday property
- updating the earthwork modeling, cross sections, roadway and drainage quantities, and earthwork report
- Drainage callouts on the plans
- Drainage profiles and basin details
- Drainage Report

450 – BRIDGE WIDENING DESIGN AND PLANS

After the 90% plans were submitted the City revised the type of pavement section within the ADOT R/W. URS was directed to use PCCP instead of AC. Revising the bridge plans at 90% from AC to PCCP included:

- Revising the approach slab on the general plans
- Preparing a detail to extend the existing approach slab
- Preparing a detail for a sleeper slab
- Revising and developing quantities for the approach and sleeper slabs
- Coordination with the ADOT Bridge Group and Construction Group on bridge widening requirements with PCCP.

The City has requested that the clearance from the drilled shafts to the existing El Paso Natural Gas Line and the Cox Fiber Optic Line be increased. Revisions to the bridge widening plans will be required to accommodate the existing utilities and will include:

- Redesigning the drilled shafts at the abutments and the piers
- Redesigning the pile caps at the abutments and the piers
- Revised quantities for drilled shafts and pile caps
- Revised general plans, typical section, elevation and general notes
- Revised drilled shaft details
- Revised abutment and pier details

500 – PHASE I ENVIRONMENTAL SITE ASSESSMENT (ESA)

URS prepared the draft Phase I ESA in March 2009. The City finalized comments to the draft in December of 2009 and requested URS to finalize the report. Since some of the data used in the ESA is time sensitive, URS was required to conduct a revised site reconnaissance, review the current Environmental Database Resources (EDR) database and prepare an updated title and lien search to complete the property owner interviews. The final report was completed on December 29, 2009.

650 – CATEGORICAL EXCLUSION

URS prepared the environmental clearance documents based on the project receiving Federal Funding, per the original scope of work. On November 4, 2009 URS was advised by ADOT that the project funding had changed to State funds. This created a change to the type of environmental clearance document needed. An Environmental Determination (ED) Checklist will be required instead of the Categorical Exclusion (CE) Checklist. To streamline the project schedule from this change in funding, senior-level environmental planning staff made the necessary revisions and engaged in the associated efforts for agency coordination.

The funding change resulted in the following additional work:

- Engage in a detailed review of ADOT Environmental Planning Group's (EPG) 60-page guidance document for preparing an ED, and revise the environmental clearance document to capture the latest requirements.
  The cost associated with this effort is $3,329.40

- Engage in a detailed comparison of the CE checklist with the new ED checklist to identify differences, and identify the need for additional or different information. This comparison was necessary because URS had the draft CE checklist (per federal funding) at 90% to 95% complete as of September 25, 2009.
  The cost associated with this effort is $3,329.40

Revise nine different letters for tribal consultation that were already drafted per federal funding requirements. This resulted in additional time for review and revisions between URS and ADOT EPG on the new letters, and essentially required an entire re-work of this effort since the original letters could no longer be used. The original tribal consultation letters were drafted and sent to ADOT EPG in June 2009 based on federal funding requirements.
The cost associated with this effort is $2,762.98

Conflicting information from ADOT about the presence or absence of land ownership by the Bureau of Reclamation (BOR) resulted in additional coordination effort among URS, ADOT EPG, and the BOR to verify cultural and biological consultation requirements unique to the BOR. This resulted in revisions to the 21-page cultural resources report already drafted based on no inclusion of BOR. The report also needed revisions based on the change in funding.
The cost associated with this effort is $1,713.54

URS met with the ADOT EPG planner assigned to the project in February 2009. As the project progressed, the environmental documents were reviewed by the ADOT EPG planner and any comments to the documents were addressed by URS. In November 2009, ADOT EPG assigned a new planner to the project. The change in ADOT EPG planners required additional coordination and discussion about the required documents prepared by URS. This additional coordination was not anticipated in our original scope.
The cost associated with this effort is $3,305.98

800 – PROJECT MANAGEMENT

The Project Manager has requested that URS submit a pre-final set of plans, specifications and estimate for review by the City, ADOT and the utility companies. This additional submittal is not in the original scope of work and will require additional effort by URS to complete.

The project schedule has been extended resulting in additional contract administration effort.

900 – PROJECT DELIVERABLES

The pre-final submittal require an additional reproduction of the plan set, specifications and estimate.

PROJECT SCHEDULE

The following is the revised project schedule:

30% submittal completed	
60% submittal completed	
90% submittal completed	
pre- final submittal completed	
Submit Final Specs and price sheet	April 8, 2010
Submit Final Sealed Plans	April 15, 2010
Project advertises	April 23, 2010
Bids Open	May 20, 2010
Anticipated award date	July 21, 2010

FEE SCHEDULE/PERSON-HOUR BREAKDOWN

A detailed hour estimate and fee summary accompany this revised scope of work.

EXHIBIT B
TO
FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
URS CORPORATION

[Cost Proposal]

See following pages.

URS

DERIVATION OF COST PROPOSAL SUMMARY
for CONTRACT MODIFICATION
AVONDALE BLVD. AND I-10 TRAFFIC INTERCHANGE IMPROVEMENTS
ST 1152

LABOR

Classification	Person-Hours	Billing Rate	Cost
Project Principal	8	$189.02	$1,512
Project Manager	145	$148.88	$21,588
Senior Project Engineer	266	$149.79	$39,844
Project Engineer	285	$115.08	$32,798
Landscape Architect	16	$107.43	$1,719
Designer/CADD	394	$86.62	$34,128
Technician	40	$61.31	$2,452
Survey Manager	29	$142.64	$4,137
Survey Technician	152	$83.07	$12,627
Survey Crew	6	$117.00	$702
Administration/Clerical	28	$60.55	$1,695
Total Hours =	1,369		
		Total Labor =	**$153,202**

DIRECT EXPENSES

Reproduction	$1,040	
	Total Direct Expenses =	**$1,040**

OUTSIDE SERVICES AND SUBCONSULTANTS

TBE Group	**$4,495**

TOTAL LUMP SUM FEE FOR ADDITIONAL SCOPE:	$158,736
REMAINING BALANCE FROM ORIGINAL CONTRACT:	$45,133
CONTRACT MODIFICATION REQUEST:	**$113,603**

URS CORPORATION
Randy Simpson PE, Vice President

3/29/10
DATE

The cost estimate included in this proposal are valid for three months from the date of submittal. If the proposal is accepted after said period, URS reserves the right to review and retain or modify the cost estimate stated herein in order to appropriately reflect changing costs and salaries and similar economic considerations. Any changes to this scope of work may require a modified estimate.

AVONDALE BLVD. AND I-10 TRAFFIC INTERCHANGE IMPROVEMENTS

Estimated Person Hours

	Project Principal	Project Manager	Senior Project Engineer	Project Engineer	Landscape Architect	Designer /CADD	Environ-mental Technician	Survey Manager	Survey Technician	Survey Crew	Clerical/ Admin	Total Hours	Fee by Task
Hourly Rate:	$189.02	$148.88	$149.79	$115.08	$107.43	$86.62	$61.31	$142.64	$83.07	$117.00	$60.55		
Task 120 - Right of Way/Easement Descriptions													
Prepare Additional Legal Descriptions/Exhibits for The City of Avondale		2						3	32			37	$3,383.92
Coordination w/SRP and Legal Descriptions for SRP	1	24						24	120		4	173	$17,396.10
Stake SRP Easements								2		6		8	$987.28
											Total Task 120	**218**	**$21,767.30**
Task 200 - Utility Coordination													
Additional Utility Coordination		8		32								40	$4,873.60
											Total Task 200	**40**	**$4,873.60**
Task 220 - Utility Potholing (SUBCONSULTANT)													
see attached TBE proposal dated 2-22-10 for $10,045: actual invoiced amount is $6303													$6,603.00
remaining allowance for potholing from original contract													-$2,108.00
											Total Task 220		**$4,495.00**
Task 400 - Roadway Design and Plans													
Revise plan sheets from ADOT to City Standards		4	8	24		40						76	$8,020.56
Prepare specifications in accordance with City Standards		8	24	16								48	$6,627.28
Revise Typical Sections to include PCCP	1	2	4	8		16						31	$3,392.50
Add Joint Layout plans for PCCP		2	6	8		20						36	$3,849.54
Revise plan sheets for PCCP		2	6	16		24						48	$5,116.66
Revise Traffic Control Plans for PCCP construction	1	4	8	16		34						63	$6,769.22
Revise Earthwork Modeling and Cross Sections for PCCP		2	4	4								10	$1,357.24
											Total Task 400	**312**	**$35,133.00**
Task 420 - Drainage Design and Plans													
Incorporate drainage plan sheets onto roadway plans		2	8	24		40						74	$7,722.80
											Total Task 420	**74**	**$7,722.80**
Revise Cross Slope on Avondale Blvd													
Revise Typical Sections (3 sheets)			1	2		6						9	$899.67
Revise plan and profiles, mainline and I-10 EB on-ramp (8 sheets)		2	8	6		36						52	$5,304.88
Revise median/intersection staking for adjusted cross slope			3	3		12						18	$1,834.05
Revise roadway and drainage details (3 sheets)		1	1	3		6						11	$1,163.63
Revise drainage profiles for adjusted cross slope (4 sheets)			4			20						24	$2,331.56
Revise modeling, cross sections and quantities				5		30						35	$3,174.00
Update Drainage Report for adjusted cross slope		1	14								2	17	$2,367.04
QA/QC plans, specifications quantities			6	8		2						16	$1,992.62
											Total Task	182	**$19,067.45**

AVONDALE BLVD. AND I-10 TRAFFIC INTERCHANGE IMPROVEMENTS

Estimated Person Hours

	Project Principal	Project Manager	Senior Project Engineer	Project Engineer	Landscape Architect	Designer /CADD	Environ-mental Technician	Survey Manager	Survey Technician	Survey Crew	Clerical/ Admin	Total Hours	Fee by Task
Hourly Rate:	$189.02	$148.88	$149.79	$115.08	$107.43	$86.62	$61.31	$142.64	$83.07	$117.00	$60.55		
Task 450 - Bridge Widening Design and Plans													
Revise Approach Slab details	1	1	2	4		4						12	$1,444.28
Prepare detail to extend existing approach slab		1	2	4		6						13	$1,428.50
Prepare detail for sleeper slab			4	2		8						14	$1,522.28
Revise and develop quantities for approach and sleeper slab			8	8		4						20	$2,465.44
Coordinate with ADOT Bridge and Construction Group on requirements	1	2	2	1								6	$901.44
Redesign drilled shafts and pile caps to avoid utility conflict		6	12	24								42	$5,452.68
Revise quantities for drilled shafts and pile caps		2	3	5								10	$1,322.53
Revise bridge general plan, typical section, general notes and quantities		1	2	3		4						10	$1,140.18
Revise foundation layouts		1	2	4		2						9	$1,082.02
Revise abutment plan and elevation		2	4	4		4						14	$1,703.72
Revise drilled shaft and pier details		3	6	8		6						23	$2,785.74
											Total Task 450	**173**	**$21,248.81**
Task 500 - Phase I Environmental Site Assessment (ESA)													
Revised site reconnaissance, update Environmental Database Resources (EDR), update titile search		1		3		6	16					26	$1,994.80
											Total Task 500	**26**	**$1,994.80**
Task 650 - Categorical Exclusion (CE)													
Review CE based on State funding requirements to Environmental Determination (ED)	1	2	2									5	$786.36
revise CE Checklist to ED			32			4	8				4	48	$5,872.44
revise letters for tribal consultation			16				4				2	22	$2,762.98
Include cultural coordination for BOR land ownership		1	8				4				2	15	$1,713.54
Additional coordination with ADOT EPG reviewer		2	16				8				2	28	$3,305.98
											Total Task 650	**118**	**$14,441.30**
Task 800 - Project Management													
Submit prefinal plans, specifications, and estimate	1	24	24	32	16	60					8	165	$18,440.14
Additional contract administration	1	32	16	8							4	61	$8,512.66
											Total Task 800	**226**	**$26,952.80**
Task 900 - Project Deliverable (Printing & Delivery) DIRECT EXPENSES													
45 copies of half size plans (175 sheets @ $.10)													$787.50
3 copies full size plans (175 sheets @ $.48)													$252.00
											Total Task 900		**$1,039.50**
Total Estimated Person-Hours	**8**	**145**	**266**	**285**	**16**	**394**	**40**	**29**	**152**	**6**	**28**	**1369**	
Percentage of Total Hours for Each Classification	**1%**	**11%**	**19%**	**21%**	**1%**	**29%**	**3%**	**2%**	**11%**	**0%**	**2%**	**100%**	
											Total Fees :		**$158,736.36**

Includes Labor, Direct Expenses and Subconsultants

Cardno TBE

Shaping the Future

February 22, 2010

Cardno TBE

2236 W. Shangri –La Rd.
Phoenix, AZ 85029
USA
Phone 602-749-8550
Fax 602-749-8551
Email tbe@CardnoTBE.com

www.CardnoTBE.com

Ms. Natalya Hyland, P.E.
URS Corporation
7720 North 16th Street
Suite 100
Phoenix, Arizona 85020

Re: Proposal for Utility Locating Services
Avondale Boulevard TI Improvements #ST1152 - Revised

Dear Ms. Hyland:

TBE Group, Inc. (d/b/a Cardno TBE) is pleased to submit this proposal to provide utility locating services in reference to the above mentioned project. The following is our scope of work and estimated fee.

SCOPE OF WORK

Cardno TBE will provide utility locating services to perform the following tasks as described during a field meet attended by Mr. Joshua Williams (Cardno TBE), Mr. Michael R. Frederick (URS), Mr. Ronnie Brown (El Paso Gas), Mr. Randy Sims (COX Communications) and Mr. Chris Hamilton, P.E. (City of Avondale, AZ) on February 8, 2010.

1. Perform a trench across and connect two (2) previously performed utility testholes, TH# 119 and 119A, in an attempt to locate the existing COX Communications fiber optic cable within the ADOT Canal. Excavation at this location shall reach a minimum depth of 15 feet. Additonally, perform one (1) testhole on the north bank of the ADOT Canal and perform one (1) testhole on the south bank of the ADOT Canal to locate the same existing COX Communications fiber optic cable.

2. Perform one (1) testhole on the existing El Paso gas pipe within the ADOT Canal. This testhole will be attempted to be performed at the previously requested location of TH# 124 but may be adjusted due to circumsances beyond Cardno TBE's control.

3. Perform one (1) testhole on the existing storm drain north of the manhole lid documented previously by TH# 111.

4. Perform field survey to locate the two (2) proposed drill shafts on the east side of the existing bridge over the ADOT Canal on Avondale Boulevard.

ESTIMATED FEE

Cardno TBE proposes compensation for utility locating services on an hourly price basis as follows.

Classification	Estimated Hours	Hourly Rate	Total
SUE Project Manager	4	$125.00	$500.00
Two Person Survey Crew w/ Truck and Equipment	8	$160.00	$1,280.00
Two Person Vacuum Excavation Crew w/ Truck and Equipment	40	$180.00	$7,200.00
Administration	1	$65.00	$65.00
Contingency Allowance	-	-	$1,000.00
Total, Estimated Fee	**53**	-	**$10,045.00**

The total estimated fee for vacuum excavation services as outlined above is **$10,045.00.** Estimated hours for survey and vacuum excavation crews includes travel time from and to our office, vehicle mileage, labor and materials required to complete survey and vacuum excavation services. The contingency allowanceof **$1,000.00** will be utilized for temporary traffic control and uniformed police officers, if needed. An invoice will be prepared upon completion for the actual work completed up to the estimated budget amount. Cardno TBE will prepare an invoice upon completion for the actual hours worked.

Prior to commencing work, Cardno TBE will require the horizontal location of the two (2) proposed drill shafts in coordinate format.

SCHEDULE

Cardno TBE will work closely with URS Corporation to provide services outlined above in a timely manner consistent with the overal project schedule.

Cardno TBE appreciates this opportunity to be of service. Should you have any questions or require additional information, please call.

Sincerely,

Joshua Williams

Joshua Williams
Project Manager

CITY COUNCIL REPORT

SUBJECT:
Resolution 2897-410 and Ordinance 1406-410 - Avondale Pretreatment Ordinance

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Wayne Janis, P.E., Public Works Director (623) 333-4444

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting the City Council adopt an Ordinance amending Chapter 24, Article VIII and adopt a resolution declaring as a public record that certain document filed with the City Clerk and entitled Pretreatment Ordinance.

BACKGROUND:

The City is authorized by ARIZ. REV. STAT. § 49-391 to adopt, amend or repeal any ordinances necessary for implementing and enforcing the pretreatment requirements under the Act, as amended, but the City does not currently have a comprehensive Ordinance or Program in place to prevent the discharge of pollutants into its treatment system. Implementation of a Program is required by the Federal Water Pollution Control Act, as amended, also known as the Clean Water Act (collectively referred to as the "Act"). A Program must, among other things, prevent the discharge of pollutants into the City's publicly owned treatment works by use of individual or general wastewater discharge permits, require compliance with effluent discharge limits, require periodic monitoring and reporting and provide
enforcement procedures and penalties for non-compliance with the Program.

Staff previously presented background and development information to the City Council at the August 2008, August 10, 2009 and February 1, 2010 Council Work Sessions. Council provided guidance on the following policy items at February 1, 2010 work session: Policy Item #1: The Ordinance incorporates local limits established by the Cities of Glendale, Mesa, Phoenix, Scottsdale and Tempe as part of the Sub-Regional Operating Group (the "SROG"). The Ordinance will temporary adopt SROG limits as a placeholder until the City can procure and complete its own local limit study. Policy Item #2: The Ordinance includes a system of individual permitting or individual and general permitting as required by State and Federal law. Policy Item #3 The Ordinance establishes the authority to obtain remedies for non-compliance with any Pretreatment Standard, as defined in the Ordinance. The Ordinance authorizes a civil penalty, greater than $1,000, up to $25,000 per day per violation. The Ordinance authorizes criminal penalty of $2,500 per day per violation and up to six months imprisonment. The language in the Ordinance has been reviewed and approved by the Arizona Department of Environmental Quality.

DISCUSSION:

Adoption of the Pretreatment Ordinance will allow Public Works to initiate required pollution control efforts regarding wastewater discharges into the collections systems leading to Avondale's Charles M. Wolf Water Resources Center.

BUDGETARY IMPACT:

Funding for this program for fiscal year 2009-2010 will be from the approved Water Reclamation

Facility Operation and Maintenace budget. No additional resources are required.

RECOMMENDATION:

Staff recommends that the City Council adopt a resolution declaring as a public record that certain document filed with the City Clerk and entitled Pretreatment Ordinance and adopt said ordinance.

ATTACHMENTS:

Click to download

- Resolution 2897-410
- Ordinance 1406-410
- Chapter 24

RESOLUTION NO. 2897-410

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED THE "CITY OF AVONDALE PRETREATMENT CODE."

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That certain document entitled the "City of Avondale Pretreatment Code" of which three copies are on file in the office of the City Clerk and open for public inspection during normal business hours, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

PASSED AND ADOPTED by the Council of the City of Avondale, April 19, 2010.

_____
Marie Lopez Rogers, Mayor

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

ORDINANCE NO. 1406-410

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE CITY CODE, CHAPTER 24, WATER, SEWERS AND SEWAGE DISPOSAL, AND ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT KNOWN AS THE "CITY OF AVONDALE PRETREATMENT CODE."

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That certain document known as the "City of Avondale Pretreatment Code" (the "Pretreatment Code"), three copies of which are on file in the office of the City Clerk, which document was made a public record by Resolution No. 2897-410 of the City of Avondale, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this Ordinance.

SECTION 2. That the City Code, Chapter 24, Water, Sewers and Sewage Disposal, Article III Sewers and Sewage Disposal, Division 3, Discharge Regulations, is hereby deleted in its entirety and replaced by inserting the Pretreatment Code as Sections 24-101 through 24-115.

SECTION 3. That the City Code of the City of Avondale, Chapter 24, Water, Sewers and Sewage Disposal, Article V, Non-Hazardous Waste Receiving Site, is hereby deleted in its entirety.

SECTION 4. That any User, as defined in the Pretreatment Code, who fails to comply with any provision of the Pretreatment Code, an individual wastewater discharge permit, or a general permit or order issued thereunder, or any other pretreatment standard or requirement shall be liable to the City for a civil penalty of not less than $1,000 or more than $25,000 per violation, per day in accordance with ARIZ. REV. STAT. § 49-391. In the case of a monthly or other long-term average discharge limit, penalties shall accrue for each day during the period of the violation.

SECTION 5. That a Person, as defined in the Pretreatment Code, who violates any provision of the Pretreatment Code may be may be held criminally liable as follows:

a. A Person who willfully or negligently violates any provision of the Pretreatment Code, a wastewater discharge permit, or order issued thereunder, or any other applicable federal, state or local pretreatment standard or requirement shall, upon conviction, be guilty of a class one misdemeanor, punishable by a fine of not more than $2,500 per violation, per day, or imprisonment for not more than six (6) months, or both.

b. A Person who willfully or negligently introduces any substance into the publicly owned treatment works which causes personal injury or property damage shall, upon conviction for violation of the Pretreatment Code, be guilty of a class one misdemeanor and be subject to a penalty of at least $2,500, or be subject to imprisonment for not more than six (6) months, or both. This penalty shall be in addition to any other cause of action for personal injury or property damage available under state or federal law.

c. A Person who knowingly makes any false statements, representations, or certifications in any application, record, report, plan, or other documentation filed, or required to be maintained, pursuant to the Pretreatment Code, wastewater discharge permit, or order issued thereunder, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under the Pretreatment Code shall, upon conviction, be punished by a fine of not more than $2,500 per violation, per day, or imprisonment for not more than six (6) months, or both.

SECTION 6. That a penalty in a sum not to exceed a value determined by the Director to be necessary to achieve consistent compliance shall be assessed to any User for each day that a report required by the Pretreatment Code, a permit or order issued thereunder is late, beginning five days after the date the report is due. Higher penalties may also be assessed where reports are more than 30 days late. Actions taken by the Director to collect late reporting penalties shall not limit the Director's authority to initiate other enforcement actions that may include penalties for late reporting violations.

SECTION 7. That if any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the City of Avondale Pretreatment Code, adopted herein by reference is for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 8. That the Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Ordinance.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, April 19, 2010.

_____
Marie Lopez Rogers, Mayor

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

CITY OF AVONDALE
PRETREATMENT CODE

Article VIII PRETREATMENT

24-101 General Provisions
24-102 Definitions
24-103 General Discharge Requirements
24-104 Pretreatment of Wastewater
24-105 Individual or General Wastewater Discharge Permit Required
24-106 Individual and General Wastewater Discharge Permit Issuance
24-107 Reporting Requirements
24-108 Inspection and Compliance Monitoring
24-109 Confidential Information
24-110 Publication of Users in Significant Non-Compliance
24-111 Administrative Enforcement Remedies
24-112 Judicial Enforcement Remedies
24-113 Supplemental Enforcement Action
24-114 Affirmative Defenses to Discharge Violations
24-115 [Reserved]

24-101 General Provisions.

(a) Purpose and Policy. The purpose of the City of Avondale Pretreatment Program, as established herein, is to set forth requirements for Users and potential Users of the City of Avondale's Wastewater collection and treatment system, which is the City's POTW. The program enables the City to protect public health and the environment in conformity with all applicable local, State, and Federal laws, including, but not limited to, the ACT (33 U.S.C. § 1251 *et seq.*) and the General Pretreatment Regulations (40 CFR Part 403). The objectives of this article are:

(1) To prevent the introduction of pollutants into the POTW, which will cause Interference with the operation of the treatment facility or contaminate the collection system, and or cause worker health and safety problems.

(2) To regulate the disposal of industrial Wastewater into the sanitary wastewater collection system, thereby achieving compliance with Pretreatment regulations as required under Federal General Pretreatment Regulations, Categorical Standards, State and local source control ordinances.

(3) To improve the opportunity to reclaim and recycle Wastewater and biosolids for both the IU side and the POTW.

(4) For health and safety protection of both the environment and the public.

(5) To prevent IUs from illegally discharging pollutants into the storm sewers.

(b) Applicability. This article shall apply to all Users of the POTW. This article authorizes the issuance of individual Wastewater discharge permits or general permits; provides for all Users who are connected to the POTW, or Persons proposing to connect their property to the POTW; for industrial and domestic discharge of Wastewater into the POTW. These rules also authorize inspections, monitoring, compliance, and enforcement activities; establishes administrative review procedures; requires User reporting; and provides for the setting of fees for the equitable distribution of costs resulting from the program and rules defined herein.

(c) Administration. Except as otherwise stated herein, the Director of Public Works ("Director"), or his designee, shall administer, implement, and enforce the provisions of this article. Any powers granted to or duties imposed upon the Director may be delegated by the Director to other City personnel.

(d) Right of Revision. The Director reserves the right to amend these rules to provide for more stringent Standards, limitations or requirements for the use of the POTW where deemed necessary to achieve the objectives as set forth in Section 24-101(a) or to obtain compliance with any provision of this article.

24-102 Definitions.

(a) Definitions. Unless a provision explicitly states otherwise, the following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this Section, except where the context clearly indicates a different meaning:

"*ARIZ. ADMIN. CODE*." means the Arizona Administrative Code.

"*Accidental Spill Prevention Plan* (ASPP)" means a set of procedures that will minimize the chance of an accidental spill or Discharge of material into the City's collection or treatment system, that will damage or cause Interference to or Pass Through the City's system.

"*Act*" or "*the ACT*" means the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. § 1251 *et seq*.

"*Approval Authority*" means the Arizona Department of Environmental Quality ("ADEQ") or U.S. Environmental Protection Agency ("EPA").

"*ARIZ. REV. STAT.*" means Arizona Revised Statutes.

"*Authorized Representative of the User*"

(1) If the User is a corporation:

(A) The president, secretary, treasurer, or a vice-president of the corporation in charge of principal business function, or any other person who performs similar policy or decision-making functions for the corporation; or

(B) The manager of one or more manufacturing, production, or operating facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for individual Wastewater discharge permit or general permit requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures;

(2) If the User is a partnership or sole proprietorship: a general partner or proprietor, respectively;

(3) If the User is a Federal, State, or local governmental facility: a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or his/her designee;

(4) The individuals described in subsections (1) through (3) above may designate another authorized representative if the designation is dated and in writing, the designation specifies the individual or position responsible for the overall operation of the facility from which the Discharge originates or having overall responsibility for environmental matters for the company, and the written designation is submitted to the City.

"*AZPDES Permit*" means an Arizona Pollutant Discharge Elimination System Permit.

"*Best Management Practices (*BMP)" means schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in Section 24-101(a) and 40 CFR 403.5(a)(1) and (b). BMPs include, without limitation, treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage. BMPs also include, without limitation, alternative means (i.e. management plans) of complying with, or in place of certain established Categorical Pretreatment Standards and effluent limits.

"*Biochemical Oxygen Demand (*BOD*)*" means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five (5) days at 20 degrees centigrade as measured utilizing applicable analytical procedures defined in the most recent publication of "Standard Methods for the Examination of Water and Wastewater." Usually expressed as a concentration of mp/l and/or ppm.

"BMR" means a Baseline Monitoring Report.

"*Categorical Industrial User (CIU)*" means an Industrial User subject to a Categorical Pretreatment Standard or Categorical Standard.

"*Categorical Pretreatment Standard or Categorical Standard*" means any regulation containing pollutant Discharge limits promulgated by the U.S. EPA in accordance with Sections

307 (b) and (c) of the ACT (33 U.S.C. 1317) which apply to a specific category of Users and which appear in 40 CFR Chapter I, subchapter N, Parts 405-471.

"*CFR*" means Code of Federal Regulations.

"*City*" means the City of Avondale, located in Maricopa County, in the State of Arizona.

"*Color*" means the optical density at the visual wave length of maximum absorption, relative to distilled water. One-hundred percent (100%) transmittance is equivalent to zero (0.0) optical density.

"*Composite Sample*" means the sample resulting from the combination of individual Wastewater samples taken from a discharge at selected intervals based on an increment of either flow or time.

"*Control Authority*" means the City of Avondale.

"*Cooling Water/Non-contact Cooling Water*" means water used for cooling which does not come into direct contact with any raw material, intermediate product, waste product, or finished product. Cooling water may be generated from any use, such as air conditioning, heat exchangers, cooling or refrigeration to which the only pollutant added is heat.

"*Daily Maximum*" means the arithmetic average of all effluent samples for a pollutant collected during a calendar day.

"*Director*" means the City Manager, or his authorized designee, who is authorized to supervise the operation of the POTW, and who is charged with certain duties and responsibilities by this article. The term also means a Duly Authorized Representative of the Director.

"*Discharge or Indirect Discharge*" means the introduction of pollutants into the POTW from any non-domestic source including, but not limited to, any non-domestic source regulated under Section 307(b), (c), or (d) of the ACT.

"*Discharge Agreement*" means explicit written terms and conditions for discharging to the POTW issued to a User. The agreement may contain appropriate Pretreatment Standards or Requirements, including the obligations of the User to own, operate, and maintain a Pretreatment facility, as set forth in these rules. Discharge Agreements may be granted for a specific period of time up to five (5) years.

"*Domestic User (Residential Equivalent User)*" means any Person who contributes, causes, or allows the contribution of Wastewater into the POTW that is of a similar volume and/or chemical make-up as that of the Sewage from a residential dwelling unit. Wastewater contributions from a residential dwelling unit include approximately one-hundred (100) gallons per capita per day, 0.2 pounds of BOD per capita per day, and 0.17 pounds of TSS per capita per day.

"*EPA*" means the United States Environmental Protection Agency, the Regional Water Management Division Director, or other duly authorized official of said agency.

"*Existing Source*" means any source of Discharge that is not a "New Source."

"*FIFRA*" means Federal Insecticide Fungicide Rodenticide Act.

"FOG" means fats, oils, and grease.

"*gpd*" means gallons per day.

"*Grab Sample*" means a sample that is taken from a wastestream discharge, without regard to the flow in the wastestream and over a period of time not to exceed fifteen (15) minutes.

"*Industrial User (IU)*" means a source of Indirect Discharge, which can introduce pollutants into a POTW from any non-domestic source regulated under section 307(b), (c) or (d) of the ACT.

"*Instantaneous Limit*" means the maximum concentration of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composited sample collected, independent of the industrial flow rate and the duration of the sampling event.

"*Interference*" means a Discharge, that alone or in conjunction with a Discharge or Discharges from other sources inhibits, disrupts or damages the POTW, its treatment processes or operations or its solids handling processes, use or disposal; and therefore, is a cause of a violation of the City's AZPDES Permit or of the prevention of biosolids use or disposal in compliance with any of the following statutory/regulatory provisions or permits issued thereunder; or any more stringent State or local regulations; section 405 of the ACT, the SWDA, including Title II, commonly referred to as the RCRA; any State regulations contained in any State sludge or biosolids management plan prepared pursuant to Subtitle D of the SWDA, the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

"*Local Limit*" means specific discharge limits developed and enforced by the City upon industrial or commercial facilities to implement the general and specific discharge prohibitions listed in 40 CFR 403.5(a)(1) and (b).

"*Lower Explosive Limit (LEL)*" means the concentration of a particular gas, or mixture of gases, which will cause an explosion when the gas, or gases, is, or are mixed with air and then ignited.

"*Maximum Allowable Discharge Limit*" means the maximum concentration, or loading, of a pollutant allowed to be discharged into the POTW at any time, determined from the analysis of any grab or Composite Sample collected.

"*Medical Waste*" means isolation wastes, infectious agents, human blood and blood products, pathological wastes, sharps, body parts, contaminated bedding, surgical wastes, potentially contaminated laboratory wastes, and dialysis wastes.

"*mg/l*" means milligrams per liter.

"*Monthly Average*" means the sum of all "daily Discharges" measured during a calendar month divided by the number of "daily Discharges" measured during that month.

"*Monthly Average Limit*" means the highest allowable average of "daily Discharges" over a calendar month, calculated as the sum of all "daily Discharges" measured during a calendar month divided by the number of "daily Discharges" measured during that month.

"*New Source*" means:

(1) Any building, structure, facility, or installation from which there is or may be discharge of pollutants into the POTW, the construction of which commenced after the publication of proposed Pretreatment Standards under Section 307(c) of the ACT that will be applicable to such source if such Pretreatment Standards are thereafter promulgated in accordance with that section, provided that:

(A) The building, structure, facility, or installation is constructed at a site at which no other source is located; or

(B) The building, structure, facility, or installation totally replaces the process or production equipment that causes the discharge of pollutants at an Existing Source; or

(C) The production or Wastewater generating processes of the building, structure, facility, or installation is substantially independent of an Existing Source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is integrated with the existing plant, and the extent to which the new facility engages in the same general type of activity as the Existing Source, should be considered.

(2) Construction on a site at which an Existing Source is located results in a modification rather than a New Source if the construction does not create a new building, structure, facility, or installation meeting the criteria of paragraph (1)(B) or (1)(C) of this definition but otherwise alters, replaces, or adds to existing process or production equipment.

(3) Construction of a New Source as defined under this Section has commenced if the owner or operator has:

(a) Begun, or caused to begin, as part of a continuous onsite construction program.

(i) any placement, assembly, or installation of facilities or equipment; or

(ii) significant site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of New Source facilities or equipment; or

(b) Entered into a binding contractual obligation for the purchase of facilities or equipment which is intended to be used in its operation within a reasonable time. Options to purchase or contracts that can be terminated or modified without substantial loss and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this Section.

"*New User*" means for non-categorical Users, a "New User" is not a New Source and is defined as a User that applies to the City for a new, or superseding, Side Sewer Permit or any Person who occupies an existing building and plans to discharge Wastewater to the POTW after the effective date of these rules

"*Non-Compliance*" means for the purpose of these rules, not complying with, or otherwise violating, any requirements contained herein.

"*NPDES*" means National Pollutant Discharge Elimination System.

"*NSCIU*" means a Non-significant Categorical Industrial User. For further definition, see definition for "*SIU*," subparagraph (3), below.

"*O&M*" means Operation and Maintenance.

"*Pass Through*" means a discharge which exits the POTW into waters of the State of Arizona or the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, including Sewage from domestic sources, is a cause in whole or in part of a violation of a water quality standard or any requirement of the City's AZPDES Permit including an increase in the magnitude or duration of a violation.

"*Person" or "person*" means any individual, partnership, copartnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity, or any other legal entity; or their legal representatives, agents, or assigns. This definition includes all Federal, State and local entities.

"*pH*" means a measurement of the acidity or alkalinity of a solution as measured utilizing applicable analytical procedures defined in the most recent publications of "Standard Methods for the Examination of Water and Wastewater," expressed in Standard units.

"*Pollutant" or pollutant*" means any dredged spoil, solid waste, incinerator residue, Sewage, garbage, sewage sludge, biosolids, munitions, medical wastes, chemical wastes,

biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, agricultural and industrial wastes, and certain characteristics of Wastewater (e.g., pH, temperature, TSS, turbidity, Color, BOD, toxicity, or odor).

"*ppm"* means parts per million.

"*Pretreatment*" means the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in Wastewater prior to, or in lieu of, discharging or otherwise introducing such pollutants into the POTW. This reduction or alteration can be obtained by physical, chemical, or biological processes; by process changes; or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable Pretreatment Standard.

"*Pretreatment Requirements*" means any substantive or procedural requirement related to Pretreatment imposed on a User, other than a Pretreatment Standard.

"*Pretreatment Standard or Standards*" means any Prohibited Discharge Standards, Categorical Pretreatment Standards, and any Local Limits established by the City.

"*Prohibited Discharge Standards or Prohibited Discharge*" means absolute prohibitions against the Discharge of certain substances, as set forth in Section 24-103 of this article.

"*Publicly Owned Treatment Works or POTW*" means a treatment works, as defined by section 212 of the ACT (33 U.S.C. § 1292) which is owned by the City. This definition includes any device or system used in the collection, storage, treatment, recycling, and reclamation of Sewage or industrial wastes of a liquid nature and any conveyances, which convey Wastewater to a treatment plant.

"*RCRA*" means Resource Conservation and Recovery Act.

"*Septic Tank Waste (Septage)*" means any Sewage from holding tanks such as: vessels, chemical toilets, campers, trailers, and septic tanks.

"*Sewage (Domestic Wastewater)*" means human excrement and gray water (household showers, household dishwashing/laundry operations, etc.)

"*Sewer, Sewer main or Sanitary Sewer*" means any pipe, conduit, ditch, or other device constructed, owned, operated, or maintained by the City, which is used to collect and transport Sewage and Wastewater from a side sewer or other approve generating source, and is not designed to carry Storm Water or unpolluted water.

"*Shall / May*" "Shall" is mandatory; "May" is permissive.

"*Significant Non-compliance*" means a violation of applicable Pretreatment Standards by a User that meets one or more of the following criteria:

(1) Chronic violation of Wastewater discharge limits, defined as those in which sixty-six percent (66%) or more of all of the measurements taken during a six-month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including Instantaneous Limits, as defined in 40 CFR 403.3(1); or

(2) TRC violations, defined as those in which thirty-three percent (33%) or more of all of the measurements taken for the same pollutant parameter during a 6-month period equal or exceed the product of the numeric Pretreatment Standard or Requirement including Instantaneous Limits, as defined by 40 CFR 403.3(l) multiplied by the applicable TRC (TRC=1.4 for BOD, TSS, FOG, and 1.2 for all other pollutants except pH); or

(3) Any other violation of a Pretreatment Standard or Requirement as defined by 40 CFR 403.3(l) (Daily Maximum, long-term average, Instantaneous Limit, or narrative Standard) that the City determines has caused, alone or in combination with other discharges, including Sewage from domestic sources, Interference or Pass Through (including endangering the health of POTW personnel or the general public); or

(4) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the City's exercise of its emergency authority under the provisions specified in 40 CFR Part 403.8(f)(1)(vi)(B), and amendments thereto, to halt or prevent such discharge; or

(5) Failure to meet, within ninety (90) days after the scheduled date, a compliance schedule milestone contained in a Discharge Agreement or compliance order for starting construction, completing construction or attaining final compliance; or

(6) Failure to provide, within thirty (30) days after the due date, required reports such as BMRs, 90-day compliance reports, periodic self-monitoring reports and reports on conformity with compliance schedules; or

(7) Failure to accurately report Non-Compliance; or

(8) Any other violation, group of violations, or Non-Compliance, which may include a violation of BMP, which the City determines will adversely affect the operation or implementation of the City's Pretreatment Program.

"*Singular/Plural*" means the use of the singular shall be construed to include the plural and the plural shall include the singular as indicated by the context of its use.

"*SIU*" means a Significant Industrial User who is:

(1) A User subject to, or potentially subject to, Categorical Pretreatment Standards; or

(2) A User that:

(A) Discharges an average of 25,000 gpd or more per day of process Wastewater to the POTW; or

(B) Contributes process Wastewater which makes up five (5) percent or more of the average dry weather hydraulic or organic capacity of the receiving POTW treatment plant; or

(C) Is designated as such by the City on the basis that it has a reasonable potential for adversely affecting, or impacting, either singly or in combination with other contributing Users, including Sewage from domestic sources, the POTW's operation or for violating any Pretreatment Standard or Requirement; or

(3) The City may determine that an IU subject to Categorical Pretreatment Standards is a NSCIU rather than an SIU on a finding that the IU never discharges more than 100 gpd of total categorical Wastewater (excluding sanitary, non-contact cooling and boiler blow down Wastewater, unless specifically included in the Pretreatment Standard) and the following conditions are met:

(a) The IU, prior to the City's finding, has consistently complied with all applicable Categorical Pretreatment Standards and Requirements;

(b) The IU annually submits the certification statement required in Section 24-107(n)(2) and as set forth in 40 CFR 403.12(q), together with any additional information necessary to support the certification statement; and

(c) The IU never discharges any untreated concentrated Wastewater.

(4) Upon a finding that a User meeting the criteria in subsection (2), above, has no reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Standard or Requirement, the City may at any time, on its own initiative or in response to a petition received from an IU, and in accordance with procedures in 40 CFR 403.8(f)(6), determine that such User should not be considered a SIU.

"*Slug Load or Slug Discharge*" means any discharge at a flow rate or concentration that could cause Non-Compliance with the discharge standards in Section 24-103 of these rules or any discharge of a non-routine, episodic nature including, without limitation, an accidental spill or a non-customary batch discharge.

"*Storm Water*" means any flow occurring during or following any form of natural precipitation, and resulting from such precipitation, including snowmelt.

"*SWDA*" means Solid Waste Disposal Act (42 U.S.C. 6901, *et seq*.).

"*Total Suspended Solids (*TSS*)*" means the total suspended matter that floats on the surface of, or is suspended in, water, Wastewater, or other liquid, and which is removable by laboratory filtering as measured utilizing applicable analytical procedures defined in the most recent publication of "Standard Methods for the Examination of Water and Wastewater".

"*Toxic Pollutant*" means any one of the current 126 pollutants, or other pollutants as defined by the EPA and/or ADEQ, or combination of those pollutants, listed as toxic in regulations promulgated by EPA under Section 307 of the ACT (33 U.S.C. § 1317). Also, means those pollutants, or combinations of pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation or assimilation into any organism either directly from the environment or indirectly by ingestion through food chains, will, on the basis of information available to City, cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunctions (including reproductive malfunctions) or physical deformations in such organisms or their offspring.

"*TRC*" means technical review criteria.

"*Upset*" means an exceptional incident in which a User unintentionally is in a state of Non-Compliance with the Standards set forth in Sections 24-103 or 24-104 due to factors beyond the reasonable control of the User and excluding Non-Compliance to the extent caused by operational error, improperly designed treatment facilities, lack of preventive maintenance, or careless or improper operation thereof.

"*User*" means a Person who is the source of a Discharge to the POTW and shall include "Domestic User" as defined herein.

"*Wastewater*" or *"wastewater"* means liquid and water-carried industrial wastes, not including Storm Water, and Sewage from residential dwellings, commercial buildings, industrial and manufacturing facilities, and institutions, whether treated or untreated, which are contributed to the POTW.

"*Wastewater Treatment Plant*" means the portion of the POTW which is designed to provide treatment of municipal sewage and industrial waste.

24-103 General Discharge Requirements.

(a) Prohibited Discharge Standards.

(1) General Prohibitions. No User shall introduce Discharge, or cause to be introduced any pollutant or Wastewater which causes Pass Through or will cause Interference to the treatment facility or its process. These general prohibitions apply to all Users of the POTW whether or not they are subject to Categorical Pretreatment Standards or any National, State or other local Pretreatment Standards or Requirements.

(2) Specific Prohibitions. No User shall introduce, contribute, Discharge, or cause to be introduced, contributed or discharged into the POTW, either directly or indirectly, the following pollutants, substances, or Wastewater:

(A) Pollutants which create a fire or explosive hazard in the POTW, including, but not limited to, wastestreams with a closed-cup flashpoint of less than 60°C (140°F) using the test methods specified in 40 CFR 261.21;

(B) Wastewater having a pH less than 5.0 or more than 10.5, nor Wastewater which would cause the pH at the headworks of the POTW to exceed 9.0 or be less than 6.0, nor Wastewater which would otherwise cause corrosive structural damage to the POTW or any of its equipment;

(C) Solid or viscous substances in amounts that will cause obstruction of the flow in the POTW resulting in Interference with the operation of the POTW, but in no case solids greater than one-quarter (1/4) inch in any dimension. These substances would include, but are not limited to, FOG, animal guts or tissues, paunch manure, bones, hair, hides or fleshing, entrails, whole blood, feathers, ashes, cinders, sand, earth, gravel, coal, rubbish, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastics, gas, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil, mud, or glass grinding or polishing wastes;

(D) Pollutants, including oxygen-demanding pollutants (BOD, etc.) released in a discharge at a flow rate and/or pollutant concentration which, either singly or by interaction with other pollutants, will cause Interference with the POTW;

(E) Wastewater having a temperature which will inhibit biological activity in a POTW treatment plant resulting in Interference; but in no case, Wastewater with a temperature at the introduction into the City's sanitary sewer system or POTW which exceeds 60°C (140°F) nor wastewater which would cause the temperature at the headworks of a POTW treatment plant to exceed 40°C (104°F);

(F) Wastewater containing petroleum oil, non-biodegradable cutting oil, or products of mineral oil origin in amounts that will cause Interference to, or Pass Through the POTW;

(G) Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity which may cause, either singly or by interaction with other wastes, acute worker health and safety problems;

(H) Any material from a cesspool, privy, septic tank, or other on-site disposal system, except at discharge points, and in a manner, prescribed by the City. Handlers of such wastes shall obtain authorization from the City sixty (60) days prior to Discharge to the POTW, and meet requirements and conditions set forth by the City. In no case shall wastes other than those of domestic household origin be accepted.

(I) Noxious or malodorous liquids, gases, solids, or other Wastewater which, either singly or by interaction with other wastes, are sufficient to create a public nuisance or a hazard to life, or to prevent entry into the Sewers for maintenance and repair;

(J) Wastewater that imparts Color that cannot be removed by the treatment process, such as, but not limited to, paint wastes, dye wastes, and vegetable tanning solutions, which consequently imparts Color to the treatment plant's effluent, thereby violating a City AZPDES Permit. Color, in combination with turbidity, shall not cause the treatment plant effluent to reduce the depth of the compensation point for photosynthetic activity by more than ten percent (10%) from the seasonably established norm for aquatic life;

(K) Wastewater containing any radioactive wastes or isotopes, except in compliance with applicable State or Federal regulations;

(L) Storm water, surface water, ground water, artesian well water, roof runoff, subsurface drainage, swimming pool drainage, condensate, deionized water, Non-contact Cooling Water, and unpolluted Wastewater, unless specifically authorized by the Director;

(M) Any sludges, screenings, residues, or other solid wastes from the Pretreatment of industrial wastes or from industrial processes;

(N) Medical wastes, except as specifically authorized by the Director in an individual Wastewater discharge permit or general permit.

(O) Wastewater causing, alone or in conjunction with other sources, a treatment plant's effluent to fail a toxicity test;

(P) Detergents, surface-active agents, or other substances which may cause excessive foaming in the POTW;

(Q) Any liquids, solids, or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction to cause fire or explosion or be injurious in any other way to the operation of the POTW. At no time shall two (2) successive readings on an explosion meter be in excess of five percent (5%) of their LEL, nor any single reading in excess of ten percent (10%) of their LEL, at any point in the system. Such materials include, but are not limited to, gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromines, carbides, hydrides, sulfides, biphenyls, stoddard solvents, and any other substances which the City, County, State, or the EPA has determined are fire hazard or explosive hazard to the system;

(R) Any substance which will cause the POTW to violate a AZPDES Permit and/or other disposal system permits;

(S) Any substance that may cause the POTW's effluent, treatment residues, or biosolids to be unsuitable for reclamation and reuse or to interfere with the reclamation process. Under no circumstances will a substance discharged to the POTW which will cause the biosolids to be rendered unusable for agricultural uses;

(T) Any Wastewater, which in the opinion of the Director can cause harm either to the personnel, Sewers, Sewage treatment processes or other equipment of the City; have an adverse effect on the receiving stream; or can otherwise endanger life, limb, public property, or constitute a nuisance, unless allowed under special agreement or waiver by the Director, except that no special waiver shall be given from Categorical Pretreatment Standards;

(U) The contents of any tank or other vessel owned or used by any Person in the business of collecting or pumping Sewage, effluent, Septage, or other Wastewater unless said Person has first obtained approval as may be generally required by the Director and paid all fees assessed for the privilege of said Discharge;

(V) Any hazardous wastes as defined in ARIZ. ADMIN. CODE. Title 18-8-261.11, or in EPA rules 40 CFR 261;

(W) Persistent pesticides and/or pesticides regulated by FIFRA.

(X) Pollutants, substances, or Wastewater prohibited by this Section shall not be processed or stored in such a manner that they could be discharged to the POTW.

(b) Classes of Industrial Users. (Class I, II or III)

(1) The following User Classes are hereby established for IUs:

(A) Class I IUs are defined as SIUs.

(B) Class II IUs are any industrial User that meets all of the following criteria:

(i) Is not an SIU;

(ii) Is determined in writing by the Director to be responsible for an industrial discharge which causes or has the reasonable potential to cause harm or damage to the POTW, worker safety, public safety or the environment; and

(iii) Has discharges which are any one or more of the following:

A. Greater than the equivalent strength of twenty-five thousand (25,000) gpd of domestic waste measured by BOD and TSS.

B Pollutants in groundwater subject to a remedial action plan that has been approved by an appropriate regulatory agency.

C. Any of the substances described in this Section 24-103.

D. Either domestic Wastewater or no discharge at all, but such IU does have significant quantities of pollutants which, if discharged, would be regulated by this article.

(2) All IUs that are not Class I or II under Sections 24-103(b)(1)(A) or (B) shall be identified as Class III IUs.

(c) Federal Categorical Pretreatment Standards.

(1) Users must comply with the National Categorical Pretreatment Standards found at 40 CFR Chapter I, Subchapter N, Parts 405-471 which are hereby incorporated by reference. Such Categorical Pretreatment Standards shall include any revised Standards in the event that a User obtains a fundamentally different factors variance from the EPA on the basis of 40 CFR 403.13.

(2) Where a Categorical Pretreatment Standard is expressed only in terms of either the mass or the concentration of a pollutant in Wastewater, the Director may impose equivalent concentration or mass limits in accordance with 40 CFR 403.6(c).

(3) When the limits in a Categorical Pretreatment Standard are expressed only in terms of mass of pollutant per unit of production, the Director may convert the limits to equivalent limitations expressed either as mass of pollutant discharged per day or effluent concentration for purposes of calculating effluent limitations applicable to individual IUs.

(4) When wastewater subject to a Categorical Pretreatment Standard is mixed with Wastewater not regulated by the same Standard, the Director shall impose an alternate limit in accordance with 40 CFR 403.6(e).

(5) A CIU may obtain a net/gross adjustment to a Categorical Pretreatment Standard in accordance with the following subsections:

(A) Categorical Pretreatment Standards may be adjusted to reflect the presence of pollutants in the IU's intake water in accordance with this Section. Any IU wishing to obtain credit for intake pollutants must make application to the City. Upon

request of the IU, the applicable Standard will be calculated on a "net" basis (i.e., adjusted to reflect credit for pollutants in the intake water) if the requirements of subsection (B) of this Section are met.

(B) Criteria.

(i) Either (a) the applicable Categorical Pretreatment Standards contained in 40 CFR Chapter I, Subchapter N specifically provide that they shall be applied on a net basis; or (b) the IU demonstrates that the control system it proposes or uses to meet applicable Categorical Pretreatment Standards would, if properly installed and operated, meet the Standards in the absence of pollutants in the intake waters.

(ii) Credit for generic pollutants such as BOD, TSS, and oil and grease should not be granted unless the IU demonstrates that the constituents of the generic measure in the User's effluent are substantially similar to the constituents of the generic measure in the intake water or unless appropriate additional limits are placed on process water pollutants either at the outfall or elsewhere.

(iii) Credit shall be granted only to the extent necessary to meet the applicable Categorical Pretreatment Standard(s), up to a maximum value equal to the influent value. Additional monitoring may be necessary to determine eligibility for credits and compliance with Standard(s) adjusted under this Section.

(iv) Credit shall be granted only if the User demonstrates that the intake water is drawn from the same body of water as that into which the POTW discharges. The City may waive this requirement if it finds that no environmental degradation will result.

(d) Arizona Pretreatment Standards.

Users shall comply with all Arizona Pretreatment Standards or Requirements codified at ARIZ. REV. STAT. § 49-255.02, as amended, and at ARIZ. ADMIN. CODE. § R18-9-A906, as amended, or any other State Pretreatment Standards wherever codified, as amended. State regulations require the use of all known, available, and reasonable methods of prevention, control, and treatment; and prohibit the Discharge of pollutants to the POTW. In the event of any conflict between the Categorical Pretreatment Standards and Arizona Pretreatment Standards, Users shall comply with the more stringent standard.

(e) Local Limits.

(1) All Persons owning or operating facilities or engaged in activities that will or may reasonably be expected to result in pollutants entering the City's sanitary sewer system or affecting the sanitary sewer system or affecting the POTW, shall undertake all practicable BMP identified by the Director to minimize the Discharge of pollutants. Such measures shall include

the requirements imposed by this article, any applicable NPDES or AZPDES Permits, and any written guidelines promulgated for general use by the Director.

(2) The Director shall have the authority to:

(A) Establish limitations for individual Users or classes of Users for various pollutants, materials, waters, or wastes that can be accepted into the Sanitary Sewer system;

(B) Specify those pollutants, materials, waters, or wastes that are prohibited from entering the Sanitary Sewer system;

(C) Identify those pollutants, materials, waters, or wastes that shall be controlled with BMP; and

(D) Require individual Users or classes of Users to implement BMP for any pollutant.

(3) All affected individual Users or classes of Users shall comply with the prohibitions and effluent limitations established pursuant to this Section, and with any BMP required by the Director.

(4) All prohibitions and effluent limitations so established and all BMP identified by the Director will be placed on file with the City Clerk and will become effective and enforceable on the thirty-first (31st) day after the date of filing.

(5) The following pollutant limitations are established to protect the POTW against Pass Through and Interference. No User shall discharge Wastewater exceeding the limits set forth below:

Daily Average Effluent Limitations	
Substance	Effective on July 1, 2011
Arsenic	0.13 mg/l
BOD_5	300 mg/l
Cadmium	0.047 mg/l
Copper	1.5 mg/l
Cyanide	2.0 mg/l
Lead	0.41 mg/l
Mercury	0.0023 mg/l
Oil and Grease	100 mg/l
Selenium	0.10 mg/l
Silver	1.2 mg/l
Total Suspended Solids	300 mg/l
Zinc	3.5 mg/l

All concentrations are expressed in the "total" form unless indicated otherwise. The Director may impose mass limitations in addition to, or in place of, the concentration-based limitations above.

(f) Right of Revision. The Director reserves the right to enter into special agreements with Users setting out special terms under which they may discharge to the POTW. In no case will a special agreement waive compliance requirements with a Categorical Pretreatment Standard, or a federal or state Pretreatment Requirement. The City reserves the right to establish new, additional or more stringent Standards or Requirements on Discharges to the POTW consistent with the purpose of this article.

(g) Dilution. No User shall ever increase the use of potable or process water, or in any way attempt to dilute a Discharge, as a partial or complete substitute for adequate treatment to achieve compliance with an applicable Pretreatment Standard or Requirement. The Director may impose mass limitations on Users that he believes may be using dilution to meet applicable Pretreatment Standards or Requirements, or in other cases when the imposition of mass limitations is appropriate.

24-104 Pretreatment of Wastewater.

(a) Pretreatment Facilities and Equipment.

(1) Users shall provide Wastewater treatment as necessary to comply with this article and shall achieve compliance with all Categorical Pretreatment Standards, Local Limits,

and the prohibitions set out in Section 24-103(a) of this article within the time limitations specified by EPA, the State, or the Director. Any facilities necessary for compliance shall be provided, operated, and maintained at the User's expense. Detailed plans describing such facilities and operating procedures shall be submitted to the Director for review, and shall be acceptable to the Director before such facilities are constructed. The review of such plans and operating procedures shall in no way relieve the User from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to the City under the provisions of this article.

(2) The User shall obtain all necessary construction/operating permits from the City and any other permits necessary and administered by other agencies. Any subsequent significant changes in the Pretreatment facilities or equipment, or method of operation shall be reported to and be accepted by the City prior to the User's initiation of the changes. The User shall control production and/or discharges upon reduction, loss, failure, or by-pass of the treatment facility or equipment until the facility is restored or an alternative method of treatment is provided. This requirement applies in the situation where, among other things, the primary source of power of the treatment facility is reduced, lost, or fails.

(b) Additional Pretreatment Measures.

(1) Flow Control. Whenever deemed necessary, the Director may require Users to restrict their Discharge during peak flow periods, designate that certain Wastewater be discharged only into specific sewers, relocate and/or consolidate points of Discharge, separate Sewage wastestreams from industrial wastestreams, and such other conditions as may be necessary to protect the POTW and determine the User's compliance with the requirements of this article.

(2) The Director may require any Person discharging into the POTW to install and maintain, on their property and at their expense, a suitable storage and flow-control facility to ensure equalization of flow. An individual Wastewater discharge permit or a general permit may be issued solely for flow equalization.

(3) Grease, Oil, Hair, and Sand Interceptors. Grease, oil, hair, and sand interceptors shall be required when, in the opinion of the Director, they are necessary for the proper handling of Wastewater containing excessive amounts of FOG, or sand; except that such interceptors shall not be required for residential Users. All interception units shall be of type and capacity approved by the Director and shall be so located to be easily accessible for cleaning and inspection. Such interceptors shall be inspected, cleaned and repaired regularly, as needed, by the User at the User's expense.

(4) Flammable Substance Detection. Users with the potential to discharge flammable substances may be required to install and maintain an approved combustible gas detection meter.

(c) Accidental Discharge/Slug Load Control Plans.

(1) The Director shall evaluate whether each SIU needs an accidental discharge/slug control plan within thirty (30) days of issuing the initial Wastewater discharge permit and upon the renewal of any subsequent Wastewater discharge permit. The Director may require any User to develop, submit for approval, and implement such a plan or take such other action that may be necessary to control Slug Discharges. Alternatively, the Director may develop such a plan for any User.

(2) Where deemed necessary by the City, facilities to prevent accidental discharge or Slug Loads of pollutants shall be provided and maintained at the User's cost and expense. An ASPP showing facilities and operating procedures to provide this protection shall be submitted to the City for review and approval before implementation. The City shall determine which User is required to develop a plan and require said plan to be submitted within sixty (60) days after notification by the City. Each User shall implement its ASPP as submitted or as modified after such plan has been reviewed and approved by the City. Review and approval of such plans and operating procedures by the City shall not relieve the User from the responsibility to modify its facility as necessary to meet the requirements of Sections 24-103 and this Section 24-104.

(3) Any User required to develop and implement an ASPP shall submit a plan that addresses, at a minimum, the following:

(a) Description of discharge practices, including non-routine batch discharges;

(b) Description of stored chemicals;

(c) Procedures for immediately notifying the Director of any accidental or Slug Load discharge. Such notification must also be given for any Discharge which would cause Non-Compliance with any of the Standards in Section 24-103 of these rules; and

(d) Procedures to prevent adverse impact from any accidental or Slug Load discharge. Such processes include, but are not limited to, inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site runoff, worker training, building of containment structures or equipment, measures fore containing toxic organic pollutants (including solvents), and/or measures and equipment for emergency response.

(4) User shall notify the City immediately upon the occurrence of a "Slug Load" or "accidental Discharge" of substances regulated by these rules. The notification shall include location of Discharge, date and time thereof, type of waste, concentration and volume, and corrective actions. Any affected User shall be liable for any expense, loss, or damage to the POTW, in addition to the amount of any fines or costs incurred by the City on account thereof under local, state or federal law.

(5) Within five calendar days following an accidental Discharge, the User shall submit to the City a detailed written report describing the cause of the Discharge and the measures to be taken by the User to prevent similar future occurrences. Such notification shall not relieve the User of any expense, loss, damage, or other liability which may be incurred as a result of damage to the POTW, fish kills, or any other damage to person or property; nor shall such notification relieve the User of any fines, civil penalties, or other liability that may be imposed by these rules or other applicable law.

(6) Signs shall be permanently posted in conspicuous places on the User's premises advising employees who to call in the event of a Slug Load or accidental Discharge. Employers shall instruct all employees who may cause or discover such a Discharge with respect to emergency notification procedures.

(d) Hauled Septic Tank and Industrial Wastewater.

(1) The POTW shall not accept hauled industrial Wastewater.

24-105 Individual or General Wastewater Discharge Permit Required.

(a) Wastewater Analysis. When requested by the Director, a User must submit information on the nature and characteristics of its Wastewater within ten (10) days of the request. The Director is authorized to prepare a form for this purpose and may periodically require Users to update this information.

(b) Individual and General Wastewater Discharge Permit Requirements.

(1) No SIU shall discharge Wastewater into the POTW without first obtaining an individual Wastewater discharge permit or a general permit from the Director, except that an SIU that has filed a timely application pursuant to Section 24-105(c) of this article may continue to discharge for the time period specified therein.

(2) All Users shall submit a completed Industrial Pretreatment Survey when applying to discharge Wastewater into the POTW. The Industrial Pretreatment Survey shall be made available at the City's Development Services Department upon User's application for sewer service.

(3) The Director may require other Users to obtain individual Wastewater discharge permits or general permits as necessary to carry out the purposes of this article.

(4) Any violation of the terms and conditions of an individual Wastewater discharge permit or a general permit shall be deemed a violation of this article and subjects the Wastewater discharge permittee to the sanctions set out in Sections 24-111 through 24-113 of this article. Obtaining an individual Wastewater discharge permit or a general permit does not relieve a permittee of its obligation to comply with all Federal and State Pretreatment Standards or Requirements or with any other requirements of Federal, State, and local law.

(c) Individual and General Wastewater Discharge Permitting; Existing Connections. Any User required to obtain an individual Wastewater discharge permit or a general permit who was discharging Wastewater into the POTW prior to the effective date of this article and who wishes to continue such discharges in the future, shall, within thirty (30) days after said date, apply to the Director for an individual Wastewater discharge permit or a general permit in accordance with Section 24-105(e) of this article, and shall not cause or allow discharges to the POTW to continue after thirty (30) days of the effective date of this article except in accordance with an individual Wastewater discharge permit or a general permit issued by the Director.

(d) Individual and General Wastewater Discharge Permitting; New Connections. Any User required to obtain an individual Wastewater discharge permit or a general permit who proposes to begin or recommence discharging into the POTW must obtain such permit prior to the beginning or recommencing of such discharge. An application for this individual Wastewater discharge permit or general permit, in accordance with Section 24-105(e) of this article, must be filed at least thirty (30) days prior to the date upon which any discharge will begin or recommence.

(e) Individual and General Wastewater Discharge Permit Application Contents.

(1) All Users required to obtain an individual wastewater discharge permit or a general permit must submit a permit application. Users that are eligible may request a general permit under Section 24-105(f). The Director may require Users to submit all or some of the following information as part of a permit application:

(A) Identifying Information.

(i) The name and address of the facility, including the name of the operator and owner.

(ii) Contact information, description of activities, facilities, and plant production processes on the premises;

(B) Environmental Permits. A list of any environmental control permits held by or for the facility.

(C) Description of Operations.

(i) A brief description of the nature, average rate of production (including each product produced by type, amount, processes, and rate of production), and standard industrial classifications of the operation(s) carried out by such User. This description should include a schematic process diagram, which indicates points of discharge to the POTW from the regulated processes.

(ii) Types of wastes generated, and a list of all raw materials and chemicals used or stored at the facility which are, or could accidentally or intentionally be, discharged to the POTW;

(iii) Number and type of employees, hours of operation, and proposed or actual hours of operation;

(iv) Type and amount of raw materials processed (average and maximum per day);

(v) Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, floor drains, and appurtenances by size, location, and elevation, and all points of discharge;

(vi) Time and duration of discharges;

(vii) The location for monitoring all wastes covered by the permit;

(D) Flow Measurement. Information showing the measured average daily and maximum daily flow, in gpd, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined wastestream formula set out in Section 24-103(c)(4) (40 CFR 403.6(e)).

(E) Measurement of Pollutants.

(i) The Categorical Pretreatment Standards applicable to each regulated process and any new categorically regulated processes for Existing Sources.

(ii) The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the Standard or by the Director, of regulated pollutants in the Discharge from each regulated process.

(iii) Instantaneous, Daily Maximum, and long-term average concentrations, or mass, where required, shall be reported.

(iv) The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in Section 24-107(j) of this article. Where the Standard requires compliance with a BMP or pollution prevention alternative, the User shall submit documentation as required by the Director or the applicable Standards to determine compliance with the Standard.

(v) Sampling must be performed in accordance with procedures set out in Section 24-107(k) of this article.

(F) Any requests for a monitoring waiver (or a renewal of an approved monitoring waiver) for a pollutant neither present nor expected to be present in the Discharge based on Section 24-107(d)(2).

(G) Any request to be covered by a general permit based on Section 24-105(f).

(H) Any other information as may be deemed necessary by the Director to evaluate the permit application.

(2) Incomplete or inaccurate applications will not be processed and will be returned to the User for revision.

(f) Wastewater Discharge Permitting: General Permits.

(1) At the discretion of the Director, the Director may use general permits to control SIU Discharges to the POTW if the following conditions are met. All facilities to be covered by a general permit must:

(A) Involve the same or substantially similar types of operations;

(B) Discharge the same types of wastes;

(C) Require the same effluent limitations;

(D) Require the same or similar monitoring; and

(E) In the opinion of the Director, are more appropriately controlled under a general permit than under individual Wastewater discharge permits.

(2) To be covered by the general permit, the SIU must file a written request for coverage that identifies its contact information, production processes, the types of wastes generated, the location for monitoring all wastes covered by the general permit, any requests in accordance with Section 24-107(d)(2) for a monitoring waiver for a pollutant neither present nor expected to be present in the Discharge, and any other information the POTW deems appropriate. A monitoring waiver for a pollutant neither present nor expected to be present in the Discharge is not effective in the general permit until after the Director has provided written notice to the SIU that such a waiver request has been granted in accordance with Section 24-107(d)(2).

(3) The Director will retain a copy of the general permit, documentation to support the POTW's determination that a specific SIU meets the criteria in Sections 24-105(f)(1)(A) through (E) and applicable State regulations, and a copy of the User's written request for coverage for three (3) years after the expiration of the general permit.

(4) The Director may not control an SIU through a general permit where the facility is subject to production-based Categorical Pretreatment Standards or Categorical Pretreatment Standards expressed as mass of pollutant discharged per day or for IUs whose limits are based on the Combined Wastestream Formula (Section 24-103(c)(4))or Net/Gross calculations (Section 24-192(b)(4)).

(g) Application Signatories and Certifications.

(1) All Wastewater discharge permit applications, User reports and certification statements must be signed by an Authorized Representative of the User and contain the certification statement in Section 24-107(n)(1).

(2) If the designation of an Authorized Representative is no longer accurate because a different individual or position has responsibility for the overall operation of the facility or overall responsibility for environmental matters for the company, a new written authorization satisfying the requirements of this Section must be submitted to the Director prior to or together with any reports to be signed by an Authorized Representative.

(3) A facility determined to be a NSCIU by the Director pursuant to this article and 40 CFR 403.3(v)(2) must annually submit the signed certification statement in Section 24-107(n)(2).

(h) Individual Wastewater Discharge and General Permit Decisions. The Director will evaluate the data furnished by the User and may require additional information. Within thirty (30) days of receipt of a complete permit application, the Director will determine whether to issue an individual Wastewater discharge permit or a general permit. The Director may deny any application for an individual Wastewater discharge permit or a general permit.

24-106 Individual and General Wastewater Discharge Permit Issuance.

(a) Individual and General Wastewater Discharge Permit Duration. An individual Wastewater discharge permit or a general permit shall be issued for a specified time period, not to exceed five (5) years from the effective date of the permit. An individual Wastewater discharge permit or a general permit may be issued for a period less than five (5) years, at the discretion of the Director. Each individual Wastewater discharge permit or a general permit will indicate a specific date upon which it will expire.

(b) Individual and General Wastewater Discharge Permit Contents. An individual Wastewater discharge permit or a general permit shall include such conditions as are deemed reasonably necessary by the Director to prevent Pass Through or Interference, protect the quality of the water body receiving the treatment plant's effluent, protect worker health and safety, facilitate sludge management and disposal, and protect against damage to the POTW.

(1) Individual Wastewater discharge permits and general permits must contain:

(A) A statement that indicates the Wastewater discharge permit issuance date, expiration date and effective date;

(B) A statement that the Wastewater discharge permit is nontransferable without prior notification to the City in accordance with Section 24-106(e) of this article, and provisions for furnishing the new owner or operator with a copy of the existing Wastewater discharge permit;

(C) Effluent limits, including BMPs, based on applicable Pretreatment Standards;

(D) Self monitoring, sampling, reporting, notification, and record-keeping requirements. These requirements shall include an identification of pollutants (or best management practice) to be monitored, sampling location, sampling frequency, and sample type based on Federal, State, and local law.

(E) The process for seeking a waiver from monitoring for a pollutant neither present nor expected to be present in the Discharge in accordance with Section 24-107(d)(2).

(F) A statement of applicable civil and criminal penalties for violation of Pretreatment Standards and Requirements, and any applicable compliance schedule. Such schedule may not extend the time for compliance beyond that required by applicable Federal, State, or local law.

(G) Requirements to control Slug Discharge, if determined by the Director to be necessary.

(H) Any grant of the monitoring waiver by the Director under Section 24-107(d)(2) of this article must be included as a condition in the User's permit or other control mechanism.

(2) Individual Wastewater discharge permits or general permits may contain, but need not be limited to, the following conditions:

(A) Limits on the average and/or maximum rate of discharge, time of discharge, and/or requirements for flow regulation and equalization;

(B) Requirements for the installation of Pretreatment technology, pollution control, or construction of appropriate containment devices, designed to reduce, eliminate, or prevent the introduction of pollutants into the treatment works;

(C) Requirements for the development and implementation of spill control plans or other special conditions including management practices necessary to adequately prevent accidental, unanticipated, or non-routine discharges;

(D) Development and implementation of waste minimization plans to reduce the amount of pollutants discharged to the POTW;

(E) The unit charge or schedule of User charges and fees for the management of the Wastewater discharged to the POTW;

(F) Requirements for installation and maintenance of inspection and sampling facilities and equipment, including flow measurement devices;

(G) A statement that compliance with the individual Wastewater discharge permit or the general permit does not relieve the permittee of responsibility for compliance with all applicable Federal and State Pretreatment Standards, including those which become effective during the term of the individual Wastewater discharge permit or the general permit; and

(H) Other conditions as deemed appropriate by the Director to ensure compliance with this article, and State and Federal laws, rules, and regulations.

(c) Permit Issuance Process.

(1) Notification. The Director shall provide notice of the issuance of a Wastewater discharge permit to the applicant.

(2) Permit Appeals. Any permit applicant or permitee may petition the Director to reconsider the terms of an individual Wastewater discharge permit or a general permit within twenty (20) days of notice of its issuance.

(A) Failure to submit a timely petition for review shall be deemed to be a waiver of the administrative appeal.

(B) In its petition, the appealing party must indicate the individual Wastewater discharge permit or a general permit provisions objected to, the reasons for this objection, and the alternative condition, if any, it seeks to place in the individual Wastewater discharge permit or a general permit.

(C) The effectiveness of the individual Wastewater discharge permit or a general permit shall not be stayed pending the appeal.

(D) If the Director fails to act within thirty (30) days, a request for reconsideration shall be deemed to be denied. Decisions not to reconsider an individual Wastewater discharge permit or a general permit, not to issue an individual Wastewater discharge permit or a general permit, or not to modify an individual Wastewater discharge permit or a general permit shall be considered final administrative actions for purposes of judicial review.

(E) Aggrieved parties seeking judicial review of the final administrative individual Wastewater discharge permit or general permit decision must do so by filing a complaint with the Superior Court of the State of Arizona In and for the County of Maricopa for proper jurisdiction within thirty (30) days of final administrative action.

(d) Permit Modification.

(1) The Director may modify an individual Wastewater discharge permit for good cause, including, but not limited to, the following reasons:

(A) To incorporate any new or revised Federal, State, or local Pretreatment Standards or Requirements;

(B) To address significant alterations or additions to the User's operation, processes, or Wastewater volume or character since the time of the individual Wastewater discharge permit issuance;

(C) A change in the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge;

(D) Information indicating that the permitted discharge poses a threat to the City's POTW, City personnel, or the receiving waters;

(E) Violation of any terms or conditions of the individual Wastewater discharge permit;

(F) Misrepresentations or failure to fully disclose all relevant facts in the Wastewater discharge permit application or in any required reporting;

(G) Revision of or a grant of variance from Categorical Pretreatment Standards pursuant to 40 CFR 403.13;

(H) To correct typographical or other errors in the individual Wastewater discharge permit; or

(I) To reflect a transfer of the facility ownership or operation to a new owner or operator where requested in accordance with Section 24-106(e).

(2) The Director may modify a general permit for good cause, including, but not limited to, the following reasons:

(A) To incorporate any new or revised Federal, State, or local Pretreatment Standards or Requirements;

(B) A change in the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge;

(C) To correct typographical or other errors in the individual Wastewater discharge permit; or

(D) To reflect a transfer of the facility ownership or operation to a new owner or operator where requested in accordance with Section 24-106(e).

(e) Individual Wastewater Discharge Permit and General Permit Transfer.

(1) Individual Wastewater discharge permits or coverage under general permits may be transferred to a new owner or operator only if the permittee gives at least sixty (60) days advance notice to the Director and the Director approves the individual Wastewater discharge permit or the general permit coverage transfer. The notice to the Director must include a written certification by the new owner or operator which:

(A) States that the new owner and/or operator has no immediate intent to change the facility's operations and processes;

(B) Identifies the specific date on which the transfer is to occur;

(C) Acknowledges full responsibility for complying with the existing individual Wastewater discharge permit or general permit.

(2) Failure to provide advance notice of a transfer renders the individual Wastewater discharge permit or coverage under the general permit void as of the date of facility transfer.

(f) Individual Wastewater Discharge Permit and General Permit Revocation.

(1) The Director may revoke an individual Wastewater discharge permit or coverage under a general permit for good cause, including, but not limited to, the following reasons:

(A) Failure to notify the Director of significant changes to the Wastewater prior to the changed discharge;

(B) Failure to provide prior notification to the Director of changed conditions pursuant to Section 24-107(e) of this article;

(C) Misrepresentation or failure to fully disclose all relevant facts in the Wastewater discharge permit application;

(D) Falsifying self-monitoring reports and certification statements;

(E) Tampering with monitoring equipment;

(F) Refusing to allow the Director timely access to the facility premises and records;

(G) Failure to meet effluent limitations;

(H) Failure to pay fines;

(I) Failure to pay sewer charges;

(J) Failure to meet compliance schedules;

(K) Failure to complete an Industrial Pretreatment Survey or the Wastewater discharge permit application;

(L) Failure to provide advance notice of the transfer of business ownership of a permitted facility; or

(M) Violation of any Pretreatment Standard or Requirement, or any terms of the Wastewater discharge permit or the general permit or this article.

(2) Individual Wastewater discharge permits or coverage under general permits shall be voidable upon cessation of operations or transfer of business ownership. All individual Wastewater discharge permits or general permits issued to a User are void upon the issuance of a new individual Wastewater discharge permit or a general permit to that User.

(g) Individual Wastewater Discharge Permit and General Permit Reissuance. User with an expiring individual Wastewater discharge permit or general permit shall apply for individual Wastewater discharge permit or general permit reissuance by submitting a complete permit application, in accordance with Section 24-105(e) of this article, a minimum of thirty (30) days prior to the expiration of the User's existing individual Wastewater discharge permit or general permit.

24-107 Reporting Requirements.

(a) Baseline Monitoring Reports (BMRs).

(1) Within either one hundred eighty (180) days after the effective date of a Categorical Pretreatment Standard, or the final administrative decision on a category determination under 40 CFR 403.6(a)(4), whichever is later, existing CIUs currently discharging to or scheduled to discharge to the POTW shall submit to the Director a report which contains the information listed in subsection (2), below. At least ninety (90) days prior to commencement of their discharge, New Sources, and sources that become CIUs subsequent to the promulgation of an applicable Categorical Standard, shall submit to the Director a report which contains the information listed in subsection (2), below. A New Source shall report the method of

Pretreatment it intends to use to meet applicable Categorical Standards. A New Source also shall give estimates of its anticipated flow and quantity of pollutants to be discharged.

(2) Users described above shall submit the information set forth below.

(A) All information required in Section 24-105(e)(1)(A)(i), Section 24-105(e)(1)(B), Section 24-105(e)(1)(C)(i), and Section 24-105(e)(1)(F).

(B) Measurement of pollutants.

(i) The User shall provide the information required in Sections 24-105(e)(1)(G)(i) through (iv).

(ii) The User shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this subsection.

(iii) Samples should be taken immediately downstream from Pretreatment facilities if such exist or immediately downstream from the regulated process if no Pretreatment exists. If other Wastewaters are mixed with the regulated Wastewater prior to Pretreatment the User should measure the flows and concentrations necessary to allow use of the combined wastestream formula in 40 CFR 403.6(e) to evaluate compliance with the Pretreatment Standards. Where an alternate concentration or mass limit has been calculated in accordance with 40 CFR 403.6(e) this adjusted limit along with supporting data shall be submitted to the Control Authority;

(iv) Sampling and analysis shall be performed in accordance with Section 24-107(j);

(v) The Director may allow the submission of a baseline report which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial Pretreatment measures;

(vi) The baseline report shall indicate the time, date and place of sampling and methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected pollutant Discharges to the POTW.

(C) Compliance Certification. A statement, reviewed by the User's Authorized Representative as defined in Section 24-102 and certified by a qualified professional, indicating whether Pretreatment Standards are being met on a consistent basis, and, if not, whether additional O&M and/or additional Pretreatment is required to meet the Pretreatment Standards and Requirements.

(D) Compliance Schedule. If additional Pretreatment and/or O&M will be required to meet the Pretreatment Standards, the shortest schedule by which the User will provide such additional Pretreatment and/or O&M must be provided. The completion date in this schedule shall not be later than the compliance date established for the applicable Pretreatment Standard. A compliance schedule pursuant to this Section must meet the requirements set out in Section 24-107(b) of this article.

(E) Signature and Report Certification. All BMRs must be certified in accordance with Section 24-107(n)(1) of this article and signed by an Authorized Representative as defined in Section 24-102.

(b) Compliance Schedule Progress Reports.

(1) The following conditions shall apply to the compliance schedule required by Section 24-107(a)(2)(D) of this article:

(A) The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional Pretreatment required for the User to meet the applicable Pretreatment Standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation);

(B) No increment referred to above shall exceed nine (9) months;

(C) The User shall submit a progress report to the Director no later than fourteen (14) days following each date in the schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the User to return to the established schedule; and

(D) In no event shall more than nine (9) months elapse between such progress reports to the Director.

(c) Reports on Compliance with Categorical Pretreatment Standard Deadline. Within ninety (90) days following the date for final compliance with applicable Categorical Pretreatment Standards, or in the case of a New Source following commencement of the introduction of Wastewater into the POTW, any User subject to such Pretreatment Standards and Requirements shall submit to the Director a report containing the information described in Sections 24-105(e)(1)(F) and (G) and Section 24-107(a)(2)(B) of this article. For Users subject to equivalent mass or concentration limits established in accordance with the procedures in Section 24-103(c), this report shall contain a reasonable measure of the User's long-term production rate. For all other Users subject to Categorical Pretreatment Standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the User's actual production during the appropriate sampling period. All compliance

reports must be signed and certified in accordance with Section 24-107(n)(1) of this article. All sampling will be done in conformance with Section 24-107(k).

(d) Periodic Compliance Reports.

(1) Except as specified in Section 24-107(d)(3), all SIUs must, at a frequency determined by the Director submit no less than twice per year (in June and December) reports indicating the nature, concentration of pollutants in the discharge which are limited by Pretreatment Standards and the measured or estimated average and maximum daily flows for the reporting period. In cases where the Pretreatment Standard requires compliance with a Best Management Practice (BMP) or pollution prevention alternative, the User must submit documentation required by the Director or the Pretreatment Standard necessary to determine the compliance status of the User.

(2) The City may authorize an IU subject to a Categorical Pretreatment Standard to forego sampling of a pollutant regulated by a Categorical Pretreatment Standard if the IU has demonstrated through sampling and other technical factors that the pollutant is neither present nor expected to be present in the Discharge, or is present only at background levels from intake water and without any increase in the pollutant due to activities of the IU. This authorization is subject to the following conditions:

(A) The waiver may be authorized where a pollutant is determined to be present solely due to sanitary Wastewater discharged from the facility provided that the sanitary Wastewater is not regulated by an applicable Categorical Standard and otherwise includes no process Wastewater.

(B) The monitoring waiver is valid only for the duration of the effective period of the individual Wastewater discharge permit, but in no case longer than 5 years. The User must submit a new request for the waiver before the waiver can be granted for each subsequent individual Wastewater discharge permit. See Section 24-105(e)(1)(H).

(C) In making a demonstration that a pollutant is not present, the IU must provide data from at least one sampling of the facility's process Wastewater prior to any treatment present at the facility that is representative of all Wastewater from all processes.

(D) The request for a monitoring waiver must be signed by an Authorized Representative of the User, and include the certification statement in Section 24-107(n)(1) (40 CFR 403.6(a)(2)(ii)).

(E) Non-detectable sample results may be used only as a demonstration that a pollutant is not present if the EPA approved method from 40 CFR Part 136 with the lowest minimum detection level for that pollutant was used in the analysis.

(F) Any grant of the monitoring waiver by the Director must be included as a condition in the User's permit. The reasons supporting the waiver and any information submitted by the User in its request for the waiver must be maintained by the Director for 3 years after expiration of the waiver.

(G) Upon approval of the monitoring waiver and revision of the User's permit by the Director, the IU must certify on each report with the statement in Section 24-107(n)(3) below, that there has been no increase in the pollutant in its wastestream due to activities of the IU.

(H) In the event that a waived pollutant is found to be present or is expected to be present because of changes that occur in the User's operations, the User must immediately comply with the monitoring requirements of Section 24-107(d)(1), or other more frequent monitoring requirements imposed by the Director, and notify the Director.

(I) This provision does not supersede certification processes and requirements established in Categorical Pretreatment Standards, except as otherwise specified in the Categorical Pretreatment Standard.

(3) The City may reduce the requirement for periodic compliance reports to a requirement to report no less frequently than once a year, unless required more frequently in the Pretreatment Standard or by the EPA or ADEQ, where the IU's total categorical Wastewater flow does not exceed any of the following:

(A) five thousand (5,000) gpd, as measured by a continuous effluent flow monitoring device unless the IU discharges in batches;

(B) two hundred fifty (250) lbs per day of organic load.

(4) Reduced reporting is not available to IUs that have in the last two (2) years been in Significant Noncompliance, as defined in Section 24-102 of this article. In addition, reduced reporting is not available to an IU with daily flow rates, production levels, or pollutant levels that vary so significantly that, in the opinion of the Director, decreasing the reporting requirement for this IU would result in data that are not representative of conditions occurring during the reporting period.

(5) All periodic compliance reports must be signed and certified in accordance with Section 24-107(n)(1) of this article.

(6) All Wastewater samples must be representative of the User's discharge. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times. The failure of a User to keep its monitoring facility in good working order shall not be grounds for the User to claim that sample results are unrepresentative of its discharge.

(7) If a User subject to the reporting requirement in this Section monitors any regulated pollutant at the appropriate sampling location more frequently than required by Director, using the procedures prescribed in Section 24-107(k) of this article, the results of this monitoring shall be included in the report.

(e) Reports of Changed Conditions.

(1) Each User must notify the Director of any significant changes to the User's operations or system which might alter the nature, quality, or volume of its Wastewater at least forty-five (45) days before the change.

(2) The Director may require the User to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a Wastewater discharge permit application under Section 24-105(e) of this article.

(3) The Director may issue an individual Wastewater discharge permit or a general permit under Section 24-106(g) of this article or modify an existing Wastewater discharge permit or a general permit under Section 24-106(d) of this article in response to changed conditions or anticipated changed conditions.

(f) Reports of Potential Problems.

(1) In the case of any discharge, including, but not limited to, accidental discharges, discharges of a non-routine, episodic nature, a non-customary batch discharge, a Slug Discharge or Slug Load, that might cause potential problems for the POTW, the User shall immediately telephone and notify the Director of the incident. This notification shall include the location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the User.

(2) Within five (5) days following such discharge, the User shall, unless waived by the Director, submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the User to prevent similar future occurrences. Such notification shall not relieve the User of any expense, loss, damage, or other liability which might be incurred as a result of damage to the POTW, natural resources, or any other damage to person or property; nor shall such notification relieve the User of any fines, penalties, or other liability which may be imposed pursuant to this article.

(3) A notice shall be permanently posted on the User's bulletin board or other prominent place advising employees who to call in the event of a discharge described in s A, above. Employers shall ensure that all employees, who could cause such a discharge to occur, are advised of the emergency notification procedure.

(4) SIUs are required to notify the Director immediately of any changes at its facility affecting the potential for a Slug Discharge.

(g) Reports from Unpermitted Users. All Users not required to obtain an individual Wastewater discharge permit or general permit shall provide appropriate reports to the Director as the Director may require.

(h) Notice of Violation; Repeat Sampling and Reporting

(1) If sampling performed by a User indicates a violation, the User must notify the Director within twenty-four (24) hours of becoming aware of the violation. The User shall also repeat the sampling and analysis and submit the results of the repeat analysis to the Director within thirty (30) days after becoming aware of the violation.

(2) Resampling by the IU is not required if the City performs sampling at the User's facility at least once a month, or if the City performs sampling at the User between the time when the initial sampling was conducted and the time when the User or the City receives the results of this sampling, or if the City has performed the sampling and analysis in lieu of the IU.

(3) If the City has performed the sampling and analysis in lieu of the IU, the City must perform the repeat sampling and analysis unless it notifies the User of the violation and requires the User to perform the repeat analysis.

(i) Notification of the Discharge of Hazardous Waste.

(1) Discharge of hazardous waste into the POTW is prohibited. Any User who commences the discharge of hazardous waste shall notify the POTW, the EPA Regional Waste Management Division Director, and Arizona Department of Environmental Quality, in writing, of any discharge into the POTW of a substance which, if otherwise disposed of, would be a hazardous waste under 40 CFR Part 261. Such notification must include:

(A) the name of the hazardous waste as set forth in 40 CFR Part 261,

(B) the EPA hazardous waste number, and

(C) the type of discharge (continuous, batch, or other).

(D) If the User discharges more than one hundred (100) kilograms of such waste per calendar month to the POTW, the notification also shall contain the following information to the extent such information is known and readily available to the User:

(i) an identification of the hazardous constituents contained in the wastes.

(ii) an estimation of the mass and concentration of such constituents in the wastestream discharged during that calendar month.

(iii) an estimation of the mass of constituents in the wastestream expected to be discharged during the following twelve (12) months.

(2) All notifications must take place no later than one hundred and eighty (180) days after the discharge commences. Any notification under this Section need be submitted only once for each hazardous waste discharged; provided, however, that notification of changed conditions must be submitted under Section 24-107(e) of this article. The notification requirement in this Section does not apply to pollutants already reported by Users subject to Categorical Pretreatment Standards under the self-monitoring requirements of Sections 24-107(a), 24-107(c) and 24-107(d)of this article.

(3) Dischargers are exempt from the requirements of subsection (1), above, during a calendar month in which they discharge no more than fifteen (15) kilograms of hazardous wastes, unless the wastes are acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e). Discharge of more than fifteen (15) kilograms of non-acute hazardous wastes in a calendar month, or of any quantity of acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e), requires a one-time notification. Subsequent months during which the User discharges more than such quantities of any hazardous waste do not require additional notification.

(4) In the case of any new regulations under section 3001 of RCRA identifying additional characteristics of hazardous waste or listing any additional substance as a hazardous waste, the User must notify the Director, the EPA Regional Waste Management Waste Division Director, and Arizona Department of Environmental Quality of the discharge of such substance within ninety (90) days of the effective date of such regulations.

(5) In the case of any notification made under this Section, the User shall certify that it has a program in place to reduce the volume and toxicity of hazardous wastes generated to the degree it has determined to be economically practical.

(6) This provision does not create a right to discharge any substance not otherwise permitted to be discharged by this article, a permit issued thereunder, or any applicable Federal or State law.

(j) Analytical Requirements. All pollutant analyses, including sampling techniques, to be submitted as part of a Wastewater discharge permit application or report shall be performed in accordance with the techniques prescribed in 40 CFR Part 136 and amendments thereto, unless otherwise specified in an applicable Categorical Pretreatment Standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, or where the EPA determines that the Part 136 sampling and analytical techniques are inappropriate for the pollutant in question, sampling and analyses shall be performed by using validated analytical methods or any other applicable sampling and analytical procedures, including procedures suggested by the Director or other parties approved by EPA.

(k) Sample Collection.

(1) Samples collected to satisfy reporting requirements must be based on data obtained through appropriate sampling and analysis performed during the period covered by the report, based on data that is representative of conditions occurring during the reporting period.

(2) Except as indicated in Sections 24-107(k)(3) and (4) below, the User must collect Wastewater samples using 24-hour flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the Director. Where time-proportional composite sampling or grab sampling is authorized by the City, the samples must be representative of the discharge. Using protocols (including appropriate preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple Grab Samples collected during a 24-hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil and grease, the samples may be composited in the laboratory. Composite Samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the City, as appropriate. In addition, Grab Samples may be required to show compliance with Instantaneous Limits.

(3) Samples for oil and grease, temperature, pH, cyanide, total phenols, sulfides, and volatile organic compounds must be obtained using grab collection techniques.

(4) For sampling required in support of baseline monitoring and 90-day compliance reports required in Sections 24-107(a) and 24-107(c), a minimum of four (4) Grab Samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, the Director may authorize a lower minimum. For the reports required by Section 24-107(d), the IU is required to collect the number of Grab Samples necessary to assess and assure compliance by with applicable Pretreatment Standards and Requirements.

(l) Date of Receipt of Reports. Written reports will be deemed to have been submitted on the date postmarked. For reports, which are not mailed, postage prepaid, into a mail facility serviced by the United States Postal Service, the date of receipt of the report shall govern.

(m) Recordkeeping. Users subject to the reporting requirements of this article shall retain, and make available for inspection and copying, all records of information obtained pursuant to any monitoring activities required by this article, any additional records of information obtained pursuant to monitoring activities undertaken by the User independent of such requirements, and documentation associated with any BMP established under Section 24-103. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least three (3) years. This period shall be

automatically extended for the duration of any litigation concerning the User or the City, or where the User has been specifically notified of a longer retention period by the Director.

(n) Certification Statements.

(1) The following certification statement is required to be signed and submitted by Users submitting permit applications in accordance with Section 24-105(g); Users submitting BMRs under Section 24-107(a)(2)(E); Users submitting reports on compliance with the Categorical Pretreatment Standard deadlines under Section 24-107(c); Users submitting periodic compliance reports required by Section 24-107(d)(1) through (4), and Users submitting an initial request to forego sampling of a pollutant on the basis of Section 24-107(d)(2)(D). The following certification statement must be signed by an Authorized Representative of the User as defined in Section 24-102:

> I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

(2) A User determined to be a NSCIU by the Director pursuant to Sections 24-102 and 24-105(g)(3) must annually submit the following certification statement signed by an Authorized or Duly Authorized Representative of the User. This certification must accompany an alternative report required by the Director:

> Based on my inquiry of the person or persons directly responsible for managing compliance with the Categorical Pretreatment Standards under 40 CFR ____, I certify that, to the best of my knowledge and belief that during the period from _____, _____ to _____, _____ [months, days, year]:
>
> (a) The facility described as _____ [facility name] met the definition of a NSCIU as described in 24-102;
>
> (b) The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and
>
> (c) the facility never discharged more than 100 gallons of total categorical Wastewater on any given day during this reporting period.
>
> This compliance certification is based on the following information.

(3) Certification of Pollutants Not Present. Users that have an approved monitoring waiver based on Section 24-107(d)(2) must certify on each report with the following statement that there has been no increase in the pollutant in its wastestream due to activities of the User.

> Based on my inquiry of the person or persons directly responsible for managing compliance with the Pretreatment Standard for 40 CFR _____ [specify applicable National Pretreatment Standard part(s)], I certify that, to the best of my knowledge and belief, there has been no increase in the level of _____ [list pollutant(s)] in the Wastewaters due to the activities at the facility since filing of the last periodic report under Section 24-107(d)(1) of the Avondale Code.

24-108 Inspection and Compliance Monitoring.

(a) Right of Entry; Access; Unreasonable Delay.

(1) The Director shall have the right to enter the facilities of any User to ascertain whether the provisions of these rules, and any Discharge Permit or order issued hereunder, are being met and whether the User is complying with all requirements thereof. Users shall allow the City ready access to all parts of the premises for the purposes of inspection, sampling, records examination and copying, and the performance of any additional duties.

(2) Where a User has security measures in force which require proper identification and clearance before entry into its premises, the User shall make necessary arrangements with its security personnel so that, upon presentation of City identification, the City will be permitted to enter without delay for the purposes of performing specific responsibilities.

(3) The Director shall have the right to set upon the User's property, or require installation of, such devices as are necessary to conduct sampling and/or metering of the User's discharge.

(4) Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled shall be promptly removed by the User at the written or verbal request of the City and shall not be replaced. The costs of clearing such access shall be borne by the User.

(5) Unreasonable delays in allowing the Director access to the User's premises shall constitute Non-Compliance with these rules.

(b) Monitoring Facilities.

(1) The Director may require the User to install monitoring equipment as necessary. When required by the City, each User shall provide and operate at its own expense a monitoring facility to allow inspection, sampling, and flow measurements of the Sewer discharge

to the POTW. The User's sampling and monitoring equipment shall be maintained at all times in a safe and proper operating condition by the User at its own expense. Each monitoring facility shall be situated on the User's premises, except where such a location would be impractical or cause undue hardship on the User. Subject to approval by the jurisdictional road authority, the City may concur with the facility being constructed in the public street or rights-of-way, providing that the facility is located so that it will not be obstructed by landscaping or parked vehicles. The City, whenever applicable, may require the construction and maintenance of sampling facilities at other locations where appropriate.

(2) There shall be ample room in or near such monitoring facility to allow accurate sampling and preparation of samples for analysis. The facility, sampling, and monitoring equipment shall be maintained at all times in a safe and proper operating condition at the expense of the User.

(3) All monitoring facilities shall be constructed and maintained in accordance with all applicable local construction standards and specifications.

(4) All devices used to measure Wastewater flow and quality shall be calibrated at least annually to ensure their accuracy. The Director may require any measurement device to be calibrated more frequently.

(c) Search Warrants. If the Director has been refused access to a building, structure, or property, or any part thereof, and is able to demonstrate probable cause to believe that there may be a violation of this article, or that there is a need to inspect and/or sample as part of a routine inspection and sampling program of the City designed to verify compliance with this article or any permit or order issued hereunder, or to protect the overall public health, safety and welfare of the community, the Director may seek issuance of a search warrant from the Municipal Court of the City. Such warrant shall be served at reasonable hours by the City in the company of a uniformed police officer of the law enforcement agency with jurisdiction. All costs associated with obtaining the search warrant incurred by the City shall be borne by the property owner and shall be recoverable by the City in accordance with applicable law.

(d) Vandalism. No Person shall willfully or negligently damage, destroy, uncover, deface, tamper with, or prevent access to any structure, appurtenance or equipment, or other part of the POTW. Any Person found in Non-Compliance with this requirement shall be subject to the sanctions set out in these rules.

24-109 Confidential Information.

Information and data on a User obtained from reports, surveys, Wastewater discharge permit applications, individual Wastewater discharge permits, general permits and monitoring programs, and from City inspection and sampling activities, shall be available to the public without restriction, unless the User specifically requests, and is able to demonstrate to the satisfaction of the City, that the release of such information would divulge information, processes or methods of production entitled to protection as trade secrets under applicable Federal and State law. Any such request must be asserted at the time of submission of the information or data. When requested and demonstrated by the User furnishing a report that such

information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public, but shall be made available immediately upon request to governmental agencies for uses related to the AZPDES program or Pretreatment program, and in enforcement proceedings involving the Person furnishing the report. Wastewater constituents and characteristics and other "effluent data" as defined at 40 CFR Part 2.302 will not be recognized as confidential information and shall be available to the public without restriction.

24-110 Publication of Users in Significant Non-Compliance.

(a) Significant Non-Compliance List. The Director shall publish annually, in a newspaper of general circulation that provides meaningful public notice within the jurisdictions served by the POTW, a list of all Users that, at any time during the previous four (4) quarters, were in Significant Noncompliance with applicable Pretreatment Standards or Requirements. The term Significant Noncompliance shall be applicable to all SIUs (or any other IU that violates subsections (3), (4) or (8) of this Section) and shall mean:

(1) Chronic violations of Wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all the measurements taken for the same pollutant parameter taken during a six- (6) month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including Instantaneous Limits as defined in Section 24-103;

(2) TRC violations, defined here as those in which thirty-three percent (33%) or more of Wastewater measurements taken for each pollutant parameter during a six- (6-) month period equals or exceeds the product of the numeric Pretreatment Standard or Requirement including Instantaneous Limits, as defined by Section 22-103 multiplied by the applicable criteria (1.4 for BOD, TSS, FOG, and 1.2 for all other pollutants except pH);

(3) Any other violation of a Pretreatment Standard or Requirement as defined by Section 24-103 (Daily Maximum, long-term average, Instantaneous Limit, or narrative standard) that the Director determines has caused, alone or in combination with other discharges, Interference or Pass Through, including endangering the health of POTW personnel or the general public**;**

(4) Any discharge of a pollutant that has caused imminent endangerment to the public or to the environment, or has resulted in the Director's exercise of its emergency authority to halt or prevent such a discharge;

(5) Failure to meet, within ninety (90) days of the scheduled date, a compliance schedule milestone contained in an individual Wastewater discharge permit or a general permit or enforcement order for starting construction, completing construction, or attaining final compliance;

(6) Failure to provide within forty-five (45) days after the due date, any required reports, including BMRs, reports on compliance with Categorical Pretreatment Standard

deadlines, periodic self-monitoring reports, and reports on compliance with compliance schedules;

(7) Failure to accurately report noncompliance; or

(8) Any other violation(s), which may include a violation of BMP, which the Director determines will adversely affect the operation or implementation of the local Pretreatment program.

24-111 Administrative Enforcement Remedies

(a) Notification of Non-compliance. When the Director finds that a User has violated, or continues to violate, any provision of this article, an individual Wastewater discharge permit, or a general permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, the Director may serve upon that User a written Notice of Violation, via certified mail, return receipt requested. Within seven (7) days of the receipt of such notice, an explanation of the Non-Compliance and a plan for the satisfactory correction and prevention thereof, to include specific required actions, shall be submitted by the User to the City's pretreatment coordinator. Submission of this plan in no way relieves the User of liability for any Non-Compliance occurring before or after receipt of the Notice of Violation. Nothing in this Section shall limit the authority of the City to take any action, including emergency actions or any other enforcement action, without first issuing a Notice of Violation.

(b) Consent Orders. The Director may enter into Consent Orders, assurances of voluntary compliance, or other similar documents establishing an agreement with any User responsible for noncompliance. Such documents shall include specific action to be taken by the User to correct the noncompliance within a time period specified by the document. Such documents shall have the same force and effect as the administrative orders issued pursuant to Sections 24-111(d) and 24-111(e) of this article and shall be judicially enforceable. Use of a Consent Order shall not be a bar against, or prerequisite for, taking any other action against the User.

(c) Show Cause Hearing. The Director may order a User which has violated, or continues to violate, any provision of this article, an individual Wastewater discharge permit, or a general permit or order issued hereunder, or any other Pretreatment Standard or Requirement, to appear before the Director and show cause why the proposed enforcement action should not be taken. Notice shall be served on the User specifying the time and place for the meeting, the proposed enforcement action, the reasons for such action, and a request that the User show cause why the proposed enforcement action should not be taken. The notice of the meeting shall be served personally or by registered or certified mail (return receipt requested) at least ten (10) days prior to the hearing. Such notice may be served on any Authorized Representative of the User and required by Section 24-105(g)(1). A show cause hearing shall not be a bar against, or prerequisite for, taking any other action against the User.

(d) Compliance Orders. When the Director finds that a User has violated, or continues to violate, any provision of this article, an individual Wastewater discharge permit, or

a general permit or order issued hereunder, or any other Pretreatment Standard or Requirement, the Director may issue an order to the User responsible for the discharge directing that the User come into compliance within a specified time. If the User does not come into compliance within the time provided, sewer service may be discontinued unless adequate treatment facilities, devices, or other related appurtenances are installed and properly operated. Compliance orders also may contain other requirements to address the noncompliance, including additional self-monitoring and management practices designed to minimize the amount of pollutants discharged to the POTW. A compliance order may not extend the deadline for compliance established for a Pretreatment Standard or Requirement, nor does a compliance order relieve the User of liability for any violation, including any continuing violation. Issuance of a compliance order shall not be a bar against, or a prerequisite for, taking any other action against the User.

(e) Cease and Desist Orders.

(1) When the Director finds that a User has violated, or continues to violate, any provision of this article, an individual Wastewater discharge permit, or a general permit or order issued hereunder, or any other Pretreatment Standard or Requirement, or that the User's past violations are likely to recur, the Director may issue an order to the User directing it to cease and desist all such violations and directing the User to:

(A) Immediately comply with all requirements; and

(B) Take such appropriate remedial or preventive action as may be needed to properly address a continuing or threatened violation, including halting operations and/or terminating the discharge.

(2) Issuance of a cease and desist order shall not be a bar against, or a prerequisite for, taking any other action against the User.

(f) Emergency Suspensions.

(1) The Director may immediately suspend a User's discharge, after informal notice to the User, whenever such suspension is necessary to stop an actual or threatened discharge that reasonably appears to present or cause an imminent or substantial endangerment to the health or welfare of persons. The Director may also immediately suspend a User's discharge, after notice and opportunity to respond, that threatens to interfere with the operation of the POTW, or which presents or may present an endangerment to the environment.

(2) Any User notified of a suspension of its discharge shall immediately stop or eliminate its contribution. In the event of a User's failure to immediately comply voluntarily with the suspension order, the Director shall take such steps as deemed necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the POTW, its receiving water, or endangerment to any individuals. The Director may allow the User to recommence its discharge when the User has demonstrated to the satisfaction of the City that the period of endangerment has passed, unless the termination proceedings in Section 24-111(h) of these rules are initiated against the User.

(3) A User that is responsible, in whole or in part, for any discharge presenting imminent endangerment shall submit a detailed written statement within ten (10) days, describing the causes of the harmful contribution and the measures taken to prevent any future occurrence, to the Director prior to the date of any show cause or termination hearing under Sections 24-111(c) and 24-111(h) of these rules.

(4) Nothing in this Section shall be interpreted as requiring a hearing prior to any emergency suspension under this Section.

(g) Termination of Discharge (Non-Emergency).

(1) In addition to the provisions in Section 24-106(f) of this article, any User who violates the following conditions is subject to discharge termination:

(A) Violation of individual Wastewater discharge permit or general permit conditions;

(B) Non-compliance with Discharge Permit conditions;

(C) Failure to accurately report the Wastewater constituents and characteristics of its discharge;

(D) Failure to report significant changes in operations or Wastewater volume, constituents and characteristics prior to discharge;

(E) Refusal of reasonable access to the User's premises for the purpose of inspection, monitoring, or sampling; or

(F) Noncompliance with the Pretreatment Standards in Sections 24-103 and 24-104 of these rules.

(G) Failure to timely pay any sewer user fees or charges, fines, or penalties authorized or required by this article.

(2) Such User shall be notified of the proposed termination of its discharge and be offered an opportunity to show cause under Section 24-111(c) of these rules why the proposed action should not be taken. Exercise of this option by the Director shall not be a bar to, or prerequisite for, taking any other action against the User.

(h) Cost Recovery Assessment. When the City finds that a User has violated, or continues to violate, any provision of this article, an individual Wastewater discharge permit, or a general permit or order issued hereunder, or any other Pretreatment Standard or Requirement, and the City incurs costs associated with said Non-Compliance, the Director may assess such User an amount not to exceed said costs. City costs may include, but not be limited to operations and maintenance costs, including labor and overhead, equipment cost, and penalties and fines,

plus the expense, loss, damage, cost of inspection or cost of correction incurred by the City by reason of such Non-Compliance, including any expenses or reasonable attorneys' fees incurred by the City in collecting from such User any penalty, fine, loss, damage, expense, cost of inspection or cost of correction.

(i) Enforcement Response Plan and Penalty Policy.

(1) The Director is authorized to develop and submit to the City Council for its approval by resolution:

(A) An enforcement response plan; and

(B) Penalty policy.

(2) Any enforcement response plan will at a minimum satisfy the requirements of 40 CFR § 403.8(f)(5). Any penalty policy shall establish the factors to be considered and the method of calculating administrative fines to be assessed pursuant to Section 24-111(f) and the factors to be considered in utilizing the judicial enforcement remedies set forth in Section 24-112 of this article.

24-112 Judicial Enforcement Remedies

(a) Injunctive Relief. When the Director finds that a User has violated, or continues to violate, any provision of this article, an individual Wastewater discharge permit, or a general permit or order issued hereunder, or any other Pretreatment Standard or Requirement, the City may petition the Superior Court of Arizona through the City's Counsel for the issuance of a temporary or permanent injunction, as appropriate, which restrains or compels the specific performance of the individual Wastewater discharge permit, general permit, order, or other requirement imposed by this article on activities of the User. The Director may also seek such other action as is appropriate for legal and/or equitable relief, including a requirement for the User to conduct environmental remediation. A petition for injunctive relief shall not be a bar against, or a prerequisite for, taking any other action against a User.

(b) Civil Penalties.

(1) A User has violated, or continues to violate, any provision of this article, an individual Wastewater discharge permit, or a general permit or order issued hereunder, or any other Pretreatment Standard or Requirement shall be liable to the City for a civil penalty of not less than $1,000 or more than $25,000 per violation, per day in accordance with ARIZ. REV. STAT. § 49-391. In the case of a monthly or other long-term average discharge limit, penalties shall accrue for each day during the period of the violation.

(2) The City may recover reasonable attorneys' fees, court costs, and other expenses associated with enforcement activities, including sampling and monitoring expenses, and the cost of any actual damages incurred by the City.

(3) In determining the amount of civil liability, the Court shall take into account all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the magnitude and duration of the violation, any economic benefit gained through the User's violation, corrective actions by the User, the compliance history of the User, and any other factor as justice requires.

(4) Filing a suit for civil penalties shall not be a bar against, or a prerequisite for, taking any other action against a User.

(c) Criminal Prosecution**.**

(1) A Person who willfully or negligently violates any provision of this article, a Wastewater discharge permit, or order issued hereunder, or any other applicable federal, state or local Pretreatment Standard or Requirement shall, upon conviction, be guilty of a class one misdemeanor, punishable by a fine of not more than $2,500 per violation, per day, or imprisonment for not more than six (6) months, or both.

(2) A Person who willfully or negligently introduces any substance into the POTW which causes personal injury or property damage shall, upon conviction for violation of this article, be guilty of a class one misdemeanor and be subject to a penalty of at least $2,500, or be subject to imprisonment for not more than six (6) months, or both. This penalty shall be in addition to any other cause of action for personal injury or property damage available under state or federal law.

(3) A Person who knowingly makes any false statements, representations, or certifications in any application, record, report, plan, or other documentation filed, or required to be maintained, pursuant to this article, Wastewater discharge permit, or order issued hereunder, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under this article shall, upon conviction, be punished by a fine of not more than $2,500 per violation, per day, or imprisonment for not more than six (6) months, or both.

(d) Remedies Non-exclusive. The provisions in Sections 24-112 through 24-114 of these rules are not exclusive remedies. The City reserves the right to take any, all, or any combination of these actions against a non-compliant User. Enforcement of Non-Compliance incidents will generally be in accordance with the City's enforcement response plan. However, the City reserves the right to take other action against any User when the circumstances warrant. Further, the City is empowered to take more than one enforcement action against any non-compliant User. These actions may be taken concurrently.

24-113 Supplemental Enforcement Action.

(a) Penalties for Late Reports. A penalty in a sum not to exceed a value determined by the Director to be necessary to achieve consistent compliance shall be assessed to any User for each day that a report required by this article, a permit or order issued hereunder is late, beginning five days after the date the report is due. Higher penalties may also be assessed where reports are more than 30 days late. Actions taken by the Director to collect late reporting

penalties shall not limit the Director's authority to initiate other enforcement actions that may include penalties for late reporting violations.

(b) Performance Bonds. The Director may decline to issue or reissue an individual Wastewater discharge permit or a general permit to any User who has failed to comply with any provision of this article, a previous individual Wastewater discharge permit, or a previous general permit or order issued hereunder, or any other Pretreatment Standard or Requirement, unless such User first files a satisfactory bond, payable to the City, in a sum not to exceed a value determined by the Director to be necessary to achieve consistent compliance.

(c) Liability Insurance. The Director may decline to issue or reissue an individual Wastewater discharge or a general permit to any User who has failed to comply with any provision of this article, a previous individual Wastewater discharge permit, or a previous general permit or order issued hereunder, or any other Pretreatment Standard or Requirement, unless the User first submits proof that it has obtained financial assurances sufficient to restore or repair damage to the POTW caused by its discharge.

(d) Payment of Outstanding Fees and Penalties. The Director may decline to issue or reissue an individual Wastewater discharge permit or a general permit to any User who has failed to pay any outstanding fees, fines or penalties incurred as a result of any provision of this article, a previous individual Wastewater discharge permit, or a previous general permit or order issued hereunder.

(e) Water Supply Severance. Whenever a User has violated or continues to violate any provision of this article, an individual Wastewater discharge permit, a general permit, or order issued hereunder, or any other Pretreatment Standard or Requirement, water service to the User may be severed. Service will recommence, at the User's expense, only after the User has satisfactorily demonstrated its ability to comply.

(f) Public Nuisances. A violation of any provision of this article, an individual Wastewater discharge permit, a general permit, or order issued hereunder, or any other Pretreatment Standard or Requirement is hereby declared a public nuisance and shall be corrected or abated as directed by the Director. Any Person(s) creating a public nuisance shall be subject to the provisions of the City Code Section 15-6 governing such nuisances, including reimbursing the City for any costs incurred in removing, abating, or remedying said nuisance.

(g) Contractor Listing. Users which have not achieved compliance with applicable Pretreatment Standards and Requirements are not eligible to receive a contractual award for the sale of goods or services to the City. Existing contracts for the sale of goods or services to the City held by a User found to be in Significant Noncompliance with Pretreatment Standards or Requirements may be terminated at the discretion of the Director.

24-114 Affirmative Defenses to Discharge Violations.

(a) Upset.

(1) For the purpose of this Section, "Upset" means an exceptional incident in which there is unintentional and temporary Non-Compliance with Categorical Pretreatment Standards because of factors beyond the reasonable control of the User. An Upset does not include Non-Compliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

(2) An Upset shall constitute an affirmative defense to an action brought for Non-Compliance with applicable Pretreatment Standards if the requirements of subsection (3) below are met.

(3) A User who wishes to establish the affirmative defense of Upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

(A) An Upset occurred and the User can identify the cause(s) of the Upset;

(B) The facility was at the time being operated in a prudent and workman-like manner and in accordance with applicable operation and maintenance procedures; and

(C) The User has submitted the following information to the City within twenty-four (24) hours of becoming aware of the Upset (if this information is provided orally, a written submission must be provided within five (5) calendar days):

(i) A description of the Indirect Discharge and cause of Non-Compliance;

(ii) The period of Non-Compliance, including exact dates and times or, if not corrected, the anticipated time the Non-Compliance is expected to continue; and

(iii) Steps being taken and/or planned to reduce, eliminate, and prevent recurrence of the Non-Compliance.

(4) In any enforcement proceeding, the User seeking to establish the occurrence of an Upset shall have the burden of proof.

(5) Users shall have the opportunity for a judicial determination on any claim of Upset only in an enforcement action brought for Non-Compliance with Categorical Pretreatment Standards.

(6) Users shall control production of all discharges to the extent necessary to maintain compliance with Categorical Pretreatment Standards upon reduction, loss, or failure of its treatment facility until the facility is restored or an alternative method of treatment is provided. This requirement applies in the situation where, among other things, the primary source of power of the treatment facility is reduced, lost, or fails.

(b) Prohibited Discharge Standards. A User shall have an affirmative defense to an enforcement action brought against it for Non-Compliance with the prohibitions in Sections 24-103(a)(1) and 24-103(a)(2)(C) through 24-103(a)(2)(G) of this article if the User can prove that it did not know, or have reason to know, that its discharge, alone or in conjunction with discharges from other sources, would cause Pass Through or Interference and that either:

(1) a Local Limit exists for each pollutant discharged and the User was in compliance with each limit directly prior to, and during, the Pass Through or Interference; or

(2) no Local Limits exists, but the discharge did not change substantially in nature or constituents from the User's prior discharge when the User was regularly in compliance with its AZPDES Permits, and in the case of Interference, was in compliance with applicable biosolids use or disposal requirements.

(c) Bypass.

(1) For the purposes of this Section:

(A) "Bypass" means the intentional diversion of waste streams from any portion of a User's treatment facility.

(B) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities that causes them to become inoperable, or substantial and permanent loss of natural resources that can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

(2) A User may allow any bypass to occur that does not cause Non-Compliance with any applicable Pretreatment Standards or Requirements, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provision of subsections (3) and (4) of this Section.

(3) A User shall notify the Director of any bypass as follows:

(A) If a User knows in advance of the need for a bypass, it shall submit prior notice to the Director, at least ten (10) days before the date of the bypass, if possible.

(B) A User shall submit oral notice to the Director of an unanticipated bypass that exceeds applicable Pretreatment Standards within twenty-four (24) hours from the time it becomes aware of the bypass. A written submission shall also be provided within five (5) calendar days of the time the User becomes aware of the bypass. The written submission shall contain a description of the bypass and its cause; the duration of the bypass, including exact dates and times, and, if the bypass has not been corrected, the anticipated duration of time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the bypass. The Director may waive the written report on a case-by-case basis if the oral report has been received within twenty-four (24) hours.

(4) Bypass is prohibited, and the Director may take an enforcement action against a User for a bypass, unless:

(A) The Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

(B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and

(C) The User submitted notices as required under Section 24-114(c)(3) of this Section.

(5) The Director may approve an anticipated bypass, after considering its adverse effects, if the Director determines that it will meet the three (3) conditions listed in Section 24-114(c)(4)(A).

24-115 [Reserved]

CITY COUNCIL REPORT

SUBJECT:
Ordinance 1400-410 - Authorizing the Exchange of Real Property and Easements for Public Right-of-Way, Maintenance, and Access for the Van Buren Street – Bridge to Fairway Improvement Project

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Sue McDermott, P.E., Director of Development Services & Engineering, 623-333-4211

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council approve an ordinance authorizing the exchange of land between the Flood Control District of Maricopa County (FCDMC) and the City for right-of-way and easements relating to the Van Buren - Bridge to Fairway street and trail improvements, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

The Van Buren Street project was substantially complete in June 2009. This project widened Van Buren Street from one (1) lane in each direction to two (2) lanes in each direction with a dedicated two-way left turn bay. Other improvements included the addition of a trail system, pedestrian underpass, and miscellaneous improvements at Coldwater Booster Station (CWBS). As a result of the widening of Van Buren Street, the addition of the trail system, the CWBS drainage improvements, and the subsequent relocation of the existing FCDMC maintenance roads, the City must obtain additional rights-of-way.

DISCUSSION:

The widening of Van Buren Street and the addition of the new trail system features presented several land title challenges. During the design process, staff identified several locations where right-of-way and easements were needed to support the widening of Van Buren Street, the proposed trail system, and the preservation of maintenance access for FCDMC. The following table shows the parcels identified and approved by FCDMC and City staff for land exchange:

Parcel #	From	To	Type	Reason
500-02-015F	FCDMC	COA	Fee Title	Northside of Roadway Right-of-Way
500-02-015F	FCDMC	COA	Easement	Northside of Roadway Easement over Levee
500-02-015F	FCDMC	COA	Easement	Northside COA Maintenance and Access Easement
500-27-002D	FCDMC	COA	Easement	Southside Roadway Easement over Levee
500-27-002D	FCDMC	COA	Easement	Southside COA Maintenance and Access Easement

500-27-002D	FCDMC	COA	Easement	Trail Easement
500-27-002D	FCDMC	COA	Easement	Drainage Easement
500-02-002F	FCDMC	COA	Easement	Abandon Existing Maintenance Road Easement
500-02-002F	COA	FCDMC	Easement	Replace Abandoned Maintenance Road Easement
500-02-015K	COA	FCDMC	Fee Title	Maintenance Road Relocation

BUDGETARY IMPACT:

No funding is being requested in support of these exchanges.

RECOMMENDATION:

Staff recommends that the City Council approve an ordinance authorizing the exchange of land between the Flood Control District of Maricopa County (FCDMC) and the City for right-of-way and easements relating to the Van Buren - Bridge to Fairway street and trail improvements, and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

- Vicinity Map
- Ordinance 1400-410

VICINITY MAP

CITY OF AVONDALE

VAN BUREN STREET IMPROVEMENTS

ORDINANCE NO. 1400-410

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AUTHORIZING THE DEDICATION OF REAL PROPERTY AND EASEMENTS FOR PUBLIC USE.

WHEREAS, the Council of the City of Avondale (the "City Council") authorized improvements to Van Buren Street, including road widening, the addition of a trail system with a pedestrian underpass, and miscellaneous improvements at the location adjacent to the City's Coldwater Booster Station (the "Van Buren Street Project"); and

WHEREAS, as a result of Van Buren Street Project improvements, existing Flood Control District of Maricopa County ("FCDMC") maintenance roads must be relocated; and

WHEREAS, the City desires to obtain the property and easements from FCDMC necessary for the completion of the Van Buren Street Project.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. A temporary non-motorized recreation easement over ± 0.314 acres of real property, being a portion of Maricopa County Assessor's Parcel Nos. 500-27-002D and 500-27-015F, generally located east of Eliseo C. Felix Jr. Way, south of Interstate 10, is hereby accepted by the City of Avondale (the "City") from the Flood Control District of Maricopa County (the "FCDMC"), in the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. A roadway easement over ± 0.062 acres of real property, being a portion of Maricopa County Assessor's Parcel Nos. 500-27-002D and 500-27-015F, generally located east of Eliseo C. Felix Jr. Way, south of Interstate 10, is hereby accepted by the City from the FCDMC, in the form attached hereto as Exhibit B and incorporated herein by reference.

SECTION 3. A drainage easement over ± 0.023 acres of real property, being a portion of Maricopa County Assessor's Parcel No. 500-27-002D, generally located east of Eliseo C. Felix Jr. Way, south of Van Buren Street, is hereby accepted by the City from the FCDMC, in the form attached hereto as Exhibit C and incorporated herein by reference.

SECTION 4. A ± 0.442 acre parcel of certain real property, being a portion of Maricopa County Assessor's Parcel No. 500-02-015J, generally located east of Eliseo C. Felix Jr. Way,

north of Van Buren Street, is hereby accepted by the City from the FCDMC, in the form attached hereto as Exhibit D and incorporated herein by reference.

SECTION 5. A non-exclusive ingress and egress easement over ± 0.254 acres of real property, being a portion of Maricopa County Assessor's Parcel No. 500-27-008, generally located east of Eliseo C. Felix Jr. Way, south of Van Buren Street, is hereby granted by the City to FCDMC in the form attached hereto as Exhibit E and incorporated herein by reference.

SECTION 6. A ± 0.442 acre parcel of certain real property, being a portion of Maricopa County Assessor's Parcel No. 500-02-015K, generally located east of Eliseo C. Felix Jr. Way, north of Van Buren Street, is hereby granted by the City to FCDMC, in the form attached hereto as Exhibit F and incorporated herein by reference.

SECTION 7. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, April 19, 2010.

_____
Marie Lopez Rogers, Mayor

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

EXHIBIT A
TO
ORDINANCE NO. 1400-410

[Temporary Non-Motorized Recreation Easement]

See following pages.

When recorded, return to:
(LLA): Flood Control District
of Maricopa County
2801 West Durango Street
Phoenix, Arizona 85009

EXEMPT PER A.R.S. § 11-1134(A)(2)

IGA 2001A009
C-69-02-081-2-00
Avondale Project ST 1089

TEMPORARY NON-EXCLUSIVE NON-MOTORIZED RECREATION EASEMENT

Project: Agua Fria River

FCD Parcel #.: A-12052

APN's: Portions of: 500-27-002D and -015F

THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, a municipal corporation and political subdivision of the State of Arizona, **GRANTOR**, and its successors and assigns, for and in consideration of **One Dollar ($1.00)**, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and convey solely unto the **CITY OF AVONDALE**, a municipal corporation, **GRANTEE**, and its successors and assigns, a Temporary Non-Exclusive Non-Motorized Recreation Easement for the sole purpose of non-motorized recreational uses over trail and public use improvements constructed pursuant to that certain Intergovernmental Agreement between the **GRANTOR** and the **GRANTEE**, **IGA FCD2001A009** (recorded in the office of the Maricopa County Recorder at 2002-0629076) and Non-Exclusive Recreational Use Easement (recorded in the office of the Maricopa County Recorder at 2003-1235013), over, under and across the premises hereinafter shown as:

See attached legal descriptions, marked "Exhibit E", "Exhibit G" and "Exhibit L"
Attached hereto and incorporated herein

The **GRANTEE** shall have the right of ingress and egress to and along said easement, together with the right to use said premises for construction, maintenance and operation of trails, landscaping, fencing, signage and other related appurtenant structures or improvements and entry upon the easement area for hiking, equestrian use, walking and other non-motorized uses and enjoyment of the general public. Prior to any new construction of such improvements, **GRANTEE** shall submit plans for **GRANTOR'S** review.

The **GRANTOR** reserves the right to have unrestricted access to the subject property for the purpose of operating and maintaining the flood control project within said easement.

The **GRANTEE** shall operate and maintain all recreational improvements and amenities. Further, **GRANTEE** shall notify **GRANTOR** in the case of any emergency or incident on the subject property as soon as time will permit.

The **GRANTEE** further agrees, to the extent permitted by law, to indemnify and hold harmless the **GRANTOR**, its agents, officers, employees, successors or assigns against any and all claims, actions, costs or expenses for any and all damages or personal injuries caused by said operation and/or related to rights herein granted, except those caused solely and exclusively by the negligence of the **GRANTOR**, its agents, officers, employees, successors or assigns.

In the event the rights, privileges and easement herein shall be abandoned and permanently cease to be used for the purposes herein granted, all rights herein granted shall cease and revert to the **GRANTOR**, its successors or assigns. The **GRANTEE**, at the **GRANTOR'S** request, shall restore any ground-disturbing change it made to its pre-easement condition to the **GRANTOR'S** satisfaction.

The term of this **NON-EXCLUSIVE NON-MOTORIZED RECREATION EASEMENT** is for twenty-five years from the effective date of IGA 2001A009 (June 10, 2002), which is renewable for successive twenty-five (25) year terms, on same terms, if renewal is mutually agreed to by **GRANTOR** and **GRANTEE**.

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GRANTOR:

RECOMMENDED FOR APPROVAL:

FLOOD CONTROL DISTRICT
OF MARICOPA COUNTY

_____

Timothy S. Phillips, P.E. Date
Chief Engineer and General Manager

_____

Michael D. Wilson Date
Manager
Public Works Real Estate Division

APPROVED AND ACCEPTED:

BOARD OF DIRECTORS OF
FLOOD CONTROL DISTRICT
OF MARICOPA COUNTY

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Chairman of the Board

ATTEST:

_____

Clerk of the Board

Date: _____

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GRANTEE:

CITY OF AVONDALE, an Arizona municipal corporation

By: _____
Marie Lopez Rogers, Mayor

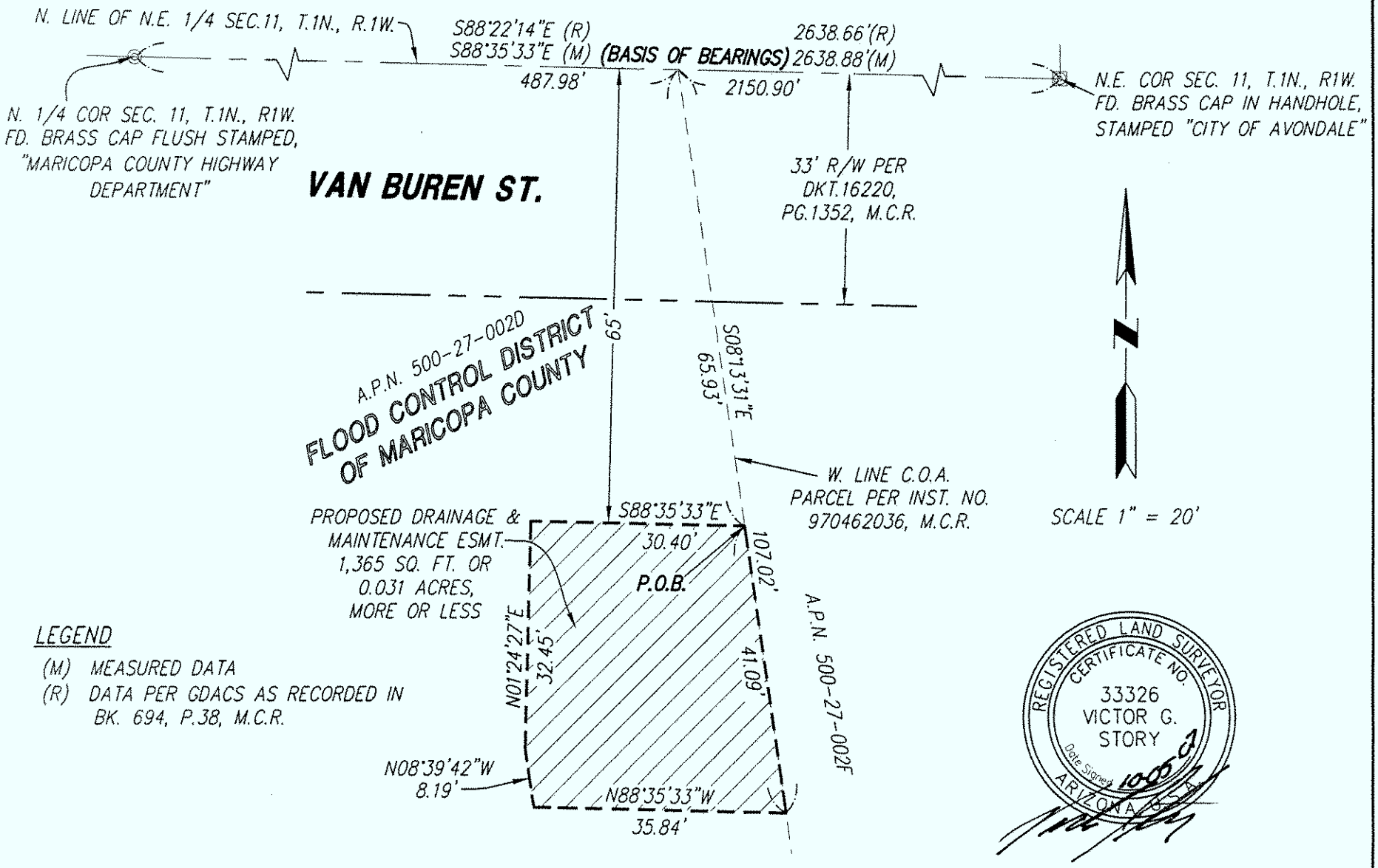
ATTEST:

By: _____ Date:_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

By: _____ Date:_____
Andrew J. McGuire, City Attorney

EXHIBIT "E"



JOB #05271	C.O.A. DRAINAGE, MAINTENANCE & ACCESS ESMT.
05271xb05.dwg	VAN BUREN STREET IMPROVEMENTS

V3 COMPANIES OF ARIZONA
1046 North 44th Street
Suite 100
Phoenix, Arizona 85008
P. 602.648.4800
www.V3co.com

Legal Description
City of Avondale Drainage, Maintenance & Access Easement

That portion of the West half of the Northeast quarter of Section 11, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the North quarter corner of said Section 11 from which a City of Avondale brass cap in handhole marking the Northeast corner of said Section 11 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet;

Thence South 88 degrees 35 minutes 33 seconds East, along the North line of the Northeast quarter of said Section 11, a distance of 487.98 feet to the Northwest corner of the City of Avondale parcel as recorded in instrument No. 970462036, of official records, Maricopa County, Arizona,

Thence South 08 degrees 13 minutes 31 seconds East, along the West line of said City of Avondale parcel, a distance of 65.93 feet to a point on a line parallel with and 65.00 feet South of the North line of the Northeast quarter of said Section 11 and the **POINT OF BEGINNING**;

Thence continuing South 08 degrees 13 minutes 31 seconds East, along the West line of said City of Avondale parcel, a distance of 41.09 feet;

Thence North 88 degrees 35 minutes 33 seconds West, a distance of 35.84 feet;

Thence North 08 degrees 39 minutes 42 seconds West, a distance of 8.19 feet;

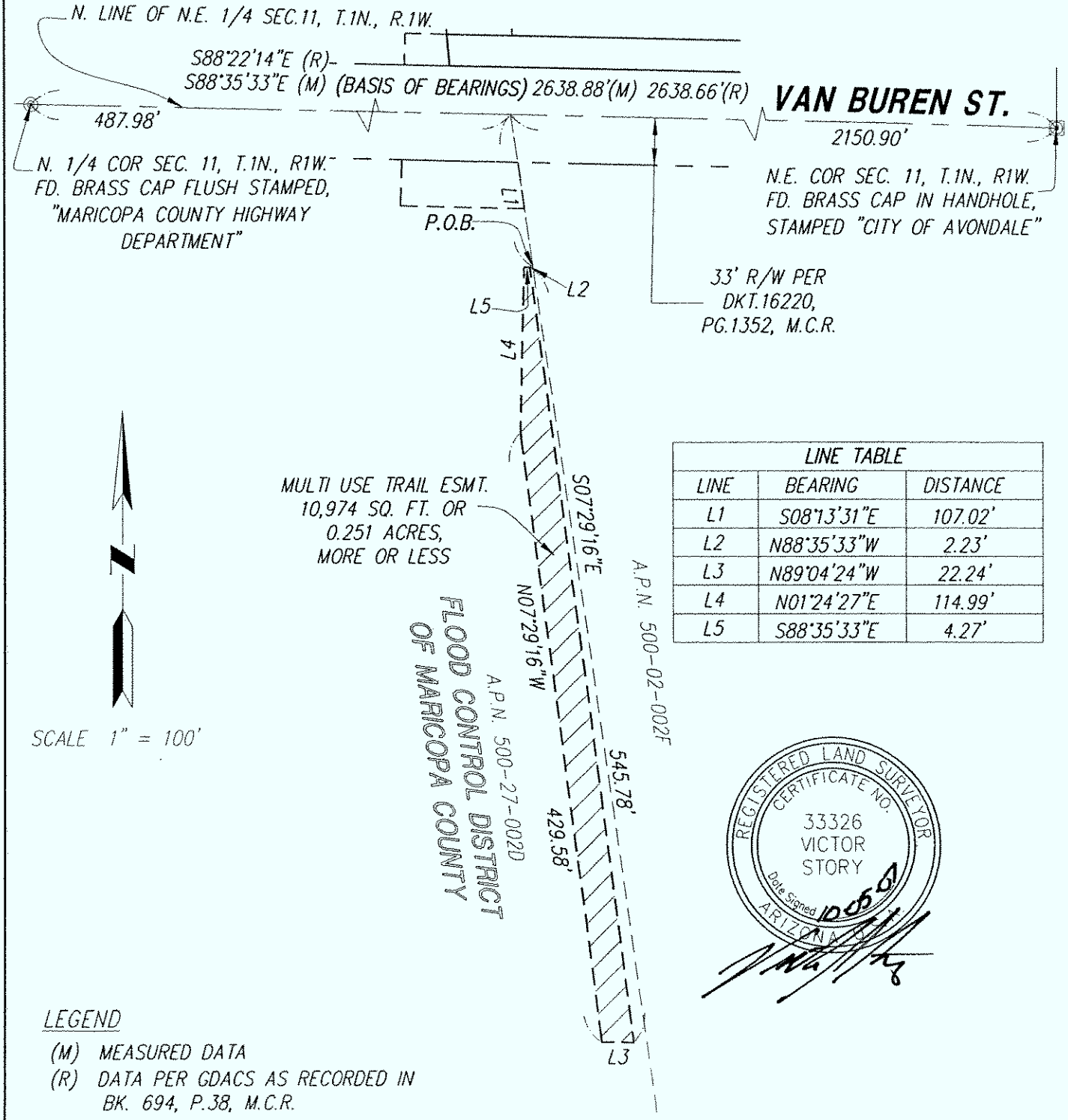
Thence North 01 degrees 24 minutes 27 seconds East, a distance of 32.45 feet to a point on a line parallel with and 65.00 feet South of the North line of the Northeast quarter of said Section 11;

Thence South 88 degrees 35 minutes 33 seconds East, along said parallel line, a distance of 30.40 feet to a point on the West line of said City of Avondale parcel and the **POINT OF BEGINNING**.

Encompassing 1,365 square feet or 0.031 acres, more or less.

See Exhibit "E", 05271XB05.dwg attached hereto and made a part hereof.

EXHIBIT "G"



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S08°13'31"E	107.02'
L2	N88°35'33"W	2.23'
L3	N89°04'24"W	22.24'
L4	N01°24'27"E	114.99'
L5	S88°35'33"E	4.27'

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33326
VICTOR
STORY
Date Signed 10-05-07
ARIZONA

LEGEND

(M) MEASURED DATA

(R) DATA PER GDACS AS RECORDED IN BK. 694, P.38, M.C.R.

JOB #05271	C.O.A MULTI USE TRAIL EASEMENT	V3 COMPANIES OF ARIZONA 1346 North 44th Street Suite 100 Phoenix, Arizona 85008 P. 602.648.4800 www.V3co.com
05271XB07.dwg	VAN BUREN STREET IMPROVEMENTS	

Legal Description
City of Avondale Multi Use Trail Easement

That portion of the West half of the Northeast quarter of Section 11, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the North quarter corner of said Section 11 from which a City of Avondale brass cap in handhole marking the Northeast corner of said Section 11 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet;

Thence South 88 degrees 35 minutes 33 seconds East, along the North line of the Northeast quarter of said Section 11, a distance of 487.98 feet to the Northwest corner of the City of Avondale parcel as recorded in instrument No. 970462036, of official records, Maricopa County, Arizona,

Thence South 08 degrees 13 minutes 31 seconds East, along the West line of said City of Avondale parcel, a distance of 107.02 feet

Thence North 88 degrees 35 minutes 33 seconds West, a distance of 2.23 feet to the **POINT OF BEGINNING**;

Thence South 07 degrees 29 minutes 16 seconds East, a distance of 545.78 feet;

Thence North 89 degrees 04 minutes 24 seconds West, a distance of 22.24 feet;

Thence North 07 degrees 29 minutes 16 seconds West, a distance of 429.58 feet;

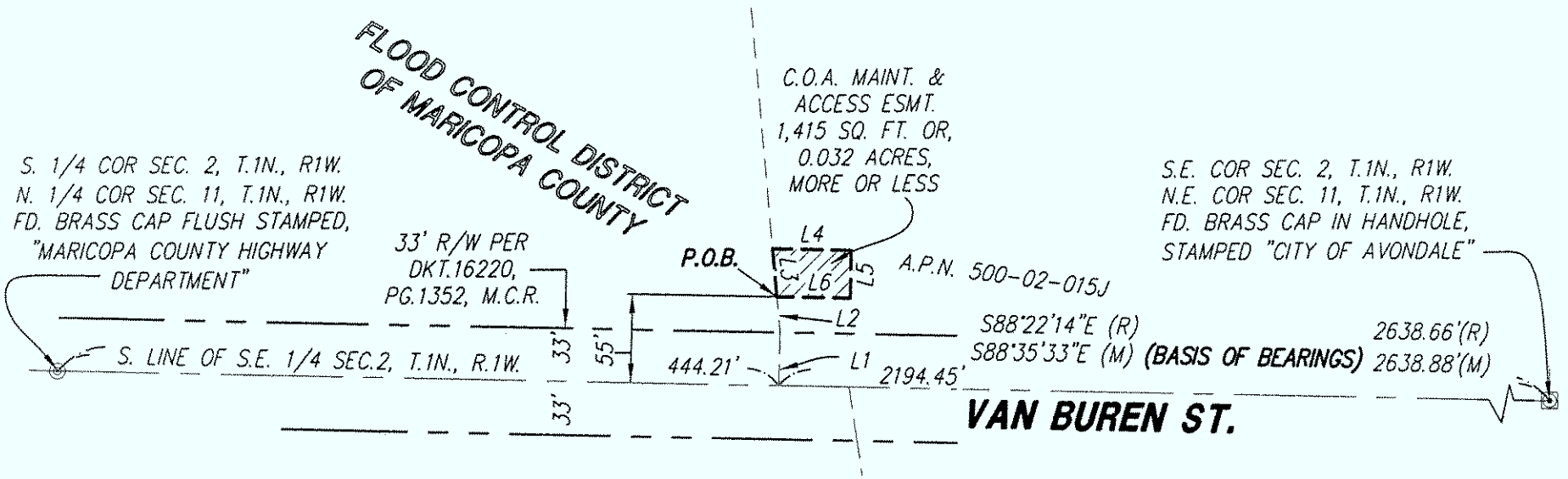
Thence North 01 degrees 24 minutes 27 seconds East, a distance of 114.99 feet;

Thence South 88 degrees 35 minutes 33 seconds East, a distance of 4.27 feet to the **POINT OF BEGINNING**.

Encompassing 10,974. square feet or 0.251 acres, more or less.

See Exhibit "G", 05271xb07.dwg attached hereto and made a part hereof.

EXHIBIT 'L'



SCALE 1" = 100'

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N01°24'27"E	33.00'
L2	N04°45'28"W	22.13'
L3	N04°45'28"W	30.17'
L4	S88°35'33"E	48.77'
L5	S01°24'27"W	30.00'
L6	N88°35'33"W	45.53'

LEGEND

(M) MEASURED DATA

(R) DATA PER GDACS AS RECORDED IN BK. 694, P.38, M.C.R.

JOB #05271	C.O.A. MAINTENANCE & ACCESS EASEMENT
05271xb12.dwg	VAN BUREN STREET IMPROVEMENTS

V3 COMPANIES OF ARIZONA
1046 North 44th Street
Suite 100
Phoenix, Arizona 85008
P. 602.648.4800
www.V3co.com

Legal Description
City of Avondale Maintenance & Access Easement

That portion of the West half of the Southeast quarter of Section 2, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the South quarter corner of said Section 2 from which a City of Avondale brass cap in handhole marking the Southeast corner of said Section 2 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet;

Thence South 88 degrees 35 minutes 33 seconds East, along the South line of the Southeast quarter of said Section 2, a distance of 444.21 feet;

Thence North 01 degrees 24 minutes 27 seconds East, a distance of 33.00 feet;

Thence North 04 degrees 45 minutes 28 seconds West, a distance of 22.13 feet to a point on a line parallel with and 55.00 feet North of the South line of the Southeast quarter of said Section 2 to the **POINT OF BEGINNING**;

Thence continuing North 04 degrees 45 minutes 28 seconds West, a distance of 30.17 feet;

Thence South 88 degrees 35 minutes 33 seconds East, a distance of 48.77 feet;

Thence South 01 degrees 24 minutes 27 seconds West, a distance of 30.00 feet to a point on a line parallel with and 55.00 feet North of the South line of the Southeast quarter of said Section 2;

Thence North 88 degrees 35 minutes 33 seconds West, along said parallel line, a distance of 45.53 feet to the **POINT OF BEGINNING**.

Encompassing 1,415. square feet or 0.032 acres, more or less.

See Exhibit "L", 05271xb12.dwg attached hereto and made a part hereof.

EXHIBIT B
TO
ORDINANCE NO. 1400-410

[Roadway Easement]

See following pages.

When recorded, return to:
(LLA): Flood Control District
of Maricopa County
2801 West Durango Street
Phoenix, Arizona 85009

EXEMPT PER A.R.S. § 11-1134(A)(2)
Resolution FCD 1999R016

ROADWAY EASEMENT

Permit # 2006P031
Project ST1089
APN: Parts of: 500-27-002D and 500-27-015F

PROJECT: Agua Fria River
FCD Parcel #: A-12052

GRANTOR:

The Flood Control District of Maricopa County
a municipal corporation and political subdivision
of the State of Arizona

GRANTEE:

City of Avondale
a municipal corporation and political
subdivision of the State of Arizona

For the consideration of Ten Thousand Forty-Seven Dollars and Fifty-One Cents ($10,047.51), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GRANTOR does hereby grant and convey to GRANTEE, its successors and assigns, a perpetual easement for roadway purposes, including, but not limited to, the right to construct and install roadway facilities and appurtenant equipment in, on, over, under, across, above and through the real property situated within Maricopa County, Arizona, as described in:

Exhibit I
Attached hereto and incorporated herein

The GRANTEE shall have all rights and privileges necessary or convenient for the full use and enjoyment of the easement, servitude and privileges herein granted for the purposes herein described.

GRANTEE shall be and remain responsible for the construction, operation, maintenance and repair of any facilities constructed by GRANTEE, and GRANTOR shall have no responsibility or liability in such construction, operation, maintenance or repair.

GRANTEE further agrees, to the extent permitted by law, to indemnify, defend and hold harmless GRANTOR, its agents, officers, employees, successors or assigns against any and all claims, actions, losses, costs or expenses (including, but not limited to attorney's fees for appellate proceedings) for property damages or personal injuries caused by said operation and/or related to rights granted herein.

GRANTEE'S duty to defend, indemnify and hold harmless GRANTOR, its agents, officers, employees, successors or assigns shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment of, or destruction of tangible property, including loss of use resulting there from, caused by negligent acts, errors, omissions, or mistakes in the exercise of GRANTEE'S public use of the easement rights granted herein.

This Easement constitutes a covenant running with the land for the benefit of the GRANTEE, its successors and assigns.

[SIGNATURES ON FOLLOWING PAGES]

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GRANTOR:

RECOMMENDED FOR APPROVAL:

FLOOD CONTROL DISTRICT
OF MARICOPA COUNTY

_____

Timothy S. Phillips, P.E. Date
General Manager and Chief Engineer

ACCEPTED AND APPROVED:

BOARD OF DIRECTORS OF
FLOOD CONTROL DISTRICT
OF MARICOPA COUNTY

_____

Chairman of the Board Date

ATTEST:

_____

Clerk of the Board Date

APPROVED AS TO FORM:

_____

District Legal Counsel Date

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GRANTEE:

CITY OF AVONDALE, an Arizona municipal corporation

By:_____ _____

Marie Lopez Rogers, Mayor Date

ATTEST:

_____ _____

Carmen Martinez, Town Clerk Date

APPROVED AS TO FORM:

_____ _____

Andrew McGuire, City Attorney Date

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Legal Description
City of Avondale Roadway Easement

That portion of the West half of the Southeast quarter of **Section 2**, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the South quarter corner of said Section 2 from which a City of Avondale brass cap in handhole marking the Southeast corner of said Section 2 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet;

Thence South 88 degrees 35 minutes 33 seconds East, along the South line of the Southeast quarter of said Section 2, a distance of 444.21 feet;

Thence North 01 degrees 24 minutes 27 seconds East, a distance of 33.00 feet to a point on line parallel with and 33.00 feet North of the South line of the Southeast quarter of said Section 2 to the **POINT OF BEGINNING**;

Thence North 88 degrees 35 minutes 33 seconds West, along said parallel line, a distance of 31.58 feet;

Thence North 01 degrees 24 minutes 27 seconds East, a distance of 22.00 feet to a point on a line parallel with and 55.00 feet North of the South line of the Southeast quarter of said Section 2 ;

Thence South 88 degrees 35 minutes 33 seconds East, along said parallel line, a distance of 29.20 feet;

Thence South 04 degrees 45 minutes 28 seconds East, a distance of 22.13 feet to a point on line parallel with and 33.00 feet North of the South line of the Southeast quarter of said Section 2 and the **POINT OF BEGINNING**.

Encompassing 669. square feet or 0.015 acres, more or less.

Together with that portion of the West half of the Northeast quarter of **Section 11**, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the North quarter corner of said Section 11 from which a City of Avondale brass cap in handhole marking the Northeast

corner of said Section 11 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet;

Thence South 88 degrees 35 minutes 33 seconds East, along the North line of the Northeast quarter of said Section 11, a distance of 487.98 feet to the Northwest corner of the City of Avondale parcel as recorded in instrument No. 970462036, of official records, Maricopa County, Arizona,

Thence South 08 degrees 13 minutes 31 seconds East, along the West line of said City of Avondale parcel, a distance of 33.47 feet to a point on line parallel with and 33.00 feet South of the North line of the Northeast quarter of said Section 11 and the **POINT OF BEGINNING**;

Thence continuing South 08 degrees 13 minutes 31 seconds East, along said West line, a distance of 32.46 feet to a point on a line parallel with and 65.00 feet South of the North line of the Northeast quarter of said Section 11;

Thence North 88 degrees 35 minutes 33 seconds West, along said parallel line, a distance of 86.65 feet;

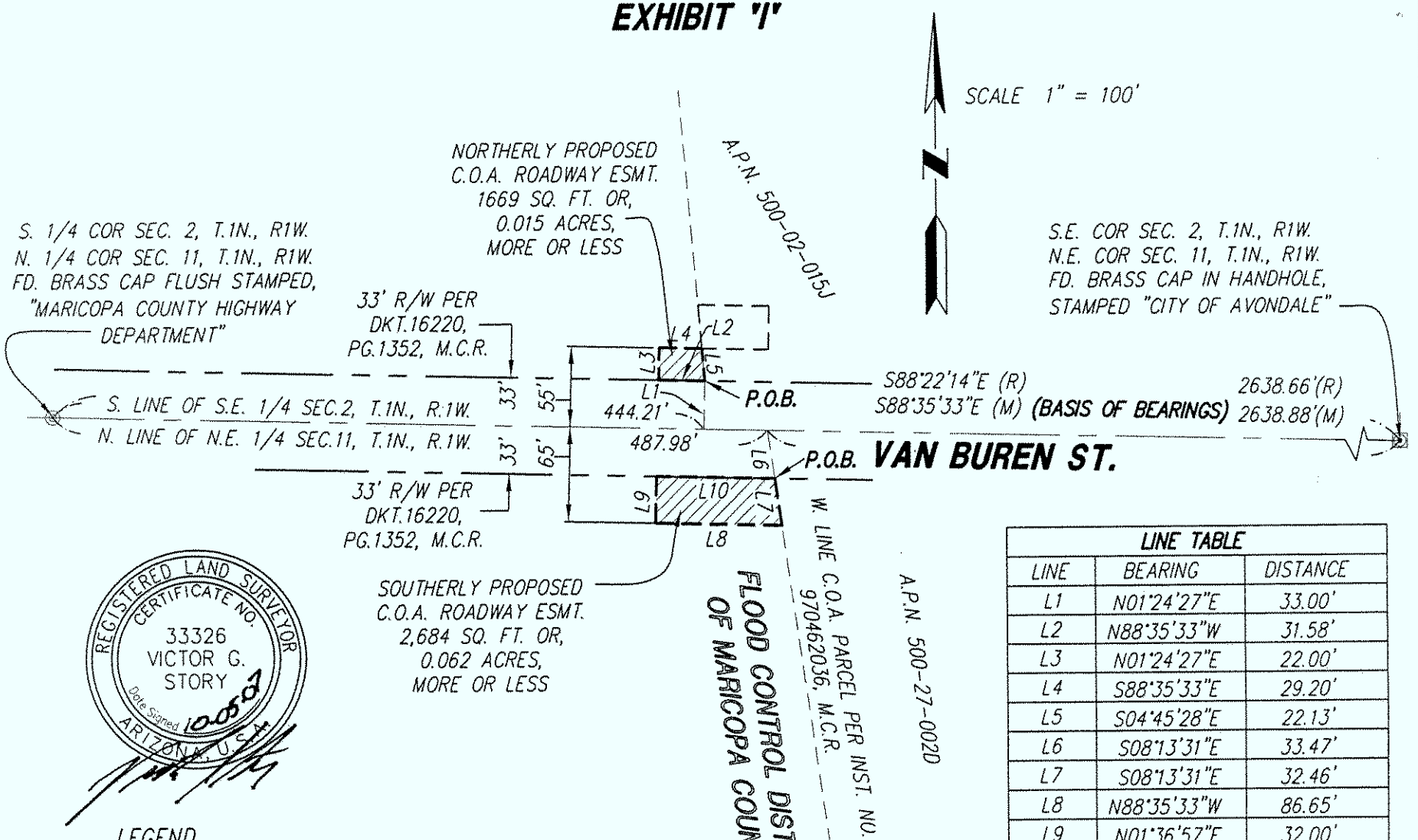
Thence North 01 degrees 36 minutes 57 seconds East, a distance of 32.00 feet to a point on line parallel with and 33.00 feet South of the North line of the Northeast quarter of said Section 11;

Thence South 88 degrees 35 minutes 33 seconds East, along said parallel line, a distance of 81.11 feet to the **POINT OF BEGINNING**.

Encompassing 2,684. square feet or 0.062 acres, more or less.

See Exhibit "I", 05271xb09dwg attached hereto and made a part hereof.

EXHIBIT "I"



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N01°24'27"E	33.00'
L2	N88°35'33"W	31.58'
L3	N01°24'27"E	22.00'
L4	S88°35'33"E	29.20'
L5	S04°45'28"E	22.13'
L6	S08°13'31"E	33.47'
L7	S08°13'31"E	32.46'
L8	N88°35'33"W	86.65'
L9	N01°36'57"E	32.00'
L10	S88°35'33"E	81.11'

LEGEND

(M) MEASURED DATA

(R) DATA PER GDACS AS RECORDED IN BK. 694, P.38, M.C.R.

JOB #05271	C.O.A. ROADWAY EASEMENT
05271xb09.dwg	VAN BUREN STREET IMPROVEMENTS

V3 COMPANIES OF ARIZONA
1048 North 44th Street
Suite 100
Phoenix, Arizona 85008
P. 602.648.4800
www.V3co.com

EXHIBIT C
TO
ORDINANCE NO. 1400-410

[Drainage Easement]

See following pages.

When recorded, return to
Flood Control District of
Maricopa County (LLA)
2801 West Durango Street
Phoenix, Arizona 85009

ARS 11-1134, A2

FCD 1999 R016

PERMANENT DRAINAGE EASEMENT AND AGREEMENT

Project: Agua Fria River Channel
District Parcel: pt of A-12052
Permit No. 2006P031

THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, a municipal corporation and political subdivision of the State of Arizona, its agents, contractors, successors, and assigns, **GRANTOR**, for and in consideration of the sum of Nine Hundred and One Dollars and Sixty-Nine Cents (**$901.69)** does hereby grant and convey solely to **THE CITY OF AVONDALE**, a municipal corporation and political subdivision of the State of Arizona, its agents, contractors, successors, and assigns, **GRANTEE**, a permanent drainage easement for the sole purpose of constructing, operating, repairing and maintaining a drainage feature, including ingress and egress, within the area of the premises hereinafter described:

See attached EXHIBIT "A"
Attached hereto and incorporated herein

GRANTOR, its successors and assigns, reserves such rights and privileges as may be used and enjoyed to permit the economical operation and maintenance of its flood control project, without unreasonably interfering with or abridging the rights and easement hereby granted.

GRANTEE further agrees, to the extent permitted by law, to indemnify and hold harmless the **GRANTOR**, its agents, officers, employees, successors or assigns against any and all claims, actions, costs or expenses for any and all damages or personal injuries caused by said operation and/or related to the rights herein granted, except those caused solely by the negligence of the **GRANTOR**, its agents, officers, employees, successors or assigns.

In the event the right, privilege and Easement herein granted shall be abandoned and permanently cease to be used for the purposes herein granted, all rights herein granted shall cease and revert to **GRANTOR.** Upon abandonment, **GRANTEE** will be solely responsible for removing all improvements constructed pursuant to this permanent drainage and easement agreement, and for restoring this site to a condition acceptable to **GRANTOR**.

Discharges into the District's right of way must meet all applicable requirements of the Arizona Pollutant Discharge Elimination System (AZPDES) and the Clean Water Act, including any permit requirements.

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ACCEPTED BY:

GRANTEE:

CITY OF AVONDALE, an Arizona municipal corporation

By:_____ _____
Marie Lopez Rogers, Mayor Date

ATTEST:

_____ _____
Carmen Martinez, City Clerk Date

RECOMMENDED FOR APPROVAL:

FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

_____

Timothy S. Phillips, P.E. Date
Chief Engineer and General Manager

_____

Michael D. Wilson Date
Manager, Real Estate Division

ACCEPTED AND APPROVED:

BOARD OF DIRECTORS OF FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

_____

Chairman of the Board

ATTEST:

_____

Clerk of the Board

Date: _____

1163937.4

EXHIBIT A
TO
PERMANENT DRAINAGE EASEMENT AND AGREEMENT

[Legal Description and Map]

See following pages.

December 14, 2007

LEGAL DESCRIPTION FOR
CITY OF AVONDALE
DRAINAGE EASEMENT

That part of the Northeast Quarter of Section 11, Township 1 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Brass Cap flush marking the North Quarter Corner of said Section 11, from which the Brass Cap in handhole marking the Northeast Corner of said Section 11 bears South 88°22'22" East, a distance of 2,638.76 feet;

Thence South 88°22'22" East, along the North line of the Northeast Quarter of said Section 11, a distance of 487.98 feet to the Northerly prolongation of the Westerly line of that certain parcel of land depicted in the Record of Survey recorded in Book 384 of Maps, Page 15, Maricopa County Records;

Thence South 09°00'16" East, departing said North line along said Westerly line and its Northerly prolongation, a distance of 655.81 feet to the Southwesterly corner of said certain parcel of land;

Thence North 88°51'13" West, along the Southerly line of that certain Utility Easement as granted in Instrument No. 2004-0202895, Maricopa County Records, a distance of 20.92 feet to the Southwesterly corner thereof, being the True Point of Beginning;

Thence continuing North 88°51'13" West, a distance of 22.24 feet to a point on a line which is parallel with and 22.00 feet Westerly, as measured at right angles, from the Westerly line of said Utility Easement;

Thence North 07°16'05" West, along said parallel line, a distance of 43.00 feet;

Thence North 80°47'27" East, a distance of 22.01 feet to a point on the Westerly line of said Utility Easement;

Thence South 07°16'05" East, along said Westerly line, a distance of 47.00 feet to the True Point of Beginning.

Containing 0.023 Acres, more or less.

Section corners described in this legal description are depicted on a Record of Survey of part of Section 11, T-1-N, R-1-W, prepared by Brooks, Hersey and Associates, Inc, Job No. 93-27, dated 10/11/94, by Samuel S. Hersey, Jr., R.L.S. 11750 and recorded in Book 384 of Maps, Page 15, Maricopa County Records. Additional information was obtained from Instrument No. 2004-0202895, Maricopa County Records, and unrecorded legal descriptions prepared by V3 Companies of Arizona, dated 10/05/07 and signed by Victor Story, R.L.S. 33326. No field work was performed on this project by Coe & Van Loo Consultants as a basis for the preparation of this legal description.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
36562
FRED W.
KLEIN III
Date Signed 12/14/07
ARIZONA, U.S.A.

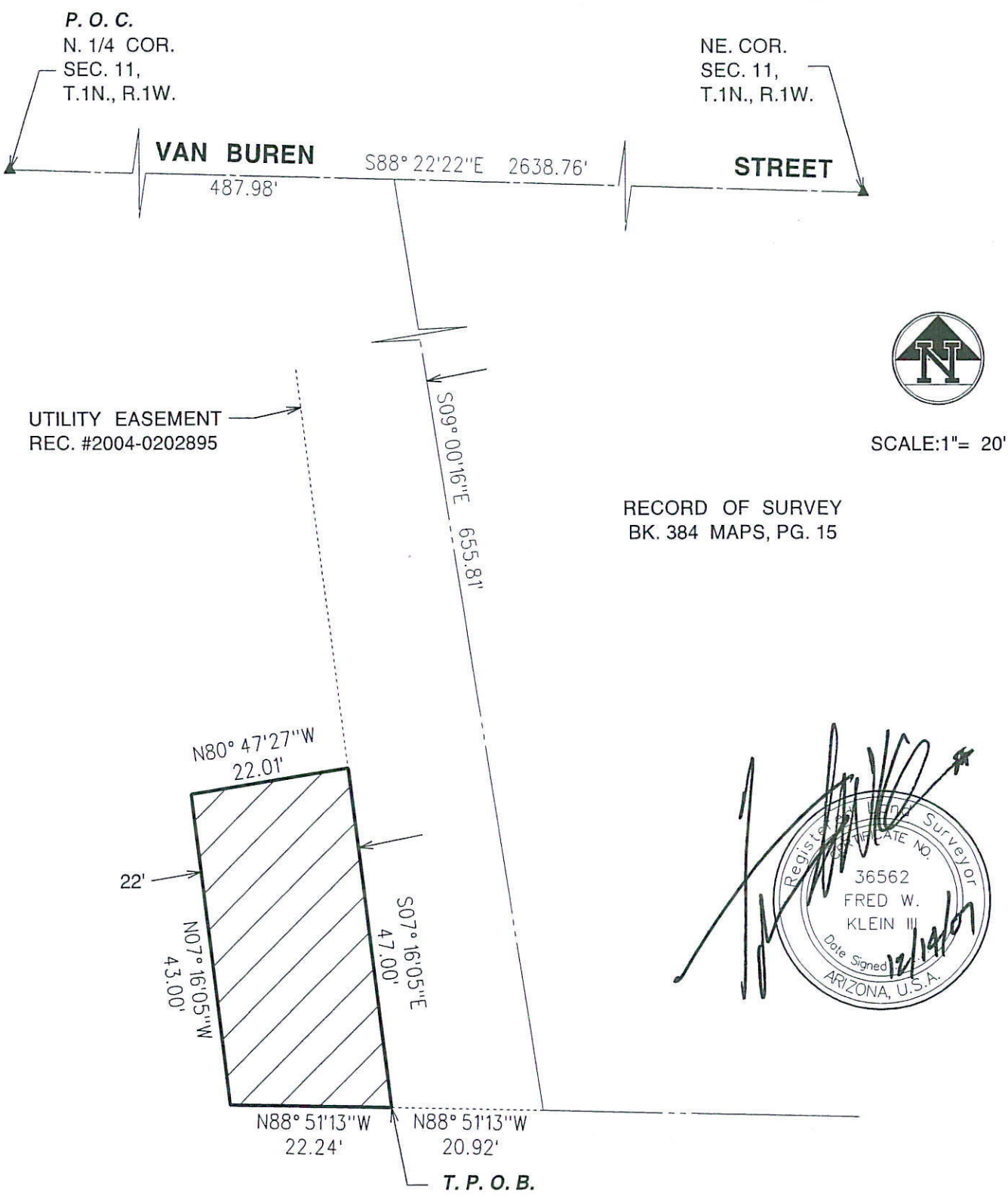

EXHIBIT N:\990102\LAND\EHDREMT.DGN	CITY OF AVONDALE DRAINAGE EASEMENT	JOB NO 07 0171301 1
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 1

EXHIBIT D
TO
ORDINANCE NO. 1400-410

[Special Warranty Deed]

See following pages.

When recorded, Interoffice Mail to:
Flood Control District (LLA)
of Maricopa County

EXEMPT A.R.S. § 11-1134(A)(3)

A.R.S. § 48-3603(C)(1)
Permit 2006P031
ST1089

SPECIAL WARRANTY DEED

Project: Agua Fria River

FCD Parcel #: A-12033-2

APN.: Portion of: 500-02-015J

THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, a municipal corporation and political subdivision of the State of Arizona, **GRANTOR**, for the sum of One Dollar ($1.00) and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, paid by **THE CITY OF AVONDALE**, a municipal corporation and political subdivision of the State of Arizona, **GRANTEE**, herein has granted, sold, and conveyed and by this Deed does grant, sell, and convey unto the said **GRANTEE** all that certain real property situated in the County of Maricopa, State of Arizona, described as follows:

See Attached Exhibit "K"
Attached hereto and incorporated herein (the "Property")

The **GRANTOR** hereby conveys unto **GRANTEE** all warranties of title of any nature whatsoever that **GRANTOR** owns; provided, however, **GRANTOR** warrants title as against all of its acts and no other acts.

GRANTOR warrants that no portion of the Property is the subject of a threatened or pending investigation or lawsuit or administrative action by any person, firm, governmental body or other entity relating to or arising from any matter or circumstance subject to regulation pursuant to any statute, ordinance, rule or regulation, and **GRANTOR** has received no unofficial or official notice or any alleged violations of any statutes, ordinances or regulations.

GRANTEE hereby acknowledges and has represented to **GRANTOR** that it is purchasing the Property for a public use, such as roadway, public works operations and complementary accessory uses ("Public Use") and if it ceases to be used for a Public Use at any time within ten (10) years from the date of recordation of this Deed, if **GRANTEE** fails to return the Property to a Public Use within 120 days following written notice to

GRANTEE from **GRANTOR**, then title to the Property shall revert to **GRANTOR** at the discretion of **GRANTOR**; provided, however, that if **GRANTOR** does not exercise its discretion to revert title to the Property to **GRANTOR** within ten (10) years after the date of written notice to the **GRANTEE** as provided in this paragraph, such right to revert shall be deemed waived and the **GRANTEE** shall retain all right, title and interest in the Property.

This Property is conveyed subject to: assessments, reservations, easements, rights-of-way, and deed restrictions as may appear on record.

GRANTOR:

THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, a political subdivision of the State of Arizona

RECOMMENDED FOR APPROVAL:

FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

_____

Timothy S. Phillips, P.E. Date
Chief Engineer and General Manager

_____

Michael D. Wilson Date
Manager, Real Estate Division

APPROVED AS TO FORM

_____

District General Counsel

ACCEPTED AND APPROVED:

BOARD OF DIRECTORS OF FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

_____

Chairman of the Board

ATTEST:

_____

Clerk of the Board

Date: _____

_____

Date

. . . .

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ACCEPTED BY:

GRANTEE:

CITY OF AVONDALE, an Arizona
municipal corporation

By:_____ _____
Marie Lopez Rogers, Mayor Date

ATTEST:

_____ _____
Carmen Martinez, City Clerk Date

EXHIBIT K
TO
SPECIAL WARRANTY DEED
BETWEEN
THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY
AND
THE CITY OF AVONDALE

[Legal Description and Map]

See following pages.

Legal Description
City of Avondale Right-of-Way

That portion of the West half of the Southeast quarter of Section 2, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the South quarter corner of said Section 2 from which a City of Avondale brass cap in handhole marking the Southeast corner of said Section 2 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet; Thence South 88 degrees 35 minutes 33 seconds East, along the South line of the Southeast quarter of said Section 2, a distance of 1319.55 feet to the Southeast corner of the West half of the Southeast quarter of said Section 2;

Thence North 00 degrees 09 minutes 03 seconds East, along the East line of the West half of the Southeast quarter of said Section 2, a distance of 33.01 feet to a ½" rebar and cap stamped "37826" marking the Southeast corner of the Flood Control District of Maricopa County parcel as recorded in instrument No. 870044559, of official records, Maricopa County, Arizona, said point also being on a line parallel with and 33.00 feet North of the South line of the Southeast quarter of said Section 2 and the **POINT OF BEGINNING**;

Thence North 88 degrees 35 minutes 33 seconds West, along said parallel line, a distance of 874.39 feet;

Thence North 04 degrees 45 minutes 28 seconds West, a distance of 22.13 feet to a point on a line parallel with and 55.00 feet North of the South line of the Southeast quarter of said Section 2;

Thence South 88 degrees 35 minutes 33 seconds East, along said parallel line, a distance of 876.29 feet to a point on the East line of the West half of the Southeast quarter of said Section 2, said point also being the Northeast corner of said Flood Control District of Maricopa County parcel;

Thence South 00 degrees 09 minutes 03 seconds West, along the East line of the West half of the Southeast quarter of said Section 2 and the East line of said Flood Control District of Maricopa County parcel, a distance of 22.01 feet to a ½" rebar and cap stamped "37826" marking the Southeast corner of said Flood Control District of Maricopa County parcel and the **POINT OF BEGINNING**.

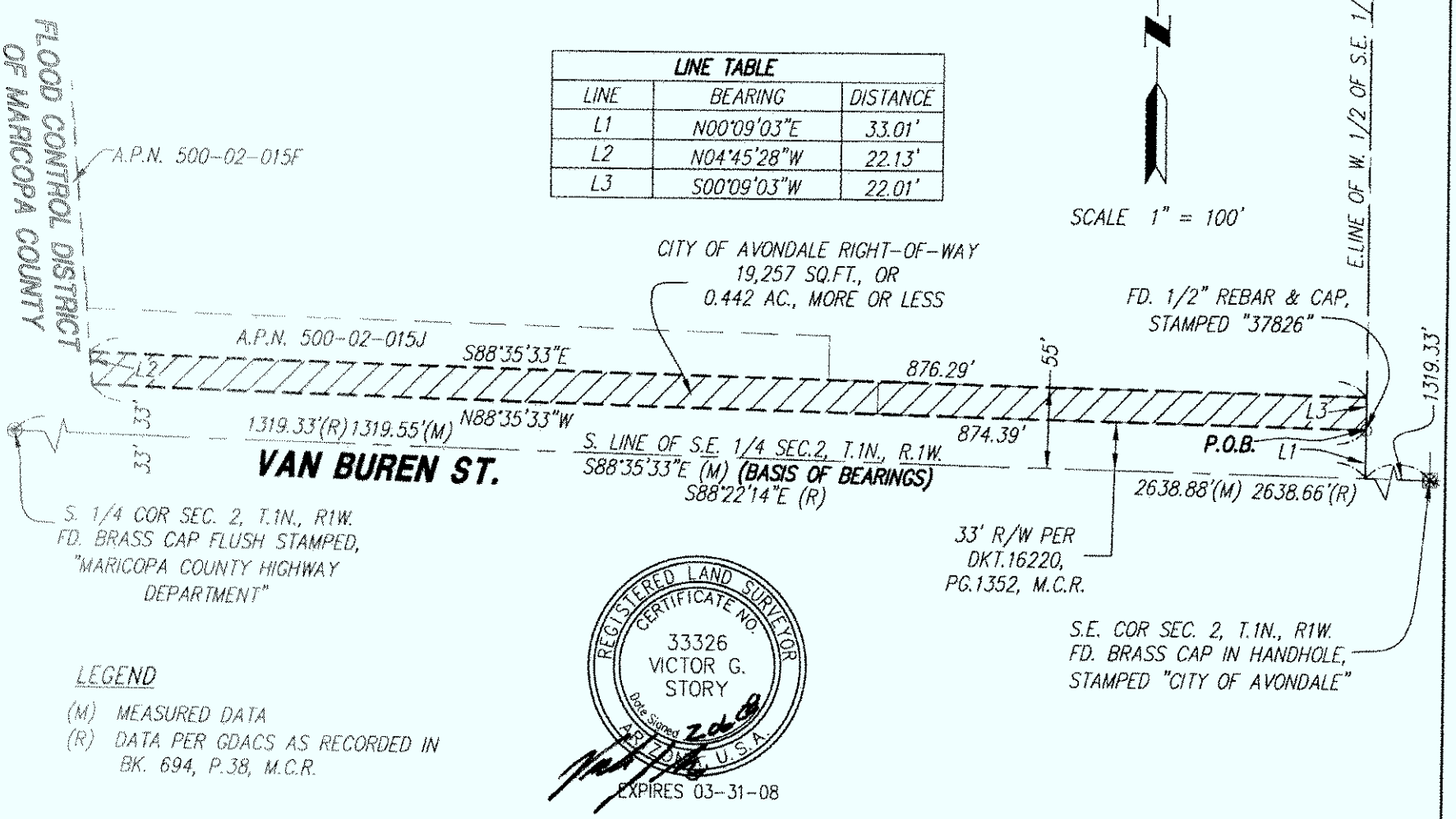
Encompassing 19,258. square feet or 0.442 acres, more or less.

See Exhibit "K", 05271xb11.dwg attached hereto and made a part hereof.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33326
VICTOR G.
STORY
Date Signed 2-6-08
ARIZONA U.S.A.

EXHIBIT 'K'

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N00°09'03"E	33.01'
L2	N04°45'28"W	22.13'
L3	S00°09'03"W	22.01'



REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33326
VICTOR G.
STORY
Date Signed 2-6-08
ARIZONA, U.S.A.
EXPIRES 03-31-08

LEGEND

(M) MEASURED DATA
(R) DATA PER GDACS AS RECORDED IN BK. 694, P.38, M.C.R.

JOB #05271	C.O.A. RIGHT-OF-WAY ACQUISITION	
05271xb11.dwg	VAN BUREN STREET IMPROVEMENTS	

V3 COMPANIES OF ARIZONA
1048 North 44th Street
Suite 300
Phoenix, Arizona 85008
P. 602.840.4800
www.v3co.com

EXHIBIT E
TO
ORDINANCE NO. 1400-410

[Non-Exclusive Ingress and Egress Easement]

See following pages.

When recorded, return to:
(LLA): Flood Control District
of Maricopa County
2801 West Durango Street
Phoenix, Arizona 85009

EXEMPT PER A.R.S. § 11-1134(A)(2)

1999R016

Permit 2006P031, Project ST1089

NON-EXCLUSIVE INGRESS AND EGRESS EASEMENT

Project: Agua Fria River

FCD Parcel: A-12052

APN #: Pt of 500-27-008

THE CITY OF AVONDALE, a municipal corporation and political subdivision of the State of Arizona, **GRANTOR**, for and in consideration of the sum of One Dollar **($1.00)** and other valuable consideration, paid by **THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY**, a municipal corporation and political subdivision of the State of Arizona, **GRANTEE**, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and convey unto **GRANTEE**, its successors and assigns, a non-exclusive easement for the sole purpose of ingress and egress (the "Easement"). This easement supersedes and replaces that NON-EXCLUSIVE INGRESS AND EGRESS EASEMENT between the **GRANTOR** and **GRANTEE** recorded in the office of the Maricopa County Recorder at 2004-0178754 and 2004-0202894 (the "Prior Easement") and by executing this Easement the **GRANTOR** and the **GRANTEE** revoke and replace the Prior Easement.

See attached legal description, marked "Exhibit H"

GRANTEE shall have unrestricted access including vehicles and equipment, on and over the subject property in a manner that will not unreasonably interfere with **GRANTOR'S** use of the property, for the purpose of operating and maintaining adjacent flood control structures. **GRANTEE** shall also have the right to trim and/or remove any vegetation necessary to utilize this easement.

GRANTOR shall notify **GRANTEE** in a timely manner of **GRANTOR'S** intent to temporarily limit ingress and/or egress and/or relocate the access.

The **GRANTEE** further agrees, to the extent permitted by law, to indemnify and hold harmless the **GRANTOR**, its agents, officers, employees, successors or assigns against any and all claims, actions, costs or expenses for property damages or personal injuries caused by said operation and/or related to rights herein granted, except those caused solely and exclusively by the negligence of the **GRANTOR**, its agents, officers, employees, successors or assigns.

In the event the rights, privileges and easement herein shall be abandoned and permanently cease to be used for the purposes herein granted, all rights herein granted shall cease and revert to the **GRANTOR**, its heirs or assigns.

GRANTOR:

CITY OF AVONDALE, an Arizona
municipal corporation

_____ _____

Marie Lopez Rogers, Mayor DATE

ATTEST:

_____ _____

Carmen Martinez, City Clerk DATE

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GRANTEE:

THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, a political subdivision of the State of Arizona

RECOMMENDED FOR APPROVAL:

FLOOD CONTROL DISTRICT
OF MARICOPA COUNTY

_____

Timothy S. Phillips P.E. Date
Chief Engineer and General Manager

_____

Michael D. Wilson Date
Manager, Real Estate Division

ACCEPTED AND APPROVED:

BOARD OF DIRECTORS 0F
FLOOD CONTROL DISTRICT
OF MARICOPA COUNTY

_____

Chairman of the Board

ATTEST:

_____

Clerk of the Board

Date: _____

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EXHIBIT H
TO
NON-EXCLUSIVE INGRESS AND EGRESS EASEMENT
BETWEEN
THE CITY OF AVONDALE
AND
THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

[Legal Description and Map]

See following pages.

Legal Description
Proposed Flood Control District of Maricopa County
Access Easement

That portion of the West half of the Northeast quarter of Section 11, Township 1 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the North quarter corner of said Section 11 from which a City of Avondale brass cap in handhole marking the Northeast corner of said Section 11 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet;

Thence South 88 degrees 35 minutes 33 seconds East, along the North line of the Northeast quarter of said Section 11, a distance of 487.98 feet to the Northwest corner of the City of Avondale parcel as recorded in instrument No. 970462036, of official records, Maricopa County, Arizona,

Thence South 08 degrees 13 minutes 31 seconds East, along the West line of said City of Avondale parcel, a distance of 65.93 feet, said point being on a line parallel with and 65.00 feet South of the North line of the Northeast quarter of said Section 11 and the **POINT OF BEGINNING**;

Thence South 88 degrees 35 minutes 33 seconds East, along said parallel line, a distance of 487.27 feet;

Thence South 02 degrees 21 minutes 43 seconds West, a distance of 34.00 feet;

Thence North 88 degrees 35 minutes 33 seconds West, a distance of 75.00 feet;

Thence North 76 degrees 10 minutes 30 seconds West, a distance of 65.11 feet;

Thence North 88 degrees 35 minutes 33 seconds West, a distance of 315.57 feet;

Thence North 43 degrees 35 minutes 33 seconds West, a distance of 7.07 feet;

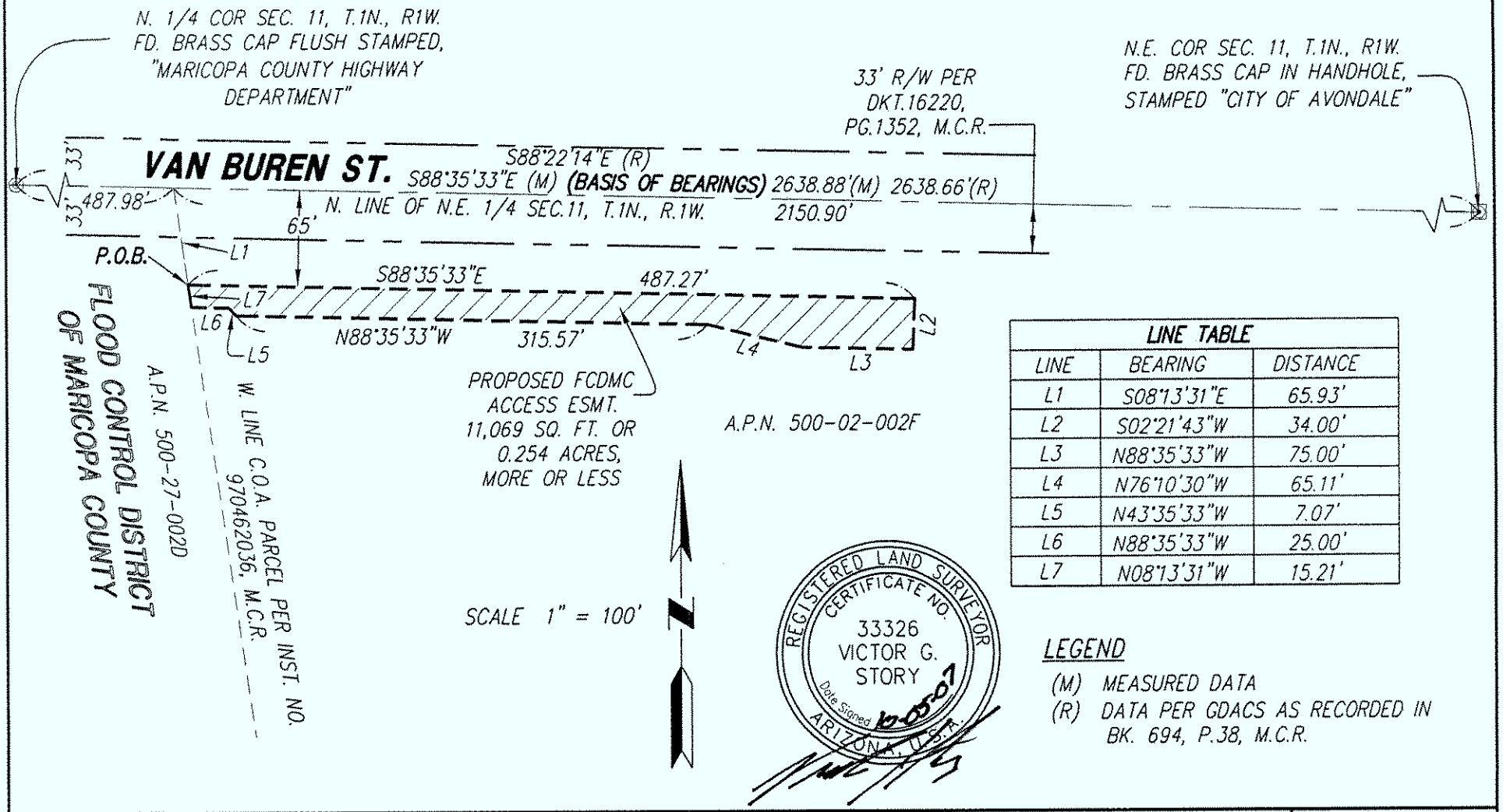
Thence North 88 degrees 35 minutes 33 seconds West, a distance of 25.00 feet to a point on the West line of said City of Avondale parcel;

Thence North 08 degrees 13 minutes 31 seconds West, along said West line, a distance of 15.21 feet to a point on a line parallel with and 65.00 feet South of the North line of the Northeast quarter of said Section 11 and the **POINT OF BEGINNING**.

Encompassing 11,069. square feet or 0.254 acres, more or less.

See Exhibit "H", 05271xb08.dwg attached hereto and made a part hereof.

EXHIBIT "H"



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S08°13'31"E	65.93'
L2	S02°21'43"W	34.00'
L3	N88°35'33"W	75.00'
L4	N76°10'30"W	65.11'
L5	N43°35'33"W	7.07'
L6	N88°35'33"W	25.00'
L7	N08°13'31"W	15.21'

LEGEND

(M) MEASURED DATA
(R) DATA PER GDACS AS RECORDED IN BK. 694, P.38, M.C.R.

JOB #05271	PROPOSED FCDMC ACCESS ESMT.
05271xb08.dwg	VAN BUREN STREET IMPROVEMENTS

V3 COMPANIES OF ARIZONA
1048 North 44th Street
Suite 100
Phoenix, Arizona 85008
P. 602.648.4800
www.V3co.com

EXHIBIT F
TO
ORDINANCE NO. 1400-410

[Special Warranty Deed]

See following pages.

When recorded, Interoffice Mail to:
Flood Control District (LLA)
of Maricopa County

EXEMPT A.R.S. § 11-1134(A)(3)

Permit 2006P031
ST1089

SPECIAL WARRANTY DEED

Project: Agua Fria River

FCD Parcel #: A-12033-2

APN.: Portion of: 500-02-015K

THE CITY OF AVONDALE, a municipal corporation and political subdivision of the State of Arizona, **GRANTOR**, for the sum of One Dollar ($1.00) and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, paid by **THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY**, a municipal corporation and political subdivision of the State of Arizona, **GRANTEE**, herein has granted, sold, and conveyed and by this Deed does grant, sell, and convey unto the said **GRANTEE** all that certain real property situated in the County of Maricopa, State of Arizona, described as follows:

See Attached Exhibit "M"
Attached hereto and incorporated herein (the "Property")

The **GRANTOR** hereby conveys unto **GRANTEE** all warranties of title of any nature whatsoever that **GRANTOR** owns; provided, however, **GRANTOR** warrants title as against all of its acts and no other acts.

GRANTOR warrants that no portion of the Property is the subject of a threatened or pending investigation or lawsuit or administrative action by any person, firm, governmental body or other entity relating to or arising from any matter or circumstance subject to regulation pursuant to any statute, ordinance, rule or regulation, and **GRANTOR** has received no unofficial or official notice or any alleged violations of any statutes, ordinances or regulations.

GRANTEE hereby acknowledges and has represented to **GRANTOR** that it is purchasing the Property for a public use, such as roadway, public works operations and complementary accessory uses ("Public Use") and if it ceases to be used for a Public Use at any time within ten (10) years from the date of recordation of this Deed, if **GRANTEE** fails to return the Property to a Public Use within 120 days following written notice to

GRANTEE from **GRANTOR**, then title to the Property shall revert to GRANTOR at the discretion of **GRANTOR**; provided, however, that if **GRANTOR** does not exercise its discretion to revert title to the Property to **GRANTOR** within ten (10) years after the date of written notice to the **GRANTEE** as provided in this paragraph, such right to revert shall be deemed waived and the **GRANTEE** shall retain all right, title and interest in the Property.

This Property is conveyed subject to: assessments, reservations, easements, rights-of-way, and deed restrictions as may appear on record.

GRANTOR:

CITY OF AVONDALE, an Arizona
municipal corporation

By:_____ _____
Marie Lopez Rogers, Mayor Date

ATTEST:

_____ _____
Carmen Martinez, City Clerk Date

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ACCEPTED BY:

GRANTEE:

THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY, a political subdivision of the State of Arizona

RECOMMENDED FOR APPROVAL:

FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

_____

Timothy S. Phillips, P.E. Date
Chief Engineer and General Manager

_____

Michael D. Wilson Date
Manager, Real Estate Division

APPROVED AS TO FORM

_____

District General Counsel

ACCEPTED AND APPROVED:

BOARD OF DIRECTORS OF FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

_____

Chairman of the Board

ATTEST:

_____

Clerk of the Board

Date: _____

_____

Date

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EXHIBIT M
TO
SPECIAL WARRANTY DEED
BETWEEN
THE CITY OF AVONDALE
AND
THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY

[Legal Description and Map]

See following pages.

Legal Description
Flood Control District of Maricopa County Parcel

That portion of the West half of the Southeast quarter of Section 2, Township 1 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a Maricopa County Highway Department brass cap flush marking the South quarter corner of said Section 2 from which a City of Avondale brass cap in handhole marking the Southeast corner of said Section 2 bears, South 88 degrees 35 minutes 33 seconds East, a distance of 2638.88 feet, said course being the basis of Bearing hereon;

Thence South 88 degrees 35 minutes 33 seconds East, along the South line of the Southeast quarter of said Section 2, a distance of 1024.60 feet;

Thence North 01 degrees 24 minutes 27 seconds East, a distance of 67.81 feet to the **POINT OF BEGINNING**;

Thence North 87 degrees 38 minutes 16 seconds West, a distance of 75.23 feet;

Thence North 01 degrees 24 minutes 27 seconds East, a distance of 15.94 feet to a point on a line parallel with and 85.00 feet North of the South line of the Southeast quarter of said section 2;

Thence North 88 degrees 35 minutes 33 seconds West, along said parallel line, a distance of 410.57 feet;

Thence North 01 degrees 24 minutes 27 seconds East, a distance of 62.84 feet;

Thence South 82 degrees 06 minutes 58 seconds East, a distance of 352.57 feet;

Thence South 87 degrees 38 minutes 16 seconds East, a distance of 135.48 feet;

Thence South 01 degrees 24 minutes 27 seconds West, a distance of 38.01 feet to the **POINT OF BEGINNING**.

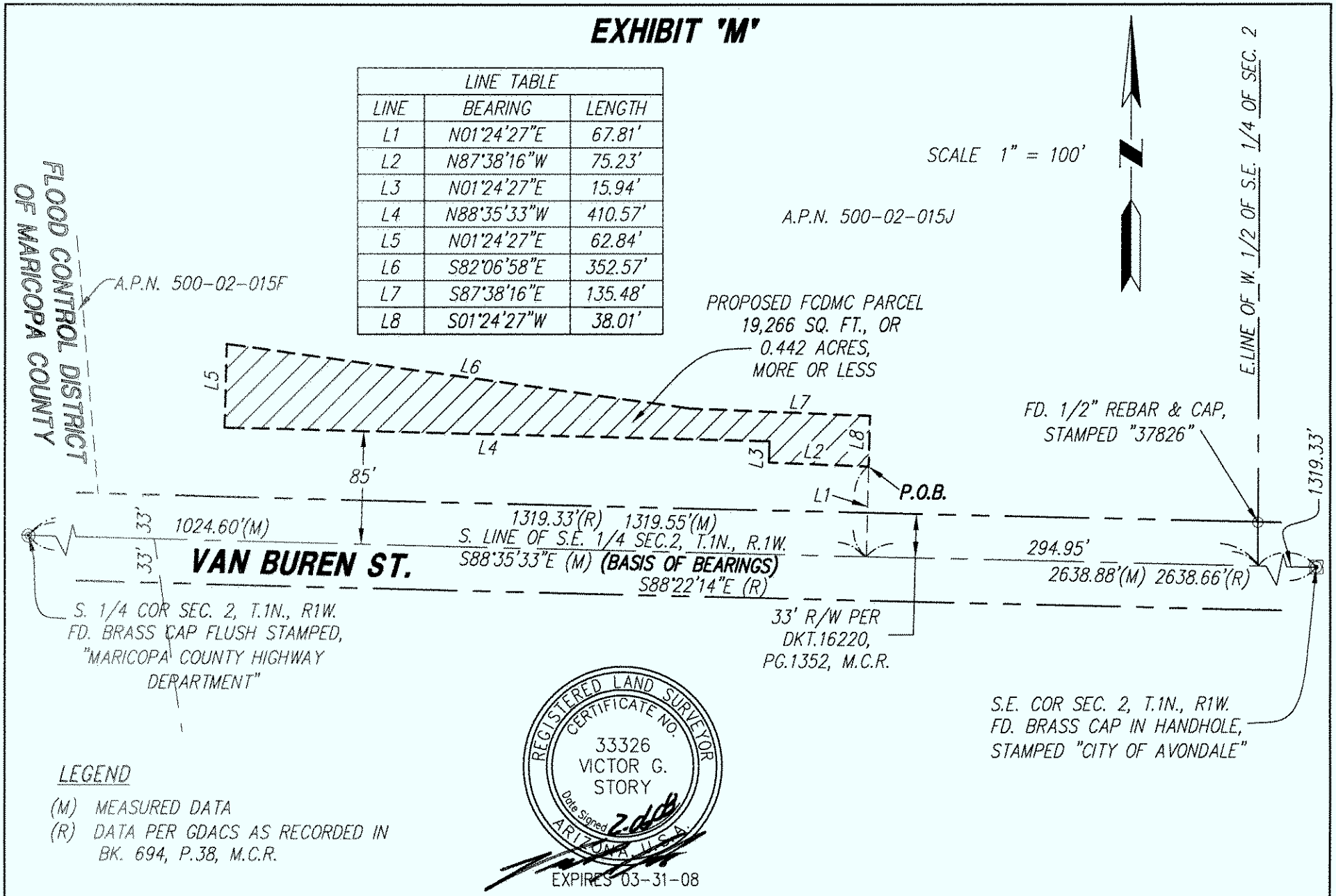
Encompassing 19,266 square feet or 0.442 acres, more or less.

See Exhibit "M", 05271xb13.dwg attached hereto and made a part hereof.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33326
VICTOR G.
STORY
Date Signed
ARIZONA, U.S.A.

EXHIBIT "M"

LINE TABLE		
LINE	BEARING	LENGTH
L1	N01°24'27"E	67.81'
L2	N87°38'16"W	75.23'
L3	N01°24'27"E	15.94'
L4	N88°35'33"W	410.57'
L5	N01°24'27"E	62.84'
L6	S82°06'58"E	352.57'
L7	S87°38'16"E	135.48'
L8	S01°24'27"W	38.01'



LEGEND

(M) MEASURED DATA
(R) DATA PER GDACS AS RECORDED IN BK. 694, P.38, M.C.R.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33326
VICTOR G.
STORY
Date Signed 2-08
ARIZONA, U.S.A.
EXPIRES 03-31-08

JOB #05271	F.C.D.M.C. PARCEL	V3 COMPANIES OF ARIZONA 1048 North 44th Street Suite 100 Phoenix, Arizona 85008 P. 602.848.4800 www.v3co.com
05271xb13.dwg	VAN BUREN STREET IMPROVEMENTS	

CITY COUNCIL REPORT

SUBJECT:
Public Hearing and Resolution 2893-410 - 2010-2014 Consolidated Plan and Annual Action Plan

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Gina Montes, Neighborhood and Family Services Director (623)333-2727

THROUGH: Charlie McClendon, City Manager

PURPOSE:

The purpose of this item is for City Council to hold a public hearing and take action on a resolution approving the 2010-2014 Consolidated Plan and the 2010-2011 Annual Action Plan. The plans identify housing and community development needs and strategies and define how Community Development Block grant (CDBG) and HOME funds will be allocated next fiscal year, respectively.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) will allocate $545,396 in Community Development Block Grant (CDBG) funds and Maricopa County will allocate $156,451 in HOME funds to the City of Avondale for fiscal year 2010-11. To be eligible to receive the funds the City of Avondale must complete a Consolidated Plan and Annual Action Plan.

The Consolidated Plan identifies the housing and community development needs of the low-income and special needs populations and provides strategies to address them. The Annual Action Plan defines how CDBG and HOME resources will be allocated during the next fiscal year. As required by HUD, the Neighborhood and Famly Services Department conducted a public participation process that formed the goals and strategies.

DISCUSSION:

The federal objective of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment and economic opportunities for low-moderate-income persons. The objective of the HOME program is to create affordable housing opportunities for low-income persons. Staff is recommending the following goals with respect to CDBG and HOME in the five-year Consolidated Plan:

Goal 1: Preserve the existing affordable housing stock.
Goal 2: Support new construction and rehabilitation of affordable rental development.
Goal 3: Increase homeownership.
Goal 4: Affirmatively further fair housing in Avondale.
Goal 5: Support organizations that assist the City's special needs population.
Goal 6: Improve public infrastructure and economic conditions in low-income, economically-challenged neighborhoods.
Goal 7: Reduce lead-based paint hazards in residential dwellings in Avondale.

The public participation process for the Consolidated Plan included a public hearing held on October 22, 2009 and two reviews by the Neigborhood and Family Services Commission held on October 28, 2009 and February 24, 2010.

Following these forums, a draft plan was made available to the public for a 30-day comment period that ended April 1, 2010. After considering all input, staff recommend the following allocations: CDBG: 1) Street Reconstruction $300,000; 2) Emergency Home Repair $106,317; 3) Youth Job Training $30,000; 4) Administration $109,079. HOME: 1) Substantial Rehabilitation $148,628; 2) Administration $7,823.

BUDGETARY IMPACT:

The HOME program requires a 25% non-federal match of approximately $40,000. There are adequate matching funds available through non-City sources in addition to unused matching funds from prior years. CDBG funds do not require match.

RECOMMENDATION:

Staff recommends that the City Council hold a public hearing and approve the resolution adopting the 2010-2014 Consolidated Plan and the 2010-11 Annual Action Plan.

ATTACHMENTS:

Click to download

- 2010-2014 Consolidated Plan Executive Summary
- 2010-2011 Action Plan Executive Summary
- Resolution 2893-410

3-5 Year Strategic Plan

This document includes Narrative Responses to specific questions that grantees of the Community Development Block Grant, HOME Investment Partnership, Housing Opportunities for People with AIDS and Emergency Shelter Grants Programs must respond to in order to be compliant with the Consolidated Planning Regulations.

GENERAL

Executive Summary

The Executive Summary is optional, but encouraged. If you choose to complete it, please provide a brief overview that includes major initiatives and highlights that are proposed throughout the 3-5 year strategic planning period.

3-5 Year Strategic Plan Executive Summary:

Purpose of the Plan. The U.S. Department of Housing and Urban Development (HUD) has allocated approximately $500,000 in Community Development Block Grant (CDBG) funds to the City of Avondale for Fiscal year 2010 which begins on July 1, 2010 and extends through June 30, 2011. To be eligible to receive the funds the City of Avondale must complete this Consolidated Plan. The Consolidated Plan identifies the housing and community development needs of low-income and special needs persons and prescribes strategies to address them. HUD requires that local governments involve the public in completing their Annual Action Plans. Neighborhood and Family Services (NFS) held an extensive public participation process to receive input for the Annual Action Plan. The first public hearing was held on October 22, 2009. The Neighborhood and Family Services Commission reviewed the plan on October 28, 2009 and February 24, 2010. Following these forums a draft Annual Action Plan was made available to the public for 30-day comment period beginning on March 1, 2010 and ending April 1, 2010. Data gathered from the public participation provided the basis for the goals and strategies outlined herein.

Geographic Allocation and Priorities. Avondale is targeting its funds to its low-income neighborhoods of Old Town, Cashion, Las Ligas and Rio Vista. Activities identified as priorities are public services for special needs population, owner occupied housing rehabilitation, increasing homeownership opportunities, investing in economically challenged low-income neighborhoods and businesses and street and infrastructure improvements.

Institutional Structure and Enhancing Coordination. The City of Avondale Neighborhood and Family Services (NFS) Department coordinates the development of the Plan. The Plan is reviewed by the NFS Commission and input is sought from the general public and a variety of non-profit, business, governmental, professional and citizen organizations. The City of Avondale enhances the coordination between public and private housing, health and social service agencies by maintaining active involvement in the activities of the local non-profit service providers, local advisory

boards and commissions, other government agencies and professional associations especially through planning forums and community events.

Evaluation of Past Performance. The City of Avondale became a CDBG Entitlement city and received approval of its first Consolidated Plan in May 2006. During the previous program year the City of Avondale achieved the following: 1) Owner Occupied Housing Rehabilitation – 45 emergency and 6 substantial projects; 2) Homebuyer Assistance – assisted 40 homebuyers; 3) Public Improvements to Infrastructure – completed street reconstruction in low-income neighborhoods; 4) Youth Job Training and Employment Programs – assisted 20 teens with job training, summer jobs and tuition assistance; 5) Assisted 5 businesses in the Old Town Neighborhood with exterior renovation and business plans.

2010-2014 Consolidated Goals and Objectives

The following table on the following page lists the Goals and Objectives in the City of Avondale's 5-Year Consolidated Plan:

2010-2014 Consolidated Plan Goals and Strategies	
Goal 1: Preserve the existing affordable housing stock.	Strategy 1.1 Operate a Single-Family Owner-Occupied Housing Rehabilitation Program to conduct emergency and substantial rehabilitation activities using CDBG, HOME and a variety of other funding sources.
	Strategy 1.2 Operate a weatherization program using Maricopa County funding and a variety of other funding sources.
	Strategy 1.3: Incorporate energy and water efficiency standard in rehabilitation and weatherization programs that reduce utility costs.
	Strategy 1.4: Increase awareness about the availability of programs that preserve and promote affordable housing.
Goal 2: Support new construction and rehabilitation of affordable rental development.	Strategy 2.1: Pursue partnerships with non-profit and for-profit developers to construct and rehabilitate affordable rental housing.
Goal 3: Increase homeownership.	Strategy 3.1: Operate a homebuyer assistance program using HOME and a variety of other funding sources.
	Strategy 3.2: Assist agencies conducting homeownership activities in Avondale.
Goal 4: Affirmatively further fair housing in Avondale.	Strategy 4.1: Implement strategies for removing impediments to Fair Housing identified in the Avondale 2010 Analysis to Impediments to Fair Housing.
	Strategy 4.2: Sponsor Fair Housing educational seminars for city staff and housing industry professionals.
	Strategy 4.3: Maintain a page on the City's website that serves as a public resource for identifying violations of fair housing laws and filing fair housing complaints
	Strategy 4.4: Assist the elderly and persons with disabilities with accessibility improvements to their residences.
Goal 5: Support organizations that assist the City's special needs population.	Strategy 5.1: Support local and regional agencies that provide shelter, housing and support services homeless and those close to becoming homeless.
	Strategy 5.2: Operate programs that assist low-income and special needs populations in Avondale.
	Strategy 5.3: Operate programs to provide education, job training and recreational activities for youth.
Goal 6: Improve public infrastructure and economic conditions in low-income, economically-	Strategy 6.1: Improve streets, sidewalks, lighting, water, sewer and drainage infrastructure in low- to moderate-income Block Groups.
	Strategy 6.2: Construct and rehabilitate community facilities and parks as necessary to meet the educational, recreational and social needs of low income and special needs citizens.

challenged neighborhoods.	Strategy 6.3: Assist businesses in low income neighborhoods with improving their buildings and business plans.
	Strategy 6.4: Support new and existing businesses to promote job creation and retention.
Goal 7: Reduce Lead Based Paint Hazards in Residential Dwellings in Avondale.	Strategy 7.1: Adhere to HUD Lead Safe Housing Rule 24 CFR Part 35 in the conduct of rehabilitation and demolition activities
	Strategy 7.2: Provide information to housing recipients as well as the general public about the hazards of lead based paint.

Mission: To develop viable urban communities by providing decent housing, a suitable living environment and economic opportunities principally for low and moderate income persons.

Strategic Plan. This section represents the Five-Year (FY2010-FY2014) Strategic Plan for the City of Avondale, Arizona. The City of Avondale ("Avondale") receives Community Development Block Grants (CDBG) directly from the U.S. Department of Housing and Urban Development (HUD) and HOME funds from the Maricopa HOME Consortium based on its CDBG formula allocation. Avondale is required to complete a Consolidated Plan, Five-Year Strategic Plan, Analysis of Impediments to Fair Housing Choice (AI) and Annual Action Plan prior to receiving CDBG funds. These documents describe the housing and community development needs of low-income and special needs populations in Avondale and prescribes strategies to address them.

Avondale has elected to use a five-year consolidated planning period. The City's program year start date is July 1; therefore, the City's Consolidated Plan and/or Annual Action Plans are due to HUD no later than May 15 of each program year.

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed.

2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) and the basis for assigning the priority (including the relative priority, where required) given to each category of priority needs (91.215(a)(2).

3. Identify any obstacles to meeting underserved needs (91.215(a)(3)).

3-5 Year Strategic Plan General Questions response:

Geographic Areas Assistance will be Directed. Avondale will direct assistance to low- to moderate-income Block Groups (i.e., where 51 percent or more of households earn less than 80 percent of the HUD-defined area median income). The City has 15 Block Groups that meet these criteria. The Block Groups are:

- Census Tract 612, Block Group 1 (low-mod percentage = 72 percent)

- Census Tract 612, Block Group 2 (low-mod percentage = 62 percent)
- Census Tract 612, Block Group 3 (low-mod percentage = 65 percent)
- Census Tract 612, Block Group 4 (low-mod percentage = 52 percent)
- Census Tract 614, Block Group 1 (low-mod percentage = 75 percent)
- Census Tract 614, Block Group 2 (low-mod percentage = 74 percent)
- Census Tract 614, Block Group 3 (low-mod percentage = 85 percent)
- Census Tract 614, Block Group 4 (low-mod percentage = 83 percent)
- Census Tract 822.01 , Block Group 3 (low-mod percentage = 64 percent)
- Census Tract 822.02, Block Group 1 (low-mod percentage = 62 percent)
- Census Tract 822.02, Block Group 2 (low-mod percentage = 68 percent)

Target neighborhoods that are located in these Block Groups include, but are not limited to, Las Ligas, Old Town Avondale, Rio Vista and Cashion.

A map showing the Avondale's low- to moderate-income Census Block Groups and Target Neighborhoods appears in **Appendix A.** The City's low- to moderate-income Census Block Groups are concentrated south of Interstate 10 from the western to eastern City boundaries.

Basis for Geographic Allocation of Investment. CDBG funds will be primarily directed to the low-income Census Tracts listed above in conformance with 24 CFR part 200 provisions requiring at least 70% of funds benefit low and moderate income persons. Funds will be also be made available Citywide for eligible activities that address priority needs outlined this plan.

Basis for Assigning Priority. Assigning relative priority (High, Medium and Low) to each category of need listed in Tables 2A and 2B **(Appendix B)** is based on analysis of the information and data received during the planning process described in *Managing the Process.*

Obstacles to meeting needs. Obstacles to meeting underserved needs are as follows: 1) insufficient funding; 2) high amount (approximately 90%) of substandard housing units; 3) target population service needs exceed the collective capacity of non-profit organizations. All three obstacles relate to funding shortages which are products of the job losses directly related to the severe downturn in the housing market.

First Program Year Action Plan

The CPMP Forth Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 1 Action Plan Executive Summary:

Purpose of the Plan. The U.S. Department of Housing and Urban Development (HUD) has allocated approximately $500,000 in Community Development Block Grant (CDBG) funds to the City of Avondale for Fiscal year 2010 which begins on July 1, 2010 and extends through June 30, 2011. To be eligible to receive the funds the City of Avondale must complete this 2010/2011 Annual Action Plan. The Consolidated Plan identifies the housing and community development needs of low-income and special needs persons and prescribes strategies to address them. HUD requires that local governments involve the public in completing their Annual Action Plans. Neighborhood and Family Services (NFS) held an extensive public participation process to receive input for the Annual Action Plan. The first public hearing was held on October 22, 2009. The Neighborhood and Family Services Commission reviewed the plan on October 28, 2009 and February 24, 2010. Following these forums a draft Annual Action Plan was made available to the public for 30-day comment period beginning on March 1, 2010 and ending April 1, 2010. Data gathered from the public participation provided the basis for the goals and strategies outlined herein.

Geographic Allocation and Priorities. Avondale is targeting its funds to its low-income neighborhoods of Old Town, Cashion, Las Ligas and Rio Vista. Activities identified as priorities are public services for special needs population, owner occupied housing rehabilitation, increasing homeownership opportunities, investing in economically challenged low-income neighborhoods and businesses and street and infrastructure improvements.

Institutional Structure and Enhancing Coordination. The City of Avondale Neighborhood and Family Services (NFS) Department coordinates the development of the Plan. The Plan is reviewed by the NFS Commission and input is sought from the general public and a variety of non-profit, business, governmental, professional

and citizen organizations. The City of Avondale enhances the coordination between public and private housing, health and social service agencies by maintaining active involvement in the activities of the local non-profit service providers, local advisory boards and commissions, other government agencies and professional associations especially through planning forums and community events.

Evaluation of Past Performance. The City of Avondale became a CDBG Entitlement city and received approval of its first Consolidated Plan in May 2006. During the previous program year the City of Avondale achieved the following: 1) Owner Occupied Housing Rehabilitation – 60 emergency and 6 substantial projects; 2) Homebuyer Assistance – assisted 40 homebuyers; 3) Public Improvements to Infrastructure – completed street reconstruction in low-income neighborhoods; 4) Youth Job Training and Employment Programs – assisted 20 teens with job training, summer jobs and tuition assistance; 5) Assisted 5 businesses in the Old Town Neighborhood with exterior renovation and business plans.

2010-2014 Consolidated Goals and Objectives

The following table on the following page lists the Goals and Objectives in the City of Avondale's 5-Year Consolidated Plan:

Consolidated Plan Goals and Strategies	
Goal 1: Reduce Lead Based Paint Hazards in Residential Dwellings in Avondale.	Strategy 1.1: Adhere to HUD Lead Safe Housing Rule 24 CFR Part 35 in the conduct of rehabilitation and demolition activities
	Strategy 1.2: Provide information to housing recipients as well as the general public about the hazards of lead based paint.
Goal 2: Preserve the existing affordable housing stock.	Strategy 2.1 Operate a Single-Family Owner-Occupied Housing Rehabilitation Program to conduct emergency and substantial rehabilitation activities using CDBG, HOME and a variety of other funding sources.
	Strategy 2.2 Operate a weatherization program using Maricopa County funding and a variety of other funding sources.
	Strategy 2.3: Incorporate energy and water efficiency standard in rehabilitation and weatherization programs that reduce utility costs.
Goal 3: Support new construction and rehabilitation of affordable rental development	Strategy 3.1: Pursue partnerships with non-profit and for-profit developers to construct and rehabilitate affordable rental housing.
Goal 4 : Increase homeownership	Strategy 4.1: Operate a homebuyer assistance program using HOME and a variety of other funding sources.
	Strategy 4.2: Assist agencies conducting homeownership activities in Avondale.
Goal 5: Affirmatively further fair housing in Avondale	Strategy 5.1: Implement strategies for removing impediments to Fair Housing identified in the Avondale 2010 Analysis to Impediments to Fair Housing.
	Strategy 5.2: Sponsor Fair Housing educational seminars for city staff and housing industry professionals.
	Strategy 5.3: Maintain a page on the City's website that serves as a public resource for identifying violations of fair housing laws and filing fair housing complaints.
	Strategy 5.4: Assist the elderly and persons with disabilities with accessibility improvements to their residences.
Goal 6: Support organizations that assist the City's special needs population.	Strategy 6.1: Support local and regional agencies that provide shelter, housing and support services homeless and those close to becoming homeless.
	Strategy 6.2: Operate programs that assist low-income and special needs populations in Avondale.
	Strategy 6.3: Operate programs to provide education, job training and recreational activities for youth.
Goal 7 : Improve public infrastructure and economic conditions in low-income, economically-challenged neighborhoods.	Strategy 7.1: Improve streets, sidewalks, lighting, water, sewer and drainage infrastructure in low- to moderate-income Block Groups.
	Strategy 7.2: Construct and rehabilitate community facilities and parks as necessary to meet the educational, recreational and social needs of low income and special needs citizens.
	Strategy 7.2: Construct and rehabilitate community facilities and parks as necessary to meet the educational, recreational and social needs of low income and special needs citizens.
	Strategy 7.3: Assist businesses in low income neighborhoods with improving their buildings and business plans.

Annual Action Plan Strategies, Activities, Funding Sources and Outputs. The City of Avondale will undertake the following actions in 2010/2011 with respect to Consolidated Plan goals for lead paint reduction, housing, homelessness, community development and non-homeless special needs.

City of Avondale 2010-2011 Annual Action Plan Activities			
Lead Paint Reduction			
Goal/ Related Strategies	**Activity**	**Source**	**Output**
Goal 1: Reduce Lead Based Paint Hazards in Residential Dwellings in Avondale. Strategy 1.1: Adhere to HUD Lead Safe Housing Rule 24 CFR Part 35 in the conduct of rehabilitation and demolition activities. Strategy 1.2: Provide information to housing recipients as well as the general public about the hazards of lead based paint.	Conduct Substantial Rehabilitation on Owner Occupied Homes	HOME: FY 10/11 - $160,000	Complete 3
	Conduct Emergency Repair on Owner Occupied Homes	CDBG: FY 10/11 - $90,000	Complete 9
	Disseminate lead paint hazards information	Avondale Community Center, Avondale Care 1st Resource Center	Disseminate information to 1,000 homes
	Identify lead hazards through City Code Enforcement	General Fund: $1,056,000	Refer 5 homes for rehabilitation

Housing			
Goal/Related Strategies	**Activity**	**Source**	**Output**
Goal 2: Preserve the existing affordable housing stock. Strategy 2.1 Operate a Single-Family Owner-Occupied Housing Rehabilitation Program to conduct emergency and substantial rehabilitation activities using CDBG, HOME and a variety of other funding sources. Strategy 2.2 Operate a weatherization program using Maricopa County funding and a variety of other funding sources. Strategy 2.3: Incorporate energy and water efficiency standard in rehabilitation and weatherization programs that reduce utility costs.	Conduct Substantial Rehabilitation on Owner Occupied Homes	HOME: FY 10/11 - $160,000	Complete 3
	Conduct Emergency Repair on Owner Occupied Homes	CDBG: FY 10/11 - $90,000	Complete 9
Goal 3: Support new construction and rehabilitation of affordable rental development Strategy 3.1: Pursue partnerships with non-profit and for-profit developers to construct and rehabilitate affordable rental housing.	Identify through the Revitalization Planner appropriate sites for affordable housing	General Fund: 125,000	Complete site specific plans within the revitalization area
Goal 4 : Increase homeownership Strategy 4.1: Operate a homebuyer assistance program using HOME and a variety of other funding sources. Strategy 4.2: Assist agencies conducting homeownership activities in Avondale	Conduct Homeownership Programs	HOME CHDO FY10/11 - $300,000	Assist 7 Homebuyers

Barriers to Affordable Housing			
Goal/Related Strategies	**Activity**	**Source**	**Output**
Goal 5: Affirmatively further fair housing in Avondale. Strategy 5.1: Implement strategies for removing impediments to Fair Housing identified in the Avondale 2010 Analysis to Impediments to Fair Housing. Strategy 5.2: Sponsor Fair Housing educational seminars for city staff and housing industry professionals. Strategy 5.4: Assist the elderly and persons with disabilities with accessibility improvements to their residences.	Conduct or Fair Housing Workshop in conjunction with the Arizona Fair Housing Partnership .	6 Volunteer Hours - SWFHC	Complete 1 workshop
	Publish Fair Housing display notices in the newspaper		Publish two notices
	Disseminate fair housing information in English and Spanish		Distribute 2000 flyers
	Maintain City web page providing public with information about fair housing laws and resources for filing complaints		Maintain webpage
	Conduct Substantial Rehabilitation on Owner Occupied Homes	HOME: FY10/11 - $160,000	Complete 3
	Conduct Emergency Repair on Owner Occupied Homes	CDBG: FY 10/11 - $90,000	Complete 9

Homeless			
Goal/Related Strategies	**Activity**	**Source**	**Output**
Goal 6: Support organizations that assist the City's special needs population. Strategy 6.1: Support local and regional agencies that provide shelter, housing and support services homeless and those close to becoming homeless. Strategy 6.2: Operate programs that assist low-income and special needs populations in Avondale. Strategy 6.3: Operate programs to provide education, job training and recreational activities for youth.	Provide emergency utility assistance and rent/mortgage assistance through the Community Action Program	Maricopa County Human Services: $443,338	Provide utility assistance to 1,696 families and rent assistance to 250 families
	Fund local non-profit agencies serving low-income and special needs populations in Avondale Through the Contributions Assistance Program and other resources.	Gen Funds $40,000	Assist 1,750 persons
	Provide work force skills, post secondary education and on the job work experience for teens through the Next STEP program	2010/2011 CDBG: $30,000	Assist 15 teens

Community Development			
Goal/Related Strategies	**Activity**	**Source**	**Output**
Goal 7: Improve public infrastructure and economic conditions in low-income, economically-challenged neighborhoods. Strategy 7.1: Improve streets, sidewalks, lighting, water, sewer and drainage infrastructure in low- to moderate-income Block Groups. Strategy 7.2: Construct and rehabilitate community facilities and parks as necessary to meet the educational, recreational and social needs of low income and special needs citizens. Strategy 7.3: Assist businesses in low income neighborhoods with improving their buildings and business plans.	Reconstruct streets, upgrade water lines, install additional fire hydrants and repair sidewalks in low-income neighborhoods	CDBG: FY 10/11 - $300,000	Complete Engineering and Plans for infrastructure on 4 streets
	Implement the Downtown Revitalization Plan	General Fund: $50,000	Promote new investment in revitalization area
	The City will assess and plan for recreational, infrastructure and facility needs through the Capital Improvements Program	General funds and grant funds: $15,000,000	Implement 2010/2011 Capital Improvement Plan

Anti-Poverty			
Goal/Related Strategies	**Activity**	**Source**	**Output**
Goal 6: Support organizations that assist the City's special needs population. Strategy 6.1: Support local and regional agencies that provide shelter, housing and support services homeless and those close to becoming homeless. Strategy 6.2: Operate programs that assist low-income and special needs populations in Avondale. Strategy 6.3: Operate programs to provide education, job training and recreational activities for youth.	Fund local non-profit agencies serving low-income and special needs populations in Avondale Through the Contributions Assistance Program	Gen Funds $40,000	Assist 1,750 persons
	Provide and coordinate services, supplies, food and clothing for low-income and special needs populations in Avondale. Through the Community Action Program	Maricopa County Human Services: $443,383	Assist 5,319 persons
	Provide health education and parenting skills to pregnant teens and the fathers through the Avondale Young Families Program	Gila River Indian Community Grant: $300,000	Assist 50 pregnant teens
	Provide work force skills, post secondary education and on the job work experience for teens through the Next STEP program	CDBG: FY 10/11 - $30,000	Assist 15 teens
	Provide asset development programs through the IDA/WISH program	Federal Home Loan Bank: $90,000	Assist 6 Homebuyers

Non-Homeless Special Needs			
Goal	**Activity**	**Source**	**Output**
Goal 6: Support organizations that assist the City's special needs population. Strategy 6.1: Support local and regional agencies that provide shelter, housing and support services homeless and those close to becoming homeless. Strategy 6.2: Operate programs that assist low-income and special needs populations in Avondale. Strategy 6.3: Operate programs to provide education, job training and recreational activities for youth.	Fund local non-profit agencies serving low-income and special needs populations in Avondale Through the Contributions Assistance Program	Gen Fund $40,000	Assist 1,750 families
	Provide and coordinate services, supplies, food and clothing for low-income and special needs populations in Avondale. Through the Community Action Program	Maricopa County Human Services: $443,383	Assist 5,319 persons
	Provide health education and parenting skills to pregnant teens and the fathers through the Avondale Young Families Program	Gila River Indian Community Grant: $300,000	Assist 50 pregnant teens
	Provide work force skills, post secondary education and on the job work experience for teens through the Next STEP program	2010/2011 CDBG: $30,000	Assist 15 teens
	Provide congregate and in-home delivered meals daily for seniors through the Avondale Community/Senior Center	Area Agency on Aging: $460,000	Provide 100 meals to seniors daily
	Serve seniors with recreational activities through the Avondale Community/Senior Center	Area Agency on Aging: $460,000	Serve 50 seniors daily

RESOLUTION NO. 2893-410

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, APPROVING THE 2010/2011 ANNUAL ACTION PLAN AND THE 2010-2014 CONSOLIDATED PLAN AND AUTHORIZING ITS SUBMISSION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR RECEIPT OF FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

WHEREAS, Title 1 of the Housing and Community Development Act of 1974, as amended, establishes a Community Development Block Grant ("CDBG") program for the purpose of developing viable urban communities by providing decent housing and suitable living environment and expanding economic opportunities and preventing and/or eliminating conditions of slum and blight, principally for persons of low and moderate income; and

WHEREAS, the City of Avondale (the "City") desires to receive CDBG funds and to continue to carry out CDBG-funded programs; and

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") is prepared to provide approximately $545,396 in CDBG funds to the City for Fiscal Year 2010/2011; and

WHEREAS, the Code of Federal Regulations, 24 CFR Part 91, requires the submission to HUD and subsequent approval by HUD of a multi-year Consolidated Plan and an Annual Action Plan as a condition of receiving CDBG funds; and

WHEREAS, the approval by the Council of the City of Avondale (the "City Council") of the 2010-2014 Consolidated Plan (the "Consolidated Plan") is required prior to submission to HUD; and

WHEREAS, the City prepared an updated 2010/2011 Annual Action Plan element of the Consolidated Plan listing activities to be funded in the 2010/2011 program year; and

WHEREAS, the City has completed public participation requirements in accordance with 24 CFR Part 91, including a public hearing held on October 28, 2009 and a 30-day comment period beginning March 1, 2010 and extending through April 1, 2010, from which comments were received from City residents and incorporated into the 2010/2011 Annual Action Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals set forth above are hereby incorporated as if fully set forth herein.

SECTION 2. The City Council hereby approves and authorizes the submission to HUD of the following: (i) the 2010-2014 Consolidated Plan, (ii) the 2010/2011 Annual Action Plan and (iii) the allocation of funding for the activities to be undertaken as described below.

2010/2011 CDBG Annual Action Plan Allocations	
Activity	2010-2011
Administration	$109,079
Street Reconstruction	$300,000
Youth Job Services	$30,000
Emergency Home Repair	$106,317
Total Grant	$545,396

SECTION 3. The City Council hereby finds that expenditures as set forth in the 2010/2011 Annual Action Plan are necessary and appropriate and further, that said expenditures for the CDBG program will serve to assist low and moderate-income individuals/families (no less than 70 percent as described in federal regulations) and/or serve to prevent or eliminate conditions of slum or blight in the community.

SECTION 4. That the Mayor, the City Manager or authorized designee, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Council of the City of Avondale, April 19, 2010.

_____
Marie Lopez Rogers, Mayor

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

1207262.1

CITY COUNCIL REPORT

SUBJECT:
Ordinance 1408-410 - Authorizing the Issuance of General Obligation Refunding Bonds

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Kevin Artz, Finance & Budget Director (623)333-2011

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council adopt an Ordinance providing for the sale and issuance of City of Avondale Refunding General Obligation Bonds, Series 2010 and authorizing all actions necessary to proceed with the sale.

BACKGROUND:

In October 1998, the City issued $4,300,000 in Greater Arizona Development Authority General Obligation Bonds, Series 1998 to fund park infrastructure and public safety building improvements. The interest rates on these bonds varied from 4.40% to 4.85%, with final payment in 2018. The Series 1998 bonds have optional redemption dates of July 1, 2008.

The City's financial advisor, Stone & Youngberg, has determined that the City has the opportunity to refund (refinance) the Series 1998 bonds with a substantial savings to the City, as a result of the very favorable interest rates. At the current interest rates plus 20 basis points, the City would save approximately $140,824 or 5.42% on a net present value basis.

The City has established a required minimum present value debt service savings of two percent (2%), net of all costs associated with the issuance, of the bonds being refunded. The refunding will not proceed if the minimum savings of 2% is not achieved.

DISCUSSION:

The Ordinance authorizes the sale and issuance of City of Avondale, General Obligation refunding bonds, series 2010, prescribing certain terms and conditions, including the following:

- Delegation to the Finance and Budget Director of the City, the authority to designate the final principal amounts, maturities, payment dates and interest rates
- Delegation to the Finance and Budget Director of the City, the authority to select the Bond Registrar, and Paying Agent, with respect to the bonds being refinanced,
- Delegation to the Finance and Budget Director of the City, the authority to accept a proposal for the purchase of the Series 2010 bonds
- Delegation to the Finance and Budget Director of the City, the authority to approve a form of the official statement Approving the form of the bond purchase contract
- Appointing a Bond Registrar and Paying Agent and approving the form of the contract,
- Appointing an Escrow Trustee and approving the form of the contract
- Approving the continuing disclosure undertaking
- Approving and authorizing the distribution of the preliminary official statement
- Ratifying all actions taken to further this Ordinance
- Declaring an emergency, in order to have the Ordinance effective immediately

The refunding shall take place provided that the refunding results in a present value debt service saving, net of all costs of issuance associated with the issuance of the bonds, of not less than two percent (2%) of the bonds being refunded.

The sale of the bonds will be as a result of a negotiated sale, and Stone and Youngberg will serve as the City's underwriter for the bonds. Staff has determined that a negotiated sale will be the most effective and efficient method for sale, considering the current conditions in the market. In order to realize the potential savings, the sale of the bonds needs to happen as expeditiously as possible. The Bond Purchase Contract (Attachment B) will be executed in substantially the form as attached.

The Bond Registrar and Paying Agent will be appointed by the Finance and Budget Director, based on a competitive process.

The Continuing Disclosure undertaking (Page E-1 of Attachment C) is being executed to provide information for the benefit of the owners of the securities. The agreement requires the City to provide an Annual Report (Comprehensive Annual Financial Report) to the national repositories by February 1st of each year.

The Preliminary Official Statement (Attachment C) provides information necessary to the prospective buyers of the Bonds, including detailed information on the Series 2010 Bonds, the project description, debt service requirements, sources and uses of funds, audited financial statements and legal documents and disclosures.

BUDGETARY IMPACT:

The source of repayment for the bonds is secondary property taxes. Therefore, the resolution provides for an annual levy upon all taxable property in the City to repay the bonds.

The following table illustrates the prior debt service requirements, prior interest rate, the proposed debt service requirements of the refunding bonds (2010), the refunding interest rate, the savings per year, and present value of the savings:

Date	Prior DS	Prior interest rate	Refunding DS	Refunding interest rate*	Savings	PVof savings
7/1/10	62,028	4.40%	60,050	1.00%	1,978	1,974
7/1/11	404,056	4.40%	382,908	1.25%	21,148	20,827
7/1/12	406,736	4.50%	388,425	1.50%	18,311	17,593
7/1/13	403,461	4.62%	383,550	1.75%	19,911	18,520
7/1/14	404,355	4.75%	387,863	2.25%	16,493	14,906
7/1/15	404,155	4.75%	385,325	2.50%	18,830	16,473
7/1/16	403,243	4.75%	381,825	3.00%	21,418	18,155
7/1/17	406,618	4.85%	386,475	3.50%	20,143	16,571
7/1/18	403,673	4.85%	383,875	3.75%	19,798	15,807
	$3,298,324		$3,140,296		$158,029	$140,824

*The refunding interest rate included in the table is an estimate based on current market conditions,

plus 20 basis points. The actual interest rate of the refunded bonds likely will be different than the rates estimated here.

The debt service payments have been appropriated in fund 401. Projected revenues are adequate to cover the debt service payments.

RECOMMENDATION:

Staff recommends that the City Council adopt an Ordinance providing for the sale and issuance of General Obligation Refunding Bonds Series 2010 of the City and supplemental interest certificates with respect thereto and for the annual levy of a tax for the payment of the Series 2010 bonds and such certificates; prescribing certain terms and conditions of the Series 2010 Bonds and such certificates including delegation of authority; approving and authorizing completion, execution and delivery of necessary agreements; authorizing the preparation and delivery of an official statement and declaring an emergency.

ATTACHMENTS:

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- Attachment B - Bond Purchase Agreement
- Attachment C - Preliminary Official Statement
- Ordinance 1408-410

SSD DRAFT 4/12/10

$[PAR]
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION
REFUNDING BONDS, SERIES 2010

BOND PURCHASE AGREEMENT

_____, 2010

Mayor and Council of the
City of Avondale, Arizona

The undersigned, on behalf of Stone & Youngberg LLC (the "Underwriter") acting not as agent for the City of Avondale, Arizona (the "City"), but on behalf of itself, offers to enter into the following agreement with the City which, upon the City's written acceptance of this offer, will be binding upon the City and upon the Underwriter. This offer is made subject to the City's written acceptance hereof on or before 11:59 p.m., MST time, on the date written above, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Terms not otherwise defined in this Bond Purchase Agreement shall have the same meanings set forth in the Bond Ordinance (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the City's General Obligation Refunding Bonds, Series 2010 in the aggregate principal amount of $[PAR] (the "Bonds"). Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the City, but rather is acting solely in its capacity as the Underwriter for its own account. Any financial advisory relationship between the Underwriter and the City which has existed or now exists with respect to the Bonds is hereby terminated, and the City hereby expressly consents to the purchase of the Bonds by the Underwriter on a negotiated basis. The City expressly acknowledges that, if and to the extent that such a financial advisory relationship has been in effect, a conflict of interest could be deemed to be created by the Underwriter changing its capacity from financial advisor to purchaser of the Bonds, and the City nevertheless consents to that change in capacity.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, and optional redemption provisions and interest rates per annum and related yields are set forth in Schedule I hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the ordinance adopted by the Mayor and Council of the City on [April 19], 2010 (the "Bond Ordinance").

The purchase price for the Bonds shall be $_____. The purchase price represents the aggregate of (a) the par amount of the Bonds, plus (b) the net reoffering premium on the Bonds of $_____, and less (c) an underwriting fee of $_____, including fees and disbursements of Counsel to the Underwriter. The wire transfer referred to in Section 5 hereof will reflect the wire transfer by the Underwriter to the Insurer (as defined herein) on behalf of the City of the insurance premium of the Policy (as defined herein) of approximately $_____ from proceeds of the Bonds.

2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

The Bonds may not be reoffered to produce a Net Premium (as hereinafter defined) associated with the Bonds in excess of the total of (a) the difference between the amount required to fund the escrow account for, and the par amount of, the bonds to be refunded with the proceeds of the sale of the Bonds (the "Bonds Being Refunded") and (b) the costs of issuance of the Bonds that may be paid from premium, up to 2% of the principal amount of the Bonds Being Refunded. The term "Net Premium" means the difference between $[PAR] (the par amount of the Bonds) and the issue price of the Bonds determined pursuant to United States Treasury Regulations. The issue price of the Bonds is the aggregate of the issue price of each maturity of the Bonds. The issue price of each maturity of the Bonds is that initial offering price to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of Bonds of that maturity (at least 10% of such maturity) are reasonably expected to be sold as of the date of the award.

3. The Official Statement.

(a) A copy of the Preliminary Official Statement, dated _____, 2010 (the "Preliminary Official Statement"), including the cover page and Appendices thereto, of the City relating to the Bonds has been provided to the City. Such Preliminary Official Statement, as amended to reflect the changes required in connection with the pricing and sale of the Bonds, is hereinafter called the "Official Statement."

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds by the Underwriter. The City hereby deems the Preliminary Official Statement "final" as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule l5c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the "Rule").

(c) The City hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Bond Purchase Agreement (but, in any event, not later than within seven business days after the City's acceptance of this Bond Purchase Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The City hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

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

(e) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the City can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

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

(a) The City is an municipal corporation of, and is organized and existing under the laws of, the State of Arizona (the "State"), with powers required for the purposes of

this Bond Purchase Agreement, specifically, Title 35, Chapter 3, Article 4, Arizona Revised Statutes (the "Act"), as amended, and at the date of the Closing will have full legal right, power and authority under the Act and the Bond Ordinance, (i) to enter into, execute and deliver this Bond Purchase Agreement, the Bond Ordinance, the Bond Registrar and Paying Agent Agreement described in the Bond Ordinance (the "Bond Registrar and Paying Agent Agreement") the Undertaking as defined in Section 6(j)(3) hereof and all documents required hereunder and thereunder to be executed and delivered by the City (this Bond Purchase Agreement, the Bond Ordinance and the Bond Registrar and Paying Agent Agreement, the Undertaking are hereinafter referred to as the "City Documents"), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the City Documents and the Official Statement, and the City has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the City Documents as they pertain to such transactions;

(b) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Ordinance and the sale and issuance of the Bonds, (ii) the approval, execution and delivery of, and the performance by the City of the obligations on its part, contained in the Bonds and the City Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, and the City Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the City in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The City Documents constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Ordinance and this Bond Purchase Agreement, will constitute legal, valid and binding obligations of the City entitled to the benefits of the Bond Ordinance, payable from a levy on all of the taxable property in the City of a direct, annual ad valorem tax, without limit as to rate or amount, except, however, that the total aggregate of taxes levied with respect to the Bonds shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded, and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, conflict of interest and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid;

(d) The City is not in breach of or default in any material respect under its Charter or any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is otherwise subject or to which any of its property is otherwise subject because such property is property of the City, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the City under any of the foregoing; and the execution and delivery of the Bonds, the

City Documents and the adoption of the Bond Ordinance and compliance with the provisions on the City's part contained therein, will not conflict materially with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is otherwise subject or to which any of its property is otherwise subject because such property is property of the City or under the terms of any such law, regulation or instrument, except as provided by the Bonds, and the Bond Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under the City Documents, and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) [CONFORM TO POS] The Bonds conform to the descriptions thereof contained in the Official Statement under the caption "THE BONDS"; the Bond Ordinance conforms to the description thereof contained in the Official Statement under the caption "THE BONDS— Authorization and Purpose," the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the caption "THE BONDS— Authorization and Purpose" and PLAN OF REFUNDING," and the Undertaking will be in substantially the form contained in Appendix F to the Official Statement;

(g) There is no legislation, 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, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, or the levy or the collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Ordinance or in any way contesting or affecting the validity or enforceability of the Bonds, the City Documents or the refunding of the Bonds Being Refunded, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the City or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and delivery of the City Documents, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the City Documents;

(h) WHILE THE UNDERWRITER HAS PARTICIPATED AND WILL PARTICIPATE WITH THE CITY IN THE ASSEMBLAGE AND PREPARATION OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT, THE CITY ACKNOWLEDGES AND AGREES THAT THE CITY IS PRIMARILY RESPONSIBLE FOR THE CONTENT OF THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT; the information in the Preliminary Official Statement relating to the City as of its date is and the information in the Official Statement, including any supplements

thereto will be, as of its date and as of the Closing, correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state any material fact which should have been included therein for the purposes for which the Preliminary Official Statement and the Official Statement were or are to be used, or which was necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(i) Unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Bond Purchase Agreement, at all times subsequent to the acceptance hereof during the period up to and including the date of Closing, the Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

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

(k) The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or State income tax purposes of the interest on the Bonds;

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

(m) The financial statements of, and other financial information regarding the City, in the Official Statement fairly present the financial position and results of the City as of the dates and for the periods therein set forth;

(n) Prior to the Closing (as herein defined), there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the City;

(o) The City is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the City, would have a materially adverse effect on the financial condition of the City;

(p) To the extent the City may agree to do so pursuant to applicable law, prior to the Closing the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter which approval will not be unreasonably withheld, other than the registration of warrants by the City as may be necessary to pay budgeted expenses;

(q) Any certificate, signed by any official of the City authorized to do so in connection with the transactions contemplated by this Bond Purchase Agreement, shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein;

(r) Except as described in the Official Statement, the City is in material compliance with each and every continuing disclosure undertaking entered into pursuant to the Rule; and

(s) The City has submitted to the Arizona Department of Revenue the information required with respect to previous issuances of bonds and securities pursuant to Arizona Revised Statutes, Section 35-501.B.

5. Closing.

(a) At _____ MST time, on _____, 2010 , or at such other time and date as shall have been mutually agreed upon by the City and the Underwriter (the "Closing"), the City will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Bond Purchase Agreement by wire transfer payable in immediately available funds to the order of the City. Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the City and the Underwriter.

(b) Delivery of the Bonds shall be made by means of a Fully Automated Securities Transfer (F.A.S.T.) Closing through the facilities of The Depository Trust Company, New York, New York ("DTC"), or such other place as shall have been mutually agreed upon by the City and the Underwriter. The Bonds shall be printed or lithographed; shall be prepared and delivered as fully registered bonds in authorized denominations thereof, shall be registered in such names and in such amounts as shall be requested by the Underwriter at least three business days prior to the Closing; and shall be made available to the Underwriter at least one business day before the Closing for purpose of inspection in Phoenix, Arizona.

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

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

(b) The City shall have performed and complied with all agreements and conditions required by this Bond Purchase Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the City Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the City required to be taken by the City shall be performed in order for Bond Counsel to deliver its opinions referred to hereafter;

(d) At the time of the Closing, all official action of the City relating to the Bonds and the City Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Bond Ordinance shall have been duly executed and delivered by the City and the City shall have duly executed and delivered and the Registrar shall have duly authenticated the Bonds;

(f) At or prior to the Closing, the financial guaranty insurance policy (the "Policy") shall have been duly executed, issued and delivered by Assured Guaranty Municipal Corp. (the "Insurer");

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

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

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

(j) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the City by the Mayor of the City, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Ordinance with such supplements or amendments as may have been agreed to by the Underwriter;

(3) An executed limited continuing disclosure certificate (the "Undertaking") of the City which satisfies the requirements of section (b)(5)(i) of the Rule, and executed copies of the other City Documents;

(4) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(5) A supplemental opinion of Bond Counsel addressed to the Underwriter, substantially to the effect that:

(i) the Bond Ordinance has been duly adopted and is in full force and effect;

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

(iii) the City Documents have each been duly authorized, executed and delivered by the City and each constitutes a valid and binding obligation of the City in accordance with its terms 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 may be limited by the application of general principles of equity;

(iv) [CONFORM TO POS] the statements and information contained in the Official Statement under the captions "THE BONDS," "PLAN OF REFUNDING," "SECURITY AND SOURCES OF PAYMENT OF THE BONDS," "QUALIFIED TAX EXEMPT OBLIGATIONS," "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," "BOND PREMIUM,"

"POLITICAL CONTRIBUTIONS (only insofar as it relates to Bond Counsel), "RELATIONSHIPS AMONG PARTIES" (only insofar as it relates to Bond Counsel) and "CONTINUING DISCLOSURE" (excluding any statements about the City's compliance with previous continuing disclosure undertakings), and in Appendices E and F thereto, fairly and accurately summarize the matters purported to be summarized therein; and

(6) An opinion, dated the date of the Closing and addressed to the Underwriter, of counsel to the Underwriter, to the effect that:

(i) the Bonds are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act and the Bond Ordinance need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel to the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry system and information regarding the Insurer or the Policy, in each case as to which no view need be expressed);

(7) A certificate, dated the date of Closing, of an authorized representative of the City to the effect that to the best of such representative's knowledge (i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding or tax challenge against it is pending or threatened in any court or administrative body nor is there a reasonable basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City, (c) contest the validity, due authorization and execution of the Bonds, or the City Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from functioning and collecting revenues, including payments on the Bonds, pursuant to the Bond Ordinance, and other income or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) the resolutions of the City authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and City Documents have been duly adopted by the City, are in full force and effect and have not been modified, amended or repealed, and (iv) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information

therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(8) A certificate of the City in form and substance satisfactory to Bond Counsel and counsel to the Underwriter setting forth the reasonable expectations of the individual executing the Certificate on the date of the Closing, which establishes that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code;

(9) The filing copy of Report of Bond and Security Issuance Pursuant to A.R.S. Section 35-501B of the Arizona Department of Revenue;

(10) The filing copy of the Information Return Form 8038-G for the Bonds;

(11) Any other certificates and opinions required by the Bond Ordinance for the issuance thereunder of the Bonds;

(12) Evidence satisfactory to the Underwriter that the Bonds have been assigned the insured ratings of "___" by Moody's Investors Service ("Moody's") and "____" by Standard & Poor's Ratings Services, [premised upon the delivery of the Policy by the Insurer, and an uninsured rating of "___" by Moody's, and that such ratings are in effect as of the date of Closing;]

(13) A copy of the Policy , together with an opinion of counsel to the Insurer in form and substance satisfactory to the Underwriter;

(14) A certificate of Insurer with respect to the accuracy of statements contained in the Official Statement regarding the Policy and the Insurer and the due authorization, execution, issuance and delivery of the Policy; and

(15) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with

the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriter set forth in Section 8(c) hereof shall continue in full force and effect.

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

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

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

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

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

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

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income securities (or interest thereon), or the levy of taxes to pay principal of and interest on the Bonds;

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

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

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

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

(k) there shall have occurred any downgrading, or any notice shall have been given of (A) any intended or potential downgrading or (B) any review or possible downgrading, suspension, withdrawal, or negative change in the credit watch status by any national rating service to any of the City's obligations (including the rating to be accorded the Bonds) or any rating of the Insurer; and

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

8. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall pay, but only from proceeds of the sale of the Bonds or other legally available funds of the City should the City determine to apply funds for such purposes, any expenses incident to the performance of the City's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, (ii) the fees and disbursements of Bond Counsel; (iii) the initial fees and disbursements of _____, as Bond Registrar and Paying Agent; (iv) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the City; (v) the fees for bond ratings; (vi) the premium for the Policy, (vii) the fees and expenses of the Verification Agent; and (viii) reimbursement of normally occurring "out of pocket" expenses incurred by the Underwriter on the City's behalf.

(b) The Underwriter shall pay (i) the costs and fees for any Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by it in connection with the public offering of the Bonds.

The amount of the wire transfer representing the Purchase Price of the Bonds will reflect the premium for bond insurance paid from proceeds of the sale of the Bonds, which premium the Underwriter will wire on behalf of the City to the Insurer on or prior to the Closing.

(c) If this Bond Purchase Agreement is terminated by the Underwriter because of any failure or refusal on the part of the City to comply with the terms or to fulfill any of the conditions of this Bond Purchase Agreement, the City will reimburse the Underwriter for all out-of-pocket expenses (including the fees and disbursements of Counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Bond Purchase Agreement or the offering contemplated hereunder.

9. Notices. Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing at City of Avondale, Arizona, 11465 W. Civic Center Drive, Suite 250, Avondale, Arizona 85323, Attention: Finance and Budget Director, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stone & Youngberg LLC, 2555 E. Camelback Road, Suite 280, Phoenix, Arizona 85016, Attention: Bryan E. Lundberg.

10. Parties in Interest. This Bond Purchase Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Bond Purchase Agreement may not be assigned by the City. All of the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement.

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

12. Choice of Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the law of the State.

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

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

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

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

17. Cancellation of Bond Purchase Agreement. As required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the State, its political subdivisions (including the City) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the City hereunder except as required by Section 38-511. Each of the parties hereto hereby certifies that it is not presently aware of any violation of Section 38-511 which would adversely affect the enforceability of this Bond Purchase Agreement and covenants that it shall take no action which would result in a violation of such Section.

[Remainder of page left blank intentionally]

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

Very truly yours,

STONE & YOUNGBERG LLC,
as Underwriter

By:_____
Name: _____
Title: _____

ACCEPTED AND AGREED to as
of the date first written above:

CITY OF AVONDALE, ARIZONA

By: _____
Title: _____

ATTEST:

By: _____
City Clerk

[Signature page to the Bond Purchase Agreement]

Schedule I
to
Bond Purchase Agreement

City of Avondale, Arizona

$[PAR]
General Obligation
Refunding Bonds, Series 2010

Dated Date: _____, 2010

Bond Payment Provisions

Maturity July 1	Principal Amount	Interest Rates	Yield

Redemption Provisions

No Prior Redemption.

The Bonds will not be subject to redemption prior to maturity.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2010

NEW ISSUE – BOOK-ENTRY-ONLY FORM **RATING: See "RATING" herein.**
INSURANCE: See "BOND INSURANCE AND RELATED RISK FACTORS" herein.

In the opinion of Bond Counsel, assuming compliance with certain tax covenants, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on certain corporations. See "TAX EXEMPTION." Bond Counsel is further of the opinion that, assuming interest will be so excludable for federal income tax purposes, the interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona. See also "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM."

The Mayor and Council of the City have designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. The Mayor and Council of the City represented and warranted that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the City in calendar year 2010 will exceed $30,000,000.

DRAFT II
4/13/10

$2,715,000*
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010
(BANK QUALIFIED)

Dated: Date of Initial Delivery *Due:* July 1, as shown on the inside front cover page

The City of Avondale, Arizona (the "City") will issue its General Obligation Refunding Bonds, Series 2010 (the "Bonds") for the purpose of providing funds to (i) refund certain outstanding bonds of the City (the "Bonds Being Refunded") in advance of their respective maturities as described herein and (ii) pay costs incurred in connection with the issuance of the Bonds. See "PLAN OF REFUNDING" herein.

The Bonds will mature on the dates and in the amounts and will bear interest at the rates set forth on the inside front cover page of this Official Statement. Interest on the Bonds will accrue from the dated date thereof and will be payable semiannually on each January 1 and July 1 commencing January 1, 2011*, until maturity.

SEE INSIDE COVER PAGE FOR MATURITY SCHEDULE

The Bonds will initially be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"), for purposes of the book-entry-only system described herein and will be available to ultimate purchasers in the amounts of $5,000 of principal represented by the Bonds due on a specific maturity date, or any integral multiple thereof, pursuant to the book-entry-only system maintained by DTC. Payments of principal and interest with respect to the Bonds will be paid to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the Bonds.

The City and DTC each reserve the right to discontinue the use of the book-entry-only system at any time. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. So long as the book-entry-only system is in effect, a single, fully-registered Bond for each maturity thereof will be registered in the name of Cede & Co., as nominee of DTC, through _____, the initial bond registrar and paying agent. So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Bonds, all references herein to owners of the Bonds will refer to Cede & Co. and not the Beneficial Owners. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM."

The Bonds will not be subject to redemption prior to their stated maturity dates.

The Bonds will be payable as to both principal and interest from a continuing, direct, annual, ad valorem tax levied against all taxable property within the boundaries of the City, without limit as to the rate, but with the limitation that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to payment from the same source in the event of a deficiency in moneys held to pay principal of and interest on the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein.

The Bonds are offered when, as and if issued and received by the underwriter identified below (the "Underwriter"), subject to the approving opinion of Greenberg Traurig, LLP, Bond Counsel, as to validity and tax exemption. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire, Sanders & Dempsey L.L.P. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about June __, 2010*.

This cover page contains certain information with respect to the Bonds for convenience of reference only. It is not a summary of material information with respect to the Bonds. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

* *Subject to change.*

STONE & YOUNGBERG

CITY OF AVONDALE, ARIZONA

MATURITY SCHEDULE*
Base CUSIP® No. 054314[1]

$2,715,000*
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010
(BANK QUALIFIED)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP® No.
2011	$310,000	%	%	
2012	320,000			
2013	325,000			
2014	330,000			
2015	340,000			
2016	350,000			
2017	365,000			
2018	375,000			

* *Subject to change.*

[1] *Copyright© 2010, CUSIP Global Services. CUSIP®, a registered trademark of the American Bankers Association, CUSIP Data provided by the Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds. The City is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.*

CITY OF AVONDALE, ARIZONA

CITY COUNCIL

Marie Lopez-Rogers, *Mayor*

Jim McDonald, *Vice Mayor*
Jim Buster, *Council Member*
Stephanie Karlin, *Council Member*

Frank Scott, *Council Member*
Charles Vierhout, *Council Member*
Ken Weise, *Council Member*

CITY ADMINISTRATIVE OFFICIALS

Charlie McClendon
City Manager

David Fitzhugh, P.E.
Assistant City Manager

Kevin Artz, CPA
Finance & Budget Director

Rogene Hill
Assistant City Manager

Gust Rosenfeld P.L.C.
City Attorney

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

_____
_____

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from representatives of the City and the Arizona Department of Revenue and the Assessor, Finance Director and Treasurer of Maricopa County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or the Underwriter.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The issuance and sale of the Bonds have not been registered under the Federal Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities; nor have the issuance and sale of the Bonds been qualified under the Securities Act of Arizona, in reliance upon various exemptions thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The City will undertake to provide continuing disclosure as described in this Official Statement under the caption "CONTINUING DISCLOSURE" and in APPENDIX E – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

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OFFICIAL STATEMENT

$2,715,000*
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010
(BANK QUALIFIED)

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices attached hereto, has been prepared on behalf of the City of Avondale, Arizona (the "City") in connection with the original issuance and sale by the City of $2,715,000* principal amount of General Obligation Refunding Bonds, Series 2010 (the "Bonds") identified on the inside front cover page hereof. Certain information concerning the authorization, purpose, terms, conditions of sale and sources of payment of and security for the Bonds is stated in this Official Statement.

The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. Accordingly, prospective purchasers of the Bonds should read this entire Official Statement before making their investment decision.

All financial and other information presented in this Official Statement with respect to the City has been provided by representatives of the City from its records, except for information expressly attributed to other sources. The presentation of financial and other information, including tables of receipts from taxes and other sources, is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

As used in this Official Statement "debt service" means principal of and interest on the obligations and reference to, "County" means Maricopa County, Arizona, and "State" or "Arizona" means the State of Arizona.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as or as part of a contract with the original purchasers or subsequent owners or beneficial owners of the Bonds.

THE BONDS

Authorization and Purpose

The Bonds will be issued pursuant to the Constitution and laws of the Arizona, including particularly Title 35, Chapter 3, Articles 3 and 4, Arizona Revised Statutes, as amended, and under provisions of the ordinance to be adopted by the Mayor and Council of the City on April 19, 2010 (the "Resolution").

Proceeds from the sale of the Bonds and amounts to be contributed by the City for such purpose will be used to provide funds to pay, when due, principal of and interest on $2,910,000 aggregate principal amount of the City's outstanding general obligation bonds (the "Bonds Being Refunded"), and to pay costs related to the issuance of the Bonds. See "PLAN OF REFUNDING" and "SOURCES AND USES OF FUNDS" herein.

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* *Subject to change.*

General Description

The Bonds will be dated as of the date of their initial delivery and initially will be registered only in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), under the book-entry-only system described in APPENDIX F (the "Book-Entry-Only System"). Beneficial ownership interests in the Bonds may be purchased through direct and indirect participants of DTC in amounts of $5,000 of principal due on a specific maturity date or integral multiples thereof. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM." The Bonds will mature on the dates and in the principal amounts and bear interest at the rates from their date, all as set forth on the inside cover page and will be payable on January 1, 2011*, and on each July 1 and January 1 thereafter (each an "interest payment date") until maturity.

See "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," and "BOND PREMIUM" herein for a discussion of the treatment of the interest on the Bonds for federal income tax purposes.

Bond Registrar and Paying Agent

_____ will serve as the initial bond registrar, transfer agent and paying agent (the "Bond Registrar and Paying Agent") for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

No Prior Redemption*

The Bonds will not be subject to redemption prior to maturity.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

The Bonds will be payable from *ad valorem* property taxes to be levied on all taxable property within the City, without limitation as to rate, but with the limitation that the total aggregate of taxes levied to pay principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to payment from the same source in the event of a deficiency in moneys held to pay principal of and interest on the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein.

PLAN OF REFUNDING

The proceeds of the sale of the Bonds, together with amounts, if any, to be contributed by the City for such purpose, remaining after payment of certain costs of issuance will be applied to the payment of the Bonds Being Refunded identified below at redemption prior to maturity.

To the extent the moneys held are not sufficient to pay, when due, the principal and interest on the Bonds Being Refunded as they are redeemed as shown below, the ad valorem taxes levied to pay the Bonds will be subject to the prior right of the owners of the Bonds Being Refunded to payment from the same source. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." For the *ad valorem* property tax levy and collection procedure, see APPENDIX B – "CITY OF AVONDALE, ARIZONA – FINANCIAL INFORMATION -- PROPERTY TAXES" herein.

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* *Subject to change.*

Schedule of Bonds Being Refunded*

	Current Payment Date (July 1)	Coupon	Principal Amount Outstanding / Refunded
General Obligation Bonds (Projects of 1993), Series 1998 *(a)*	7/1/2010	4.350%	$ 270,000
	7/1/2011	4.400	280,000
	7/1/2012	4.500	295,000
	7/1/2013	4.625	305,000
	7/1/2014	4.750	320,000
	7/1/2015	4.750	335,000
	7/1/2016	4.750	350,000
	7/1/2017	4.850	370,000
	7/1/2018	4.850	385,000
			$ 2,910,000

* *Subject to change.*

(a) The Bonds Being Refunded were purchased by a State bond bank, the Greater Arizona Development Authority.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Mayor and Council of the City have designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. The Mayor and Council of the City represented and warranted that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the City in calendar year 2010 will exceed $30,000,000.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount of the Bonds	$2,715,000.00*
Net Amortizable Premium / (Original Issue Discount)	
Debt Service Funds on Hand	
Total Sources of Funds	$

Uses of Funds

Payment of Bonds Being Refunded	$
Costs of Issuance Fund *(a)*	
Deposit to the Interest Fund	
Total Uses of Funds	$

* *Subject to change.*

(a) *Includes fees of Bond Counsel, counsel to the Underwriter, the Bond Registrar and Paying Agent, compensation of the Underwriter, printing and preparation costs, rating agency fees and other costs related to the delivery of the Bonds including, if applicable, premiums for a municipal bond insurance policy.*

ESTIMATED DEBT SERVICE REQUIREMENTS

The following schedule illustrates the (i) annual debt service on general obligation bonds outstanding, net of the Bonds Being Refunded; (ii) the estimated annual debt service on the Bonds; and (iii) the total estimated annual debt service requirements on the general obligation bonds of the City, including the Bonds.

TABLE 1

Schedule of Estimated Debt Service Requirements *(a)*
City of Avondale, Arizona

Fiscal Year	Bonds Outstanding *(b)*		The Bonds		Total Estimated Annual Debt Service Requirements*
	Principal	Interest	Principal*	Estimated Interest *(c)*	
2009/10	$ 2,925,000	$ 2,169,161			$ 5,094,161
2010/11	2,460,000	2,124,476	$ 310,000	$ 82,090 *(d)*	4,976,566
2011/12	2,510,000	2,043,121	320,000	71,900	4,945,021
2012/13	2,650,000	1,951,146	325,000	66,700	4,992,846
2013/14	1,700,000	1,839,548	330,000	59,388	3,928,935
2014/15	1,410,000	1,769,573	340,000	51,138	3,570,710
2015/16	1,695,000	1,705,673	350,000	40,938	3,791,610
2016/17	1,020,000	1,617,668	365,000	28,688	3,031,355
2017/18	825,000	1,561,763	375,000	15,000	2,776,763
2018/19	860,000	1,511,850			2,371,850
2019/20	755,000	1,458,530			2,213,530
2020/21	805,000	1,409,833			2,214,833
2021/22	865,000	1,355,495			2,220,495
2022/23	930,000	1,297,108			2,227,108
2023/24	995,000	1,230,613			2,225,613
2024/25	1,065,000	1,159,470			2,224,470
2025/26	1,145,000	1,076,400			2,221,400
2026/27	1,225,000	987,090			2,212,090
2027/28	1,315,000	891,540			2,206,540
2028/29	1,405,000	788,970			2,193,970
2029/30	1,510,000	679,380			2,189,380
2030/31	1,615,000	561,600			2,176,600
2031/32	1,735,000	435,630			2,170,630
2032/33	1,860,000	300,300			2,160,300
2033/34	1,990,000	155,220			2,145,220
	$ 37,270,000		$ 2,715,000		

* *Subject to change.*

(a) *Prepared by the Underwriter.*

(b) *Net of the Bonds Being Refunded.*

(c) *Interest is estimated at 3.25%.*

(d) *The first interest payment on the Bonds will be due January 1, 2011*. Thereafter, interest on the Bonds will be payable semiannually on July 1 and January 1 until maturity.*

LITIGATION

To the knowledge of appropriate representatives of the City, no litigation or administrative action or proceeding is pending or threatened to restrain or enjoin, or seeking to restrain or enjoin: the issuance or delivery of the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered; or the validity of the Bonds. The City will deliver a certificate to that effect at the time of the original delivery of the Bonds.

The City has been named as a defendant in several lawsuits for which appropriate representatives of the City believe either that the City has adequate self-insurance or insurance coverage in the event of liability or that such liability would not otherwise materially and adversely affect the financial condition of the City.

LEGAL MATTERS

The Bonds are sold with the understanding that the City will furnish the Underwriter with the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona ("Bond Counsel"). A draft of such approving opinion is included as APPENDIX D – "FORM OF APPROVING LEGAL OPINION" hereto; provided, however, the opinion delivered may vary from the text if necessary to reflect facts and laws on the date of delivery. Bond Counsel is to render its opinion, which will speak only as of its date, upon the validity and enforceability of the Bonds under State law and on the exclusion of the interest income on the Bonds for federal income tax purposes from gross income for purposes of calculating federal income taxes and of the exemption of the interest income on the Bonds from State income taxes. (See "TAX EXEMPTION.") Payment of the fees of Bond Counsel, the Underwriter and counsel to the Underwriter are contingent upon the delivery of the Bonds and are expected to be paid from proceeds of the sale of the Bonds.

Bond Counsel will opine to the Underwriter upon the information in the tax caption paragraph on top of the cover, in APPENDICES D and E and under the headings "THE BONDS," "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," "QUALIFIED TAX-EXEMPT OBLIGATIONS," "TAX MATTERS," "ORIGINAL ISSUE DISCOUNT," "BOND PREMIUM" and "CONTINUING DISCLOSURE" (except with respect to the status of the City's compliance with existing undertakings) but otherwise has not participated in the preparation of this Official Statement and will not opine upon its accuracy, completeness or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will also express no opinion with respect thereto.

Certain matters will be passed upon solely for the benefit of the Underwriter by Squire, Sanders & Dempsey L.L.P., counsel to the Underwriter.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Bond Counsel has not participated in the preparation of this Official Statement and will not opine upon its accuracy, completeness or sufficiency. Bond Counsel has not been engaged to confirm, examine or verify the accuracy, completeness or fairness of any information in this Official Statement, including the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) that, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities that could have a material impact on the City and could adversely affect the secondary market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

The Code includes requirements that the City must continue to meet with respect to the Bonds after the issuance thereof in order that interest on the Bonds not to be included in gross income for federal income tax purposes. The failure by the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from federal gross income of interest on the Bonds.

In the opinion of Bond Counsel, rendered with respect to the Bonds on the date of issuance of the Bonds, assuming continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earning for purposes of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that, assuming interest is so excludable for federal income tax purposes, the interest on the Bonds will be exempt from income taxation under the laws of the State.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on a Bond; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including the interest income for federal tax purposes; (iii) the inclusion of interest on the Bonds in the earnings of certain foreign corporations doing business in the United States of America (the "United States") for purposes of the branch profits tax; (iv) the inclusion of interest on the Bonds in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion in gross income of interest on the Bonds by recipients of certain Social Security and Railroad Retirement benefits.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

ORIGINAL ISSUE DISCOUNT

The initial offering prices of the Bonds maturing on July 1, 20__ through and including July 1, 20__ (referred to in this section as the "Discount Bonds"), are less than the stated principal amounts thereof. Under the Code, the difference between the principal amount of the Discount Bonds and the initial offering price to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Discount Bonds of the same maturity was sold, constitutes to an initial purchaser "original issue discount." Original issue discount represents interest which is excluded from gross income; however, such interest is taken into account for purposes of determining the alternative minimum tax imposed on corporations and may result in the collateral federal tax consequences described above under "TAX EXEMPTION." Original issue discount will accrue actuarially over the term of a Discount Bond at a constant interest rate. A purchaser who acquires a Discount Bond in the initial offering to the public at an initial offering thereof as set forth on the inside front cover page of this Official Statement will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Prospective purchasers of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the tax consequences of owning and disposing of the Discount Bonds.

BOND PREMIUM

The difference between the stated principal amount of the Bonds maturing on July 1, 20__ through and including July 1, 20__ (referred to in this section as the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Premium Bonds of the same maturity was sold, constitutes to an initial purchaser amortizable "bond premium" that is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, a purchaser who acquires such obligation in the initial offering to the public at the initial offering price thereof as set forth on the inside front cover page of this Official Statement is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Premium Bonds. Prospective purchasers of the Premium Bonds should consult with their own advisors with respect to the tax consequences of owning and disposing of the Premium Bonds.

RATING

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") has assigned the rating of "___" to the Bonds. Such rating reflects only the views of S&P. An explanation of the significance of any rating assigned by S&P may be obtained at 55 Water Street, New York, New York 10041. Such rating may be revised downward or withdrawn entirely at any time by S&P, if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The City has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

BOND INSURANCE AND RELATED RISK FACTORS

The City has applied for a municipal bond insurance policy (a "Policy") for the Bonds with Assured Guaranty Municipal Corp. (the "Bond Insurer) to guarantee the scheduled payment of principal of and interest on the Bonds. The City has yet to determine whether a Policy will be purchased with the Bonds. If a Policy is purchased, the following are risk factors relating to it.

If the City ultimately determines to obtain a Policy, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some becomes due, any owner of the Bonds will have a claim under the Policy for such payments. The payment of principal and interest which is recovered as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absent prepayment by the City unless the Bond Insurer chooses to pay such amounts at an earlier date.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will be payable solely from *ad valorem* property taxes and amounts as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATING."

The obligations of the Bond Insurer will be obligations of the Bond Insurer, and, in an event of default by the Bond Insurer, the remedies available will be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Underwriter will make independent investigations into the claims paying ability of the Bond Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of $_____ pursuant to a bond purchase agreement (the "Bond Purchase Agreement") entered into among the City and the Underwriter. If the Bonds are sold to produce the yields on the inside front cover page hereof, the Underwriter's compensation will be $_____. The Bond Purchase Agreement provides that the Underwriter purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at yields lower than the public offering prices stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page hereof may be changed, from time to time, by the Underwriter. The City and the Underwriter have agreed that if any financial consulting relationship between them has existed with respect to the Bonds, such relationship is terminated, and the City has consented to the purchase of the Bonds on a negotiated basis by the Underwriter.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

The closing documents will include a certificate confirming that, to the best knowledge, information and belief of the City's Finance and Budget Director, the descriptions and statements contained in this Official Statement were at the time of the sale of the Bonds, and are at the time of the delivery thereof, true, correct and complete in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein in order to make the statements, in light of the circumstances under which they are made, not misleading. In the event this Official Statement is supplemented or amended prior to the date of delivery of the Bonds, the foregoing confirmation will also encompass such supplements or amendments. All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show certain historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

CONTINUING SECONDARY MARKET DISCLOSURE

The City has covenanted for the benefit of beneficial owners of the Bonds to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2011 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events, if material (the "Notices of Material Events"). The Annual Reports and the Notices of Material Events will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA") as described in APPENDIX F – "CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Material Events is set forth in APPENDIX F – "CONTINUING DISCLOSURE UNDERTAKING."

These covenants have been made in order to assist the underwriter of the Bonds in complying with S.E.C. Rule 15c2 12(b)(5) (the "Rule"). Pursuant to Arizona law, the ability of the City to provide information pursuant to such covenants is subject to annual appropriation to, among other things, cover the costs of preparing and disseminating the Annual Reports and the Notices of Material Events. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City has complied with all existing continuing disclosure undertakings relating to the City in all material respects. ***[Insurer downgrade Material Events Notice needs to be filed.]***

FINANCIAL STATEMENTS

Excerpts of the City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009 are included in APPENDIX C – "CITY OF AVONDALE, ARIZONA – EXCERPTS OF THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009" and have been audited by Henry & Horne, LLP, Certified Public Accountants. **The City neither requested nor obtained the consent of Henry & Horne, LLP to include their reports and Henry & Horne, LLP have performed no procedures subsequent to rendering their opinions on the financial statements.**

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as a part of a contract with the original purchasers or subsequent owners of the Bonds.

By: _____
Marie Lopez-Rogers, Mayor

APPENDIX A

CITY OF AVONDALE, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The City is located approximately 15 miles west of downtown Phoenix, Arizona ("Phoenix") in the southwestern portion of the metropolitan Phoenix area and in the central portion of the County, contiguous to the communities of Litchfield Park, Arizona to the north, Phoenix to the north and east, Tolleson, Arizona to the east and Goodyear, Arizona to the north and west. Unique to the City is the convergence of the Gila, Salt and Agua Fria rivers within the City. The City was incorporated in 1946 and is considered one of the fastest growing residential areas in the County.

TABLE A-1

POPULATION STATISTICS
City of Avondale, Arizona

	City of Avondale	Maricopa County	State of Arizona
2009 Estimate *(a)*	76,900	4,023,331	6,683,129
2000 Census	35,883	3,072,149	5,130,632
1990 Census	16,169	2,122,101	3,665,339
1980 Census	8,168	1,509,175	2,716,546
1970 Census	6,626	971,228	1,775,399
1960 Census	6,151	663,510	1,302,161

(a) Data as of July 2009.

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Municipal Government and Utilities

The City operates under a Council-Manager form of government in accordance with its Charter. The Mayor is elected for a four-year term and six council members are elected at large on a non-partisan basis for four-year, staggered terms. The City Council appoints the City Manager who has full responsibility for carrying out Council policy and administering operations for the City. The City Manager in turn appoints department heads.

The City provides its residents with sanitation, water and sewer services. Electricity is provided by both Arizona Public Service Company and Salt River Project. Natural gas is supplied by Southwest Gas Corporation.

Economy

The City is developing from an agriculturally based community into a location of commerce and light industry. The City's economy is a mix of services, retail and manufacturing. The City has two employment corridors that are able to access a labor pool of more than half a million employees within a 30-minute commute. The I-10 Corridor and the Avondale Boulevard Corridor serve the 66-acre Avondale Civic Center and include a 16,000 square foot Hilton Garden Inn complex.

TABLE A-2

MAJOR EMPLOYERS
City of Avondale, Arizona

Employer	Description	Approximate Number of Employees
Wal-Mart Stores	Retail	470
Avondale Elementary School District No. 44	Education	395
Avondale Automotive Inc.	Retail – automotive	385
Smith Food & Drug Stores – Fry's Food Store	Retail – grocery	360
City of Avondale	Government	355
Tolleson Union High School District No. 214 (Avondale portion only)	Education	345
Agua Fria Union High School District No. 216 (Portion in Avondale only)	Education	305
Costco	Retail	210
Universal Technical Institute (UTI)	Education	205
Estrella Mountain Community College	Education	185
The Home Depot	Retail – home improvement	150
Earnhardt Auto Center	Retail – automotive	140
SunBridge Estrella Care & Rehabilitation	Health care	140
Gateway Chevrolet	Retail – automotive	120
Avondale Nissan	Retail – automotive	115
Bashas'	Retail – grocery	115

Source: Estrella Mountain Community College Office of Planning & Institutional Effectiveness, 2009 and *2009 Arizona Industrial Directory* and *2009 Arizona Services Directory*, Harris Infosource.

The following table illustrates the unemployment averages for the City, the County, the State and the United States of America.

TABLE A-3

UNEMPLOYMENT AVERAGES

Calendar Year	City of Avondale	Maricopa County	State of Arizona	United States of America
2010 *(a)*	8.8%	9.0%	9.8%	9.7%
2009	8.0	8.3	9.1	9.3
2008	5.0	5.1	5.9	5.8
2007	3.1	3.2	3.8	4.6
2006	3.4	3.5	4.1	4.6
2005	3.9	4.0	4.6	5.1

(a) Data through February 2010.

Source: Arizona Department of Commerce, Research Administration, CES/LAUS Unit and U.S. Department of Labor, Bureau of Labor Statistics.

Construction

The following tables illustrate a building permit summary for residential and non-residential construction and new housing permits for the City.

TABLE A-4

VALUE OF BUILDING PERMITS
City of Avondale, Arizona
($000s omitted)

Calendar Year	Residential	Commercial	Industrial	Other	Total
2009	$ 20,223	$ 4,737	$ 36	$ 8,630	$ 33,626
2008	32,917	118,426	941	5,330	157,614
2007	128,908	43,148	5,056	24,335	201,447
2006	177,536	61,961	37,830	11,783	289,110
2005	284,248	86,083	5,880	11,746	387,957

Source: Realty Studies, Morrison School, Arizona State University Polytechnic campus. Note that the data is obtained from county and municipal divisions which issue such permits. Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The issuance of a building permit does not necessarily mean that construction will commence immediately or at all.

TABLE A-5

NEW HOUSING STARTS
City of Avondale, Arizona

Calendar Year	Total New Housing Permits
2009	98
2008	1,189
2007	696
2006	1,228
2005	1,805

Source: Realty Studies, Morrison School, Arizona State University Polytechnic campus. Note that the data is obtained from county and municipal divisions which issue such permits. The issuance of a building permit does not necessarily mean that construction will commence immediately or at all.

Commerce

The following table illustrates the past five years of sales tax collections.

TABLE A-6

SALES TAX COLLECTIONS
City of Avondale, Arizona
($000s omitted)

Fiscal Year	Amount
2008/09	$32,618
2007/08	37,549
2006/07	42,620
2005/06	39,328
2004/05	35,956

Source: Comprehensive Annual Financial Reports for Avondale

Tourism

Phoenix International Raceway, on the southern edge of the City, away from residential areas, hosts many important auto races each year, including Copperworld Classic, Indy Car and NASCAR, as well as other entertainment activities. Billy Moore Days, named for a colorful character who lived in the City during Arizona's early years, is held in October. Estrella Mountain Regional Park, on the City's southern boundary, has 19,000acres with an 18-hole golf course as well as camping, horseback riding and picnicking. The 26,000-acre White Tank Mountain Regional Park, to the northwest, features unusual petroglyphs, hiking trails, a waterfall and scenic desert vistas.

Transportation

The Papago Freeway, a segment of Interstate 10, as well as the Loop 101 serve the City. The Loop 101 Freeway connects the northern portion of metropolitan Phoenix with the southwestern portion at 99th Avenue and Interstate 10 in the City.

Air transportation is provided by both the Phoenix-Goodyear Municipal Airport, located approximately one mile west in Goodyear, Arizona, and by the Phoenix Sky Harbor International Airport, located approximately 18 miles east in Phoenix. The Union Pacific rail line also runs through the City, providing industrial sites with rail access.

Education

The City is served by five elementary school districts, two high school districts and numerous charter schools. Post-secondary education is provided by the Estrella Mountain Community College with Arizona State University West, Glendale Community College and Thunderbird American Graduate School of International Management located nearby in Phoenix and Glendale, Arizona.

APPENDIX B

CITY OF AVONDALE, ARIZONA – FINANCIAL DATA

TABLE B-1

Current Year Statistics (Fiscal Year 2009/10)
City of Avondale, Arizona

General Obligation Bonded Debt Outstanding and to be Outstanding	$ 39,985,000*	*(a)*
Water and Sewer Revenue Obligations Outstanding and to be Outstanding	9,015,000	*(b)*
Street and Highway User Revenue Bonded Debt Outstanding	2,780,000	
Excise Tax Revenue Bonded Debt Outstanding	69,435,000	
Primary Assessed Valuation	574,984,407	*(c)*
Secondary Assessed Valuation	641,762,977	*(c)*
Estimated Net Full Cash Value	4,932,828,426	*(d)*

The City's preliminary fiscal year 2010/11 secondary assessed valuation is estimated at $524,305,349, a decrease of approximately 18% from the fiscal year 2009/10 secondary assessed valuation. The City's preliminary fiscal year 2010/11 primary assessed valuation is estimated at $489,092,429, a decrease of approximately 15% from the fiscal year 2009/10 primary assessed valuation. The City's preliminary fiscal year 2010/11 estimated net full cash value is estimated at $3,878,604,415 , a decrease of approximately 21% from the fiscal year 2009/10 estimated net full cash value. Although the final official valuations are not expected to differ materially from the estimated valuations, the valuations are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on August 16, 2010.

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* *Subject to change.*

(a) Includes the Bonds, net of the Bonds Being Refunded.

(b) Includes the approximately $9,015,000 aggregate principal amount of Water and Sewer Revenue Obligations, Series 2010 (the "2010 Obligations") which the City intends to sell pursuant to a separate offering document and which is expected to be delivered simultaneously with the Bonds.

(c) State property taxes are divided into two categories: primary and secondary. Secondary property taxes are those taxes and assessments imposed to pay principal and interest on bonded indebtedness and certain other obligations, those imposed for special districts other than school districts and those imposed to exceed a budget, expenditure or tax limitation pursuant to voter approval. Primary property taxes are all ad valorem taxes other than secondary property taxes. Annual increases in the valuation of certain types of property for primary property tax purposes and the amount of primary property taxes which may be levied in any year are subject to certain limitations. These limitations do not apply with respect to secondary property taxes. See "PROPERTY TAXES – Ad Valorem Taxes – Property Tax Assessment Ratios" for the method of determination of such categories.

(d) Estimated net full cash value is the total market value of the property less net exempt property within the City.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates & Assessed Values*, Arizona Tax Research Association.

STATEMENTS OF BONDED INDEBTEDNESS

TABLE B-2

General Obligation Bonded Debt Outstanding and to be Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding	Bonds Being Refunded*	Balance Outstanding and to be Outstanding
1998	$ 4,300,000	7-1-04/18	$ 2,910,000	$ (2,910,000)	$ - *
2003A	7,050,000	7-1-04/10	1,090,000		1,090,000
2003B	3,060,000	7-1-04/14	1,555,000		1,555,000
2005	4,145,000	7-1-06/16	3,310,000		3,310,000
2006B	2,500,000	7-1-07/17	1,515,000		1,515,000
2009	29,800,000	7-1-10/34	29,800,000		29,800,000
Total General Obligation Bonded Debt Outstanding					$ 37,270,000
Plus: The Bonds					2,715,000 *
Total Net General Obligation Bonded Debt Outstanding and to be Outstanding					$ 39,985,000 *

* *Subject to change.*

TABLE B-3

Water and Sewer Revenue Obligations Outstanding and to be Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding	Obligations Being Refinanced *(a)*	Balance Outstanding and to be Outstanding / Refinanced
1992	$ 7,500,000	7-1-93/12	$ 2,308,361	$ (2,308,361)	$ -
1996	8,940,000	7-1-97/13	3,010,000	(3,010,000)	-
1998	6,300,000	7-1-99/18	1,125,000	(1,125,000)	-
1999	6,125,000	7-1-02/20	4,077,830	(4,077,830)	-
Total Water and Sewer Revenue Bonded Debt Outstanding					$ -
Plus: The 2010 Obligations *(a)*					9,015,000
Total Net Water and Sewer Revenue Obligations Outstanding and to be Outstanding					$ 9,015,000

(a) The 2010 Obligations will be executed and delivered to prepay and redeem all currently outstanding water and sewer revenue obligations of the City.

TABLE B-4

Street and Highway User Revenue Bonded Debt Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding
2005	$ 3,185,000	7-1-06/17	$ 2,780,000
Total Street and Highway User Revenue Bonded Debt Outstanding			$ 2,780,000

TABLE B-5

Excise Tax Revenue Bonded Debt Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding
1999	$ 11,285,000	7-1-01/11	$ 1,740,000
2002	23,000,000	7-1-03/15	7,725,000
2003	13,120,000	7-1-04/15	6,880,000
2004	12,400,000	7-1-05/20	9,280,000
2005	12,850,000	7-1-06/20	12,400,000
2006	18,500,000	7-1-07/26	16,825,000
2008	15,000,000	7-1-09/28	14,585,000
Total Excise Tax Revenue Bonded Debt Outstanding			$ 69,435,000

TABLE B-6

Other Indebtedness
City of Avondale, Arizona

Item Leased	Median Payment Amount	Period Due
HVAC system	$277,356	Annually through 2014
(2) Fire pumper truck	153,541	Annually through 2013

Source: The City.

Direct Bonded Debt, Legal Limitation and Unused Borrowing Capacity
City of Avondale, Arizona

The Arizona Constitution provides that the general obligation bonded indebtedness for a city or town for general municipal purposes may not exceed six percent (6%) of the secondary assessed valuation of the taxable property in that city or town. In addition to the six percent limitation for general municipal purpose bonds, cities and towns may issue general obligation bonds up to an additional twenty percent (20%) of the secondary assessed valuation for supplying water, artificial light or sewers, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and streets and transportation facilities.

TABLE B-7

General Municipal Purpose Bonds		Water, Light, Sewer, Open Space, Public Safety, Law Enforcement, Fire and Emergency Services, Park, Street and Transportation Facilities Bonds	
Total 6% General Obligation Bonding Capacity	$ 38,505,778	Total 20% General Obligation Bonding Capacity	$ 128,352,595
Less: 6% General Obligation Bonds Outstanding	(1,515,000)	Less: 20% General Obligation Bonds Outstanding	(38,470,000) * *(a)*
Net 6% General Obligation Bonding Capcity	$ 36,990,778	Net 20% General Obligation Bonding Capcity	$ 89,882,595

* *Subject to change.*

(a) Includes the Bonds, net of the Bonds Being Refunded.

TABLE B-8

Direct and Overlapping General Obligation Bonded Debt
City of Avondale, Arizona

Overlapping Jurisdiction	General Obligation Bonded Debt *(b)*	Proportion Applicable to the District *(a)* Approximate Percent	Proportion Applicable to the District *(a)* Net Debt Amount
State of Arizona	None	0.74 %	None
Maricopa County	None	1.11	None
Maricopa County Community College District	$ 653,040,000	1.11	$ 7,248,744
Maricopa County Flood Control District	None	1.17	None
Tolleson Elementary School District No. 17	19,055,000 *(c)*	10.71	2,040,791
Avondale Elementary School District No. 44	37,990,000 *(d)*	18.50	7,028,150
Littleton Elementary School District No. 65	13,390,000	57.64	7,717,996
Litchfield Elementary School District No. 79	35,705,000	11.95	4,266,748
Pendergast Elementary School District No. 92	27,195,000	30.67	8,340,707
Tolleson Union High School District No. 214	88,515,000	24.82	21,969,423
Agua Fria Union High School District No. 216	52,485,000	14.30	7,505,355
City of Avondale	39,985,000 * *(e)*	100.00	39,985,000 * *(e)*
Net Direct and Overlapping General Obligation Bonded Debt			$ 106,102,913 *

* *Subject to change.*

(a) Does not include outstanding principal amounts of certificates or participation, revenue obligations, loan obligations, improvement bonds, or other debt not secured by ad valorem property taxes. Includes total stated principal amount of general obligation bonds outstanding, however, does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	*General Obligation Bonds Authorized but Unissued*
Maricopa Community College District	*$301,093,000*
Tolleson Elementary School District No. 17	*3,260,000* *(1)*
Avondale Elementary School District No. 44	*None* *(2)*
Littleton Elementary School District No. 65	*7,600,000*
Litchfield Elementary School District No. 79	*35,705,000*
Pendergast Elementary School District No. 92	*27,195,000*
Tolleson Union High School District No. 214	*6,600,000*

(1) Excludes the School Improvement Bonds, Project of 2006, Series D (2010) bond issue in the approximate aggregate principal amount of $5,300,000 scheduled to close in June 2010.

(2) Excludes the School Improvement Bonds, Project of 2005, Series D (2010) bond issue in the approximate aggregate principal amount of $2,470,000 scheduled to close in June 2010.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October l, 1993. Effectiveness of the agreement is subject to a number of conditions including settlement of certain Indian community water claims and other water claims and will require certain Arizona legislation. Federal enabling legislation was passed in 2004. If the conditions are not met by May 9, 2012, and the parties do not amend the agreement, the agreement will terminate and litigation will resume. If it appears prior to May 9, 2012, that the conditions will not be met by the deadline, the parties can amend the agreement or either party may petition the United States District Court to terminate the agreement and resume litigation. CAWCD is a water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of secondary assessed valuation, of which ten cents is being levied for fiscal year 2008/09. (See Arizona Revised Statutes, Sections 45-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract that such levy limit will not be increased or removed at any time during the life of the contract.

(c) Includes the School Improvement Bonds, Project of 2006, Series D (2010) bond issue in the approximate aggregate principal amount of $5,300,000 scheduled to close in June 2010.

(d) Includes the School Improvement Bonds, Project of 2005, Series D (2010) bond issue in the approximate aggregate principal amount of $2,470,000 scheduled to close in June 2010.

(e) Includes the Bonds, net of the Bonds Being Refunded.

Source: The various entities, Arizona Department of Revenue and *Property Tax Rates and Assessed Values,* Arizona Tax Research Association.

TABLE B-9

Direct and Overlapping General Obligation Bonded Debt Ratios
City of Avondale, Arizona

	Per Capita Bonded Debt Population Estimated @ 76,900	As % of City's 2009/10 Secondary Assessed Valuation	As % of City's 2009/10 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt*	$ 519.96	6.23%	0.81%
Net Direct and Overlapping General Obligation Debt*	1,379.75	16.53	2.15

* *Subject to change.*

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and Arizona Department of Commerce, Population Statistics Unit.

RETIREMENT SYSTEM

Retirement Benefits

The City's employees are covered by the Arizona State Retirement System (the "ASRS"), a cost-sharing, multiple-employer defined benefit plan. Annual contributions are set by the Arizona Legislature. For fiscal year 2009/10, the District's annual contribution is 9.45% of payroll amounts. The District's annual contribution for fiscal year 2010/11 is expected to be 9.85% of payroll amounts. The City is current on its contributions to the ASRS. See Note 7 in APPENDIX C – "CITY OF AVONDALE, ARIZONA – EXCERPTS OF AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009" for further discussion of the City's retirement plan.

The City also contributes to the Public Safety Personnel Retirement System (the "PSPRS"), an agent multiple-employer, public employee retirement system that acts as a common investment and administrative agent to provide retirement and death and disability benefits for public safety personnel who are regularly assigned hazardous duty in the employ of the State or a political subdivision, such as City, thereof. For the fiscal year ended June 30, 2009, the City's contribution was 12.78% of payroll amounts for police and 13.02% of payroll amounts for fire.

The City also contributes to the Correctional Officers Retirement Plan (the "CORP"), a multiple-employer defined benefit pension plan that covers certain full-time state, county and municipal detention officers. The CORP is governed by a five-member board (the "Fund Manager") according to the Arizona Revised Statutes, Title 38, Chapter 5, Article 5. Benefits are established by State statute and generally provide retirement, death, disability, survivor and health insurance premium benefits. For the fiscal year ended June 30, 2009, the City's contribution was 5.11% of payroll amounts for covered employees.

The City also contributes to the Elected Officials' Retirement Plan (the "EORP"), a multiple-employer cost-sharing defined benefit pension plan administered by the State to provide pension benefits for state and county elected officials, judges and certain elected officials. The State Legislature has the authority to establish and amend benefits, provisions and contributions for active plan members. EORP provides retirement, death and disability benefits. For the fiscal year ended June 30, 2009, the City's contribution was 28.02% of payroll amounts for covered employees.

The City also contributes to the Volunteer Firefighters' Relief and Pension Fund (the "VFRPF"), a defined contribution plan which provides pensions to volunteer firefighters only. The VFRPF is administered by State statute, requiring both the employee and the City to make contributions equal to 5.00% of the employee's compensation. Some monies are also received from the State. After 20 years of service as a volunteer firefighter, he or she is entitled to a monthly pension determined by the board of trustees of the VFRPF in an amount not to exceed $400. If the volunteer firefighter resigns before completing 20 years of service, he or she is entitled to a refund of his or her contributions only, but not to the City's contributions, amounts received from the State or earnings on any contributions. For the fiscal year ended June 30, 2009, the payroll for employees covered by VFRPF required no contributions.

Other Post-Employment Retirement Benefits

Beginning with the fiscal year that commences on July 1, 2008, the City was required to implement Government Accounting Standards Board Statement Number 45, *Accounting by Employers for Post-Employment Benefits Other than Pensions* ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, GASB 45 will require the reporting of such costs as a financial statement liability.

The City does not offer OPEBs. The City employees, their spouses and survivors may, however, be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all the City employees that reach normal or early retirement age while working for the City will become eligible for such benefits. Currently, such retirees may obtain the health care benefits offered by the State by paying the applicable health care insurance premium; such plan is available to all participants, whether retired or not, in the State's health care program. It is not the responsibility of the City to fund such costs.

PROPERTY TAXES

Tax Years

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures, as explained below, begin prior to January 1 of the tax year and continue through May of the succeeding calendar year. The tax lien attaches to the real property as of January 1 of the tax year in question.

Ad Valorem Taxes

The State has two different valuation bases for levying ad valorem property taxes. They are "limited property" and "full cash" values. Additionally, all property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each legal classification is defined by property use and has an assessment ratio (a percentage factor) that is multiplied by the limited or full cash value of the property to obtain the assessed valuation. See "Assessment Ratios" herein.

Assessment Ratios

The appropriate property classification ratio is applied to the full cash value to determine the assessed valuation for such parcel. The current assessment ratios for each class of property are set forth in the following table.

TABLE B-10

Property Classification *(a)*	2006	2007	2008	2009	2010
Mining, Utilities, Commercial and Industrial *(b)*	24.5%	24%	23%	22%	21%
Agriculture and Vacant Land *(b)*	16	16	16	16	16
Owner Occupied Residential	10	10	10	10	10
Leased or Rented Residential	10	10	10	10	10
Railroad, Private Car Company and Airline Flight Property *(b)(c)*	22	21	20	18	17

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2010, full cash values up to $66,440 on commercial, industrial and agricultural personal property are exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. Effective January 1, 2010, the assessment rate on mining, utility, commercial and industrial property was reduced to 21%. Additionally, this rate will be reduced by one percentage point annually through tax year 2010, resulting in an assessment rate of 20% from and after December 31, 2010.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Most property is valued by the various county assessors, including the Assessor of the County, with the Arizona Department of Revenue valuing centrally assessed properties such as gas, water and electrical utilities, pipelines, mines, local and long distance telephone companies and airline flight property. Full cash value is statutorily defined to mean "that value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value." "Market value" means that estimate of value that is derived annually by use of standard appraisal methods and techniques, which generally include the market approach, the cost approach and the income approach. As a general matter, the Assessor of the County uses a cost approach for commercial/industrial property and a sales data approach for residential property. State law allows taxpayers to appeal such valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land at the same full cash valuation for up to three years. The Assessor of the County currently values existing properties on a two year cycle.

Certain residential property owners sixty-five years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a

person who does not qualify, the valuation reverts to its current full cash value. Any freeze on increases in full cash value will, as a result, freeze the secondary assessed value of the affected property as hereinafter described.

Primary Taxes

Taxes levied against the assessed limited property value (after application of the assessment ratio) are referred to as primary taxes, which are used for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State. The State does not currently levy ad valorem taxes. With the exception of personal property (other than mobile homes) and utility, mining and producing oil, gas and geothermal property with limited values equal to full cash values, limited property value cannot exceed the full cash value and is derived statutorily using one of the following two procedures:

(1) The limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use is established at the previous year's limited property value increased by the greater of either 10% of the previous year's limited property value or 25% of the difference between the previous year's limited property value and the current year's full cash value.

(2) The limited property value for property that was omitted from the tax roll in the prior year, that underwent a change in use or modification through construction, destruction or demolition or that has been split, subdivided or consolidated is established at a level or percentage of the limited property value to full cash value of existing properties of the same use or legal classification.

The aggregate of the primary taxes levied by a county, city, town and community college district is constitutionally limited to a maximum increase of 2% over the prior year's levy limit plus any taxes on property not subject to tax in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). In November 2006, the maximum allowable primary property tax levy limit was rebased to the amount of actual 2005 primary property taxes levied (plus amounts levied against property not subject to taxation in prior years). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the full cash value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid in the form of the "State Equalization Assistance Property Tax." See footnote (a) to TABLE B-12.

Secondary Taxes

Taxes levied against the assessed value (after application of the assessment ratio to the full cash value) are referred to as secondary taxes, which are used for debt retirement (i.e., debt service on the Refunding Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts. There is no limitation on the annual increases in full cash value of any property, and annual levies for voter-approved bond indebtedness and special district assessments are unlimited.

Tax Procedures

On or before the third Monday in August each year the Board of Supervisors of the County approves the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Obligations. None of the City, the Financial Advisor nor their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

TABLE B-11

Real and Secured Property Taxes Levied and Collected *(a)*
City of Avondale, Arizona

Fiscal Year	Tax Rate	Adopted Tax Levy	Adjusted Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year: Amount	Collected to June 30th of Initial Fiscal Year: % of Adj. Levy as of June 30th	Adjusted Tax Levy as of 3/25/2010	Cumulative Collections to March 25, 2010: Amount	Cumulative Collections to March 25, 2010: % of Adj. Levy as of 3/25/2010
2009/10	$1.1058	$6,843,611	$6,819,004	*(b)*	*(b)*	$6,819,004	$3,766,168	55.23 %
2008/09	1.1058	7,102,059	7,052,405	$6,710,295	95.15 %	7,045,071	7,030,819	99.80
2007/08	1.1058	5,906,911	5,870,299	5,639,466	96.07	5,838,200	5,834,504	99.94
2006/07	1.1692	4,389,587	4,381,433	4,225,998	96.45	4,364,832	4,362,946	99.96
2005/06	1.1692	3,668,855	3,639,840	3,521,489	96.75	3,626,743	3,625,164	99.96
2004/05	1.1692	2,977,361	2,971,845	2,872,201	96.65	2,944,147	2,943,178	99.97

(a) *Taxes are certified and collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *2009/10 taxes in course of collection:*
First installment due 10-01-09, delinquent 11-01-09;
Second installment due 03-01-10, delinquent 05-01-10.

Source: Office of the Treasurer of the County.

ASSESSED VALUATIONS AND TAX RATES

TABLE B-12

Direct and Overlapping Assessed Valuations and Total Tax Rates
Per $100 Assessed Valuation

Overlapping Jurisdiction	2009/10 Secondary Assessed Valuation	2009/10 Primary Assessed Valuation	2009/10 Total Tax Rate Per $100 Assessed Valuation
State of Arizona	$ 86,504,734,898	$ 74,775,994,183	$ 0.3306 *(a)*
Maricopa County	57,984,051,718	49,675,117,156	0.9909
Maricopa County Community College District	57,984,051,718	49,675,117,156	0.8844
Maricopa County Fire District *(b)*	57,984,051,718	N/A	0.0057
Maricopa County Library District *(b)*	57,984,051,718	N/A	0.0353
Maricopa County Flood Control District *(b)*	54,862,329,172	N/A	0.1367
Maricopa County Special Health Care District *(b)*	57,984,051,718	N/A	0.0914
Central Arizona Water Conservation District *(b)*	57,984,051,718	N/A	0.1000
McMicken Irrigation District *(b)*	N/A	N/A	0.9077 / Acre
Roosevelt Irrigation District *(b)*	N/A	N/A	17.1000 / Acre
St. Johns Irrigation District *(b)*	N/A	N/A	78.5885 / Acre
Western Maricopa Education Center *(b)*	20,706,973,204	N/A	0.0500
Tolleson Elementary School District No. 17	275,146,610	223,986,554	3.9095
Avondale Elementary School District No. 44	551,976,521	469,470,551	3.3117
Littleton Elementary School District No. 65	389,531,143	342,338,643	3.7718
Litchfield Elementary School District No. 79	988,320,957	875,411,148	2.6215
Pendergast Elementary School District No. 92	545,329,053	478,490,620	5.2024
Tolleson Union High School District No. 214	1,697,183,102	1,451,885,679	2.0963
Agua Fria Union High School District No. 216	1,540,297,478	1,344,881,699	2.6949
City of Avondale	641,762,977	574,984,407	1.1058

(a) *Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in fiscal year 2009/10 has been set at $0.3306 and is adjusted annually pursuant to Arizona Revised Statutes, Section 41-1276.*

(b) *The assessed valuation of the flood control district does not include the personal property assessed valuation of the County. All levies for fire districts, library districts, flood control districts, special health care districts, water conservation districts, community facilities districts and joint technological districts are levied on the secondary assessed valuation. Valuation shown for the Central Arizona Water Conservation District covers only the County portion of such district.*

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Total Tax Rates Per $100 Assessed Valuation

There are 20 taxing jurisdictions which overlap portions of the District's boundaries. The total overlapping property tax rate for property owners within the District ranges from $9.0472 to $12.2876, depending upon the specific taxing jurisdictions which overlap the property.

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and Arizona Department of Revenue.

TABLE B-13

Secondary Assessed Valuation by Property Classification
City of Avondale, Arizona

Class	2009/10 Secondary Assessed Valuation	2008/09 Secondary Assessed Valuation	2007/08 Secondary Assessed Valuation	2006/07 Secondary Assessed Valuation	2005/06 Secondary Assessed Valuation
Commercial, Industrial, Utilities & Mines	$ 202,034,059	$ 179,304,017	$ 142,205,772	$ 112,571,195	$ 84,028,152
Agricultural and Vacant	57,098,417	59,981,988	48,977,215	38,654,272	31,816,713
Residential (owner occupied)	291,548,136	372,761,407	322,139,304	199,784,255	181,778,769
Residential (rental)	90,706,051	91,692,313	70,127,449	35,453,959	24,736,679
Railroad	376,314	415,276	435,213	326,959	315,471
Totals*	$ 641,762,977	$ 704,155,001	$ 583,884,953	$ 386,790,640	$ 322,675,785

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* *Totals may not add due to rounding.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

TABLE B-14

Assessed Valuation of Major Taxpayers
City of Avondale, Arizona

Major Taxpayer *(a)*	2009/10 Secondary Assessed Valuation	As % of 2009/10 Secondary Assessed Valuation
Phoenix Speedway Corp.	$ 8,385,956	1.31 %
Inland Western Avondale McDowell LLC	8,182,904	1.28
Moreland Properties LLC	6,223,057	0.97
Raintree Pad 2 LLC	6,207,205	0.97
Mechanic (AZ) ARS 15-41 Inc.	4,957,827	0.77
Smiths Food & Drug Centers Inc.	4,920,002	0.77
D H Ventures LLC	4,873,154	0.76
Harkins Phoenix Cinemas LLC	4,190,413	0.65
Avondale Commerce Center Phase 1 LLC	4,090,680	0.64
Alameda Avondale LLC Etal	4,088,484	0.64
	$ 56,119,682	8.76 %

(a) Some of such taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the NYSE at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the City, Special Counsel nor Financial Advisor has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: Office of the Assessor of the County.

SPECIAL NOTE: The assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed valuation of the City in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the full cash value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the full cash value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If SRP elected not to make such contributions, the City would be required to levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Refunding Bonds. If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the City have no recourse against the property of SRP and the City may not have adequate tax collections to pay debt service on the Refunding Bonds in full.

Since 1964, when the in lieu contribution was originally authorized in State statue, SRP has never failed to make that election. The fiscal year 2009/10 in lieu assessed valuation of SRP within the City is $5,434,590, which represents approximately 0.8% of the combined secondary assessed value in the City. The preliminary fiscal year 2010/11 in lieu assessed valuation of SRP within the City is estimated at $5,775,857, which represents approximately 1.1 % of the combined estimated secondary assessed value in the City.

TABLE B-15

Comparison of Secondary Assessed Valuation to Estimated Net Full Cash Value
City of Avondale, Arizona

Fiscal Year	Secondary Assessed Valuation	Estimated Net Full Cash Value *(a)*
2009/10	$641,762,977	$4,932,828,426
2008/09	704,155,001	5,644,500,029
2007/08	583,884,953	4,689,759,903
2006/07	386,790,640	2,970,954,404
2005/06	322,675,785	2,500,804,244

(a) Estimated net full cash value is the total market value of the property within the City less the net exempt property within the City.

Source: State *and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values,* Arizona Tax Research Association.

APPENDIX C

EXCERPTS FROM CITY OF AVONDALE, ARIZONA AUDITED ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009

The following are excerpts from the City's Audited Annual Financial Report for the fiscal year ended June 30, 2009. These are the most recent audited financial statements available to the City and may not represent the current financial position of the City.

The City neither requested nor obtained the consent of Henry & Horne, LLP to include their reports and Henry & Horne, LLP has performed no procedures subsequent to rendering their opinions on the financial statements.

APPENDIX D

FORM OF APPROVING LEGAL OPINION

DRAFT

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

Mayor and Council of the
City of Avondale, Arizona
11465 West Civic Center Drive
Avondale, Arizona 85323

Re: City of Avondale, Arizona General Obligation Refunding Bonds, Series 2010

We have examined copies of the proceedings of the Mayor and Council of the City of Avondale, Arizona (the "City"), and other proofs submitted to us relative to the issuance and sale of

$2,715,000*
City of Avondale, Arizona
General Obligation Refunding Bonds, Series 2010
(the "Bonds")

Dated _____, 2010

Bearing interest (payable January 1, 2011*, and semiannually thereafter on July 1 and January 1) at the rates per annum, and maturing on July 1 of each year, in the years and amounts, as follows:

Year*	Principal Amount*	Interest Rate
2011	$310,000	%
2012	320,000	
2013	325,000	
2014	330,000	
2015	340,000	
2016	350,000	
2017	365,000	
2018	375,000	

Principal of the Bonds being payable at the designated corporate trust office of _____, the Bond Registrar and Paying Agent, and semiannual interest being payable by check mailed to the registered owners thereof, as shown on the registration books for the Bonds maintained by the Bond Registrar at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding that interest payment date.

* *Subject to change.*

The Bonds _____ being subject to redemption _____ _____.

In such examination, we 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 us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force, particularly the provisions of Title 35, Chapter 3, Article 4, Arizona Revised Statutes, as amended, and that the Bonds are valid and legally binding obligations of the City, all of the taxable property within which is subject to the levy of a tax, without limitation as to rate, to pay the principal of and interest on the Bonds, but limited to a total amount not greater than the total aggregate principal and interest to become due on the bonds being refunded with proceeds of the sale of the Bonds (the "Bonds Being Refunded") from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The net proceeds of the Bonds have been invested in obligations issued by or guaranteed by the United States government which mature with interest so as to provide funds to pay when due, or called for redemption, the Bonds Being Refunded together with interest thereon and redemption premiums, if any, and such proceeds and obligations have been deposited in the respective principal and interest redemption funds, and shall be held in trust for the payment of, the Bonds Being Refunded with interest and redemption premiums, if any, on maturity or upon an available redemption date. The owners of the Bonds must rely on the sufficiency of such funds and securities held irrevocably in the trust for payment of the Bonds Being Refunded. The issuance of the Bonds shall in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such funds and securities prove insufficient.

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Mayor and Council of the City have resolved in Resolution No. _____, adopted on April 19, 2010, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. (Subject to the same limitations in the penultimate paragraph hereof with respect to such covenant, the City has full legal power and authority to comply with such covenants.) Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the last sentence of this paragraph, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes, and, if the foregoing is the case, the interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds 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 tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds. In rendering the opinion expressed hereinabove, we have assumed continuing compliance with the tax covenants referred to hereinabove that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

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,

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

DRAFT

CONTINUING DISCLOSURE UNDERTAKING

$2,715,000*
CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2010

(BASE CUSIP IDENTIFICATION NO. _____)

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered on behalf of the City of Avondale, Arizona (the "City"), in connection with the $2,715,000* aggregate principal amount of General Obligation Refunding Bonds, Series 2010 (the "Series 2010 Refunding Bonds"). The Series 2010 Refunding Bonds were issued pursuant to an ordinance adopted by the Mayor and Council of the City on April 19, 2010 (the "Bond Ordinance"). The City covenants and agrees as follows:

SECTION 1. Definitions. In addition to the terms defined hereinabove, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2010 Refunding Bonds (including persons holding Series 2010 Refunding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2010 Refunding Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system established and maintained by the MSRB and available at http://emma.msrb.org/submission.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Undertaking.
"MSRB" shall mean Municipal Securities Rulemaking Board.

"Official Statement" shall mean the final Official Statement, dated _____, 2010, for the Series 2010 Refunding Bonds.

"Participating Underwriters" shall mean the original underwriters of the Series 2010 Refunding Bonds required to comply with the Rule in connection with the offering of the Series 2010 Refunding Bonds.

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

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* *Subject to change.*

SECTION 2. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Beneficial Owners and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 3. Provision of Annual Reports.

(a) Subject to annual appropriation to cover the costs of preparation and dissemination thereof, the City shall, or shall cause the Dissemination Agent to, not later than February 1 following the end of the City's fiscal year (presently June 30), commencing with the Annual Report for the 2009-2010 Fiscal Year, provide through EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) business days prior to the date on which the Annual Report shall be provided pursuant to subsection (a), the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide an Annual Report by the date required in subsection (a), the City shall send a notice through EMMA in substantially the form attached as the Exhibit hereto.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) If available at the time of such filing, the audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted auditing standards. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 30 days of the date they become available.

(b) Additional financial information and operating data of the type included with respect to the City in TABLES __, __, __, __, __ and __ of the Official Statement.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, but subject to annual appropriation to cover the costs of preparation and dissemination thereof, the City shall give, or cause to be given in a timely manner through EMMA notice of the occurrence of any of the following events with respect to the Series 2010 Refunding Bonds, if material:

1. Principal and interest payment delinquencies,

2. Nonpayment related defaults under the Bond Ordinance,

3. Unscheduled draws on debt service reserves, if any, reflecting financial difficulties,

4. Unscheduled draws on credit enhancements reflecting financial difficulties,

5. Substitution of the credit or liquidity providers or their failure to perform,

6. Adverse tax opinions or events affecting the tax-exempt status of the Series 2010 Refunding Bonds,

7. Modifications to rights of holders of the Series 2010 Refunding Bonds,

8. Bond calls,

9. Defeasances,

10. Release, substitution or sale of property securing repayment of the Series 2010 Refunding Bonds,

11. Rating changes, and

12. Notice of a failure of the City to provide required annual financial information on or before the date specified in Section 4 above, including any non-appropriation to cover applicable costs.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable federal securities laws, provided, however, that any event under subsections (a)(4), (5), (6), (11) and (12) above will always be deemed to be material.

(c) If the City determines knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall, subject to the limitations in Section 5 above, promptly file a notice of such occurrence through EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2010 Refunding Bonds pursuant to the Bond Ordinance.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate (A) upon the legal defeasance, prior redemption or payment in full of all of the Series 2010 Refunding Bonds, or (B) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action. If termination pursuant to (A) occurs prior to the final maturity of the Series 2010 Refunding Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Undertaking.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2010 Refunding Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized securities law counsel, have complied with the requirements of the Rule at the time

of the original issuance of the Series 2010 Refunding Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized securities law counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2010 Refunding Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Undertaking, any Beneficial Owner of the Series 2010 Refunding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Bond Ordinance, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and the Beneficial Owners from time to time of the Series 2010 Refunding Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

CITY OF AVONDALE, ARIZONA

By.....
Mayor, City of Avondale, Arizona

ATTEST:

.....
Clerk, City of Avondale, Arizona

EXHIBIT

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of City:	City of Avondale, Arizona
Name of Issue:	General Obligation Refunding Bonds, Series 2010
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Series 2010 Bonds as required by Sections 3 and 4 of the Continuing Disclosure Undertaking, dated [Closing Date], of the City. The City anticipates that the Annual Report will be filed by .....

Dated: .....

CITY OF AVONDALE, ARIZONA

By.....

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE CITY, SPECIAL COUNSEL OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.org and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Registrar and Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made by the Bond Registrar and Paying Agent to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Bond Registrar and Paying Agent or the City. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

NEITHER THE CITY NOR THE BOND REGISTRAR AND PAYING AGENT WILL HAVE RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE Bonds UNDER THE TRUST AGREEMENT; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE BONDS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF BONDS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein to "Owner" or registered owners of the Bonds (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Bond Registrar and Paying Agent to DTC only.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee for DTC, references herein to "Owner" or registered owners of the Bonds (other than under the captions "TAX MATTERS," "AMORTIZABLE PREMIUM"

and "ORIGINAL ISSUE DISCOUNT") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Bonds.

When reference is made herein to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Bond Registrar and Paying Agent to DTC only.

ORDINANCE NO. 1408-410

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA (1) PROVIDING FOR THE SALE AND ISSUANCE OF CITY OF AVONDALE, ARIZONA GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010 AND SUPPLEMENTAL INTEREST CERTIFICATES WITH RESPECT THERETO AND FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE SERIES 2010 BONDS AND SUCH CERTIFICATES; (2) PRESCRIBING CERTAIN TERMS AND CONDITIONS OF THE SERIES 2010 BONDS AND SUCH CERTIFICATES INCLUDING THE DELEGATION TO THE MAYOR, THE CITY MANAGER AND THE FINANCE AND BUDGET DIRECTOR OF THE CITY THE AUTHORITY TO DESIGNATE THE FINAL PRINCIPAL AND PAYMENT AMOUNTS, MATURITIES AND PAYMENT DATES, INTEREST RATES AND YIELDS AND OTHER MATTERS WITH RESPECT TO THE SERIES 2010 BONDS AND SUCH CERTIFICATES AND WITH RESPECT TO SUCH BONDS TO BE REFUNDED WITH THE PROCEEDS OF THE SALE OF THE SERIES 2010 BONDS AND SUCH CERTIFICATES; (3) MAKING CERTAIN FINDINGS, CERTIFICATIONS AND COVENANTS WITH RESPECT TO THE SERIES 2010 BONDS AND SUCH CERTIFICATES; (4) DELEGATING TO THE MAYOR, THE CITY MANAGER AND THE FINANCE AND BUDGET DIRECTOR OF THE CITY THE AUTHORITY TO APPOINT A BOND REGISTRAR AND PAYING AGENT WITH RESPECT TO THE SERIES 2010 BONDS AND SUCH CERTIFICATES, APPROVING A FORM OF BOND REGISTRAR AND PAYING AGENT AGREEMENT WITH SUCH BOND REGISTRAR AND PAYING AGENT AND AN AGREEMENT WITH A SECURITIES DEPOSITORY AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH AGREEMENTS; (5) DELEGATING TO THE MAYOR, THE CITY MANAGER AND THE FINANCE AND BUDGET DIRECTOR OF THE CITY THE AUTHORITY TO ACCEPT A PROPOSAL FOR THE PURCHASE OF THE SERIES 2010 BONDS AND SUCH CERTIFICATES, APPROVING A FORM OF BOND AND CERTIFICATE PURCHASE AGREEMENT WITH RESPECT TO SUCH PROPOSAL AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH AGREEMENT; (6) DELEGATING TO THE MAYOR, THE CITY MANAGER AND THE FINANCE AND BUDGET DIRECTOR OF THE CITY THE AUTHORITY TO APPOINT AN ESCROW TRUSTEE, APPROVING A FORM OF ESCROW TRUST AGREEMENT FOR THE SAFE KEEPING AND HANDLING OF

SECURITIES AND MONEY TO BE USED TO PAY SUCH BONDS BEING REFUNDED AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH AGREEMENT; (7) RATIFYING ALL ACTIONS TAKEN WITH RESPECT TO THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT INCLUDING THE DELEGATION TO THE MAYOR, THE CITY MANAGER AND THE FINANCE AND BUDGET DIRECTOR OF THE CITY THE AUTHORITY TO APPROVE THE FORM THEREOF AND TO DEEM THE SAME FINAL; (8) APPROVING A FORM OF AN OFFICIAL STATEMENT, AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OFFICIAL STATEMENT AND AUTHORIZING DISTRIBUTION OF SUCH OFFICIAL STATEMENT; (9) APPROVING A FORM OF A CONTINUING DISCLOSURE UNDERTAKING PERTAINING TO PROVIDING CERTAIN FUTURE INFORMATION WITH RESPECT TO THE SERIES 2010 BONDS AND SUCH CERTIFICATES AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH UNDERTAKING; (10) RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS ORDINANCE AND (11) DECLARING AN EMERGENCY

WHEREAS, the Mayor and Council of the City of Avondale, Arizona (hereinafter referred to as the "City"), has determined that it is necessary, advisable and expedient to refund certain general obligation and/or general obligation refunding bonds of the City (hereinafter referred to as, collectively, the "Bonds Being Refunded") and that the issuance of certain refunding bonds (hereinafter referred to as the "Refunding Bonds") and certain supplemental interest certificates with respect thereto (hereinafter referred to as the "Supplemental Interest Certificates") by the City and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and in the best interests of the City and shall result in a present value debt service savings, net of all costs associated with the Refunding Bonds and the Supplemental Interest Certificates, of not less than $75,000 in total; and

WHEREAS, the total aggregate of taxes levied to pay principal of and interest on the Refunding Bonds and the Supplemental Interest Certificates in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Refunding Bonds and the Supplemental Interest Certificates to the final date of maturity of the Bonds Being Refunded, and the weighted average maturity of the Refunding Bonds is at least seventy-five percent of the weighted average maturity of the Bonds Being Refunded; and

WHEREAS, the Mayor and Council of the City (hereinafter referred to as the "Council") will receive a proposal from Stone & Youngberg LLC (hereinafter referred to as the "Underwriter") and has determined that the Refunding Bonds and the Supplemental Interest Certificates should be sold through negotiation to the Underwriter.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. Authorization and Terms.

(a) (1) The Refunding Bonds are hereby authorized to be issued and sold as a series of bonds of the City to be designated "City of Avondale, Arizona General Obligation Refunding Bonds, Series 2010" (hereinafter referred to as the "Bonds") in accordance with this Ordinance and applicable law.

(2) The Supplemental Interest Certificates are hereby authorized to be issued and sold with respect to, and evidence certain supplemental interest to be borne by, the Bonds (hereinafter referred to as the "Certificates"), the interest evidenced by the Bonds as issued being designated as "A" interest and the interest evidenced by the Certificates as issued being designated as "B" interest, in accordance with this Ordinance and applicable law.

(3) Unless specified or unless the context otherwise requires, all references herein to "interest on the Bonds" shall be deemed to include interest designated as both "A" and "B" interest on the Bonds, the interest designated as "B" interest being evidenced by the Certificates.

(b) The Mayor, the City Manager or the Finance and Budget Director of the City or the designees of any of them (collectively, the "Authorized Representatives") are hereby authorized and directed to determine on behalf of the City: (1) the total principal amount of the Bonds and the total payment amount of the Certificates; (2) the final principal and maturity schedule of the Bonds; (3) the interest accrual periods and the payment amounts and dates of the Certificates; (4) the interest rates with respect to the Bonds and the dates for payment of such interest (hereinafter referred to as the "Interest Payment Dates"); (5) the series designation, maturity dates, principal amounts to be redeemed and redemption dates of the Bonds Being Refunded; (6) the provisions for redemption in advance of maturity of the Bonds; (7) the sales date, sales price and other sales terms of the Bonds and the Certificates (including provision for any discount) and (8) the provision for credit enhancement, if any, for the Bonds and the Certificates upon the advice of the Underwriter; provided, however, that the determinations must result in a present value debt service saving, net of all costs associated with the Bonds and the Certificates, of not less than $75,000 in total.

(c) (1) The Bonds shall be dated the date of their initial authentication and delivery and issued in the denomination of $5,000 of principal amount each or integral multiples thereof and only in fully registered form.

(2) The principal of and premium, if any, on the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the designated corporate trust of the "Bond Registrar and Paying Agent" (as such term is hereinafter defined).

(3) Interest on the Bonds designated as "A" interest shall be payable by check, dated as of the Interest Payment Date, mailed to the registered owners thereof and at the addresses appearing on the registration books maintained by the Bond Registrar and Paying Agent at the close of business on the fifteenth (15th) day of the

month next preceding that Interest Payment Date (hereinafter referred to as the "Regular Record Date"). Any such interest on a Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor Bonds) as of the Regular Record Date and shall be payable to the registered owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of Bonds not less than ten (10) days prior thereto.

(4) The principal of and premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

(d) (1) The interest designated as "B" interest with respect to the Bonds shall be evidenced by the Certificates which shall be owned, transferred and presented for payment separately from the Bonds and shall evidence that portion of interest designated as "B" interest on the Bonds coming due for the interest accrual periods which the registered owners thereof are entitled to receive.

(2) The Certificates shall be dated their date of initial authentication and delivery.

(3) The Certificates shall be issued in the denomination of $1,000 of interest designated as "B" interest due on a particular "B" Interest Payment Date or integral multiples thereof and only in fully registered form.

(4) The interest designated as "B" interest evidenced by the Certificates shall be payable in lawful money of the United States of America to the registered owner of each Certificate, upon presentation and surrender thereof at the principal corporate trust office in Phoenix, Arizona, of the Bond Registrar and Paying Agent.

(5) The Certificates shall not be subject to prepayment prior to their stated payment date.

SECTION 2. Prior Redemption of the Bonds.

(a) Notice of redemption of any Bond shall be mailed by first class mail, postage prepaid, not more than forty-five (45) nor less than thirty (30) days prior to the date set for redemption to the registered owner of the Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to properly give such notice of redemption shall not affect the redemption of any Bond for which notice was properly given.

(b) On the date designated for redemption by notice given as herein provided, the Bonds or portions thereof to be redeemed shall become and be due and payable at the redemption price for such Bonds or such portions thereof on such date, and, if moneys for

payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such Bonds or such portions thereof shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security hereunder, the registered owners of such Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such Bonds or such portions thereof shall be deemed paid and no longer outstanding.

(c) The City may redeem any amount which is included in a Bond in the denomination in excess of, but divisible by, $5,000. In that event, the registered owner shall submit the Bond for partial redemption and the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

SECTION 3. Security.

(a) For the purpose of paying the principal of, interest on (including that evidenced by the Certificates) and costs of administration of the registration and payment of the Bonds and the Certificates, there shall be levied on all the taxable property in the City a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on the Bonds and the Certificates as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the total aggregate of taxes levied to pay principal and interest on the Bonds (including that evidenced by the Certificates) in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. Subject to such limitation, taxes in an amount sufficient to pay the interest on all of the Bonds (including that evidenced by the Certificates) then outstanding, the installments of the principal thereof becoming due and payable in the ensuing year and the annual portion of such sinking fund as may be set up for retirement thereof shall be levied, assessed and collected as other taxes of the City. The tax shall be extended and collected for the City, and the officials of the City and Maricopa County, Arizona, charged with the annual extension and collection of taxes, without further instructions from the Council, shall extend and collect the tax upon issuance of the Bonds. All moneys collected through such tax shall be paid into the treasury of the City, to the credit of the "Refunding Series 2010 Bond Fund" of the City, from which fund the Bonds and the Certificates shall be payable, which tax moneys shall be held in subfunds to be known as the "Interest Fund" and the "Redemption Fund," which funds shall be kept separate and apart from and not commingled with any other funds or moneys and which shall be used solely for, respectively, payment of interest (including that evidenced by the Certificates) on and principal of, and premium, if any, on the Bonds.

(b) As provided in Section 5(a) hereof, the net proceeds of the sale of the Bonds shall be held in cash and invested in obligations issued by or guaranteed by the United States government (hereinafter referred to as the "Government Obligations"), which mature with interest so as to provide funds to pay at maturity or upon earlier redemption the Bonds Being Refunded together with interest thereon and redemption premiums, if any, and such cash and

proceeds of the Government Obligations shall, and other funds legally available for such purposes may, be deposited in respective principal and interest redemption funds and shall be held in trust (hereinafter referred to as the "Trust") for the payment of the Bonds Being Refunded with interest and redemption premiums, if any, at maturity or upon redemption. The owners of the Bonds and the Certificates shall rely upon the sufficiency of the cash or proceeds of the Government Obligations held in the Trust for the payment of the Bonds Being Refunded. The issuance of the Bonds and the Certificates shall in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the investments in such redemption funds prove insufficient.

SECTION 4. Escrow Trust Agreement; Redemption of Refunded Bonds.

(a) If determined to be necessary by the Authorized Representatives, an irrevocable escrow trust agreement with a national banking association authorized to do trust business in the State of Arizona appointed by the Authorized Representative of the City (hereinafter referred to as the "Escrow Trust Agreement") with respect to the safekeeping and handling of moneys and the Government Obligations to be held in the Trust for the payment of the Bonds Being Refunded in a standard form, with such additions, deletions and modifications as shall be approved by the Mayor or, in the absence thereof, Vice Mayor of the City, is hereby approved, and the Mayor or, in the absence thereof, Vice Mayor of the City is hereby authorized to execute, and the Clerk of the City is hereby authorized to attest and deliver, the Escrow Trust Agreement, the execution by the Mayor or, in the absence thereof, Vice Mayor of the City constituting conclusive evidence of the approval of such officer of any departures from the form submitted to the Council at the time of adoption of this Ordinance.

(b) The Council hereby orders that the Bonds Being Refunded be redeemed on their respective redemption dates as determined as described in Section 1(b). All actions to refund the Bonds Being Refunded whether taken before or after adoption of this Ordinance are ratified and confirmed and approved, respectively.

SECTION 5. Use of Proceeds.

(a) Upon the delivery of and payment for the Bonds and the Certificates in accordance with the terms of their sale, the net proceeds of the sale of the Bonds, together with any premium paid by the purchaser for the Bonds after payment of the costs and expenses of their issuance including from proceeds of the sale of the Certificates, shall be applied, along with the moneys to be transferred from the interest and redemption funds for the Bonds Being Refunded over and above amounts needed to make payments on the Bonds Being Refunded on or before the first day of the fiscal year next preceding, to create the Trust, specifically, if determined to be necessary, pursuant to the Escrow Trust Agreement. The Trust shall be an irrevocable trust for the benefit of the owners of the Bonds and the Certificates. As provided in Section 3(b) hereof, amounts credited to the Trust, other than any beginning cash balance, shall be held in cash and invested immediately in the Government Obligations, the maturing principal of and interest on which, together with any beginning cash balance, are to be sufficient to pay the principal of and premium, if any, and interest on the Bonds Being Refunded as the same become due.

(b) Any balance of the net proceeds of the Bonds remaining after creation of the Trust and paying the costs of issuance of the Bonds and the Certificates shall be transferred to the Refunding Series 2010 Bond Fund for payment of the Bonds and the Certificates.

SECTION 6. Form of Bonds and Certificates.

(a) Pursuant to Section 35-491, Arizona Revised Statutes, as amended, a fully registered bond form and certificate form are adopted as an alternative to the form of bond provided in Section 15-1023, Arizona Revised Statutes, as amended. The Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit A attached hereto. The Certificates (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit B attached hereto. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds and the Certificates in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

(b) The Bonds and the Certificates may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond and each Certificate shall show both the date of the issue and the date of authentication and registration of each Bond and each Certificate.

(c) The Bonds and the Certificates are prohibited from being converted to coupon or bearer bonds or certificates, respectively, without the consent of the Council and approval of Bond Counsel to the City.

SECTION 7. Execution and Delivery of Bonds and the Certificates and Other Documents.

(a) (1) The Bonds and the Certificates shall be executed for and on behalf of the City by the Mayor of the City, countersigned by the Treasurer of the City and attested by the Clerk of the City. (The Finance and Budget Director of the City shall be such Treasurer for all purposes of this Ordinance.) Any or all of such signatures may be by mechanical reproduction. Such officers shall manually sign certificates adopting as and for such signatures on the Bonds and the Certificates the respective mechanically reproduced signatures affixed to the Bonds and the Certificates.

(2) If an officer whose signature is on a Bond or a Certificate no longer holds that office at the time such Bond or such Certificate is authenticated and registered, the Bond or the Certificate, as the case may be, shall nevertheless be valid so long as such Bond or such Certificate would otherwise be valid and binding

(3) A Bond or a Certificate shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the Bond Registrar and Paying Agent shall be conclusive evidence that the Bond or the Certificate, as the case may be, has been authenticated and issued under this Ordinance.

(b) The Mayor or, in the absence thereof, Vice Mayor of the City is hereby authorized to approve and execute, and the Clerk of the City is hereby authorized to attest and deliver, the documents and agreements referred to herein calling for such execution and delivery, including particularly the Escrow Trust Agreement and the hereinafter defined Bond Registrar and Paying Agent Agreement, Purchase Agreement and Undertaking.

(c) The Mayor or, in the absence thereof, Vice Mayor of the City is also hereby authorized and directed to execute, and the Clerk of the City is also hereby authorized and directed to attest and deliver, a standard form of letter of representations with The Depository Trust Company with respect to the matters provided in Section 11(g) hereof.

SECTION 8. Mutilated, Lost or Destroyed Bonds or Certificates. In case any Bond or any Certificate becomes mutilated or destroyed or lost, the City shall cause to be executed and delivered a new Bond or a new Certificate, as the case may be, of like type, date, maturity or payment date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or mutilated Certificate, as the case may be, or in lieu of and in substitution for such Bond or such Certificate, as the case may be, destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the City in connection therewith and, in the case of a Bond or a Certificate, as the case may be, destroyed or lost, filing with the Bond Registrar and Paying Agent by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent that such Bond or such Certificate, as the case may be, was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes, as amended.

SECTION 9. Acceptance of Proposal.

(a) Subject to the discretion delegated by Section 1(b) hereof, the Authorized Representatives are hereby authorized to accept a proposal of the Underwriter for the purchase of the Bonds and the Certificates which satisfies the terms and conditions of this Ordinance on behalf of the Council, and the Bonds and the Certificates are hereby ordered to be sold to the Underwriter in accordance with the terms of the Bond and Certificate Purchase Agreement presented to the Council at the meeting at which this Ordinance was adopted (hereinafter referred to as the "Purchase Agreement") and which is hereby approved. The Mayor and the Manager of the City are hereby authorized to execute, and the Clerk of the City is hereby authorized to attest and deliver, the Purchase Agreement, for and on behalf of the Council, in substantially the form submitted to the Council at the meeting at which this Ordinance was adopted and in a final form satisfactory to the Mayor or the Manager of the City, and such execution and delivery by the Mayor or the Manager of the City shall indicate the approval thereof on behalf of the Council by the Mayor or the Manager of the City.

(b) The Finance and Budget Director of the City is hereby requested to cause the Bonds and the Certificates to be delivered to the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale provided in the Purchase Agreement.

SECTION 10. Official Statement and Continuing Disclosure.

(a) (1) The preparation, distribution and use of the Preliminary Official Statement relating to the Bonds and the Certificates in substantially the form presented to the Council at the meeting at which this Ordinance was adopted is in all respects hereby approved, and the Authorized Representatives are hereby authorized to certify or otherwise represent that the Preliminary Official Statement, in original or revised form, is a "deemed final" official statement (except for permitted omissions) of the City as of particular date for purposes of Rule 15(c)2-12 of Securities and Exchange Commission.

(2) The Underwriter is authorized to prepare or cause to be prepared, and the Authorized Representatives are authorized and directed to approve, on behalf of the Council, and to execute and deliver, a final Official Statement in substantially the form of the Preliminary Official Statement, modified to reflect matters related to the sale of the Bonds and the Certificates, for distribution and use in connection with the offering and sale of the Bonds and the Certificates. The execution and delivery of such final Official Statement by the Mayor or, in the absence thereof, Vice Mayor of the City shall be conclusively deemed to evidence the approval of the status, form and contents thereof by the Council.

(b) Subject to annual appropriation to cover the costs of preparing and mailing as necessary therefor, the City shall comply with and carry out all the provisions of a Continuing Disclosure Undertaking, to be dated the date of issuance of the Bonds and the Certificates (hereinafter referred to as the "Undertaking") with respect to the Bonds and the Certificates which the Mayor or, in the absence thereof, Vice Mayor of the City is hereby authorized, for and on behalf of the Council, to execute, and the Clerk of the City is hereby authorized to attest and deliver, in substantially the form submitted to the Council at the meeting at which this Ordinance was adopted, with such additions, deletions and modifications as shall be approved by the Mayor or, in the absence thereof, Vice Mayor of the City, and such execution and delivery shall constitute evidence of the approval of such officer of any departures from the form submitted to the Council at the time of adoption of this Ordinance. Notwithstanding any other provision of this Ordinance, failure of the City (if obligated pursuant to the Undertaking) to comply with the Undertaking shall not be considered an event of default; however, any Beneficial Owner (as such term is hereinafter defined) may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person who (1) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds or Certificates (including persons holding Bonds or Certificates through nominees, depositories or other intermediaries), or (2) is treated as the owner of any Bonds or Certificates for federal income tax purposes.

SECTION 11. Bond Registrar and Paying Agent.

(a) The Authorized Representatives are hereby authorized to appoint the initial authenticating agent, bond registrar, transfer agent and paying agent with respect to the Bonds and the Certificates (hereinafter referred to as the "Bond Registrar and Paying Agent"),

and a standard form contract therewith covering such services, with such additions, deletions and modifications as shall be approved by the Mayor or, in the absence thereof, Vice Mayor of the City, is hereby approved, and the Mayor or, in the absence thereof, Vice Mayor of the City is hereby authorized to execute, and the Clerk of the City is hereby authorized to attest and deliver, such contract, the execution by the Mayor or, in the absence thereof, Vice Mayor of the City constituting conclusive evidence of the approval of such officer of any departures from the form submitted to the Council at the time of adoption of this Ordinance. The Bond Registrar and Paying Agent shall maintain the books of the City for the registration of ownership of each Bond and each Certificate.

(b) A Bond or a Certificate may be transferred on the registration books upon delivery and surrender of the Bond or the Certificate, as the case may be, to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of the Bond or the Certificate, as the case may be, to be transferred or the attorney-in-fact or legal representative thereof, containing written instructions as to the details of the transfer of such Bond or such Certificate, as the case may be. No transfer of any Bond or any Certificate shall be effective until entered on the registration books.

(c) In all cases upon the transfer of a Bond, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same type and of the authorized denominations (except that no Bond 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 this Section.

(d) In all cases upon the transfer of a Certificate, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of the authorized denominations and of the same payment date for the aggregate amount of interest designated as "B" interest which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Section.

(e) All costs and expenses of initial registration and payment of the Bonds shall be borne by the City, but the City and the Bond Registrar and Paying Agent shall charge the registered owner of such Bond or such Certificate, as the case may be, for every subsequent transfer of a Bond or a Certificate, as the case may be, including an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such charge including for such transfer fee, tax or other governmental charge be paid before any such new Bond or such new Certificate, as the case may be, shall be delivered.

(f) The City and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on any

Regular Record Date and ending with the close of business on the corresponding Interest Payment Date.

(g) The Bonds and the Certificates shall be subject to a Book-Entry System (as that term is hereinafter defined) of ownership and transfer, except as provided in subsection (3) of this subsection. The general provisions for effecting the Book-Entry System are as follows:

(1) The City hereby designates The Depository Trust Company, New York, New York, as the initial Depository (as that term is hereinafter defined) hereunder.

(2) Notwithstanding the provisions of this Section or of the Bonds or the Certificates to the contrary and so long as the Bonds and the Certificates are subject to a Book-Entry System, the Bonds and the Certificates shall initially be evidenced by one typewritten certificate for each maturity or payment date, respectively, in an amount equal to the aggregate principal or payment amount thereof, respectively. The Bonds and the Certificates so initially delivered shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company. The Bonds and the Certificates may not thereafter be transferred or exchanged on the registration books of the City maintained by the Bond Registrar and Paying Agent except:

(i) to any successor Depository designated pursuant to subsection (3) of this subsection;

(ii) to any successor nominee designated by a Depository; or

(iii) if the City shall elect to discontinue the Book-Entry System pursuant to subsection (3) of this subsection, the City shall cause the Bond Registrar and Paying Agent to authenticate and deliver replacement Bonds or Certificates in fully registered form in authorized denominations in the names of the Beneficial Owners (as such term is hereinafter defined) or their nominees, as certified by the Depository, at the expense of the City; thereafter the other applicable provisions of this Ordinance regarding registration, transfer and exchange of the Bonds and the Certificates shall apply.

(3) The Bond Registrar and Paying Agent, pursuant to a request from the City for the removal or replacement of the Depository, and upon thirty (30) days' notice to the Depository, may remove or replace the Depository. The Bond Registrar and Paying Agent shall remove or replace the Depository at any time pursuant to the request of the City. The Depository may determine not to continue to act as Depository for the Bonds and the Certificates upon thirty (30) days written notice to the City and the Bond Registrar and Paying Agent. If the use of the Book-Entry System is discontinued, then after the Bond Registrar and Paying Agent has made provision for notification of the Beneficial Owners of their book entry interests in the Bonds and the Certificates by appropriate notice to the then Depository, the City and the Bond Registrar and Paying Agent shall permit withdrawal of the Bonds and the Certificates from the Depository and authenticate and deliver the Bond certificates and the Certificate certificates in fully

registered form and in denominations authorized by this Section to the assignees of the Depository or its nominee. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement Bond certificates and Certificate certificates) of the City.

(4) So long as the Book-Entry System is used for the Bonds and the Certificates, the City and the Bond Registrar and Paying Agent shall give any notice of redemption or any other notices required to be given to registered owners of Bonds or Certificates only to the Depository or its nominee registered as the owner thereof. Any failure of the Depository to advise any of its participants, or of any participant to notify the Beneficial Owner, of any such notice and its content or effect shall not affect the validity of the redemption of the Bonds or the Certificates to be redeemed or of any other action premised on such notice. Neither the City nor the Bond Registrar and Paying Agent shall be responsible or liable for the failure of the Depository or any participant thereof to make any payment or give any notice to a Beneficial Owner in respect of the Bonds or the Certificates or any error or delay relating thereto.

(5) Notwithstanding any other provision of this Section or Section 2(b) hereof or of the Bonds to the contrary, so long as the Bonds are subject to a Book-Entry System, it shall not be necessary for the registered owner to present the applicable Bond for payment of mandatory redemption installments, if any. The mandatory redemption installments may be noted on books kept by the Bond Registrar and Paying Agent and the Depository for such purpose, and the Bonds shall be tendered to the Bond Registrar and Paying Agent at their maturity.

(6) For purposes of this Section, "Beneficial Owners" shall mean actual purchasers of the Bonds and the Certificates whose ownership interest is evidenced only in the Book-Entry System maintained by the Depository; "Book-Entry System" shall mean a system for clearing and settlement of securities transactions among participants of a Depository (and other parties having custodial relationships with such participants) through electronic or manual book-entry changes in accounts of such participants maintained by the Depository hereunder for recording ownership of the Bonds and the Certificates by Beneficial Owners and transfers of ownership interests in the Bonds and the Certificates and "Depository" shall mean The Depository Trust Company, New York, New York or any successor depository designated pursuant to this Section.

SECTION 12. Ordinance a Contract. This Ordinance shall constitute a contract between the City and the registered owners of the Bonds and the Certificates and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds or the Certificates then outstanding.

SECTION 13. General Federal Tax Law Covenants.

(a) The City shall not make or direct the making of any investment or other use of the proceeds of any Bonds or Certificates which would cause such Bonds or Certificates to

be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Internal Revenue Code of 1986, as amended (the "Code"), or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and shall comply with the requirements of the Code sections and related regulations throughout the term of the Bonds and the Certificates. (Particularly, the City shall be the owner of the facilities refinanced with the proceeds of the sale of the Bonds (the "Facilities") for federal income tax purposes. Except as otherwise advised in a Bond Counsel's Opinion (as such term is defined in the next Section), the City shall not enter into (1) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities unless the management or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time, or (2) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities. Also, the payment of principal and interest with respect to the Bonds (including that with respect to the Certificates) shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Bonds, or amounts treated as proceeds of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (1) may be so invested for an initial temporary period until needed for the purpose for which the Bonds are being issued, (2) may be so used in making investments of a bona fide debt service fund or (3) may be invested in obligations issued by the United States Treasury.) In consideration of the purchase and acceptance of the Bonds and the Certificates by such holders 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 Council covenants, and the appropriate officials of the City are hereby directed, to take all action required or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(b) The procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds and the Certificates (initially Section 14 hereof) 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 Bonds (including that evidenced by the Certificates).

(c) (1) The City shall take all necessary and desirable steps, as determined by the Council, to comply with the requirements hereunder in order to ensure that interest on the Bonds 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 a Bond Counsel's Opinion that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Bonds, or (ii) compliance with some other requirement will meet the requirements of the Code. In the event the City receives such a Bond Counsel's Opinion, this Ordinance shall be amended to conform to the requirements set forth in such opinion.

(2) If for any reason any requirement hereunder is not complied with, the Council shall take all necessary and desirable steps, as determined by the City, 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 Regulations section 1.148-3(h).

(d) The Bonds and the Certificates are hereby designated as "qualified tax-exempt obligations" within the meaning of and pursuant to the provisions of Section 265(b) of the Code, it being represented and warranted that the reasonably anticipated amount of "qualified tax-exempt obligations" (other than private activity bonds within the meaning of the Code) which will be issued by the City during the 2010 calendar year will not exceed $30,000,000.

SECTION 14. Arbitrage Rebate Covenants.

(a) Terms not otherwise defined in Subsection (b) hereof shall have the meanings given to them in the arbitrage certificate of the City delivered in connection with the issuance of the Bonds and the Certificates.

(b) The following terms shall have the following meanings:

"Bond Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

"Bond Year" shall mean each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Bonds and shall end on the date selected by the City, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Bond.

"Bond Yield" is as indicated in such arbitrage certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Bonds as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Bonds and using semiannual compounding on the basis of a 360-day year.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

"Gross Proceeds" shall mean:

(i) any amounts actually or constructively received by the City from the sale of the Bonds but excluding amounts used to pay accrued interest on the Bonds within one year of the date of issuance of the Bonds;

(ii) transferred proceeds of the Bonds under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Bonds within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Bonds, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Bonds in the event the City encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account.

"Investment Property" shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

"Issue Price" is as indicated in such arbitrage certificate, which is the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters of wholesalers) at which price a substantial amount of the Bonds was sold, less any bond insurance premium and reserve surety bond premium. Issue price shall be determined as provided in Regulations section 1.148-1(b).

"Nonpurpose Investment" shall mean any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Bonds.

"Payment" shall mean any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

"Rebate Requirement" shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

"Receipt" shall mean any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

"Regulations" shall mean the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

(c) Within 60 days after the end of each Bond Year, the City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Bonds (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Bonds (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Bond, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Bond).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(d) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

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

(1) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(2) Except as provided in Subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(3) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(f) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

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

(2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

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

(1) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the requirements in the Regulations that the City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Bonds.

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

(3) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (e.g., a lead underwriter within 15 days of the issue date of the Bonds or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the City uses an agent to conduct the bidding, the agent may not bid.

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

(5) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(7) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(8) The City retains until three years after the last outstanding Bond is retired, (i) a copy of the guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the City and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid

is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(h) The employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of such Code is hereby authorized.

SECTION 15. Severability; Ratification of Actions; Emergency.

(a) If any section, paragraph, subdivision, sentence, clause or phrase of this Ordinance is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have adopted this Ordinance and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Ordinance may be held illegal, invalid or unenforceable.

(b) All actions of the officers, employees and agents of the City including the Council which conform to the purposes and intent of this Ordinance and which further the issuance and sale of the Bonds and the Certificates as contemplated by this Ordinance, whether taken before or after adoption of this Ordinance, are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Ordinance.

(c) The immediate operation of this Ordinance is necessary for the preservation of the public health and welfare, particularly to be able to finance the capital needs of the City on the most advantageous terms presently available, and an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval by the Council of the City of Avondale, Arizona, as required by law, and it is hereby exempt from the referendum provisions of the Charter of the City and the Constitution and laws of the State of Arizona.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Council of the City of Avondale, April 19, 2010.

_____
Marie Lopez Rogers, Mayor

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

329269256.2-4/13/10

1229184.3

EXHIBIT A

[FORM OF BOND]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.*

REGISTERED NO. _____ REGISTERED $_____

UNITED STATES OF AMERICA

STATE OF ARIZONA COUNTY OF MARICOPA

CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION
REFUNDING BOND, SERIES 2010

"A" Interest Rate:	Maturity Date:	Dated As Of:	CUSIP:
_____.%	July 1, _____	_____, 2010	_____

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF AVONDALE, ARIZONA, a body politic and corporate, duly incorporated and existing pursuant to the laws of the State of Arizona (the "City"), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, the aforesaid principal amount on the aforesaid maturity date unless earlier redeemed and then on the applicable redemption date, and to pay interest designated as "A" interest on the principal amount from the date this Bond is dated as of, at the aforesaid interest rate on each January 1 and

* Insert only while The Depository Trust Company, New York, New York, is the Securities Depository.

July 1 (each an "Interest Payment Date"), commencing _____, _____, to its maturity or its redemption prior to maturity. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the designated corporate trust office of _____., as the "Bond Registrar and Paying Agent." Interest on this Bond designated as "A" interest is payable by check, dated as of the Interest Payment Date, mailed to the registered owner hereof and at the address appearing on the registration books maintained by the Bond Registrar and Paying Agent at the close of business on the 15th day of the month next preceding that Interest Payment Date (the "Regular Record Date"). Any such interest which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the Regular Record Date and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owner of this Bond not less than 10 days prior thereto.

The principal of and interest designated as "A" interest and premium, if any, on this Bond are payable in lawful money of the United States of America, on the respective dates when principal and interest become due.

This Bond is one of a series of bonds (the "Bonds") indicated above in the aggregate principal amount of $_____,000 of like tenor except as to amount, maturity date, rate of interest and number, issued by the City to provide funds to refund certain previously issued and outstanding general obligation and/or general obligation refunding bonds of the City, pursuant to an ordinance of the Mayor and Council of the City, duly adopted prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the "Ordinance"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of refunding bonds of municipalities, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the purpose of paying the principal of, interest on and costs of administration of the registration and payment of this Bond, there shall be levied on all taxable property in the City a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on this Bond as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the issuance of the Bonds shall in no way infringe upon the rights of the owners of such general obligation and/or general obligation refunding bonds being refunded to rely upon a tax levy for payment of the principal and interest on such refunded bonds if the cash or obligations issued by or guaranteed by the United States government in which net proceeds of the Bonds are invested which mature with interest so as to provide funds to pay when due, or called for redemption, such refunded bonds together with interest thereon and redemption premiums, if any, and with other funds legally available for such purposes deposited in the respective principal and interest redemption funds and held in trust for the payment of such refunded bonds with interest and redemption premiums, if any, on maturity or upon an available redemption date prove insufficient and further that the total aggregate of

taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on such refunded bonds from the date of issuance of the Bonds to the final date of maturity of such refunded bonds. The owners of the Bonds must rely on the sufficiency of the funds and securities held irrevocably in trust for payment of such refunded bonds.

(In addition to the interest designated as "A" interest at the rate indicated above, the Bonds shall bear supplemental interest designated as "B" interest during the interest accrual periods set forth below, payable on the dates and in the amounts as follows:

"B" Interest Accrual Periods	Amount of "B" Interest Payable on Interest Payment Date	"B" Interest Payment Date
_____	_____	_____
_____	_____	_____

Such interest is evidenced by fully registered Supplemental Interest Certificates which shall be owned, transferred and presented for payment separately from this Bond.)

The Bonds maturing before and on July 1, ____, are not subject to redemption prior to maturity. The Bonds maturing on and after July 1, ____, are subject to redemption prior to maturity, in whole or in part, on July 1, ____, or any Interest Payment Date thereafter, by the payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

Redemption Dates	Premium
July 1, ___, and January 1, ___	___%
July 1, ___, and January 1, ___	___
July 1, ___, and thereafter	0.0

The Bonds maturing on July 1, ___, shall be redeemed prior to maturity on July 1, in the years and amounts set forth below, by payment of the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, but without a premium:

Year	Amount
	$

A remaining principal amount of $___,000 of Bonds maturing on July 1, ___, shall mature on July 1, ___.

Not more than seventy-five (75) nor less than sixty (60) days prior to the mandatory redemption date for the Bonds maturing on July 1, ___, the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from all the Bonds maturing on July 1, ___, outstanding a principal amount of the Bonds maturing on July 1, ___, equal to the aggregate principal amount of the Bonds maturing on July 1, ___, to be redeemed and shall redeem such Bonds maturing on July 1, ___, on the next July 1 and give notice of such redemption.

Notice of redemption of any such Bond will be mailed not more than 45 nor less than 30 days prior to the date set for redemption to the registered owner of such Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar and Paying Agent shall maintain the registration books of the City for the registration of ownership of each Bond as provided in the Ordinance. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Bond may be transferred on the registration books upon delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Bond or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of this Bond, the Bond Registrar and Paying Agent shall transfer the ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations (except that no Bond 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 Ordinance. The City and the Bond Registrar and Paying Agent shall charge the owner of such Bond for every transfer of a Bond, including an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer and may require that such charge, including such transfer fee, tax or other charge be paid before any such new Bond shall be delivered.

The City and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on any Regular Record Date and ending with the close of business on the corresponding Interest Payment Date.

This Bond shall not be entitled to any security or benefit under the Ordinance or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar and Paying Agent.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law, (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the City, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the City, over and above all other taxes authorized or limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due, limited as described elsewhere herein.

IN WITNESS WHEREOF, THE CITY OF AVONDALE, ARIZONA, has caused this Bond to be executed in the name of the City by the facsimile signature of the Mayor of the City and such signature of the Mayor of the City to be attested by the facsimile signature of the Clerk of the City and to be countersigned by the facsimile signature of the Treasurer of the City.

CITY OF AVONDALE, ARIZONA

By ____(Facsimile)_____
Mayor

ATTEST:

____(Facsimile)_____
Clerk

COUNTERSIGNED:

By ____(Facsimile)_____
Treasurer

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the City of Avondale, Arizona General Obligation Refunding Bonds, Series 2010.

Date of Authentication: _____

_____,
as Bond Registrar and Paying Agent

By _____
Authorized Representative

1229184.3

(Form of Assignment)

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ the within Bond and irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____
Signature

Signature Guaranteed:

_____ _____
[Insert proper legend] Signature

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

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

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts/Transfers to Minors Act _____
(State)

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

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

1229184.3

EXHIBIT B

[FORM OF SUPPLEMENTAL INTEREST CERTIFICATE]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.*

REGISTERED
NO _____

REGISTERED
$_____

UNITED STATES OF AMERICA

STATE OF ARIZONA COUNTY OF MARICOPA

CITY OF AVONDALE, ARIZONA
GENERAL OBLIGATION
REFUNDING BONDS, SERIES 2010
SUPPLEMENTAL INTEREST CERTIFICATE

Payment Date:	Dated:	CUSIP:
_____	_____, 2010	_____

REGISTERED OWNER: CEDE & CO.*

"B" INTEREST AMOUNT: _____ DOLLARS

THE CITY OF AVONDALE, ARIZONA, a body politic and corporate, duly incorporated and existing pursuant to the laws of the State of Arizona (the "City"), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, on the payment date specified above, the amount specified above, which evidences a portion of the interest designated as "B" interest (computed on the basis of a 360-day year of twelve 30-day months) which shall become due and payable on such payment date on the outstanding principal amount of the City's Refunding Bonds, Series 2010, dated _____, 2010, issued in the principal amount of $_____,000 (the "Bonds"), for the period beginning from the

* Insert only while The Depository Trust Company, New York, New York, is the Securities Depository.

_____ 1 or _____ 1, as applicable, immediately preceding such payment date through the day immediately prior to such payment date.

The interest designated as "B" interest on the Bonds evidenced by this Certificate shall be payable to the registered owner hereof upon presentation and surrender of this Certificate at the designated corporate trust office of _____, or its successor, as the initial "Bond Registrar and Paying Agent." If the date for making such payment shall be a legal holiday or a day on which the principal office of the Bond Registrar and Paying Agent is authorized or required by law to remain closed, such payment may be made on the next succeeding day which is not a legal holiday or a day on which such principal office is authorized or required by law to remain closed.

The Bonds and the interest designated as "B" interest thereon evidenced by the Supplemental Interest Certificates of which this is one (the "Certificates") have been authorized by, and issued pursuant to, an ordinance passed and adopted by the Council of the City prior to the issuance of the Bonds all of the terms of which are hereby incorporated herein (the "Ordinance"), and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of general obligation refunding bonds of municipalities, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling. The Certificates are issued as fully registered Certificates, and are payable and evidence interest borne by the Bonds designated as "B" interest with respect to the Bonds, all as specifically set forth in the Ordinance.

The Certificates are not subject to prepayment prior to their payment date.

For the purpose of paying the principal of, interest on (including this interest) and costs of administration of the registration and payment of the Bonds and the Certificates, there shall be levied on all the taxable property in the City a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest and administration costs of and on the Bonds and the Certificates as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the issuance of the Bonds shall in no way infringe upon the rights of the owners of certain general obligation and/or general obligation refunding bonds being refunded with proceeds of the sale of the Bonds and the Certificates to rely upon a tax levy for payment of the principal and interest on such refunded bonds if the cash or obligations issued by or guaranteed by the United States government in which net proceeds of the Bonds are invested which mature with interest so as to provide funds to pay when due, or called for redemption, such refunded bonds together with interest thereon and redemption premiums, if any, and with other funds legally available for such purposes deposited in the respective principal and interest redemption funds and held in trust for the payment of such refunded bonds with interest and redemption premiums, if any, on maturity or upon an available redemption date prove insufficient and further that the total aggregate of taxes levied to pay principal and interest on the Bonds and the Certificates in the aggregate shall not exceed the total aggregate principal and interest to become due on such refunded bonds from the date of issuance of the Bonds to the final date of maturity of such refunded bonds. The owners of the Certificates must rely on the sufficiency of the funds and securities held irrevocably in trust for payment of such refunded bonds.

The Bond Registrar and Paying Agent shall maintain the registration books of the City for the registration of ownership of each Certificate as provided in the Ordinance. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Certificate may be transferred upon the registration books upon delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Certificate to be transferred or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of any Certificate shall be effective until entered on the registration books.

In all cases upon the transfer of a Certificate, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees one or more new fully registered Certificates of authorized denominations and of the same payment date for the aggregate amount of interest designated as "B" interest which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Ordinance. The City and the Bond Registrar and Paying Agent shall charge the owner of such Certificate, for every transfer of a Certificate, an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other charge be paid before any such new Certificate shall be delivered.

This Certificate shall not be entitled to any security or benefit under the Ordinance or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar and Paying Agent.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Certificate and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Certificates of which this is one, together with all other existing indebtedness of the City, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the City, over and above all other taxes authorized or limited by law, sufficient to pay this Certificate as it becomes due, limited as described elsewhere herein.

IN WITNESS WHEREOF, CITY OF AVONDALE, ARIZONA, has caused this Certificate to be executed in the name of the City by the facsimile signature of the Mayor of the City and such signature of the Mayor of the City to be attested by the facsimile signature of the Clerk of the City and to be countersigned by the facsimile signature of the Treasurer of the City.

CITY OF AVONDALE, ARIZONA

By ____(Facsimile)_____
Mayor

ATTEST:

____(Facsimile)_____
Clerk

COUNTERSIGNED:

By _____(Facsimile)_____
Treasurer

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Supplemental Interest Certificate is one of the Certificates evidencing the "B" interest described in the within-mentioned Ordinance.

Date of Authentication: _____

_____,
as Bond Registrar and Paying Agent

By_____
Authorized Representative

(Form of Assignment)

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ the within Certificate and irrevocably constitutes and appoints _____ attorney to transfer this Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____
Signature

Signature Guaranteed:

_____ _____
[Insert proper legend] Signature

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration or any change whatsoever.

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

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts/Transfers to Minors Act _____
(State)

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

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

CERTIFICATION

I hereby certify that the foregoing Ordinance No. ____ was duly passed and adopted by the Mayor and the Council of the City of Avondale, Arizona, at a regular meeting held on the 19th day of April, 2010, and the vote was _____ ayes and _____ nays and that the Mayor and _____ Councilmembers were present thereat.

_____
Carmen Martinez, City Clerk

CITY COUNCIL REPORT

SUBJECT:
Ordinance 1407-410 - Authorizing the Issuance of Water and Sewer Refunding Bonds

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Kevin Artz, Finance & Budget Director (623)333-2011

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council adopt an Ordinance authorizing the sale, execution and delivery of City of Avondale Water and Sewer System Revenue Obligations, Series 2010 and authorizing all actions necessary to proceed with the sale.

BACKGROUND:

In December 1992, the City of Avondale entered into a loan agreement with the Water Infrastructure Finance Authority of Arizona for $7,500,000 to finance the construction of the wastewater treatment plant. The interest rate on the loan is 3.900% with a final payment in 2012.

In March of 1996, the City of Avondale issued $8,940,000 in Avondale Municipal Development Corporation Excise Tax Revenue Bonds, Series 1996 to provide funding for the costs of design, acquisition, construction and equipping water and wastewater improvement projects. The interest rate on the bonds is 5.20%, with final payment in 2013.

In October 1998, the City of Avondale issued $2,000,000 in Greater Arizona Development Authority General Obligation Bonds, Series 1998 to fund wastewater infrastructure improvements. The interest rates on these bonds varied from 4.40% to 4.85%, with final payment in 2018.

In December of 1999, the City of Avondale entered into another loan agreement with the Water Infrastructure Finance Authority of Arizona for $6,125,000 to finance the construction of the wastewater treatment plant. The interest rate on the loan is 3.94% with a final payment in 2020.

The City's financial advisor, Stone & Youngberg, has determined that the City has the opportunity to refund (refinance) the Series 1992, 1996, 1998 and 1999 bonds with a substantial savings to the City, as a result of the very favorable interest rates. At the current interest rates plus 20 basis points, the City would save approximately $299,355 or 3.488% on a net present value basis.

The City has established a required minimum present value debt service savings of two percent (2%), net of all costs associated with the issuance, of the bonds being refunded. The refunding will not proceed if the minimum savings of 2% is not achieved.

DISCUSSION:

The Ordinance authorizes the sale and issuance of City of Avondale, Water and Sewer System Revenue Obligations, Series 2010, prescribing certain terms and conditions, including the following:

- Authorizing the completion, execution and delivery of all agreements necessary as part of refinancing the bonds

- Authorizing the preparation and delivery of an official statement
- Authorizing the execution and delivery of continuing disclosure undertakings
- Approving the form and authorizing the execution of a bond purchase contract
- Delegating to the Finance and Budget Director of the City the authority to determine various terms with respect to the Series 2010 bonds
- Declaring an emergency, in order to have the ordinance effective immediately.

The sale of the bonds will be as a result of a negotiated sale, and Stone and Youngberg will serve as the City's underwriter for the bonds. Staff has determined that a negotiated sale will be the most effective and efficient method for sale, considering the current conditions in the market. In order to realize the potential savings, the sale of the bonds needs to happen as expeditiously as possible. The Bond Purchase Contract (Attachment B) will be executed in substantially the form as attached.

The Series 2010 Obligation Indenture (Attachment C) and Purchase Agreement (Attachment D) outline the responsibilities of the trustee and establishes an irrevocable trust for the safekeeping and handling of the securities held for the payment of the bonds being refunded.

The Continuing Disclosure agreement (Page G-1 of Attachment E) requires the City to provide an Annual Report (Comprehensive Annual Financial Report) to the national repositories by February 1st of each year.

The Preliminary Official Statement (Attachment E) provides information necessary to the prospective buyers of the Bonds, including detailed information on the Series 2010 Bonds, the project description, debt service requirements, sources and uses of funds, audited financial statements and legal documents and disclosures.

BUDGETARY IMPACT:

The source of repayment for the bonds are Water and Wastewater System Revenues. The following table illustrates the prior debt service requirements of the 1992, 1996. 1998 and 1999 bonds combined, prior interest rate, the proposed debt service requirements of the refunding bonds (2010), the refunding interest rate, the savings per year, and present value of the savings:

Date	Prior DS	Prior interest rate	Refunding DS	Refunding interest* rate	Savings	PVof savings
7/1/10	188,062	5.20%	185,154	1.00%	2,908	2,902
7/1/11	2,330,125	5.20%	2,254,262	1.25%	75,863	74,656
7/1/12	2,391,583	5.20%	2,312,925	1.50%	78,658	75,013
7/1/13	1,279,719	5.20%	1,240,675	1.75%	39,044	36,205
7/1/14	621,234	4.75%	601,250	2.25%	19,984	18,008
7/1/15	620,349	4.75%	600,225	2.50%	20,124	17,574
7/1/16	618,675	4.75%	597,725	3.00%	20,950	17,733
7/1/17	617,212	4.85%	597,425	3.50%	19,787	16,251
7/1/18	615,780	4.85%	594,050	3.75%	21,730	17,324
7/1/19	463,465	3.94%	448,800	4.00%	14,675	11,364
7/1/20	463,572	3.94%	447,200	4.00%	16,372	12,325
	$10,209,786		$9,879,691		$330,095	$299,355

*The refunding interest rate included in this table is based on the current market conditions, plus 20 basis points. The actual interest rate of the refunded bonds will likely be different than the rates estimated in this table.

The debt service payments have been appropriated in funds 501 and 503. Projected revenues are adequate to cover the debt service payments.

RECOMMENDATION:

Staff recommends that the City Council adopt the Ordinance authorizing the sale and execution and delivery of water and sewer system revenue obligations, evidencing proportionate interests in installment payments to be paid by the City pursuant to a Series 2010 purchase agreement; approving and authorizing completion, execution and delivery with respect thereto of agreements necessary of appropriate as part of refinancing part of the water and sewer system of the city and payment of related financing costs; delegating certain authority with respect to the pruposes thereof; authorizing the preparation and delivery of an official statement and declaring an emergency.

ATTACHMENTS:

Click to download

- Attachment B- Bond Purchase Agreement
- Attachment C- Series 2010 Obligation Indenture
- Attachment D- Series 2010 Purchase Agreement
- Attachment E - Preliminary Official Statement
- Ordinance 1407-410

SSD DRAFT 4/12/2010

$[PAR]
WATER AND SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2010
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF AVONDALE, ARIZONA,
Pursuant to a Series 2010 Purchase Agreement,
Dated as of _____ 1, 2010

PURCHASE CONTRACT

_____, 2010

CITY OF AVONDALE, ARIZONA
11465 West Civic Center Drive, Suite 250
Avondale, Arizona 85323

The undersigned, on behalf of Stone and Youngberg LLC (the "Underwriter"), agent for the City of Avondale, Arizona (the "City") offers to enter into the following agreement with the City which, upon the City's written acceptance of this offer, will be binding upon the City and upon the Underwriter. This offer is made subject to the City's written acceptance hereof on or before 5:00 p.m., Arizona time, on the date written above, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Terms not otherwise defined in this Purchase Contract (this "Purchase Contract") shall have the same meanings set forth in the Indenture (as defined herein) or in the Official Statement (as defined herein).

The captioned Obligations (the "Obligations") shall be executed and delivered pursuant to the Series 2010 Obligation Indenture, to be dated as of _____ 1, 2010 (the "Indenture"), between the City and _____, as trustee (in such capacity, the "Trustee") and Ordinance No. _____, passed, adopted and approved by the Mayor and Council of the City on [April 19], 2010 (the "Authorizing Ordinance"). The Obligations will evidence proportionate interests of the holders thereof in installment payments of the purchase price to be paid by the City pursuant to a Series 2010 Purchase Agreement, to be dated as of _____1, 2010 (the "Purchase Agreement"), between _____, in its capacity as seller, and the City, as purchaser. The City's obligation to make installment payments under the Purchase Agreement, shall be payable solely from a pledge of, and secured by a pledge of, a first lien on, and a security interest in, the Pledged Revenues (as defined in the Purchase Agreement) of the water and sewer system of the City (the "System") and on a parity to the pledge thereof and lien thereon for the Additional Obligations (as defined in the Purchase Agreement) hereafter issued on a parity therewith.

The Obligations are being executed and delivered for the purpose of providing funds to (i) refinance certain property which is part of the System of the City, (ii) provide for a deposit to a debt service reserve fund for the Obligations, and (iii) paying costs and expenses incurred in connection with the execution and delivery of the Obligations.

The Obligations will be offered by means of the Preliminary Official Statement of the City, dated _____, 2010, relating to the Obligations (including the cover page and all appendices, the "Preliminary Official Statement") and the final Official Statement of the City, dated the date of this Purchase Contract, relating to the Obligations (including the cover page and all appendices, the "Official Statement"). The City will enter into and deliver a written undertaking (the "Continuing Disclosure Undertaking") to provide, or cause to be provided, ongoing disclosure for the benefit of the owners of the Obligations as described in the Continuing Disclosure Undertaking for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Disclosure Rule"). The City will also execute and deliver a tax certificate (the "Tax Agreement") regarding expectations necessary for exclusion of interest on the Obligations from gross income for income tax purposes.

This Purchase Contract, the Indenture, the Purchase Agreement and the Continuing Disclosure Undertaking are referred to as the "City Documents."

1. Purchase and Sale of the Obligations. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Obligations. Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as fiduciary of the City, but rather is acting solely in its capacity as Underwriter for its own account. Any financial advisory relationship between the Underwriter and the City which has existed or now exists with respect to the Obligations is hereby terminated, and the City hereby expressly consents to the purchase of the Obligations by the Underwriter on a negotiated basis. The City expressly acknowledges that, if and to the extent that such a financial advisory relationship has been in effect, a conflict of interest could be deemed to be created by the Underwriter changing its capacity from financial advisor to purchaser of the Obligations, and the City nevertheless consents to that change in capacity.

The principal amount of the Obligations to be executed and delivered, the dated date and first interest payment date therefor, the maturities, the sinking fund and optional redemption provisions and interest rates per annum and resulting yields are set forth in Schedule I hereto.

The purchase price for the Obligations shall be $_____. The purchase price represents the aggregate of (a) the par amount of the Obligations and [plus/less] (b) the [net reoffering premium] [net original issue discount] on the Obligations of $_____, and less (c) an underwriting discount of $_____. The wire transfer referred to in Section 5 hereof will reflect the wire transfer by the Underwriter to the Insurer (as defined herein) on behalf of the City of an insurance premium of $_____ from proceeds of the Obligations.

2. Public Offering. The Underwriter intends to make a bona fide public offering of the Obligations at the offering prices or yields set forth in Schedule I, and based upon those

initial offering prices or yields, the Underwriter would receive compensation of $[000]; however, the Underwriter may offer a portion of the Obligations for sale to selected dealers who are members of the Financial Industry Regulatory Authority and who agree to resell the Obligations to the public on terms consistent with this Purchase Contract and the Underwriter reserve the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Obligations and to offer and sell the Obligations to certain dealers (including dealers depositing the Obligations into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth in Schedule I. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Obligations at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amount, maturity dates, interest rates, redemption or other provisions of the Obligations or the amount to be paid by the Underwriter to the City for the Obligations.

3. The Official Statement.

(a) The City has caused the Preliminary Official Statement, including the cover page and Appendices thereto, to be prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Obligations. The City hereby deems the Preliminary Official Statement "final" as of its date, except for the omission of such information which is dependent upon the final pricing of the Obligations for completion, all as permitted to be excluded by Section (b)(1) of the Disclosure Rule.

(b) The City hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Obligations. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Obligations. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Purchase Contract (but, in any event, not later than within seven business days after the City's acceptance of this Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Disclosure Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The City hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(c) If, after the date of this Purchase Contract to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Disclosure Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Disclosure Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Obligations), the City becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to

amend or supplement the Official Statement to comply with law, the City will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter or the City, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the City will forthwith prepare and furnish, at the City's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing (as defined herein), the City shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(d) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the City can assume that the "end of the underwriting period" for purposes of the Disclosure Rule is the Closing Date (as defined herein).

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

(a) The City is duly incorporated and validly existing as a municipal corporation under the laws of the State of Arizona (the "State") with powers required for the purposes of this Purchase Contract, specifically Title 9, Chapter 5, Arizona Revised Statutes, as amended (the "Act"), and has full legal right, power and authority under the Act, and at the Closing Date will have full legal right, power and authority (i) to enter into, execute and deliver the City Documents, (ii) to cause the Trustee to sell, execute and deliver the Obligations to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the City Documents and the Official Statement and the City has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the City Documents as they pertain to such transactions;

(b) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized all necessary action to be taken by it for (i) the execution of the City Documents and the Tax Agreement and the sale, execution and delivery of the Obligations, (ii) the approval, execution and delivery of, and the performance by the City of the obligations on its part contained in, the Obligations and the City Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement and the City Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the City in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The City Documents, when executed and delivered, constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and

principles of equity relating to or affecting the enforcement of creditors' rights; the Obligations, when executed and delivered and paid for, in accordance with the Indenture and this Purchase Contract, will constitute legal, valid and binding obligations, entitled to the benefits of the Indenture and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the execution and delivery of the Obligations as aforesaid, the Indenture will provide, for the benefit of the holders, from time to time, of the Obligations, the legally valid and binding pledge and lien it purports to create as set forth in the Indenture;

(d) The City is not in breach of or default in any material respect under its Charter or any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the City under any of the foregoing; and the execution and delivery of the Obligations and the City Documents and compliance with the provisions on the City's part contained therein, will not conflict materially with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon the Pledged Revenues (as defined in the Purchase Agreement) or any other property or assets of the City to be pledged to secure the Obligations except as provided in the Indenture and the Purchase Agreement or under the terms of any such law, regulation or instrument, except as provided by the Obligations, the Indenture and the Purchase Agreement;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under the City Documents, and the Obligations have been duly obtained, except for such approvals, consents and orders as may be required under the "blue sky" or securities laws of any jurisdiction in connection with the offering and sale of the Obligations;

(f) [CONFORM TO POS] The Obligations and the Indenture conform to the descriptions thereof contained in the Official Statement under the caption "THE 2010 OBLIGATIONS"; the proceeds of the sale of the Obligations will be applied generally as described in the Official Statement under the captions "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2010 OBLIGATIONS" AND "PLAN OF REFINANCING"; and the Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING SECONDARY MARKET DISCLOSURE";

(g) There is no legislation, 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, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Obligations or the collection or receipt of Pledged Revenues or in any way contesting or affecting the validity or enforceability of the Obligations, the City Documents or the refinancing of the Obligations Being Refinanced (as defined herein) or contesting the exclusion from gross income of interest on the Obligations for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the City or any authority for the execution and delivery of the Obligations, the execution and delivery of the Indenture or the execution and delivery of the City Documents, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations or the City Documents;

(h) WHILE THE UNDERWRITER HAS PARTICIPATED AND WILL PARTICIPATE WITH THE CITY IN THE ASSEMBLAGE AND PREPARATION OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT, THE CITY ACKNOWLEDGES AND AGREES THAT THE CITY IS PRIMARILY RESPONSIBLE FOR THE CONTENT OF THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT; the information in the Preliminary Official Statement relating to the City as of its date is and the information in the Official Statement, including any supplements thereto will be, as of its date and as of the Closing, correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state any material fact which should have been included therein for the purposes for which the Preliminary Official Statement and the Official Statement were or are to be used, or which was necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(i) Unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Purchase Contract) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

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

(k) The City will apply, or cause to be applied, the proceeds from the sale of the Obligations as provided in and subject to all of the terms and provisions of the Indenture and the Purchase Agreement and will not take or omit to take any action which action or omission

will adversely affect the exclusion from gross income for federal income tax purposes or State income tax purposes of the interest on the Obligations;

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

(m) The financial statements of, and other financial information regarding, the City in the Official Statement fairly present the financial position and results of the City as of the dates and for the periods therein set forth in accordance with generally accepted governmental accounting principles as applicable to governmental units and have been prepared in accordance with generally accepted governmental accounting principles consistently applied throughout the periods concerned (except as otherwise disclosed in the Official Statement or financial statements); and since June 30, 2009, 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 or the System that are not described in the Official Statement, whether or not arising from transactions in the ordinary course of business;

(n) Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the City or the System other than as described in the Official Statement;

(o) The City is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the City, would have a materially adverse effect on the financial condition of the City or the System;

(p) The City has fully submitted to the Arizona Department of Revenue the information required with respect to previous issuances of bonds, securities and lease-purchase agreements of the City pursuant to Section 35-501(B), Arizona Revised Statutes, as amended, and will file the information relating to the Obligations required to be submitted to the Arizona Department of Revenue pursuant thereto within sixty (60) days of the Closing Date;

(q) The City shall execute and deliver prior to the Closing, and in time for the Closing to occur at its specified time, the documents required to cause the Obligations to be eligible for deposit with DTC (as defined herein) or other securities depositories;

(r) Except as otherwise indicated in the Official Statement, the City has been and is in material compliance with the terms of all continuing disclosure undertakings previously executed by the City pursuant to the Disclosure Rule;

(s) To the extent it is not otherwise prohibited by applicable law from agreeing not to do so, prior to the Closing the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the Pledged Revenues or assets which will secure the Obligations without the prior approval of the Underwriter; and

(t) Any certificate, signed by any official of the City authorized to do so in connection with the transactions contemplated by this Purchase Contract shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

5. Closing.

(a) Before _____ a.m., Arizona time, on _____, 2010 (the "Closing Date"), or at such other time and date as shall have been mutually agreed upon by the City and the Underwriter (the "Closing"), the City will, subject to the terms and conditions hereof, deliver the Obligations to The Depository Trust Company, New York, New York ("DTC") for the account of the Underwriter duly executed and authenticated, and will deliver to the Underwriter the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Obligations as set forth in Section 1 of this Purchase Contract by a wire transfer payable in immediately available funds to the order of the City. Payment for the Obligations as aforesaid shall be made at the offices of Special Counsel or such other place as shall have been mutually agreed upon by the City and the Underwriter.

(b) Delivery of the Obligations shall be made through the facilities of The DTC or through a "F__ A__ S__ T__". The Obligations shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Obligation for each maturity of the Obligations, registered in the name of Cede & Co., all as provided in the Indenture, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

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

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

(b) The City shall have performed and complied with all agreements and conditions required by this Purchase Contract to be performed or complied with by it prior to or at the Closing;

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

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

(e) At or prior to the Closing, the Indenture shall have been duly executed and delivered by the City and the City shall have duly executed and delivered and the registrar for the Obligations shall have duly authenticated the Obligations;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the City or the System, from that set forth in the Official Statement that, in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Obligations on the terms and in the manner contemplated in the Official Statement;

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

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

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the City by the Mayor of the City, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The Authorizing Ordinance, with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The City Documents and the Tax Agreement;

(4) The approving opinion of Special Counsel, dated the Closing Date, with respect to the Obligations, in substantially the form attached to the Official Statement;

(5) A supplemental opinion of Special Counsel or an opinion of the Counsel to the City, dated the Closing Date, addressed to the Underwriter, substantially to the effect that:

(i) the City is duly incorporated and validly existing as a municipal corporation under the laws of the State with powers required for the purpose of this Purchase Contract, specifically the Act, and has full legal right, power and authority under the Act and the Authorizing Ordinance (A) to enter into, execute and deliver the City Documents and all documents required hereunder and thereunder to be executed and delivered by the City, (B) to sell, execute and deliver the Obligations to the Underwriter as provided herein, (C) to carry out and consummate the transactions contemplated by the City Documents and the Official Statement and (D) the City has complied in all respects with the terms of the Act and the City Documents;

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

(iii) the Authorizing Ordinance was duly and validly adopted by the City and is in full force and effect and the Authorizing Ordinance has been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the City and in compliance with the Constitution and laws of the State, including the Act;

(iv) 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;

(v) the distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the City;

(vi) all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under the City Documents and the Obligations or with respect to the collection or pledge of Pledged Revenues have been obtained;

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

(viii) [CONFORM TO POS] the statements and information contained in the Official Statement on the cover page thereof, under the captions "THE 2010 OBLIGATIONS," "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2010 OBLIGATIONS," "PLAN OF REFINANCING," "QUALIFIED TAX-EXEMPT OBLIGATIONS," "ORIGINAL ISSUE DISCOUNT," "AMORTIZABLE PREMIUM" and "CONTINUING SECONDARY MARKET DISCLOSURE" (except the information with respect to the compliance by the City with prior undertakings) therein and in Appendices "E," "F" and "G" thereto fairly and accurately summarizes the matters purported to be summarized therein; and

(ix) based on the examinations which they have made as Special Counsel and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement other than those described in subparagraph (viii) of this subsection above, such counsel has no reason to believe that the Official Statement as of its date and as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical data included in the Official Statement and except for information regarding DTC and its book-entry system and information regarding the Insurer, in each case as to which no view need be expressed);

(6) An opinion of Counsel to the Underwriter, dated the Closing Date, addressed to the Underwriter, substantially to the effect that:

(i) the Obligations are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Obligations, to register the Obligations under the 1933 Act and the Indenture need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and except for information regarding DTC and its book-entry system and information regarding the Insurer, in each case as to which no view need be expressed);

(7) An opinion of Counsel to the City, dated the Closing Date, addressed to the Underwriter, to the effect that:

(i) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of Counsel to the City, after due inquiry threatened against the City, affecting the corporate existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Obligations or the collection or pledge of Pledged Revenues pursuant to the Indenture or in any way contesting or affecting the validity or enforceability of the Obligations or the City Documents, or contesting the exclusion from gross income of interest on the Obligations for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the City or any authority for the execution and delivery of the Obligations, the adoption of the Indenture or the execution and delivery of the City Documents, nor, to the best knowledge of Counsel to the City, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Obligations or the City Documents;

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

(iii) the information contained in the Official Statement under the caption "LITIGATION" is true and correct in all material respects;

(8) A certificate, dated the Closing Date, of the City substantially to the effect that to the best knowledge of those signing such certificate (i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (ii) no litigation or proceeding or tax challenge against it is pending or, to their knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City, (c) contest the validity, due authorization and execution of the Obligations or the City Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from functioning or in connection with the collection or pledge of Pledged Revenues, to make installment payments under the Purchase Agreement; or (iii) the Authorizing Ordinance of the City authorizing the execution, delivery and/or performance of the Official Statement, the Obligations, the City Documents and the Tax Agreement have been duly adopted by the City, are in full force and effect and have not been modified, amended or repealed, (iv) the financial statements of the City included in the Official Statement were true, correct and complete as of [June 30, 2009], and are true, correct and complete as of the date of such certificate, and that any other financial statements and statistical data included in the Official Statement are true and correct as of the date of such certificate, (v) subsequent to [June 30, 2009], 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 or the System that are not described in the Official Statement, whether or not arising from transactions in the ordinary course of business, and (vi) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make

the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(9) A certificate of the City in form and substance satisfactory to Special Counsel and Counsel to the Underwriter setting forth the reasonable expectations of the individual executing the certificate on the date of the Closing, which establish that it is not expected that the proceeds of the Obligations will be used in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code;

(10) A certificate of the Trustee to the effect that (i) the Obligations have been duly executed and delivered by an authorized officer of the Trustee; (ii) the Indenture has been duly executed and delivered by an authorized officer of the Trustee; and (iii) the resolutions of the Trustee authorizing the execution and delivery and/or performance of the Indenture by the Trustee have been duly adopted by the Trustee are in full force and effect and have not been modified, amended or repealed;

(11) Any other certificates and opinions required by the Indenture for the execution and delivery thereunder of the Obligations;

(12) Evidence satisfactory to the Underwriter that the Obligations have been assigned an insured rating of "__" based upon issuance of the Municipal Bond Insurance Policy (the "Policy") by Assured Guaranty Municipal Corp. (the "Insurer"), and an uninsured rating of "__" from Standard & Poor's Rating Services, a division of the McGraw Hill Companies ("S&P");

(13) A copy of the Policy together with an opinion of counsel to the Insurer, in form and substance satisfactory to the Underwriter;

(14) A certificate of the Insurer with respect to the accuracy of statements contained in the Official Statement regarding the Policy and the due authorization execution issuance and delivery of the Policy;

(15) Evidence of payment and retirement of the Obligations Being Refinanced satisfactory to the Underwriter;

(16) The filing copy of the Report of Bond and Security Issuance for the Arizona Department of Revenue pursuant to Section 35-501(B), Arizona Revised Statutes;

(17) The filing copy of the Information Return Form 8038-G (IRS) for the Obligations; and

(18) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or Counsel to the Underwriter may reasonably

request to evidence the truth and accuracy, as of the date hereof and as of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the City.

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

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Obligations contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriter set forth in Section 8(c) hereof shall continue in full force and effect.

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

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

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Obligations, including any or all underlying arrangements, are not exempt from

registration under or other requirements of the 1933 Act, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Obligations, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

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

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

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

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income securities (or interest thereon) or the validity or enforceability of the pledge of revenues to pay principal of and interest on the Obligations;

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

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

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

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

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal or negative change in credit watch status

by any national rating service to any of the City's obligations (including the rating to be accorded the Obligations); or

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

8. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the City's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Obligations, (ii) the fees and disbursements of Special Counsel and Counsel to the City; (iii) the fees and disbursements of the Financial Advisor to the City; (iv) the fees and expenses of Counsel to the Underwriters; (v) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the City; and (vi) the fees for bond ratings and credit enhancement fees or premiums.

(b) The Underwriter shall pay (i) the cost of preparation and printing of this Purchase Contract; (ii) all advertising expenses in connection with the public offering of the Obligations; and (iii) all other expenses incurred by them in connection with the public offering of the Obligations.

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

9. Notices. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the address set forth on the first page of this Purchase Contract, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stone and Youngberg LLP, 2555 East Camelback Road, Suite 280, Phoenix, Arizona 85016, Attention: Bryan E. Lundberg.

10. Parties in Interest. This Purchase Contract as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Purchase Contract may not be assigned by the City. All of the City's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Obligations pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

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

12. Choice of Law. This Purchase Contract shall be governed by and construed in accordance with the law of the State.

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

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

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

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

17. Notice Concerning Cancellation of Contracts. To the extent applicable by provision of law, the parties acknowledge that this Purchase Contract is subject to cancellation pursuant to A.R.S. Section 38-511, the provisions of which are incorporated herein by this reference.

(Remainder of page left blank intentionally)

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

Very truly yours,

STONE & YOUNGBERG LLC,
as Underwriter

By:_____
Name: _____
Title: _____

Accepted and agreed to as of the date first written above:

CITY OF AVONDALE, ARIZONA

By: _____
_____

ATTEST:

By: _____
City Clerk

SCHEDULE I

$[PAR]
WATER AND SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2010
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF AVONDALE, ARIZONA,
Pursuant to a Series 2010 Purchase Agreement,
Dated as of _____ 1, 2010

OBLIGATIONS DATED: AS OF DELIVERY DATE

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield

Optional Redemption.

The Obligations. The Obligations maturing on or before July 1, 20__ are not subject to redemption prior to their stated maturity dates. The Obligations maturing on or after July 1, 20__ are subject to redemption prior to their stated maturity date in whole at any time and in part on any interest payment date on or after July 1, 20__, at a redemption price equal to the principal amount redeemed, plus interest accrued to the date of redemption, but without premium.

Mandatory Redemption.

The Obligations maturing on July 1, 20__ (the "Term Obligations") will be subject to mandatory redemption and will be redeemed on July 1 of the respective years set forth below and in the amounts set forth below, by payment of a redemption price of the principal amount of such Obligations called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

Term Obligations Payable July 1, 20__

Year	Principal Amount

_____
*Maturity

DRAFT
03/26/10

SERIES 2010 OBLIGATION INDENTURE

THE CITY OF AVONDALE, ARIZONA,

AND

_____,
AS TRUSTEE

DATED AS OF _____ 1, 2010

_____

$_____,000
Water and Sewer System Revenue Obligations, Series 2010,
Evidencing Proportionate Interests of the Holders Thereof
in Installment Payments of the Purchase Price to be Paid
by the The City of Avondale, Arizona, Pursuant to a
Series 2010 Purchase Agreement,
Dated as of _____ 1, 2010

(This Table of Contents is for informational purposes only and is not to be considered a part of the Series 2010 Obligation Indenture)

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SERIES 2010 OBLIGATION INDENTURE

THIS SERIES 2010 OBLIGATION INDENTURE, made and entered into as of the 1st day of _____, 2010 (this *"Series 2010 Obligation Indenture"*), by and between THE CITY OF AVONDALE, ARIZONA, a municipal corporation of the State of Arizona (the *"City"*), and _____, a national banking association, authorized to exercise trust powers in the State of Arizona, as trustee, and any successor to its duties hereunder (the *"Trustee"*),

WITNESSETH:

WHEREAS, the Trustee, in its separate capacity as seller (the *"Seller"*), and the City, as purchaser, have entered into a Series 2010 Purchase Agreement, dated as of _____ 1, 2010 (the *"Series 2010 Purchase Agreement"*), pursuant to which the execution and delivery of certain Water and Sewer System Revenue Obligations, Series 2010, Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by The City of Avondale, Arizona, Pursuant to a Series 2010 Purchase Agreement, dated as of _____ 1, 2010 (the *"Series 2010 Obligations"*), to acquire the Series 2010 Property (as defined in the Series 2010 Purchase Agreement) has been provided; and

WHEREAS, for the purpose of obtaining the moneys to refinance the Series 2010 Property, rights pursuant to the Series 2010 Purchase Agreement have been assigned and transferred for purposes hereof, and in consideration of such assignment and the execution hereof, the Trustee shall execute and deliver the Series 2010 Obligations, each evidencing a proportionate interest in certain rights pursuant to the Series 2010 Purchase Agreement, including the payment of the Purchase Price (as such term is defined in the Series 2010 Purchase Agreement);

GRANTING CLAUSES

NOW, THEREFORE, THIS SERIES 2010 OBLIGATION INDENTURE FURTHER WITNESSETH: That in order to secure all of the Series 2010 Obligations executed and delivered pursuant hereto, the payment of principal and interest thereon, the rights of the Holders (as such term is hereinafter defined) of the Series 2010 Obligations and the performance and observance of the covenants and conditions contained herein and in the Series 2010 Obligations and the Series 2010 Purchase Agreement, the Trustee shall receive and hold as security for the Holders of the Series 2010 Obligations, and there shall be granted a security interest in and released, assigned, transferred, pledged, mortgaged, granted and conveyed unto the Trustee or any successor to its duties hereunder, the following described property:

A. All rights and interests in, under and pursuant to the Series 2010 Purchase Agreement of the Seller as assigned, mortgaged, hypothecated and pledged pursuant to the Series 2010 Purchase Agreement, provided that the assignment made by this clause shall not include any right to limitation of liability, indemnification of liability, or payment or reimbursement of fees, costs or expenses,

B. Amounts on deposit from time to time in the funds and accounts created pursuant hereto subject to the provisions of this Series 2010 Obligation Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and

C. Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Series 2010 Obligations, by the City or by anyone on its behalf or with its written consent, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

TO HAVE AND TO HOLD all said properties assigned, mortgaged, hypothecated and pledged and conveyed by the Seller, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved hereunder,

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of the Series 2010 Obligations executed and delivered and Outstanding (as such term is hereinafter defined) hereunder, without preference, priority or distinction as to lien or otherwise of any of the Series 2010 Obligations over any other or others of the Series 2010 Obligations to the end that each Holder of the Series 2010 Obligations has the same rights, privileges and lien under and by virtue hereof and to secure payment by the City of its obligations pursuant to any Derivative Products (as such term is hereinafter defined); and conditioned, however, that if all liabilities, obligations and sums at any time secured hereby shall be well and truly paid, or caused to be paid fully and promptly when due, and all of the covenants, warranties and agreements contained herein shall promptly, faithfully and strictly be kept, performed and observed, then and in such event, this Series 2010 Obligation Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereafter set forth.

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions. In addition to the parties and to the words and phrases defined in the Recitals hereto, for the purpose hereof unless the context otherwise requires, the following words and phrases shall have the following meanings:

"Business Day" means a day on which banks located in the City of Tucson and in the city or cities in which the principal office of the Trustee, the Paying Agents and the Series 2010 Insurer are not required or authorized by law or executive order to remain closed.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

"City Representative" means the Finance and Budget Director or any other person at any time designated to act on behalf of the City by written certificate furnished to the Trustee containing the specimen signature of such person and signed by the City Manager or his or her designee. Such certificate may designate one or more alternates.

"Costs of Issuance Fund" means the fund of that name created pursuant to Section 2.2 of the Series 2010 Purchase Agreement.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Debt Service Reserve Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

"Defeasance Obligations" means any of the following:

1. Cash.

2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – (SLGs)).

3. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself.

4. Resolution Funding Corp. ("REFCORP"). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

5. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating) then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

    a. *U.S. Export-Import Bank* (Eximbank)
    Direct obligations or fully guaranteed certificates of beneficial ownership

    b. *Farmers Home Administration* (FmHA)

    c. *Federal Financing Bank*

    d. *General Services Administration*
    Participation Certificates

e. *U.S. Maritime Administration*
Guaranteed Title XI financing

f. *U.S. Department of Housing and Urban Development* (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures – U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds

"Depository Trustee" means any financial institution meeting the requirements as a successor Bond Trustee under Section 8.6 which may be designated by the City

"Derivative Product" means any of the following entered into by the City with respect to the Series 2010 Obligations, (i) any contract known or referred to as, or which performs the function of, an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any contract called, or designed to perform the function of, an interest rate floor or cap, option, put or call or to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk and (v) any other contract or arrangement that the City determines to use, or intends to use, to manage or reduce the cost of indebtedness, to covert any element of indebtedness from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

"Early Termination Payment" means, with respect to a Derivative Product, any payment of the City due upon the early termination of any transaction governed by such Derivative Product[, other than an Insured Early Termination Payment**???**].

"Fitch" shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, *"Fitch"* shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"Holder" or *"holder"* means the registered owner of any Series 2010 Obligation.

"Indenture" shall have the same meaning as "Series 2010 Obligation Indenture."

"Indenture Event of Default" means any one of those events set forth in Section 7.1.

[*"Insured Early Termination Payment"* means, with respect to a Derivative Product, any payment of the City due upon the early termination of any transaction governed by

such Derivative Product, which is insured pursuant to an insurance policy issued by the Series 2010 Insurer.**???**]

[*"Insured Swap"* means any Derivative Product wherein the Regularly Scheduled Payments are insured pursuant to a swap insurance policy from the Series 2010 Insurer, having an outstanding principal amount at least equal to the notional amount of the Derivative Product.**???**]

"Interest Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, *"Moody's"* shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"Non-Scheduled Payments" means any payments of the City made pursuant to any Derivative Product, which are not Regularly Scheduled Payments, including, but not limited to, Early Termination Payments [and Insured Early Termination Payments**???**], indemnification payments, tax gross-up payments, expenses and default interest payments.

"Obligation Fund" means the fund of that name created pursuant to Section 5.1.

"Obligation Payment Date" means each date on which interest or both principal (or redemption price) and interest shall be payable on any of the Series 2010 Obligations according to their respective terms so long as any Series 2010 Obligations are Outstanding.

"Opinion of Counsel" means a written opinion of an attorney or firm of attorneys acceptable to the Trustee and who (except as otherwise expressly provided herein or in the Series 2010 Purchase Agreement) may be counsel for the City or the Trustee, provided that such attorney or firm of attorneys may not be an employee of the Trustee.

"Outstanding" when used with reference to the Series 2010 Obligations, means, as of any date of determination, all Series 2010 Obligations theretofore executed and delivered except:

(i) Series 2010 Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Series 2010 Obligations which are deemed paid and no longer Outstanding as provided herein, including as a result of irrevocable instructions being provided by the City for redemption thereof;

(iii) Series 2010 Obligations in lieu of which other Series 2010 Obligations have been executed and delivered pursuant to the provisions hereof relating to

Series 2010 Obligations destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Series 2010 Obligation is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder or under the Series 2010 Purchase Agreement by the Holders of a specified percentage in principal amount of Series 2010 Obligations, Series 2010 Obligations held by or for the account of the City, or any Person controlling, controlled by, or under common control with, any of them.

"Paying Agent" means the banks or trust companies and their successors designated as the paying agencies or places of payment for the Series 2010 Obligations. The Trustee is designated as Paying Agent for the Series 2010 Obligations.

"Permitted Investments" means, to the extent the use of which is not otherwise prohibited by applicable law:

1. Defeasance Obligations;

2. Federal Housing Administration debentures;

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

A. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
Senior debt obligations

B. Farm Credit Banks (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated system-wide bonds and notes

C. Federal Home Loan Banks (FHL Banks) Consolidated debt obligations

D. Federal National Mortgage Association (FNMA or "Fannie Mae")
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding the portion of their unpaid principal amounts)

E. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)

F. Financing Corporation (FICO) Debt obligations

G. Resolution Funding Corp. (REFCORP) Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

7. Money market funds rated 'AAm' or 'AAm-G' or higher by S&P.

8. "State Obligations", which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or higher, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent

certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements: With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's and acceptable to the Certificate Insurer, provided that:

A. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

B. The Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

C. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

D. All other requirements of S&P in respect of repurchase agreements shall be met;

E. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Certificate Insurer), within 10 days of receipt

of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Issuer or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa2" by Moody's; provided that, by the terms of the investment agreement:

A. interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Certificates;

B. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Trustee thereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

C. the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

D. the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Certificate Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Certificate Insurer;

E. the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens

or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Certificate Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee, and

F. the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

G. the investment agreement must provide that if during its term:

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee (who shall give such direction if so directed by the Certificate Insurer), be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, as appropriate.

12. Interests in the Local Government Investment Pool established pursuant to Arizona Revised Statutes Section 35-326.

"Person" shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

"Principal Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

"Principal Installment" means, for any particular date, the aggregate of the principal amount of Series 2010 Obligations that are due on such date.

"Qualified Derivative Product" means:

(a) a Derivative Product[, whether an Insured Swap or an Uninsured Swap,**???**] if:

(i) the notional amount for such Derivative Product will not exceed the Outstanding principal amount of the Series 2010 Obligations; *provided however that* a transaction which reverses, in whole or in part, an existing Qualified Derivative Product (with the same provider, the same payment terms and dates, but reversing the obligations of the parties, providing that the two transactions are netted against one another for payment purposes and that one transaction may not be terminated unless either (1) the other transaction is terminated or (2) the remaining transaction would qualify as a Qualified Derivative Product if such determination were made at that point) will be permitted and, so long as both remain in effect, will be considered, collectively, to have a zero notional amount for purposes of determining whether the notional amount of such Derivative Product will exceed the Outstanding principal amount of the Series 2010 Obligations,

(ii) the rate to be paid by the City pursuant to such Derivative Product is not subject to a multiplier;

(iii) the Derivative Product does not include a significant loan component (*i.e.,* an obligation to repay money borrowed, credit extended or the equivalent thereof, including, but not limited to, receipt by the City of a payment (or promise of a payment) which effectively increases the rate on the Derivative Product which the City would otherwise pay);

(iv) such Derivative Product is not a currency swap and all payments pursuant to such Derivative Product are calculated in U.S. Dollars, and any variable or index-based rate used in such swap are from an index for U.S. Dollar denominated obligations;

(v) any Non-Scheduled Payments [(on an Uninsured Swap) or uninsured payments (on an Insured Swap)**???**] thereunder are both: (A) Subordinate to the Series 2010 Obligations and (B) payable only if and to the extent that after such payment the City shall have sufficient funds to make all of the payments on the Series 2010 Obligations for the succeeding six months;

(vi) collateral may be required to be delivered by the City in connection with such Derivative Product only if and to the extent that after such delivery the City shall have sufficient funds to make payments on the Series 2010 Obligations for the succeeding six months;

(vii) the principal amount of any obligation issued to secure a Qualified Derivative Product shall be deemed to have a principal amount of zero for purposes of determining any consent or other voting rights pursuant to this Series 2010 Obligation Indenture and

[(viii) the Series 2010 Insurer receives notice of, and a copy of, such Derivative Product; or

(b) any other Derivative Product approved by the Series 2010 Insurer.**???**]

"Qualified Reserve Fund Instrument" means a letter or line of credit, insurance policy or surety bond which meets the requirements set forth below:

(i) A surety bond or insurance policy issued to the Trustee by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Series 2010 Obligations (a "municipal bond insurer") may be deposited in the Debt Service Reserve Account to meet the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Series 2010 Purchase Agreement if the claims paying ability of the issuer thereof shall be rated "AA" or "Aa2" by S&P or Moody's, respectively.

(ii) A surety bond or insurance policy issued to the Trustee, as agent of the Holders of the Series 2010 Obligations, by an entity other than a municipal bond insurer may be deposited in the Debt Service Reserve Account to meet the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Series 2010 Purchase Agreement if the form and substance of such instrument and the issuer thereof shall be approved by the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is then in good standing and the applicable provider thereof is not in default thereunder.

(iii) An unconditional irrevocable letter of credit issued to the Trustee, as agent of the Holders of the Series 2010 Obligations, by a bank may be deposited in the Debt Service Reserve Account to meet the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Series 2010 Purchase Agreement if the issuer thereof is rated at least "AA" by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Series 2010 Obligations. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the City and the Trustee, not later than 24 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

If such notice indicates that the expiration date shall not be extended, the City shall deposit in the Debt Service Reserve Account an amount sufficient

to cause the cash or permitted investments on deposit in the Debt Service Reserve Account together with any other qualifying Qualified Reserve Fund Instruments, to equal the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Series 2010 Purchase Agreement, such deposit to be paid in equal installments on at least a semiannual basis over the ensuing three years, unless the Qualified Reserve Fund Instrument is replaced by a Qualified Reserve Fund Instrument meeting the requirements in any of (i)-(iii) above. The letter of credit shall permit a draw in full not less than 14 days prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Trustee is hereby authorized and directed to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Debt Service Reserve Account is fully funded in its required amount.

The deposit of any Qualified Reserve Fund Instrument pursuant to this paragraph (iii) shall be subject to receipt of an opinion of counsel acceptable to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder and in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder and in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the Series 2010 Obligations (or any other account party under the letter of credit).

The obligation to reimburse the issuer of a Qualified Reserve Fund Instrument for any fees, expenses, claims or draws upon such Qualified Reserve Fund Instrument shall be subordinate to the payment of debt service on the Series 2010 Obligations. The right of the issuer of a Qualified Reserve Fund Instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Debt Service Reserve Account, and subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash

replenishment of the Debt Service Reserve Account. The Qualified Reserve Fund Instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Qualified Reserve Fund Instrument to reimbursement will be further subordinated to cash replenishment of the Debt Service Reserve Account to an amount equal to the difference between the full original amount available under the Qualified Reserve Fund Instrument and the amount then available for further draws or claims. If (A) the issuer of a Qualified Reserve Fund Instrument becomes insolvent or (B) the issuer of a Qualified Reserve Fund Instrument defaults in its payment obligations thereunder or (C) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P "AA" or a Moody's "Aa2" or (D) the rating of the issuer of the letter of credit falls below a S&P "AA," the obligation to reimburse the issuer of the Qualified Reserve Fund Instrument shall be subordinate to the cash replenishment of the Debt Service Reserve Account.

(iv) If (A) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (B) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P "AA" or a Moody's "Aa2" or (C) the rating of the issuer of the letter of credit falls below a S&P "AA", the City shall either (1) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Account to equal the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Series 2010 Purchase Agreement, such amount to be paid over the ensuing three years in equal installments deposited at least semiannually or (2) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of (i)-(iii) above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (b) the rating of the issuer of the letter of credit falls below "A" or (c) the issuer of the Qualified Reserve Fund Instrument defaults in its payment obligations or (d) the issuer of the Qualified Reserve Fund Instrument becomes insolvent, the City shall either (i) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Account to equal the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the Series 2010 Purchase Agreement, such amount to be paid over three years in equal installments on at least a monthly basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements above, as applicable, within six months of such occurrence.

(v) Where applicable, the amount available for draws or claims under the Qualified Reserve Fund Instrument may be reduced by the amount of cash or permitted investments deposited in the Debt Service Reserve Account pursuant to clause (d)(i) of the preceding subparagraph (iv).

(vi) Any amounts owed by the City to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be

included in any calculation of debt service requirements required to be made pursuant to the Series 2010 Purchase Agreement for any purpose, *e.g.*, Sections 4.2 and 4.4 of the Series 2010 Purchase Agreement.

(vii) The Trustee shall ascertain the necessity for a claim or draw upon the Qualified Reserve Fund Instrument and provide notice to the issuer of the Qualified Reserve Fund Instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Qualified Reserve Fund Instrument) prior to each interest payment date.

(viii) Cash on deposit in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Qualified Reserve Fund Instrument. If and to the extent that more than one Qualified Reserve Fund Instrument is deposited in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(ix) A Qualified Reserve Fund Instrument may not be provided to replace existing cash or Permitted Investments unless the City is provided a Special Counsel's Opinion.

"Rating Agency" shall mean Fitch, Moody's or S&P, or any of them or their replacements as provided in the definition of each.

"Rating Category" shall mean one of the general rating categories of a Rating Agency without regard to any refinement or gradation of such rating category by numerical modifier or otherwise.

"Record Date" means (i) with respect to any Obligation Payment Date occurring on the first calendar day of any month, the fifteenth day of the calendar month next preceding that Obligation Payment Date (regardless of whether such fifteenth day is a Business Day) or (ii) such other date as may be designated pursuant to Section 2.2(c).

"Regularly Scheduled Payments" means any payments of the City pursuant to a Derivative Product, which are [not Subordinated Swap Payments and are**???**] scheduled (at the time such Derivative Product is executed) for payment on Obligation Payment Dates related to interest payment dates for the Series 2010 Obligations and which are intended to be "interest-like" when the interest on the Series 2010 Obligations and such payments are viewed together.

"Reserve Requirement" means $_____.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question,

"S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"Securities Depository" has the meaning provided in Section 2.8.

"Series 2010 Insurer" means[**???**] _____, a _____.

"Series 2010 Policy" means the municipal bond insurance policy with respect to the Series 2010 Obligations from the Series 2010 Insurer.

"Special Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

"State" means the State of Arizona.

"Subordinate" means, with respect to a Derivative Product or a Qualified Derivative Product, that in the event of: (i) any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, arrangement or other similar proceedings in connection therewith, relative to the City, (ii) any Subordinated Swap Payment is declared or otherwise becomes due and payable pursuant to the applicable Derivative Product or (iii) any Event of Default shall occur and be continuing and (1) written notice of such default will have been given to the Trustee and (2) judicial proceedings will be commenced in respect of such Event of Default; then, for so long as any action described in clause (i), (ii) or (iii) hereof shall not have been remedied or cured in the opinion of the Trustee, the Trustee will pay in full all principal of and premium, if any, and interest on the Series 2010 Obligations before the Swap Provider is entitled to receive any Subordinated Swap Payment, and to that end the Trustee will be entitled to receive for application in payment of the Series 2010 Obligations in accordance with this Series 2010 Obligation Indenture any payment or distribution of any kind or character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of such Subordinated Swap Payment after giving effect to any concurrent payment or distribution in respect to the Series 2010 Obligations.

[*"Subordinated Swap Payment"* means any Non-Scheduled Payment on an Uninsured Swap or any uninsured payment on an Insured Swap.**???**]

"Swap Provider" means, with respect to any Derivative Product, the person that is identified in such agreement as the counterparty to, or contracting party with, the City for the purposes of such agreement.

"Swap Provider Reimbursement Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

[*"Uninsured Swap"* means a Derivative Product which is not an Insured Swap.**???**]

Section 1.2 Interpretation.

(a) Any reference herein to the Board or any officer of the City shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. References to "Articles" and "Sections" are to those in this Series 2010 Obligation Indenture.

Section 1.3 All Series 2010 Obligations Equally and Ratably Secured; Series 2010 Obligations Not General Series 2010 Obligations of the City. All of the Series 2010 Obligations executed and delivered hereunder and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the execution and delivery or maturity of the Series 2010 Obligations, so that all Series 2010 Obligations at any time Outstanding hereunder shall have the same right, lien and preference hereunder and shall all be equally and ratably secured hereby. The Series 2010 Obligations shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness or general obligation of the City within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or be a charge against their general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE II
AUTHORIZATION AND TERMS OF SERIES 2010 OBLIGATIONS

Section 2.1 Authorization of Series 2010 Obligations. The Trustee is hereby authorized and directed, upon receipt of a request in writing from the City Representative, to prepare, execute and deliver the Series 2010 Obligations to, or upon the direction of, Stone & Youngberg LLC, as the underwriter of the Series 2010 Obligations, in the aggregate original principal amount of $_____,000.

Section 2.2 Form, Date and Payment Terms of Series 2010 Obligations.

(a) The Series 2010 Obligations shall:

(i) Be dated the date of their initial execution and delivery, be executed and delivered in the denomination of $5,000 of principal each or any integral multiple thereof, and bear interest from the most recent interest payment date to which

interest has been paid or for which due provision has been made or, if no interest has been paid, from the date of their initial execution and delivery, payable on January 1 and July 1 of each year commencing January 1, 2011. Said interest shall represent the portion of each installment of the Purchase Price designated as interest and coming due during the six-month period (or portion thereof) preceding each Obligation Payment Date paid pursuant to Section 5.4(i); provided that the first installment shall be for interest from the date of initial execution and delivery to January 1, 2011. The proportionate share of the portion of each installment of the Purchase Price designated as interest with respect to any Series 2010 Obligation shall be computed by multiplying the portion of each installment of the Purchase Price designated as principal with respect to such Series 2010 Obligation by the rate of interest applicable to such Series 2010 Obligation (on the basis of a 360-day year of twelve 30-day months).

(ii) Mature on July 1 in the years and amounts and bear interest at rates per annum (calculated on the basis of a 360-day year) as follows:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE (%)	YEAR	PRINCIPAL AMOUNT	INTEREST RATE (%)
20__	$_____,000	%	20__	$_____,000	%
20__	_____,000		20__	_____,000	
20__	_____,000		20__	_____,000	
20__	_____,000		20__	_____,000	
20__	_____,000		20__	_____,000	
20__	_____,000		20__	_____,000	
20__	_____,000		20__	_____,000	
20__	_____,000		20__	_____,000	

(b) The Series 2010 Obligations shall be executed and delivered only in fully registered form and shall be numbered or otherwise designated in a manner specified by the Trustee so as to distinguish each Series 2010 Obligation from every other Series 2010 Obligation.

(c) Interest on the Series 2010 Obligations shall be payable when due to the Holder in whose name such Series 2010 Obligation is registered at the close of business on the Record Date with respect to each Obligation Payment Date, irrespective of any transfer or exchange of such Series 2010 Obligation subsequent to such Record Date and prior to such Obligation Payment Date, unless there is a default in the payment of interest due on such Obligation Payment Date. In the event of any such default, such defaulted interest shall be payable to the Holder in whose name such Series 2010 Obligation is registered at the close of business on a special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee to the Holders of the Series 2010 Obligations not less than 15 days preceding such special Record Date. Such notice shall be mailed to the Holders in whose name the Series 2010 Obligations are registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer of any Series 2010 Obligation subsequent to the mailing of such notice and on or before the special Record Date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of

defaulted interest shall be delivered by the Trustee to the transferee along with the Series 2010 Obligation or Series 2010 Obligations.

(d) Principal of and redemption premium, if any, and interest on the Series 2010 Obligations shall be payable in any coin or currency of the United States of America which, on the related Obligation Payment Dates, is legal tender for the payment of public and private debts. Principal of and redemption premium, if any, on the Series 2010 Obligations shall be payable at the designated corporate trust office of the Trustee upon surrender of the Series 2010 Obligation or Series 2010 Obligations on or after the maturity date. Payment of interest on the Series 2010 Obligations shall be made by check or draft mailed to the registered address of the Person entitled thereto, or upon the written direction of any Holder of not less than $1,000,000 in aggregate principal amount of Series 2010 Obligations (which direction shall remain effective for so long as such Holder owns not less than $1,000,000 in Series 2010 Obligations or until such Holder countermands such written direction in writing), the payment of interest on the Series 2010 Obligations may be made by wire transfer of immediately available funds to an account located in a bank within the United States pursuant to wire transfer directions issued by such Holder.

(e) Any payment due on any Series 2010 Obligation which shall not be paid when due shall bear interest at a rate equal to the rate of interest borne on such Series 2010 Obligation, from the date such payment is due until the payment is made. Such interest shall be calculated based upon an assumption of a 360-day year of twelve 30-day months, with such interest compounded semiannually.

Section 2.3 Mutilated, Destroyed, Lost and Stolen Series 2010 Obligations. If (a) any mutilated Series 2010 Obligation is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Series 2010 Obligation, and (b) there is delivered to the Trustee such security or indemnity as the Trustee may require to hold the Trustee harmless, then, in the absence of notice to the Trustee that such Series 2010 Obligation has been acquired by a bona fide purchaser and upon the Holder paying the reasonable expenses of the Trustee and of any security or indemnity obligation required by the Trustee, the Trustee shall execute and deliver, in exchange for such mutilated Series 2010 Obligation or in lieu of such destroyed, lost or stolen Series 2010 Obligation, a new Series 2010 Obligation of like principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Series 2010 Obligation has become, or will on or before the next Obligation Payment Date become, due and payable, the Trustee may, in its discretion, pay such Series 2010 Obligation when due instead of delivering a new Series 2010 Obligation.

Section 2.4 Execution of Series 2010 Obligations. All Series 2010 Obligations shall be executed by and in the name of the Trustee by manual signature of an authorized representative of the Trustee. If any authorized representative of the Trustee whose signature appears on any Series 2010 Obligation ceases to be such authorized representative before the date of initial execution and delivery of the Series 2010 Obligations, such signature shall nevertheless be as effective as if the authorized representative had remained in office through such date. Any Series 2010 Obligation may be executed on behalf of the Trustee by such person as at the actual date of the execution of such Series 2010 Obligation shall be the proper officer of

the Trustee, although at the nominal date of such Series 2010 Obligation such person shall not have been such officer of the Trustee.

Section 2.5 Registration, Transfer and Exchange of Series 2010 Obligations.

(a) All Series 2010 Obligations executed and delivered hereunder shall be negotiable, subject to the provisions for registration and transfer thereof contained herein or in the Series 2010 Obligations.

(b) So long as any Series 2010 Obligations are Outstanding, the Trustee shall maintain at its offices books for the registration and transfer of Series 2010 Obligations and shall provide for the registration and transfer of any Series 2010 Obligation under such reasonable regulations as the Trustee may prescribe. The Trustee shall act as registrar for purposes of exchanging and registering Series 2010 Obligations in accordance with the provisions hereof.

(c) Each Series 2010 Obligation shall be transferable only upon the registration books maintained by the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any Series 2010 Obligation, the Trustee shall authenticate and deliver, in the name of the transferee, one or more new Series 2010 Obligations, of the same aggregate principal amount at maturity, as appropriate, and maturity as the surrendered Series 2010 Obligation.

(d) Any Series 2010 Obligation, upon surrender thereof to the Trustee together with written instructions satisfactory to the Trustee, duly executed by the registered Holder or his attorney duly authorized in writing, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount at maturity, as appropriate, of Series 2010 Obligations with the same maturity of any other authorized denominations.

(e) All Series 2010 Obligations surrendered in any exchange or transfer of Series 2010 Obligations shall forthwith be cancelled by the Trustee.

(f) In connection with any such exchange or transfer of Series 2010 Obligations the Holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.6 Persons Deemed Owners. The Person in whose name any Series 2010 Obligation shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal of and interest or any applicable premium on any Series 2010 Obligation shall be made only to or upon the written order of the registered Holder thereof. Such payment shall be valid and effectual to satisfy and discharge the liability upon such Series 2010 Obligation to the extent of the amount so paid.

Section 2.7 Non-Presentment of Series 2010 Obligations. In the event any Series 2010 Obligation shall not be presented for payment when the principal thereof and premium, if any, becomes due, either at maturity or otherwise, if moneys sufficient to pay the principal of, premium, if any, and interest on, such Series 2010 Obligation shall have been deposited hereunder for such payment, all liability to the Holder thereof for the payment of such Series 2010 Obligation shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys as *provided herein*, without liability for interest thereon, for the benefit of the Holder of such Series 2010 Obligation, who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Series 2010 Obligation Indenture or on, or with respect to, said Series 2010 Obligation.

Section 2.8 Book-Entry. The Trustee or the City may from time to time enter into, and discontinue, an agreement with a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended (the "Securities Depository"), which is the owner of the Series 2010 Obligations, to establish procedures with respect to the Series 2010 Obligations not inconsistent with the provisions of this Series 2010 Obligation Indenture; provided, that, notwithstanding any other provisions of this Series 2010 Obligation Indenture, any such agreement may provide that different provisions for notice to the Securities Depository may be set forth herein and that a legend shall appear on each Series 2010 Obligation so long as the Series 2010 Obligations are subject to such agreement. With respect to Series 2010 Obligations registered in the name of a Securities Depository (or its nominee), the Trustee shall not have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Series 2010 Obligations. It is hereby acknowledged that the City has entered into an agreement with DTC, and in and while such agreement is in effect, the procedures established therein shall apply to the Series 2010 Obligations notwithstanding any other provisions of this Indenture to the contrary. As long as DTC is the Securities Depository with respect to the Series 2010 Obligations, the Trustee shall be a "DTC Direct Participant."

ARTICLE III
REDEMPTION OF SERIES 2010 OBLIGATIONS

Section 3.1 Right to Redeem. The Series 2010 Obligations shall be subject to redemption prior to maturity, in any order of maturity, as directed by the City, at such times, to the extent and in the manner provided herein.

Section 3.2 Redemption of Series 2010 Obligations.

(a) *Optional Redemption*. The Series 2010 Obligations maturing on or prior to July 1, 20__, are not subject to optional redemption prior to maturity. The Series 2010 Obligations maturing on and after July 1, 20__, are subject to redemption, as directed by the City, in whole or in part on any date, in increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, as directed by the City, and by lot within a maturity, on July 1, 20__, and thereafter by payment of the principal amount of each Series 2010 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

(b) *Mandatory Redemption*.

(i) The Series 2010 Obligations maturing on July 1, 20__ (collectively, the *"Term Series 2010 Obligations"*), are subject to mandatory redemption and shall be redeemed on July 1 in the respective years set forth below, in the amount of the unsatisfied portion of the corresponding mandatory redemption requirement, by payment of the principal amount of such Term Series 2010 Obligations to be redeemed plus interest accrued to the date fixed for redemption, without premium:

TERM SERIES 2010 OBLIGATIONS MATURING JULY 1, 20__

YEAR	MANDATORY REDEMPTION REQUIREMENT
20__	$_____,000
20__	_____,000
20__	_____,000
20__	_____,000

The aggregate of the Purchase Price (as defined in the Series 2010 Purchase Agreement) payable under the Series 2010 Purchase Agreement shall include amounts sufficient to redeem the principal amount of Term Series 2010 Obligations set forth opposite the respective dates above (less the amount of any credit as provided below).

(ii) The City shall have the option to deliver to the Trustee for cancellation Term Series 2010 Obligations, in any aggregate principal amount and to receive a credit against the then current applicable mandatory redemption requirement and corresponding mandatory redemption obligation (or against any subsequent applicable mandatory redemption requirement and corresponding mandatory redemption obligation of the City, as directed by the City) as set forth above for any Term Series 2010 Obligations of the same maturity. That option shall be exercised by the City, on or before the 60th day preceding the applicable mandatory redemption date, by furnishing the Trustee a certificate signed by an Authorized City Representative, setting forth the extent of the credit to be applied with respect to the then current (or subsequent) mandatory redemption requirement. If the certificate is not timely furnished to the Trustee, the mandatory redemption requirement (and corresponding mandatory redemption obligation) shall not be reduced. A credit against the then current (or, as directed by the City, any subsequent) applicable mandatory redemption requirement (and corresponding mandatory redemption obligation), with respect to Term Series 2010 Obligations of the same maturity, also shall be received for any Term Series 2010 Obligations, which prior thereto have been redeemed (other than through the operation of the mandatory redemption requirements) or purchased for cancellation and canceled by the Trustee, to the extent not applied theretofore as a credit against any prior or subsequent redemption obligation.

(iii) Each Term Bond so delivered, or previously redeemed, or purchased and canceled, shall be credited by the Trustee at 100 percent of the principal

amount thereof against the then current (or, as directed by the City, any subsequent) mandatory redemption obligation with respect to Term Series 2010 Obligations of the same maturity. Any excess of that amount over the applicable mandatory redemption requirement shall be credited against subsequent applicable mandatory redemption obligation in the order directed by the City.

Section 3.3 Selection of Series 2010 Obligations to be Redeemed. If less than all of the Series 2010 Obligations of the same maturity are to be redeemed upon any redemption of Series 2010 Obligations hereunder, the Trustee shall select the Series 2010 Obligations to be redeemed by lot or in such other manner as the Trustee shall deem fair. In making such selection, the Trustee shall treat each Series 2010 Obligation as representing that number of Series 2010 Obligations of the lowest authorized denomination as is obtained by dividing the original principal amount of each such Series 2010 Obligation by such minimum denomination.

Section 3.4 Partial Redemption of Series 2010 Obligations. Upon the selection and notice of redemption and the surrender of any Series 2010 Obligation for redemption in part only, the Trustee shall execute and deliver to or upon the written order of the Holder thereof, at the expense of the City, a new Series 2010 Obligation or Series 2010 Obligations of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2010 Obligation surrendered.

Section 3.5 Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Series 2010 Obligations so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2010 Obligations on such date. If on the date fixed for redemption moneys or Defeasance Obligations sufficient for payment of the redemption price and accrued interest on such date are held by the Trustee as provided herein, interest on the Series 2010 Obligations so called for redemption shall cease to accrue, such Series 2010 Obligations shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Trustee and the amount of such Series 2010 Obligations so called for redemption shall be deemed paid and no longer Outstanding.

Section 3.6 Notice of Redemption.

(a) Whenever redemption of Series 2010 Obligations is to be made, the Trustee shall give notice of the redemption of such Series 2010 Obligations, which notice shall specify the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2010 Obligations are to be redeemed, the numbers or other distinguishing marks of such Series 2010 Obligations so to be redeemed, including CUSIP numbers, and, in the case of Series 2010 Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2010 Obligation to be redeemed the redemption price thereof, as appropriate, of such Series 2010 Obligation or the specified portion thereof in the case of a Series 2010 Obligation to be redeemed in part only, together with interest accrued to the redemption date on such Series 2010 Obligations or portion thereof so to be redeemed. Notwithstanding the foregoing, no notice of redemption shall be sent unless (i) the Trustee has

on deposit sufficient funds to effect such redemption or (ii) the redemption notice states that redemption is contingent upon receipt of such funds prior to the redemption date.

(b) Such notice shall be given by mailing a copy of such notice, first class United States mail postage prepaid, not less than 30 days nor more than 60 days before the redemption date, to all Holders of any Series 2010 Obligations or portions of Series 2010 Obligations which are to be redeemed at their last addresses appearing upon the registry books. Such notice shall be mailed a second time to any Holder of Series 2010 Obligations that have been called for redemption if such Holder has not presented such Series 2010 Obligations for payment of the redemption price within 60 days after the redemption date. Failure so to mail any such notice, or a defect in such notice, as to any Series 2010 Obligation shall not affect the validity of the proceedings for the redemption of any other Series 2010 Obligation, and failure to mail such second notice shall not affect the validity of the proceedings for the redemption of any Series 2010 Obligation.

(c) In addition to the notice called for in subsection (a), further notice shall be given by the Trustee as set out below, but no defect in said further notice or any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption or result in a breach of trust by the Trustee if notice thereof is given as above prescribed:

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Series 2010 Obligations being redeemed; (B) the date of execution and delivery of the Series 2010 Obligations as originally executed and delivered; (C) the rate of interest borne by each Series 2010 Obligation being redeemed; (D) the maturity date of each Series 2010 Obligation being redeemed; and (E) any other descriptive information needed to identify accurately the Series 2010 Obligations being redeemed.

(ii) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service or by facsimile or other electronic means to all registered securities depositories which are registered Holders of the Series 2010 Obligations then in the business of holding substantial amounts of obligations of types such as the Series 2010 Obligations.

ARTICLE IV
FORM OF SERIES 2010 OBLIGATIONS

The Series 2010 Obligations shall be substantially in the form set forth in the *Exhibit* hereto with such omissions, insertions and variations as are consistent with the provisions hereof.

ARTICLE V
REVENUES AND FUNDS

Section 5.1 Creation of Funds and Accounts. The Trustee shall create the Obligation Fund, which shall contain the following accounts: (i) the Interest Account, (ii) the Principal Account, (iii) the Debt Service Reserve Account and (iv) the Swap Provider Reimbursement Account. Such fund and accounts shall be held in trust for the benefit of the Holders and the Series 2010 Insurer, as their interests may appear.

Section 5.2 Application of Series 2010 Obligation Proceeds. The Trustee shall receive $_____, being the proceeds of the sale of the Series 2010 Obligations (including net original issue premium), net of underwriter's discount, from which (i) an amount equal to the Reserve Requirement shall be deposited into the Debt Service Reserve Account, (ii) $_____ shall be applied as follows with respect to the corresponding obligations of the City:

- Loan Agreement, dated as of December 1, 1992, with the predecessor of Water Infrastructure Finance Authority of Arizona;
- City Lease, dated as of March 1, 2006, from City of Avondale Municipal Development Corporation;
- City of Avondale, Arizona - Greater Arizona Development Authority Loan Water and Sewer Revenue Bonds (Projects of 1993), Series 1998, dated as of October 1, 1998, and
- Loan Agreement, dated December 17, 1999, with Water Infrastructure Finance Authority of Arizona; and

[Insert payoff detail]

and (iii) the balance of which shall be transferred by the Trustee to the City for deposit to the Costs of Issuance Fund.

Section 5.3 Flow of Funds Into the Obligation Fund. The following payments to the Trustee shall be applied in the following manner:

(i) The Trustee shall deposit to the Interest Account amounts paid pursuant to Section 3.3(ii)(A) of the Series 2010 Purchase Agreement and amounts received from Swap Providers. (Amounts transferred pursuant to Section 2.2(d) of the Series 2010 Purchase Agreement and Section 5.4(iii)(B) shall also be deposited into the Interest Account.)

(ii) The Trustee shall deposit to the Principal Account amounts paid pursuant to Section 3.3(iii) of the Series 2010 Purchase Agreement as well as the total of any amounts received for any redemption of 2010 Obligations. (Amounts transferred pursuant to Section 2.2(d) of the Series 2010 Purchase Agreement shall also be deposited in the Principal Account.)

(iii) The Trustee shall deposit to the Debt Service Reserve Account amounts paid pursuant to Section 3.3(iv) of the Series 2010 Purchase Agreement. No deposit need be made into the Debt Service Reserve Account if the amount on deposit therein plus the maximum amount of the Qualified Reserve Fund Instruments contained therein equals the Reserve Requirement.

(iv) The Trustee shall deposit to the Swap Provider Reimbursement Account amounts paid pursuant to Sections 3.3(ii)(B) and 3.3(v) of the Series 2010 Purchase Agreement.

Section 5.4 Flow of Funds Out of the Obligation Fund. Amounts in the following accounts shall be applied in the following manner:

(i) Amounts in the Interest Account shall be used to pay interest on the Series 2010 Obligations as it becomes due.

(ii) Amounts in the Principal Account shall be used to retire Series 2010 Obligations by payment at their scheduled maturity, mandatory redemption date or optional redemption date directed by the City Representative.

(iii) (A) Amounts in the Debt Service Reserve Account shall be used to pay the interest on, or to retire at their scheduled maturity or mandatory redemption date, the Series 2010 Obligations in the event that no other money of the City is available therefor or for the retirement (including by defeasance pursuant to Section 10.2) of all of the Series 2010 Obligations then Outstanding. If and to the extent that money has been deposited in the Debt Service Reserve Account, all such money shall be used (or investments purchased with such money shall be liquidated and the proceeds applied as required) prior to any drawing under a Qualified Reserve Fund Instrument. If and to the extent that more than one Qualified Reserve Fund Instrument is credited to the Debt Service Reserve Account in lieu of money, drawings under such Qualified Reserve Fund Instruments shall be made on a *pro-rata* basis (calculated by reference to the policy, surety or other similar limits or maximum amounts available thereunder) after applying all available money in the Debt Service Reserve Account.

(B) If on July 2 of any year the amount in the Debt Service Reserve Account exceeds an amount equal to the Reserve Requirement and if the City is not then in default under the Series 2010 Purchase Agreement, the Trustee shall withdraw the amount of any such excess from such account and shall apply such amount, first and on a *pro-rata* basis, to pay amounts due with respect to any Qualified Reserve Fund Instruments, including by transferring *pro-rata* amounts in the appropriate "reimbursement funds" established to reimburse the providers of any Qualified Reserve

Fund Instruments for any payments made by the providers thereof until the corresponding costs with respect thereto are paid, and second, as a deposit to the Interest Account.

(iv) Moneys in the Swap Provider Reimbursement Account shall be used to pay Regularly Scheduled Payments[, Insured Early Termination Payments**???**] and the Non-Scheduled Payments as required by the terms of any Derivative Product.

Section 5.5 Investment of Moneys Held by Trustee.

(a) Moneys in all funds and accounts held by the Trustee shall be invested by the Trustee, as soon as possible upon receipt of immediately available funds at its designated corporate trust office, to the fullest amount possible in Permitted Investments as directed, in writing, by the City; provided that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof. In the event no investment direction is given to the Trustee by the City, then the Trustee shall invest moneys in investments described in paragraph 3 of the definition of Defeasance Obligations.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made and (ii) the Trustee maintains separate records for each fund and account and such investments are accurately reflected therein.

(c) The Trustee may make any investment permitted by this Section, through or with its own commercial banking or investment departments unless otherwise directed by the City Representative.

(d) In computing the amount in any fund or account, Permitted Investments purchased as an investment of moneys therein shall be valued as follows:

(i) For securities:

(A) the closing bid price quoted by Interactive Data Projects, Inc.; or

(B) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(C) the lower of two dealer bids on the valuation date. The dealers or their parent holding companies must

be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued.

(ii) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest and

(iii) As to any investment not specified above: the value thereof established by prior agreement between the City and the Trustee.

(e) The Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made.

(f) (i) The Trustee shall not knowingly make any investment at a *"yield"* in excess of the maximum yield, if any, stated with respect to the source of moneys therefor in any arbitrage or other similar certificate executed and delivered pursuant to section 148 of the Code or any successor section of the Code, issued in connection with the execution and delivery of the Series 2010 Obligations except during any *"temporary period"* stated in any arbitrage or other certificate, and the Trustee shall make and keep appropriate records of such investments, yields and temporary periods as required by section 148 of the Code or any successor section thereof. Notwithstanding the foregoing, investments may be made at a higher *"yield"* or for a different *"temporary period"* or both in accordance with written instructions of Special Counsel filed with and addressed to the Trustee.

(ii) Neither the Trustee nor the City shall knowingly use or direct or permit the use of any moneys of the City in its possession or control in any manner which would cause any Series 2010 Obligation to be an *"arbitrage obligation"* within the meaning ascribed to such term in section 148 of the Code, or any successor section of the Code.

Section 5.6 Liability of Trustee for Investments. The Trustee shall not be liable for any loss resulting from the making of any investment made in accordance with the provisions hereof, except for its own negligence, willful misconduct or breach of trust.

Section 5.7 Investment Income. Except as otherwise provided herein, interest income and gain received, or loss realized, from investments or moneys in any fund or account shall be credited, or charged, as the case may be, to such respective fund or account.

ARTICLE VI
CERTAIN COVENANTS

Section 6.1 Payment of Principal and Interest. Subject to the limited liability and sources of payment specified herein, the Series 2010 Obligations shall be promptly paid in the amounts due at the place, on the dates and in the manner provided herein and in said Series 2010 Obligations according to the terms thereof. The amounts due on the Series 2010 Obligations are payable solely from moneys held or received by the Trustee hereunder, all of which are hereby specifically assigned and pledged to such payment in the manner and to the extent specified herein and nothing herein or in the Series 2010 Obligations shall be construed as assigning or pledging any other funds or assets of the City.

Section 6.2 Performance of Covenants. Subject to the limited liability and sources of payment described herein and except to the extent assigned to the Trustee hereunder, the City shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Series 2010 Obligation executed, authenticated and delivered hereunder and in all proceedings of the City pertaining thereto.

Section 6.3 Instruments of Further Assurance. The City shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Trustee all interests, revenues and receipts pledged hereby to the payment of the principal of and premium, if any, and interest on the Series 2010 Obligations in the manner and to the extent contemplated herein.

Section 6.4 Rights under Series 2010 Purchase Agreement. The Trustee may enforce all rights under the Series 2010 Purchase Agreement for and on behalf of the Holders, whether or not the City is then in default hereunder.

Section 6.5 Protection of Lien. The City shall not make or create or agree to permit to be made or created any assignment or lien on a parity with or having priority or preference over the assignment and lien hereof upon the interests granted hereby or any part thereof except as otherwise specifically provided in the Series 2010 Purchase Agreement. No obligation the payment of which is secured by property or revenues pledged hereunder shall be executed and delivered by the City except in lieu of, or upon transfer of registration or exchange of, any Series 2010 Obligation as provided in the Series 2010 Purchase Agreement.

Section 6.6 Arbitrage. The City shall not knowingly take any action or fail to take any action with respect to investment of moneys under this Series 2010 Obligation Indenture which would result in the Series 2010 Obligations being "arbitrage bonds" within the meaning of section 148 of the Code. The City shall comply with and take all actions required by any arbitrage or similar certificate and will continue to do so notwithstanding any satisfaction or discharge of this Series 2010 Obligation Indenture.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following is hereby declared an *"Indenture Event of Default"* hereunder:

(i) If payment of any installment of interest on any Series 2010 Obligation shall not be made in full when the same becomes due and payable;

(ii) If payment of the principal or redemption premium, if any, on any Series 2010 Obligation shall not be made in full when the same becomes due and payable;

(iii) If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of all or any part of the interests pledged hereunder and such custody or control shall continue for more than 60 days;

(iv) If the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions on its part to be performed as provided herein or in the Series 2010 Obligations and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Trustee, unless within such 30 days the City shall have commenced and be diligently pursuing in good faith appropriate corrective action to the satisfaction of the Trustee; the Trustee may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25% in principal amount of the Series 2010 Obligations then Outstanding; or

(v) If any event of default provided by Section 7.1 of the Series 2010 Purchase Agreement occurs.

Section 7.2 Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Indenture Event of Default and in accordance with Article VII hereof and Article VII of the Series 2010 Purchase Agreement, the Trustee may, and upon the written request of the Holders of not less than a majority in principal amount of the Series 2010 Obligations Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Holders hereunder and the Series 2010 Obligations by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to, an action for the recovery of any amounts due hereunder or for damages for the breach of this Indenture, and the Trustee may pursue any other remedy which the law affords, including the remedy of specific performance. The Trustee shall also have those remedies provided pursuant to Article VII of the Series 2010 Purchase Agreement, subject to any limitations on such remedies set forth in such Article VII.

(b) Regardless of the happening of an Indenture Event of Default and subject to Section 7.7, the Trustee, if requested in writing by the Holders of not less than a majority in principal amount of the Series 2010 Obligations then Outstanding shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions hereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Series 2010 Obligations not making such request.

Section 7.3 No Acceleration. In no event shall the Trustee have the right to accelerate or cause to become immediately due and payable or payable in advance of their scheduled maturity dates, other than because of optional redemption pursuant hereto and then only to the extent of the amount to be so redeemed and only pursuant to Article III hereof, amounts due hereunder.

Section 7.4 Application of Revenues and Other Moneys After Default.

(a) During the continuance of an Indenture Event of Default all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the Obligation Fund, and all amounts held by the Trustee hereunder shall be applied as follows; provided, that if the amount available shall not be sufficient to pay in full any amount or amounts then due, then to the payment thereof ratably in a manner consistent with Section 3.3 of the Purchase Agreement, according to the amounts due to the Persons entitled thereto, without any discrimination or preference:

First: To the payment to the Persons entitled thereto of all installments of interest (including interest on amounts unpaid when due on the Series 2010 Obligations) and payment of Regularly Scheduled Payments then due;

Second: To the payment to the Persons entitled thereto of the unpaid Principal Installments or redemption price of any Series 2010 Obligations which shall have become due, whether at maturity or by call for redemption in the order of their due dates; and

Third: To the payment of Non-Scheduled Payments, if any, due to a Swap Provider pursuant to a Derivative Product.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal of the Series 2010 Obligations to be paid on such dates shall cease to accrue. The Trustee shall give

such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Series 2010 Obligation until such Series 2010 Obligation shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

(c) Whenever all principal of and interest on the Series 2010 Obligations which has become due has been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid and the Obligation Fund contains the amounts then required to be credited thereto, any balance remaining shall be paid to the City.

Section 7.5 Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Trustee or the Holders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute on or after the date hereof.

Section 7.6 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Series 2010 Obligations may be enforced by the Trustee, without the possession of any of the Series 2010 Obligations or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding may be brought without the necessity of joining as plaintiffs or defendants any Holders of the Series 2010 Obligations. Subject to the provisions of Section 7.4, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Series 2010 Obligations.

Section 7.7 Individual Holder Action Restricted.

(a) No Holder of any Series 2010 Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder except for the right to institute any suit, action or proceeding in equity or at law for the enforcement of the Trustee's duties and powers hereunder upon the occurrence of all of the following events:

(i) The Holders of at least a majority in principal amount of Series 2010 Obligations Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted herein; and

(ii) Such Holders shall have offered the Trustee indemnity as provided in Section 8.2(v); and

(iii) The Trustee shall have failed or refused to exercise the duties or powers herein granted for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) During such 60 day period no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a greater majority in principal amount of Series 2010 Obligations then Outstanding.

(b) No one or more Holders of Series 2010 Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Series 2010 Obligations Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Series 2010 Obligation (i) to receive payment of the principal of or premium, if any, or interest on such Series 2010 Obligation, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Series 2010 Obligation may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the moneys, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Series 2010 Obligations.

Section 7.8 Termination of Proceedings. In case any proceeding taken on account of an Indenture Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Holders, then the City, the Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights and powers of the Trustee and the Holders shall continue as if no such proceeding had been taken.

Section 7.9 Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any Holder of the Series 2010 Obligations to exercise any right or power accruing upon any Indenture Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Indenture Event of Default or an acquiescence therein. Every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive in writing any Indenture Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) In case of any waiver by the Trustee of an Indenture Event of Default hereunder, the City, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Indenture Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Indenture Event of Default in accordance with this Section.

Section 7.10 Notice of Default.

(a) Within 30 days after (i) the occurrence of an Indenture Event of Default under Section 7.1(a)(i) or (ii) which the Trustee is deemed to have notice, or (ii) receipt,

in writing or otherwise, by the Trustee of actual knowledge or notice of an Indenture Event of Default under Section 7.1(a)(iii), (iv) or (v), the Trustee shall, unless such Indenture Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Holder of a Series 2010 Obligation then Outstanding, provided that, except in the case of a default in the payment of Principal Installments or the redemption price of or interest on any of the Series 2010 Obligations, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Holders.

(b) The Trustee shall immediately notify the City of (i) the occurrence of an Indenture Event of Default under Section 7.1(a)(i) or (ii) and (ii) when the Trustee has received actual knowledge or notice, in writing or otherwise, of an Indenture Event of Default under Section 7.1(a)(iii), (iv) or (v).

Section 7.11 Limitation of Liability.

(a) Except for the payment of amounts pursuant to the Series 2010 Purchase Agreement when due and the performance of the other covenants and agreements of the City contained in the Series 2010 Purchase Agreement and herein, the City shall have no pecuniary obligation or liability to any of the other parties or to the Holders with respect to this Series 2010 Obligation Indenture or the terms, execution, delivery or transfer of the Series 2010 Obligations, or the distribution of applicable portion of the Purchase Price to the Holders by the Trustee.

(b) The City shall not have any obligation or liability to any of the other parties or to the Holders with respect to the performance by the Trustee of any duty imposed upon it under this Series 2010 Obligation Indenture; nor shall the Trustee have any obligation or liability to any of the other parties or to the Holders with respect to the performance by the City of any duty imposed upon them under this Series 2010 Obligation Indenture.

Section 7.12 Limitations on Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Holders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Holders shall be entitled, as above set forth, to every other right and remedy provided in this Series 2010 Obligation Indenture and, to the extent consistent with the provisions of this Series 2010 Obligation Indenture, by law.

ARTICLE VIII
THE TRUSTEE

Section 8.1 Certain Duties and Responsibilities.

(a) Except during the continuance of an Indenture Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Series 2010 Obligation Indenture, and no

implied covenants or obligations shall be read into this Series 2010 Obligation Indenture against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, 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 Series 2010 Obligation Indenture; but in the case of any such certificates or opinions which are required by any provision hereof or of the Series 2010 Purchase Agreement, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Series 2010 Obligation Indenture or the Series 2010 Purchase Agreement.

(b) In case an Indenture Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Series 2010 Obligation Indenture, and use the same degree of care and skill in their exercise, as a prudent corporate indenture trustee would exercise or use under the circumstances.

(c) No provision of this Series 2010 Obligation Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or breach of trust, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith and without negligence by a president or vice-president of the board of directors, the president or vice-president of the executive committee of the board of directors, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence in accordance with the direction of the Holders of the Outstanding Series 2010 Obligations as provided herein 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 Series 2010 Obligation Indenture and

(iv) no provision of this Series 2010 Obligation Indenture 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. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment

properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the City for all reasonable costs, expenses, attorneys' and other fees, and all other reasonable disbursements, including its own fees, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence, willful misconduct or breach of trust.

(d) Whether or not therein expressly so provided, every provision of this Series 2010 Obligation Indenture 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 8.2 Certain Rights of Trustee. Except as otherwise provided in Section 8.1:

(i) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, obligation, note or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(ii) Any request or direction of the City mentioned herein shall be sufficiently evidenced by a certificate of the City Representative, and any action of the Mayor and Council of the City may be sufficiently evidenced by a copy of a resolution certified by the Clerk or Assistant Clerk of the City to have been duly adopted by the Mayor and Council of the City and to be in full force and effect on the date of such certification and delivered to the Trustee.

(iii) Whenever in the administration of this Series 2010 Obligation Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee(unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of the City Representative, respectively.

(iv) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(v) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Series 2010 Obligation Indenture at the request or direction of any of the Holders pursuant to this Series 2010 Obligation Indenture unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(vi) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, obligation, note or other paper

or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Trustee may engage agents and attorneys to assist it in executing any of the trusts or powers hereunder or performing any duties hereunder and shall not be liable for the negligence or misconduct of such agents and attorneys so long as the Trustee exercises due care in the selection thereof.

(viii) The Trustee shall not be responsible for the recording or filing of any documents relating to the Series 2010 Purchase Agreement.

Section 8.3 Employment of Experts. The Trustee is hereby authorized to employ as its agents such attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Trustee), as it reasonably may deem necessary to assist it to carry out any of its obligations hereunder, and shall be reimbursed by the City for all reasonable expenses and charges in so doing.

Section 8.4 Enforcement of Performance by Others. Except as provided in Section 8.1 or otherwise specifically provided herein, it shall not be the duty of the Trustee to see that any duties and obligations herein imposed upon the City are performed.

Section 8.5 Right to Deal in Series 2010 Obligations and Take Other Actions. The Trustee may in good faith buy, sell or hold and deal in any Series 2010 Obligations with like effect as if it were not such Trustee and may commence or join in any action which a Holder is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof or of the Series 2010 Purchase Agreement is to be construed to limit or restrict the right of the Trustee to engage in such business with the City or any Holder. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required hereby and by the Series 2010 Purchase Agreement, constitute a breach of trust on the part of the Trustee, but neither shall engaging in such business abrogate, alter or diminish any duty or obligation of the Trustee as Trustee hereunder.

Section 8.6 Removal and Resignation of Trustee.

(a) The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the City and any Paying Agents and by mailing written notice of the resignation to the Holders as their names and addresses appear on the register it maintains with respect to the Series 2010 Obligations at the close of business fifteen days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

(b) 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 and any Paying Agents and signed by (i) the City Representative or (ii) by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Series 2010 Obligations then Outstanding. 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 Indenture with respect to the duties and obligations of the Trustee by an instrument signed by the City or by any court of competent jurisdiction upon the application of the City, or the Holders of not less a majority in aggregate principal amount of the Series 2010 Obligations then Outstanding under this Indenture. Any removal shall not take effect until a successor Trustee shall have been appointed. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation or removal is given, the Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

(c) In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the City shall be entitled to appoint a successor Trustee acceptable to the City.

(d) If the Holders of a majority of the principal amount of Series 2010 Obligations then Outstanding object to the successor Trustee so appointed by the City and if such Holders designate another Person qualified to act as the Trustee, the City shall then appoint as the Trustee the Person so designated by the Holders.

(e) Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall be a trust company or bank having the powers of a trust company as to trusts, qualified to do trust business in the State and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least $75,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(f) Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, power and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

(g) Each successor Trustee, not later than ten days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Holder of a Series 2010 Obligation.

(h) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be

eligible as a successor Trustee hereunder and shall be the successor to such Trustee without the execution or filing of any paper or any further act.

Section 8.7 Proof of Claim. The Trustee shall have the right and power to take actions in the name and place of the City or Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all of the Holders.

Section 8.8 Trustee's Fees and Expenses.

(a) The Trustee shall be entitled to be paid from time to time reasonable compensation for all services rendered by it hereunder; to reimbursement upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Series 2010 Obligation Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct or breach of trust; and to be indemnified by the City, for, from and against any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust or its duties hereunder. The Trustee's right to indemnity shall not extend to claims, suits and actions successfully brought against the Trustee for, or losses, liabilities or expenses incurred as a result of the Trustee's own negligence, bad faith, willful misconduct or breach of trust. In the event any action or proceeding is instituted or pending against the Trustee by reason of or in connection with the acceptance or administration of this trust or the Trustee's duties hereunder, the City may, at its election, assume the defense of any such action or proceeding with counsel satisfactory to the Trustee. If any such action or proceeding includes any claims alleging the Trustee's own negligence, bad faith, willful misconduct or breach of trust, the Trustee shall reimburse the City its expenses (including reasonable attorneys' fees), if any, of assuming the defense of such action or proceeding if it is determined by a final judgment of a court of competent jurisdiction that the Trustee is not entitled to be indemnified as authorized in this Section. Any settlement of any such action or proceeding shall not, of itself, create a presumption as to the merits of any claims alleging the Trustee's own negligence, bad faith, willful misconduct or breach of trust. The Trustee's rights to compensation, reimbursement and indemnity while serving as Trustee hereunder shall survive resignation or removal of the Trustee or discharge of the Series 2010 Obligation Indenture.

(b) Any provision hereof to the contrary notwithstanding, if the City fails to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any surplus moneys on hand in any fund or account created pursuant hereto.

Section 8.9 Destruction of Series 2010 Obligations. Upon payment of or surrender to the Trustee for cancellation of any Series 2010 Obligation, the Trustee shall destroy such Series 2010 Obligation.

Section 8.10 Reports. The Trustee shall quarterly, or at such other intervals as the Trustee and the City shall from time to time agree upon (but in no event more frequently than monthly), prepare and submit to the City reports covering all moneys received and all payments, expenditures and investments made as the Trustee hereunder since the last previous such report.

Section 8.11 Separate or Co-Trustee.

(a) At any time or times, solely for the purpose of meeting any legal requirements of any jurisdiction other than Arizona, the City and the Trustee shall have power to appoint, and, upon the request of the Trustee or of the Holders of at least a majority in principal amount of Series 2010 Obligations then Outstanding and the City shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons, approved by the Trustee and, unless an Indenture Event of Default has occurred and is continuing, reasonably acceptable to the City, either to act as co-trustee or co-trustees, jointly with the Trustee of all or any part of the pledged property, or to act as separate trustee or separate trustees of all or any part of the pledged property, and to vest in such Person or Persons, in such capacity, such title to the pledged property or any part thereof, and such rights, powers, duties, trusts or obligations as the City and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

(b) If the City shall not have joined in such appointment within 30 days after the receipt by it of a request so to do, or in case an Indenture Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

(c) The City shall execute, acknowledge and deliver all such instruments as may reasonably be required by any such co-trustee or separate trustee for more fully and certainly vesting in such co-trustee or separate trustee the Series 2010 Property, rights, powers and duties intended to be vested in such co-trustee or separate trustee.

(d) Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(i) The Series 2010 Obligations shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations hereby conferred upon the Trustee in respect to the custody, control and management of moneys, papers, securities and other personal property shall be exercised, solely by the Trustee.

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(iii) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee and such co-trustee or separate trustee shall abide by such request.

(iv) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(v) The Trustee may at any time, by any instrument in writing, with the concurrence of the City, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Indenture Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee. Upon the request of the Trustee, the City shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.

(vi) No Trustee or any Paying Agent hereunder shall be personally liable by reason of any act or omission of any other trustee or paying agent hereunder, nor will the act or omission of any trustee or paying agent hereunder be imputed to any other trustee or paying agent.

(vii) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(viii) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

(e) Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested jointly with the Trustee(except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) with such title to the pledged property or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment subject to all the terms hereof. Every such acceptance shall be filed with the Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing signed by the Trustee and any co-trustee or separate trustee, constitute the Trustee, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

(f) In case any co-trustee or separate trustee shall dissolve, cease to exist, become incapable of acting, resign or be removed, the title to the pledged property, and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 8.12 Recitals and Representations.

(a) The recitals, statements and representations contained herein, or in any Series 2010 Obligation (excluding the Trustee's authentication on the Series 2010 Obligations or any recitals or representations concerning the Trustee or its powers) shall not be taken or construed as made by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

(b) The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof, of the Series 2010 Obligations, or the validity or sufficiency of insurance to be provided or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. Except as to defaults described in Sections 7.1(a)(i) and (ii) of which the Trustee is deemed to have notice, the Trustee shall have no duty of inquiry with respect to any default or Events of Default described herein without actual knowledge of or receipt by the Trustee of written notice of a default or an Indenture Event of Default from any Holder.

(c) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or other disclosure or sales material prepared or distributed in connection with the execution and delivery of the Series 2010 Obligations.

ARTICLE IX
SUPPLEMENTS TO INDENTURE AND AMENDMENTS TO SERIES 2010 PURCHASE AGREEMENTS

Section 9.1 Supplements not Requiring Consent of Holders. The City acting through the City Representative and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more supplements for one or more of the following purposes:

(i) To cure any ambiguity or formal defect or omission herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein, or, to make any other provisions with respect to matters or questions arising hereunder provided such action shall, in the opinion of the Trustee, not materially adversely affect the interests of the Holders;

(ii) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(iii) To secure additional revenues or provide additional security or reserves for payment of the Series 2010 Obligations or to add a Qualified Reserve Fund Instrument and necessary, related provisions therefor;

(iv) To comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder;

(v) To provide for the appointment of a successor trustee or co-trustee pursuant to the terms of Section 8.6 and Section 8.11;

(vi) To permit Series 2010 Obligations in bearer form if the City and the Trustee receive a Special Counsel's Opinion that such action will not cause the interest on any Series 2010 Obligations to become includible in gross income for purposes of federal income taxes;

(vii) To preserve the exclusion of the interest on the Series 2010 Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur obligations (specifically not limited to the Series 2010 Obligations authorized hereby) the interest on which is likewise exempt from federal and State income taxes and

(viii) To adopt procedures for the disclosure of information to Holders and to others in accordance with any guidelines for such purpose promulgated by the American Bankers Association or some other similar national organization, as such guidelines may be made applicable to this Series 2010 Obligation Indenture by agreement of the Trustee and the City.

(While the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer shall be provided with written notice of any such supplement by the means provided in Article XII.)[**???**]

Section 9.2 Supplements Requiring Consent of Holders.

(a) Other than supplements referred to in Section 9.1 and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Holders of not less than a majority in principal amount of the Series 2010 Obligations then Outstanding and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer[**???**], shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by the City and the City Representative and the Trustee of such supplement as shall be deemed necessary and desirable by the City and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular respect, any of the terms or provisions contained herein; provided, however, nothing in this Section or Section 9.1 shall permit or be construed as permitting a supplement which would:

(i) extend the stated maturity of or time for paying interest on any Series 2010 Obligation or reduce the principal amount of or rate of interest payable on any Series 2010 Obligation without the consent of the Holder of such Series 2010

Obligation and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer[**???**];

(ii) prefer or give a priority to any Series 2010 Obligation over any other Series 2010 Obligation without the consent of the Holder of such Series 2010 Obligation and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer[**???**];

(iii) reduce the principal amount of Series 2010 Obligations then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Series 2010 Obligations then Outstanding and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer[**???**];

(iv) increase the principal amount of Series 2010 Obligations then Outstanding, the request of the Holders of which is required by Section 7.1(iv), without the consent of the Holders of all Series 2010 Obligations then Outstanding and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer[**???**]; or

(v) reduce the redemption price of any Series 2010 Obligation upon optional redemption or reduce any period of time prior to commencement of any optional redemption period set forth in Section 3.2 without the consent of the Holders of such Series 2010 Obligation and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer[**???**].

(b) If at any time the City shall request the Trustee to enter into a Supplement pursuant to this Section, the Trustee shall, upon being satisfactorily and specifically indemnified by the City with respect to expenses with respect to such Supplement, cause notice of the proposed execution of such Supplement to be mailed by first class mail, postage pre-paid, to all registered Holders of Series 2010 Obligations then Outstanding at their addresses as they appear on the registration books herein provided for and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer by the means provided in Article XII. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail, or the failure of such Holder to receive, the notice required by this Section, and any such failure shall not affect the validity of such Supplement when consented to and approved as provided in this Section. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

(c) If within such period as shall be prescribed by the City or the Corporation, following the mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the principal amount or number of Series 2010 Obligations specified in subsection (a) for the Supplement in question which instrument or instruments shall refer to the proposed Supplement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer, thereupon, but not otherwise, the Trustee and the City may execute such Supplement in substantially such form, without liability or responsibility to any Holder of any Series 2010 Obligation, whether or not such Holder shall have consented thereto.

(d) Any such consent shall be binding upon the Holder of the Series 2010 Obligation giving such consent and upon any subsequent Holder of such Series 2010 Obligation and of any Series 2010 Obligation executed and delivered in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Series 2010 Obligation giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the execution by the Trustee of such Supplement, such revocation. At any time after the Holders of the required principal amount or number of Series 2010 Obligations and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer, shall have filed their consents to the Supplement, the Trustee shall make and file with the City a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required amount or number of the Series 2010 Obligations Outstanding and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer, shall have consented to and approved the execution of such Supplement as herein provided, no Holder of any Series 2010 Obligation shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

(f) S&P and Moody's, if maintaining a rating on the Series 2010 Obligations, shall be provided a copy of any proposed supplement or any amendment to the Series 2010 Purchase Agreement at least 15 days prior to the execution of such Supplement or amendment.

Section 9.3 Execution and Effect of Supplements.

(a) In executing any Supplement permitted by this Article, the Trustee and the City shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted hereby. The Trustee may but shall not

be obligated to enter into any such Supplement which affects the Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplement in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplement shall form a part hereof for all purposes and every Holder of a Series 2010 Obligation theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Series 2010 Obligation authenticated and delivered after the execution and delivery of any Supplement in accordance with this Article may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such Supplement. If the Trustee shall so determine, upon advice of Special Counsel, new Series 2010 Obligations so modified as to conform in the opinion of the Trustee to any such Supplement may be executed and delivered by the Trustee in exchange for and upon surrender of Series 2010 Obligations then Outstanding.

Section 9.4 Amendments to Series 2010 Purchase Agreement Not Requiring Consent of Holders. The Trustee may, without the consent of or notice to any of the Holders consent to and join with the City in the execution and delivery of any amendment, change or modification of the Series 2010 Purchase Agreement as may be required (i) by the provisions thereof; (ii) to cure any ambiguity or formal defect or omission therein or to correct or supplement any provision therein which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising thereunder provided such action shall, in the opinion of the Trustee, not materially adversely affect the interests of the Holders; (iii) to add a Qualified Reserve Fund Instrument and necessary, related provisions therefor so long as any payments with regard thereto are paid no sooner or in an amount greater than *pro-rata* with amounts required to be paid pursuant to Section 3.3(iv) of the Series 2010 Purchase Agreement and (iv) to preserve the exclusion of the interest on the Series 2010 Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur bonds or other obligations (specifically not limited to the Series 2010 Obligations authorized hereby) the interest on which is likewise exempt from federal and State income taxes in connection with any other change therein, which in the opinion of the Trustee will not materially adversely affect the interests of the Holders or the Trustee. (While the Series 2007 Policy is in effect and the Series 2007 Bond Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2007 Bond Insurer shall be provided with written notice of any such amendment, change or modification by the means provided in Article XII.)

Section 9.5 Amendments to Series 2010 Purchase Agreement Requiring Consent of Holders.

(a) Except for amendments, changes or modification to the Series 2010 Purchase Agreement referred to in Section 9.4 hereof and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Trustee may consent to and join with the City in the execution and delivery of any amendment, change or modification to the Series 2010 Purchase Agreement only upon the consent of not less than a majority in

principal amount of Series 2010 Obligations then Outstanding, given as provided in this Section, provided, however, no such amendment, change or modification may affect the obligation of the City to make payments under the Series 2010 Purchase Agreement or reduce the amount of or extend the time for making such payments without the consent of the Holders of all Series 2010 Obligations then Outstanding and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer.

(b) If at any time the City shall request the consent of the Trustee to any such amendment, change or modification to the Series 2010 Purchase Agreement, the Trustee shall, upon being satisfactorily indemnified by the City with respect to expenses, cause notice of the proposed amendment, change or modification to be given in the same manner as provided in Section 9.2 with respect to Supplements hereto. Such notice shall briefly set forth the nature of the proposed amendment, change or modification and shall state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

(c) If the consent to and approval of the execution of such amendment, change or modification is given by the Holders of not less than the aggregate principal amount or number of Series 2010 Obligations specified in subsection (a) within the time and in the manner provided by Section 9.2 with respect to Supplements hereto and, while the Series 2010 Policy is in effect and the Series 2010 Insurer is not in default or contesting its obligations thereunder and is not in bankruptcy, receivership, insolvency or similar proceedings, the Series 2010 Insurer, but not otherwise, such amendment, change or modification may be consented to, executed and delivered upon the terms and conditions and with like binding effect upon the Holders as provided in Section 9.2 and Section 9.3 with respect to Supplements hereto.

ARTICLE X
SATISFACTION AND DISCHARGE

Section 10.1 Discharge.

(a) If payment of all principal of and premium, if any, and interest on all of the Series 2010 Obligations in accordance with their terms and as provided herein and in Section 3.7 of the Series 2010 Purchase Agreement is made, or is provided for in accordance with this Article, and if all other sums, if any, payable hereunder shall be paid, then the liens, estates and security interests granted hereby shall cease. Thereupon, upon the request of the City, and upon receipt by the Trustee of an Opinion of Counsel addressed to the City and the Trustee stating that all conditions precedent to the satisfaction and discharge of the lien hereof have been satisfied, the Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien hereof and the Trustee shall transfer all property held by it hereunder, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the Series 2010 Obligations and to the City or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection herewith.

(b) The City may at any time surrender to the Trustee for cancellation any Series 2010 Obligations previously executed and delivered which the City may have acquired in any manner whatsoever and such Series 2010 Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.2 Providing for Payment of Series 2010 Obligations.

(a) Payment of all or any part of the Series 2010 Obligations in authorized denominations may be provided for by the deposit with the Trustee or a Depository Trustee of moneys or Defeasance Obligations which are not redeemable in advance of their maturity dates. Amounts in the Debt Service Reserve Account may be included as part of such deposit only if all of the Series 2010 Obligations are to be defeased. The moneys and the maturing principal and interest income on such Defeasance Obligations, if any, shall be sufficient, as evidenced by a certificate of an independent nationally recognized certified public accountant or firm of such accountants acceptable to the Trustee or such Depository Trustee, to pay when due the principal or redemption price of and interest on such Series 2010 Obligations. The moneys and Defeasance Obligations shall be held by the Trustee or such Depository Trustee irrevocably in trust for the Holders of such Series 2010 Obligations solely for the purpose of paying the principal or redemption price of and interest on such Series 2010 Obligations as the same shall mature, come due or become payable upon redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable to the Trustee or such Depository Trustee as to the dates upon which any such Series 2010 Obligations are to be redeemed prior to their respective dates.

(b) Notwithstanding the foregoing, no deposit under subsection (a) above shall be deemed a payment of such Series 2010 Obligation as aforesaid until the earlier of: (i) proper notice of redemption of such Series 2010 Obligation shall have been given in accordance with the provisions of Section 3.6 or, in the event said Series 2010 Obligation is not to be redeemed within the next succeeding sixty (60) days, until the City shall have given the Trustee irrevocable instructions in form satisfactory to the Trustee, to notify, as soon as practicable, the Holder of such Series 2010 Obligation in accordance with Section 3.6, that the deposit required by subsection (a) has been made with the Trustee and that said Series 2010 Obligation is deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption price, if any, on said Series 2010 Obligation, plus interest thereon to the due date or redemption date thereof or (ii) the maturity of such Series 2010 Obligation.

(c) If payment of Series 2010 Obligations is so provided for, the Trustee or the Depository Trustee shall mail a notice so stating to each Holder of an Series 2010 Obligation so provided for.

(d) Series 2010 Obligations, the payment of which has been provided for in accordance with this Section, shall no longer be deemed Outstanding hereunder or secured hereby. The obligation in respect of such Series 2010 Obligations shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the moneys or Defeasance Obligations deposited with the Trustee or the Depository Trustee to provide for the payment of such Series 2010 Obligations.

(e) No Series 2010 Obligation may be so provided for if, as a result thereof or of any other action in connection with which the provisions for payment of such Series 2010 Obligation is made, the interest payable on any Series 2010 Obligation is made includible in gross income for purposes of federal income taxes. The Trustee and the City may rely upon a Special Counsel's Opinion to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Series 2010 Obligations.

Section 10.3 Payment of Series 2010 Obligations After Discharge. Notwithstanding the discharge of the lien hereof as in this Article provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Series 2010 Obligations and the registration, transfer, exchange and replacement of Series 2010 Obligations as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of or premium, if any, or interest on any Series 2010 Obligation remaining unclaimed for two years after the same shall become due and payable at maturity by declaration as provided herein, shall then be paid to the City and the Holders of any Series 2010 Obligations not theretofore presented for payment shall thereafter be entitled to look only to the City for payment thereof and all liability of the Trustee or any Paying Agent with respect to such moneys shall thereupon cease.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Evidence of Acts of Holders.

(a) Any request, direction, consent or other instrument provided hereby to be signed and executed by the Holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Series 2010 Obligations, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Trustee and the City, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(i) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(ii) The ownership of Series 2010 Obligations shall be proved by the register of such Series 2010 Obligations.

(b) Nothing in this Section shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient.

(c) Any action taken or suffered by the Trustee pursuant to any provision hereof, upon the request or with the assent of any Person who at the time is the Holder of any Series 2010 Obligation or Series 2010 Obligations, shall be conclusive and binding upon all future Holders of the same Series 2010 Obligation or Series 2010 Obligations.

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2010 Obligation Indenture or the Series 2010 Obligations is intended or shall be construed to give to any Person other than the parties hereto, the City and the Holders of the Series 2010 Obligations any legal or equitable right, remedy or claim under or in respect to this Series 2010 Obligation Indenture or any covenants, conditions and provisions herein contained.

Section 11.3 Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Series 2010 Obligations executed and delivered pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 11.4 Holidays. When the date on which principal of or interest or premium on any Series 2010 Obligation is due and payable is not a Business Day, payment may be made on Series 2010 Obligations presented at such place of payment on the next Business Day with effect as though payment were made on the due date, and, if such payment is made, no additional interest shall accrue from and after such due date. When any other action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with effect as though performed on the appointed day or within the specified period.

Section 11.5 Governing Law. This Series 2010 Obligation Indenture and the Series 2010 Obligations are contracts made under the laws of the State and shall be governed and construed in accordance with such laws.

Section 11.6 Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to the Trustee, addressed to it at _____. _____, _____, _____ _____, Attention: Corporate Trust Services;

(ii) If to the registered Holder of a Series 2010 Obligation, addressed to such Holder at the address shown on the registration books kept pursuant hereto;

(iii) If to the City, addressed to it at 11465 West Civic Center Drive, Avondale, Arizona 85323, Attention: Finance and Budget Director;

(iv) If to Moody's, addressed to it at 7 World Trade Center, 23rd Floor, 250 Greenwich Street, New York, New York 10007, Attention: Municipal Department - Structured Finance Group;

(v) If to S&P, addressed to it at 55 Water Street, New York, New York 10041 and

(vi) If to Fitch, addressed to it at One State Street Plaza, New York, New York 10004.

(b) The parties listed above may from time to time by notice in writing to the others designate a different address or addresses for notices hereunder.

Section 11.7 Counterparts. This Series 2010 Obligation Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one instrument.

Section 11.8 Waiver of Personal Liability. No director, officer, agent, financial advisor, counsel or employee of the City shall be individually or personally liable for the payment of the principal amount or redemption price of or interest on the Series 2010 Obligations; but nothing herein contained shall relieve any such director, officer, agent, financial advisor, counsel or employee from the performance of any official duty provided by law.

Section 11.9 Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein. Except as provided herein, the trust under this Series 2010 Obligation Indenture shall not be assigned to any other person, corporation, partnership or trustee unless the Trustee is required by law to divest, or does divest, itself of its trust department or unless the Trustee shall sell or assign substantially all of its corporate trust business in which event the trust hereunder shall be continued by the Trustee's successor in interest.

Section 11.10 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Trustee acknowledges that this Series 2010 Obligation Indenture is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the City may within three (3) years after its execution cancel any contract (including this Series 2010 Obligation Indenture) without penalty or further obligation made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the E-verify requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Trustee of the foregoing shall be deemed a material breach of this Series 2010 Obligation Indenture and may result in the termination of the services of the Trustee by the City. The City retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the City. The Trustee shall cooperate with the random inspections by the City including granting the City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Sections 35-391.06 and 35-393.06, Arizona Revised Statutes, as amended, the Trustee certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this subsection, the term "scrutinized business operations" shall have the meanings set forth in Section 35-391 or and 35-393, Arizona Revised Statutes, as amended, as applicable. If the City determines that the Trustee submitted a false certification, the City may impose remedies as provided by law including terminating the services of the Trustee.

Section 11.11 Facsimile Instructions. The Trustee shall accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Series 2010 Obligation Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 11.12 Force Majeure. The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

ARTICLE XII
PROVISIONS RELATING TO
SERIES 2010 POLICY AND SERIES 2010 INSURER

* * *

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City has caused these presents to be signed in the name and on its behalf by its duly authorized officer, the Corporation has caused these presents to be signed in its name and on its behalf by its duly authorized officer and to evidence its acceptance of the trusts hereby created the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

_____,
as the Seller

By.....
Print Name:.....
Title:.....

CITY OF AVONDALE, ARIZONA, as purchaser

By.....
Mayor

ATTEST:

.....
Clerk

APPROVED AS TO FORM:

.....
City Attorney

329265902.1-3/26/2010

EXHIBIT

(FORM OF SERIES 2010 OBLIGATION)

[Insert Legend of Securities Depository As Appropriate]

WATER AND SEWER SYSTEM REVENUE OBLIGATION, SERIES 2010,
EVIDENCING A PROPORTIONATE INTEREST OF THE HOLDER HEREOF
IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID
BY THE CITY OF AVONDALE, ARIZONA, PURSUANT TO A
SERIES 2010 PURCHASE AGREEMENT,
DATED AS OF _____ 1, 2010
AS ASSIGNED TO
....., AS TRUSTEE

No: **.....** Denomination: **.....**

INTEREST RATE:	MATURITY DATE:	DATED:	CUSIP:
.....%	JULY 1, ...	_____, 2010	_____

REGISTERED OWNER: .....

PRINCIPAL AMOUNT: ..... DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Water and Sewer System Revenue Obligation, Series 2010 (this "*obligation*"), is the owner of an undivided proportionate interest in the right to receive certain installments of the "Purchase Price" pursuant to that certain Series 2010 Purchase Agreement, dated as of _____ 1, 2010 (the "*Purchase Agreement*"), by and between ...., a national banking association, authorized to exercise trust powers in the State of Arizona, in its separate capacity as seller (the "*Seller*"), and The City of Avondale, Arizona, a City of the State of Arizona, as purchaser (the "*City*"), which installments and certain other rights and interests under the Series 2010 Purchase Agreement have been assigned to .....…....., in its separate capacity as trustee (together with any successor thereto, the "*Trustee*"), pursuant to that certain Series 2010 Obligation Indenture, dated as of _____ 1, 2010 (the "*Indenture*"), by and between the City and the Trustee.

The registered owner of this obligation is entitled to receive, subject to the terms of the Series 2010 Purchase Agreement, on the maturity date set forth above, the principal amount set forth above, representing a portion of the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on January 1, 2011, and semiannually on July 1 and January 1 of each year thereafter until payment in full of said portion of principal, the registered owner's proportionate share of the installments

of the Purchase Price denominated as interest coming due during the six month period (or portion thereof) immediately preceding each of such dates; provided that the first installment shall be for interest from the date of initial execution and delivery to January 1, 2011. Said proportionate share of the portion of such installments designated as interest is the result of the multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

The proportionate share of the portion of the installments of the Purchase Price denominated as interest is payable when due to the person in whose name this obligation is registered at the close of business on the 15th day of the calendar month next preceding each interest payment date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this obligation is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the person in whose name such obligation is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the holders of the obligations not less than 15 days preceding such special record date. Such notice shall be mailed to the holder in whose name this obligation is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer on any obligation subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the obligation or obligations. (Any payment due hereon which shall not be paid when due shall bear interest at the rate of interest, compounded semiannually, set forth above from the date such payment is due until the payment is made.)

Principal of and premium, if any, and interest on this obligation are payable in lawful money of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check mailed by the Trustee as paying agent to the registered address of the person entitled thereto; *provided*, *however*, that the Indenture provides that upon certain circumstances the payments of interest on this obligation may, at the direction of the person in whose name this obligation is registered, be made by wire transfer of immediately available funds. The proportionate share of the portion of the installments of the Purchase Price denominated as principal and any premium payable upon redemption, if any, when due, shall be paid upon surrender of this obligation at the designated corporate trust office of the Trustee.

This obligation is one of a series, limited in aggregate original principal amount of $_____,000 (the *"Series 2010 Obligations"*), executed and delivered under the Indenture which are limited, special revenue obligations, payable solely from the sources (particularly the Series 2010 Purchase Agreement) and in the manner described in the Indenture, in order to acquire certain property comprising the sewage system of the City. The payments to be made by the City pursuant to the Purchase Agreement are to be in an amount sufficient to make the payments due on the Series 2010 Obligations, and payments by the City under the Purchase Agreement are to be made from, and secured by, a pledge of certain revenues, proceeds and receipts to be derived by the City from such system. Under the restrictions set out in the Purchase Agreement, additional parity obligations may be incurred by the City payable from such sewer revenues.

(No senior obligations may be incurred by the City payable from such revenues.) For a more complete statement of the provisions made to secure payment of the Series 2010 Obligations, the revenues from and conditions under which this obligation is payable, statements of the terms under which the Purchase Agreement may be modified and the general covenants and provisions pursuant to which this obligation is issued, reference is made to the Indenture.

This obligation shall not constitute a debt of the City, the State of Arizona or any political subdivision thereof within the meaning of any provision of the Constitution or laws of the State of Arizona and shall not constitute or give rise to a pecuniary liability of the City, the State or any other political subdivision thereof or a charge against the general credit or taxing powers of any of them. This obligation and the interest hereon are enforceable exclusively from the revenues pledged thereto in the Purchase Agreement, and no holder hereof shall have the right to compel any exercise of the taxing power of the City to pay this obligation or the interest hereon.

Counterparts or copies of the Indenture and the other documents referred to herein are on file at the designated office of the Trustee, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Trustee, the City, and the registered owners of the Series 2010 Obligations under such documents, to all of which the registered owner hereof, by acceptance of this Series 2010 Obligation, assents.

The Series 2010 Obligations maturing on or prior to July 1, 20__, are not subject to optional redemption prior to maturity. Series 2010 Obligations maturing on and after July 1, 20__, are subject to redemption, as directed by the City, in whole or in part on any date, in increments of $5,000 of principal amount due on a specific maturity, in any order of maturity, as directed by the City, and by lot within a maturity, on July 1, 20__, and thereafter by payment of the principal amount of each Series 2010 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

The Series 2010 Obligations maturing on July 1, 20__, are subject to mandatory redemption on July 1, in the years and in the amount of the unsatisfied portion of the corresponding mandatory redemption requirement, by payment of the principal amount of such Series 2010 Obligations to be redeemed plus interest accrued to the date fixed for redemption, without premium, as set forth in the Series 2010 Obligation Indenture.

Notice of redemption shall be mailed not less than 30 days nor more than 60 days prior to the date set for redemption to each registered owner of an Series 2010 Obligation to be so redeemed at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any Series 2010 Obligation shall not affect the validity of the proceedings for the redemption of any other Series 2010 Obligation. On the specified redemption date all Series 2010 Obligations called for redemption shall cease to bear interest and shall no longer be secured by the Series 2010 Obligation Indenture provided funds for redemption are on deposit at the place of payment at that time.

The registered owner of this Series 2010 Obligation shall have no right to enforce the provisions of the Series 2010 Obligation Indenture or to institute an action to enforce the

covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Series 2010 Obligation Indenture.

The Series 2010 Obligation Indenture and other documents referred to therein may be modified or amended to the extent permitted by and as provided therein. Certain amendments, modifications or changes which would affect the rights of registered owners of Series 2010 Obligations of this issue may be made only with the consent of a majority of the registered owners of the Series 2010 Obligations then outstanding under the Series 2010 Obligation Indenture, as provided in the Series 2010 Obligation Indenture. Any such consent by the registered owner of this Series 2010 Obligation shall be conclusive and binding upon such registered owner and all subsequent registered owners. However, as to certain other amendments which will not materially adversely affect the interests of the registered owners, no consent of any Holder shall be required.

The Series 2010 Obligations are and shall be executed and delivered only in fully registered form. Subject to the limitations provided for in the Series 2010 Obligation Indenture, this Series 2010 Obligation may be exchanged for a like aggregate principal amount payable at maturity of Series 2010 Obligations of the same maturity in authorized denominations.

The Series 2010 Obligations are transferable by the registered owner thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Series 2010 Obligation Indenture and upon surrender and cancellation of this Series 2010 Obligation. Upon such transfer a new Series 2010 Obligation or Series 2010 Obligations of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be executed and delivered to the transferee in exchange.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Series 2010 Obligation Indenture in connection with any exchange or transfer.

The Trustee and any paying agent may treat the registered owner of this Series 2010 Obligation as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

As used herein, the term "owner" means the person who at the time of nonpayment of an Series 2010 Obligation is entitled under the terms of such Series 2010 Obligation to payment thereof.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the execution and delivery of this obligation have existed, have happened and have been performed in due form, time and manner as required by law.

IN TESTIMONY WHEREOF, this Series 2010 Obligation has been executed and delivered by the Trustee, acting pursuant to the Series 2010 Obligation Indenture.

Date:.....

....., as Trustee

By.....
Authorized Representative

STATEMENT OF INSURANCE

The following abbreviations, when used in the inscription on the face of the within 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 -- ..... (Cust.)
TEN ENT -- as tenants by the entireties	Custodian for ..... Under Uniform (Minor)
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	Gifts/Transfers to Minors Act of ..... (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 .....
(Please Print or Typewrite Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee) the within obligation and all rights thereunder, and hereby irrevocably constitutes and appoints ..... attorney to transfer the within obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: .....

Signature Guaranteed:

.....	.....
(Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee).	Notice: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within obligation in every particular without alteration or enlargement or any change whatsoever.

(END OF FORM OF SERIES 2010 OBLIGATION)

DRAFT
03/26/10

SERIES 2010 PURCHASE AGREEMENT

THE CITY OF AVONDALE, ARIZONA,
AS PURCHASER

AND

_____,
AS SELLER

DATED AS OF _____ 1, 2010

The rights of _____, in its separate capacity as seller hereunder, have been assigned to _____ _____, in its separate capacity as trustee, under a Series 2010 Obligation Indenture, dated as of _____ 1, 2010

(This Table of Contents is for informational purposes only and is not to be considered a part of this Series 2010 Purchase Agreement)

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SERIES 2010 PURCHASE AGREEMENT

THIS SERIES 2010 PURCHASE AGREEMENT, dated as of _____ 1, 2010, by and between _____, a national banking association, authorized to exercise trust powers in the State of Arizona, as trustee but in its separate capacity as seller (the *"Seller"*), and THE CITY OF AVONDALE, ARIZONA, a municipal corporation of the State of Arizona, as purchaser (the *"City"*),

WITNESSETH:

WHEREAS, pursuant to Ordinance No. _____ adopted by the Mayor and Council of the City on _____, 2010, it was found and determined to be advantageous and in the public interest that the Series 2010 Obligations (as such term is hereinafter defined) be sold and executed and delivered; and

WHEREAS, pursuant to this Series 2010 Purchase Agreement, the City has agreed to purchase the Series 2010 Property (as such term is hereinafter defined) from the Seller;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

The words and terms used herein shall have the respective meanings assigned to them in the hereinafter defined Indenture. Otherwise, the following words and terms as used herein shall have the meaning indicated unless the context or use requires a different meaning or intent. All accounting terms not otherwise so defined shall have the meanings assigned to them in accordance with generally accepted accounting principles.

"Additional Obligation Documents" means any contract (including a resolution of the Mayor and Council of the City) or agreement of the City constituting or authorizing Additional Obligations.

"Additional Obligations" means obligations (including bonds) or applicable interests therein which are incurred (i) by, or the payment of which is assumed by, the City subsequent to, and are to rank on a parity with, the payments of the Purchase Price and share *pro rata* in payments to be made by the City from the Pledged Revenues, without priority one over the other or over this Series 2010 Purchase Agreement (including to pay any Regularly Scheduled Payments with respect to the Series 2010 Obligations or similar arrangements for Additional Obligations), and (ii) for the purpose of making extensions, renewals, improvements or replacements to the System or to refund the Series 2010 Obligations or Additional Obligations.

"Assumed Interest Rate" means an interest rate for a series of Variable Rate Obligations at the computation date computed to be the lesser of (i) the maximum rate which the Variable Rate Obligations of a series may bear under the terms of their incurrence or (ii) the rate of

interest established for long-term bonds by the 30-year revenue bond index published by The Bond Buyer of New York, New York, on the date that is nearest to 30 days prior to the computation date (or in the absence of such published index, some other index selected in good faith by the Finance and Budget Director after consultation with one or more reputable, experienced investment bankers as being equivalent thereto).

"Bond Year" means a twelve-month period beginning July 2 of the calendar year and ending on the next succeeding July 1.

"Consultant" means a firm of utility consultants experienced in the financing and operation of utility systems and having a recognized reputation for such work.

"Credit Facility" means a bank, financial institution, insurance company or indemnity company which is engaged by or on behalf of the City to perform one or more of the following tasks: (a) the enhancement of the credit of the City securing Additional Obligations by assuring that principal of and interest on such Additional Obligations (or any interests therein) will be paid promptly when due (including the issuance of an insurance policy, letter of credit, surety bond or other form of security for a reserve) or (b) providing liquidity for Additional Obligations (or any interests therein) through undertaking to cause such Additional Obligations to be bought from the holders thereof when submitted pursuant to an arrangement prescribed by the Obligation Documents.

"Fiscal Year" means the 12-month period used by the City for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

"Indenture" means the Series 2010 Obligation Indenture, dated as of _____ 1, 2010, by and between the Trustee and the City, as supplemented from time to time.

"Interest Requirement" means (i) with respect to this Series 2010 Purchase Agreement, as of any date of calculation, the interest amount on this Series 2010 Purchase Agreement due during the then-current Bond Year, and (ii) with respect to Additional Obligations, as of any date of calculation, the amount required to be paid by the City during the then-current Bond Year with respect to interest on such Additional Obligations. In the case of Variable Rate Obligations Outstanding or proposed to be incurred, the Interest Requirement shall be computed with the Assured Interest Rate.

"Obligations Being Refinanced" means the remaining principal amounts of the following:

- Loan Agreement, dated as of December 1, 1992, with the predecessor of Water Infrastructure Finance Authority of Arizona;
- City Lease, dated as of March 1, 2006, from City of Avondale Municipal Development Corporation;

- City of Avondale, Arizona - Greater Arizona Development Authority Loan Water and Sewer Revenue Bonds (Projects of 1993), Series 1998, dated as of October 1, 1998, and

- Loan Agreement, dated December 17, 1999, with Water Infrastructure Finance Authority of Arizona; and

"Operating Expenses" means the reasonable and necessary costs of operation, maintenance and repair of the System, including salaries, wages, cost of materials and supplies, and insurance, but excluding non-cash transactions, including particularly, but not by way of limitation, depreciation or loss on disposal or transfer of assets.

"Outstanding" when used with reference to Additional Obligations, shall have the meaning assigned to such term in the corresponding, applicable Additional Obligation Documents which shall be as similar as possible to such definition in the Series 2010 Obligation Indenture.

"Parity Lien Test Debt Service" means the highest aggregate Principal Requirement and Interest Requirement of all Outstanding Series 2010 Obligations and Additional Obligations to fall due and payable in the current or any future Bond Year.

"Pledged Revenues" means Revenues (including any unrestricted fund balances of the System) remaining after deducting the Operating Expenses. For the purposes of the computation required by Sections 4.4, 5.3(b) and 5.3(c), additional amounts may be added to, or are to be subtracted from, the Pledged Revenues of the preceding Fiscal Year, as follows: (i) if all or part of the proceeds of the Additional Obligations described therein are to be expended for the acquisition of existing utility properties, the revenues which would have been derived from the operation of such acquired utility properties during the entire immediately preceding Fiscal Year, as estimated by a Consultant, then added, (ii) if during such preceding Fiscal Year the City has acquired or sold existing utility properties, the revenues which would have been derived from the operation of such properties during such Fiscal Year had such properties been acquired and operating or sold and not operating throughout such Fiscal Year, as estimated by a Consultant, then added or subtracted, respectively, and (iii) if during such preceding Fiscal Year the City shall have increased rates, fees and charges with respect to the System, the increased amount which would have been received during such Fiscal Year had such increase been in effect throughout such Fiscal Year, as estimated by a Consultant, then added.

"Principal Requirement" means (i) with respect to this Series 2010 Purchase Agreement, as of any date of calculation, the principal amount of the Series 2010 Obligations maturing or subject to mandatory redemption pursuant to the Indenture during the then-current Bond Year, and (ii) with respect to Additional Obligations, as of any date of calculation, the principal amount required to be paid by the City during the then-current Bond Year with respect to the Additional Obligations. In computing the Principal Requirement for such Additional Obligations, an amount of such Additional Obligations required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of the Additional Obligations maturing on the scheduled maturity date. In the case of Additional

Obligations supported by a Credit Facility, the Principal Requirement for such Additional Obligations shall be determined in accordance with the principal retirement schedule specified in the Additional Obligation Documents authorizing the incurrence of such Additional Obligations, rather than any amortization schedule set forth in such Credit Facility unless payments under such Additional Obligations shall be in default at the time of the determination, in which case the Principal Requirements for such Additional Obligations shall be determined in accordance with the amortization schedule set forth in such Credit Facility.

"Purchase Event of Default" means one of the events defined as such in Section 7.1.

"Purchase Price" means the sum of the payments paid pursuant to Section 5.4(i) and (ii) of the Indenture from amounts to be paid by or on behalf of the City as the purchase price for the Series 2010 Property.

"Regulations" means the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

"Revenues" means and includes all income, moneys and receipts derived by the City from the ownership, use and operation of the System including, without limitation, interest received on, and profits realized from the sale of, investments made with moneys of the System, but excluding any amounts received which the City is contractually required to pay out as reimbursement for acquisition, construction or installation of the System.

"Series 2010 Property" means the property originally financed or refinanced with proceeds of the Obligations Being Refinanced.

"System" means the complete works of the entire combined water production and distribution and sewer collection and treatment system of the City including all such properties of every nature hereafter owned by the City and all acquisitions, improvements and extensions added thereto by the City, including all real and personal property of every nature comprising part of, or used or useful in connection with, such system, and including all appurtenances, contracts, leases, franchises, and other intangibles.

"Variable Rate Obligations" means any Additional Obligations which may, in the future, bear interest at rates which cannot be determined with specificity on their original incurrence.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; references to an "Article" or a "Section" are to those of this Series 2010 Purchase Agreement; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Series 2010 Purchase Agreement; and the term "hereafter" means after, and the term "heretofore" means before, the date of this Series 2010 Purchase Agreement. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise. The captions and headings in this Series 2010 Purchase 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
EXECUTION AND DELIVERY OF SERIES 2010 OBLIGATIONS; APPLICATION OF PROCEEDS; IMPROVEMENTS FUND; FEDERAL LAW COVENANTS

Section 2.1 Agreement to Cause Execution and Delivery of Series 2010 Obligations; Application of Proceeds. In order to provide funds to refinance the Property, the Series 2010 Obligations shall be executed and delivered pursuant to the Indenture.

Section 2.2 Refinancing; Costs of Issuance Fund.

(a) Amounts held by the Trustee pursuant to Section 5.2(ii) of the Indenture were applied to pay and discharge the Obligations Being Refunded.

(b) The City shall establish and maintain a separate fund known as the *"Costs of Issuance Fund,"* which shall be funded from amounts transferred to the City by the Trustee pursuant to Section 5.2(iii) of the Indenture and other funds which may be made available by the City from time to time. Moneys in the Costs of Issuance Fund shall be disbursed by the City for costs and expenses relating to the sale, credit enhancement and execution and delivery of the Series 2010 Obligations, including, but not limited to "out of pocket" expenses and charges, fees and disbursements of counsel, printing expenses and other expenses reasonably incurred by the Seller and the Trustee in connection herewith.

Section 2.3 General Federal Tax Covenants.

(a) The City shall not make or direct the making of any investment or other use of the proceeds of any of the Series 2010 Obligations which would cause such Series 2010 Obligations to be "arbitrage bonds" as that term is defined in section 148 of the Code or "private activity bonds" as that term is defined in section 141 of the Code and shall comply with the requirements of such sections of the Code and the related Regulations throughout the term of the Series 2010 Obligations. (Particularly, the City shall be the owner of the Series 2010 Projects for federal income tax purposes. The City shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Series 2010 Projects unless the management or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Series 2010 Projects. Also, the payment of principal and interest with respect to the Series 2010 Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Series 2010 Obligations, or amounts treated as proceeds of the Series 2010 Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Series 2010 Obligations are being executed and delivered, (ii) may be so used in making investments of a *bona fide* debt service fund or (iii) may be invested in obligations issued by the United States Treasury.) In consideration of the purchase and acceptance of the Series 2010 Obligations by the holders 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 City covenants, and the appropriate officials of the City are hereby directed, to take all action required by the Code to preserve such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(b) The City shall comply with the procedures and covenants contained in any arbitrage rebate provision (initially, Section 2.4) or separate agreement executed in connection with the issuance of the Series 2010 Obligations 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 2010 Obligations.

(c) (i) The City shall take all necessary and desirable steps, as determined by the Mayor and Council of the City, to comply with the requirements hereunder in order to ensure that interest on the Series 2010 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 a Special Counsel's Opinion that either (A) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Series 2010 Obligation, or (B) compliance with some other requirement will meet the requirements of the Code. In the event the City receives such a Special Counsel's Opinion, this Purchase Agreement shall be amended to conform to the requirements set forth in such opinion.

(ii) 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 of the City, 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 amended diligence and the City shall pay any required interest or penalty under Regulations section 1.148-3(h).

(d) [**Add "Bank Qualification"???**]

Section 2.4 Arbitrage Rebate Covenants.

(a) Terms used in Subsection (b) and not otherwise defined in Article I or in subsection (b) shall have the meanings given to them in the Code and the Regulations.

(b) For purposes of this Section, the following terms shall have the following meanings:

"*Bond Year*" shall have the meaning provided hereinabove, except that for purposes of this Section the first Bond Year shall begin on the date of issue of the Series 2010 Obligations and shall end on July 1, 2011, and the last Bond Year shall end on the date of retirement of the last Series 2010 Obligations.

"*Bond Yield*" is as indicated in the arbitrage certificate delivered simultaneously with the Series 2010 Obligations and means the discount rate that produces a

present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Series 2010 Obligations as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Series 2010 Obligations and using semiannual compounding on the basis of a 360-day year. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3).

"*Gross Proceeds*" means:

(i) any amounts actually or constructively received by the City from the sale of the Series 2010 Obligations;

(ii) transferred proceeds of the Series 2010 Obligations under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii) and

(iv) replacement proceeds of the Series 2010 Obligations within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Series 2010 Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Series 2010 Obligations in the event the City encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under the Indenture.

"*Investment Property*" means any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

"*Issue Price*" is as indicated in such arbitrage certificate, which is the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters of wholesalers) at which price a substantial amount of the Series 2010 Obligations was sold, less any bond insurance premium and reserve surety bond premium. Issue price shall be determined as provided in Regulations section 1.148-1(b).

"*Nonpurpose Investment*" means any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Series 2010 Obligations.

"*Payment*" means any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

"*Rebate Requirement*" means at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

"*Receipt*" means any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

(c) Within 60 days after the end of each Bond Year, the City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(i) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Series 2010 Obligations (determined as of such Computation Date), is equal to at least 90 percent of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Series 2010 Obligations (determined as of the last day of such Bond Year) and

(ii) not later than 60 days after the retirement of the last Series 2010 Obligation, an amount equal to 100 percent of the Rebate Requirement (determined as of the date of retirement of the last Series 2010 Obligation).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(d) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

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

(i) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(ii) Except as provided in Subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(iii) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(f) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

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

(ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

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

(i) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Series 2010 Obligations), and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the requirements in the Regulations that the City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Series 2010 Obligations.

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

(iii) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Series 2010 Obligations (e.g., a lead underwriter within 15 days of the issue date of the Series 2010 Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the City uses an agent to conduct the bidding, the agent may not bid.

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

(v) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(vi) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(vii) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(viii) The City retains until three years after the last Outstanding Series 2010 Obligation is retired, (A) a copy of the guaranteed investment contract, (B) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the City and a copy of the provider's certification described in (vii) above, (C) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (D) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(h) Such experts and consultants shall be employed to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Series 2010 Obligations.

Section 2.5 Continuing Disclosure Undertaking. Subject to annual appropriation to cover the costs of preparing and mailing thereof, the City shall comply with and carry out all of the provisions of the Series 2010 Continuing Disclosure Undertaking, dated _____, 2010 (the "Continuing Disclosure Agreement"). Notwithstanding any other provision of this Series 2010 Purchase Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered a Purchase Event of Default, an Indenture Event of Default or other event of default; however, the Trustee (at the request of the registered holders of at least 25 percent aggregate principal amount in Outstanding Series 2010 Obligations and receipt of indemnity to its satisfaction) shall take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section.

ARTICLE III
AGREEMENT OF SALE; PURCHASE PRICE

Section 3.1 Agreement of Sale. For the amounts payable pursuant hereto (including the Purchase Price), the Seller hereby sells and conveys to the City, and the City hereby purchases from the Seller, the Series 2010 Property. In order to evidence such sale and conveyance, the Seller has executed and delivered to the City a bill of sale in substantially the form of the *Exhibit* attached hereto and incorporated by reference herein. (To the extent not

otherwise prohibited by applicable law with regard to any part thereof, the City hereby relinquishes any rights in or to the Series 2010 Property, acknowledging that, as a result of the actions of the Seller hereunder and under the Indenture, the Seller is the rightful owner thereof.)

Section 3.2 Possession of and Title to Series 2010 Property; Authority of Seller to Pledge Its Interests.

(a) The City shall be entitled to possession of, and full and unencumbered title to, the Series 2010 Property, without suit, trouble or hinderance from the Seller. The Series 2010 Property shall be made a part of the System and shall be used in accordance with all applicable laws.

(b) The Seller may mortgage, hypothecate or pledge all or any part of the interest of the Seller in this Series 2010 Purchase Agreement as security for the Series 2010 Obligations.

Section 3.3 Amounts Payable After Execution and Delivery of Series 2010 Obligations. After providing for any amounts due pursuant to Section 2.4(c), on the tenth day of each month, the Pledged Revenues received pursuant to Section 4.1 shall be paid for the following purposes and in the following order of priority, after decreasing any such payment for any interest income or gain received, or increasing such payment for any loss realized, during the preceding month in the account to which such payment is to be deposited:

(i) Fees and expenses of the Trustee in accordance with the provisions of Section 8.8 of the Indenture to the Trustee.

(ii) *Pro-rata*, commencing _____ 10, 20__, through _____, 20__, one-_____ (1/__), and commencing _____ 10, 20__, one-sixth (1/6) of (A) the interest on the Series 2010 Obligations falling due on the next succeeding Obligation Payment Date for deposit to the Interest Account and (B) Regularly Scheduled Payments for deposit to the Swap Provider Reimbursement Account.

(iii) Commencing _____ 10, 20__, through _____ 1, 20__, one-_____ (1/__), and commencing July 10, 20__, one-twelfth (1/12) of the principal due or subject to mandatory redemption on the next succeeding Obligation Payment Date for deposit to the Principal Account.

(iv) After a determination of the Trustee that the amount on deposit in the Debt Service Reserve Account is less than the Reserve Requirement, an amount equal to one-twelfth (1/12) of the amount which, when added to the balance in the Debt Service Reserve Account, will be equal to the amount then required to be on deposit therein for deposit to the Debt Service Reserve Account.

(v) [Non-Scheduled Payments/Subordinated Swap Payments**???**] for deposit to the Swap Provider Reimbursement Account.

In the event the City should fail to make when due any of the payments required by this Section, the installment so in default shall continue as an obligation of the City, payable solely from the Pledged Revenues, until the amount in default shall have been fully paid, and the City shall pay the same with interest thereon at the rate applicable to the corresponding maturities of Series 2010 Obligations, from the date said payment was to be made to the date of payment by the City until paid. This Series 2010 Purchase Agreement shall be deemed and construed to be a *"net purchase agreement,"* and the payments provided for in this Section shall be an absolute net return to the Seller, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein. The City shall cause an amount of Revenues to be included in the annual budget and appropriation for every Fiscal Year sufficient to meet all requirements of this Series 2010 Purchase Agreement.

Section 3.4 Obligations of City Hereunder Unconditional. The obligations of the City to make the payments required in Section 3.3 and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of the continued existence of the Series 2010 Property or its physical condition. The City (a) shall not diminish, suspend or discontinue any payments provided for in Section 3.3, (b) shall perform and observe all of its other agreements contained in this Series 2010 Purchase Agreement and (c) shall not terminate this Series 2010 Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, loss, theft or destruction of or damage to the Series 2010 Property, or any part thereof, frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Series 2010 Purchase Agreement. Nothing contained in this Section shall be construed to release the Seller from the performance of any of the agreements on its part herein contained, and in the event the Seller shall fail to perform any such agreement on its part, the City may institute such action against the Seller as the City may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not violate or impair the effectiveness of the agreements on the part of the City contained in the next two preceding sentences. The City may, however, at its own cost and expense and in its own name or in the name of the Seller, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its rights of ownership, possession and use hereunder, and in such event the Seller hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Seller in any such action or proceeding if the City shall so request.

Section 3.5 Prepayment of Purchase Price Generally. The City shall be permitted to prepay all or a part of the Purchase Price composed of the principal and interest components thereof to the extent and in the manner permitted by the Indenture for the redemption of the Series 2010 Obligations. If such prepayment is made in compliance with the terms of the Indenture, the Trustee shall accept such prepayment to the extent required to provide for a permitted redemption or provision for payment of such Series 2010 Obligations as shall be directed by the City. No other prepayment of the Purchase Price shall be permitted.

Section 3.6 Effect of Partial Payment or Prepayment. Upon any partial payment or prepayment of the Purchase Price resulting in a redemption of Series 2010 Obligations, each installment of interest which shall thereafter be payable as a part of the Purchase Price shall be reduced, taking into account the interest rate or rates on the Series 2010 Obligations remaining Outstanding after the redemption of Series 2010 Obligations from the proceeds of such partial payment or prepayment so that the interest remaining payable as a part of the Purchase Price shall be sufficient to pay the interest on such Outstanding Series 2010 Obligations when due.

Section 3.7 Termination of Payment of Purchase Price; Excess Payments.

(a) Subject to Article VI, upon full payment or provision for payment of the Purchase Price (and all other payments provided for herein or due to the Series 2010 Insurer or the provider of any Derivative Product) and provided that the City has performed all the covenants and agreements required by the City to be performed hereunder, this Series 2010 Purchase Agreement shall cease and expire. Upon the expiration of this Series 2010 Purchase Agreement, the Seller shall cause the Trustee under the Indenture to release any interest which the Trustee may have in the 2010 Property or the revenues thereof from the lien of the Indenture.

(b) In the event of prepayment of the Purchase Price in full or provision for the payment thereof in full such that the Indenture shall be discharged by its terms as a result of such prepayment and payment of any fees and charges due and owing to the Trustee, all amounts then on deposit in the Improvements Fund and the Obligation Fund shall be credited toward the amounts then required to be so prepaid at the direction of the City Representative. Upon the payment thereof in accordance with the Indenture such that the Indenture shall be discharged by its terms, any money remaining which is not otherwise required to be applied to the payment of debt service on the Series 2010 Obligations or to the payment of any other amounts due under the Indenture shall be paid over to the City.

ARTICLE IV
SOURCE OF PURCHASE PRICE; RATE COVENANT; PARITY OBLIGATIONS; DERIVATIVE PRODUCTS

Section 4.1 Limitation of Source of City Payments.

(a) This Series 2010 Purchase Agreement is a limited, special obligation of the City, payable solely and secured as to the payment in accordance with the terms and the provisions hereof.

(b) All amounts to be paid by the City pursuant to Section 3.3 (or under any other section of this Series 2010 Purchase Agreement) shall be payable solely from the Pledged Revenues. Nothing, however, shall preclude the City, in the sole and absolute discretion of the Mayor and Council of the City, from paying such amounts from other moneys of the City. Under no circumstances shall amounts paid under this Series 2010 Purchase Agreement from such moneys constitute a pledge thereof, and amounts payable by the City hereunder (except the Pledged Revenues) shall never constitute a general obligation of the City or a pledge of *ad valorem* property taxes by the City.

(c) The City hereby pledges and shall raise and apply the Pledged Revenues in such amounts and in such manner as required herein to make the payments required to be made by the City under this Series 2010 Purchase Agreement and covenants to make said payments from the Pledged Revenues. This pledge shall be a first lien and on a parity to the pledge thereof and lien thereon for the Series 2010 Obligations. All of the Pledged Revenues shall be immediately subject to such pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such persons have notice thereof. Nothing contained in this Section shall be construed as limiting any authority granted elsewhere herein to incur this Series 2010 Purchase Agreement or Additional Obligations nor be deemed a limitation upon the issuance of bonds, notes or other obligations under any law pertaining to the City secured by moneys, income and funds other than the Pledged Revenues and other moneys and investments pledged hereunder or under the Indenture. After the application of the Pledged Revenues for the purposes herein, they may be used for any lawful purpose.

Section 4.2 Rate Covenant. The City shall continuously control, operate and maintain the System in an efficient and economical manner and on a revenue-producing basis and shall establish and maintain rates, fees and other charges for all services supplied by the System to provide the Revenues fully sufficient, after making reasonable allowance for contingencies and errors in estimates to produce (a) the Pledged Revenues in each Fiscal Year equal to at least 120 percent of the Principal Requirement and the Interest Requirement on all Outstanding Series 2010 Obligations and Additional Obligations for the corresponding Bond Year (treating the Variable Interest Rate Obligations as bearing interest at the Assumed Interest Rate and Outstanding Series 2010 Obligations and Additional Obligations subject to mandatory redemption as maturing on their respective mandatory redemption dates) and (b) an amount of Pledged Revenues for the then-current Fiscal Year which, net of the aggregate amounts required to be deposited to the Obligation Fund during such Fiscal Year, will be sufficient to provide at least 100 percent of the amounts with regard to any Credit Facility, due and owning in such Fiscal Year.

Section 4.3 Prior Lien Obligations. The City shall not incur any obligations payable from the Pledged Revenues ranking prior to the obligations of the City under this Series 2010 Purchase Agreement.

Section 4.4 Additional Obligations Generally. Additional Obligations may be incurred if the Pledged Revenues for the completed Fiscal Year immediately preceding the incurrence of such Additional Obligations have been (a) at least equal to 120 percent of the Parity Lien Test Debt Service including such Additional Obligations immediately after incurrence and (b) sufficient to provide an amount of the Pledged Revenues for the then-current Fiscal Year which, net of the aggregate amounts required to be deposited to the Obligation Fund during such Fiscal Year, will be sufficient to provide at least 100 percent of the amounts with regard to any Credit Facility due and owing in such Fiscal Year.

Section 4.5 Derivative Products. The City reserves the right to enter into Derivative Products and to make payments on the Derivative Products from the Pledged Revenues, provided

the long-term indebtedness or the claims-paying ability of the Swap Provider must be rated initially at least in the two highest Rating Categories of two Rating Agencies or is otherwise approved by the Series 2010 Insurer and thereafter so long as the long-term indebtedness or the claims-paying ability of the Swap Provider does not fall below the third highest Rating Category of a Rating Agency. Any Derivative Product entered into by the City shall include termination provisions at the option of the City if such rating falls below such Rating Category.

ARTICLE V
COVENANTS REGARDING THE SYSTEM, MAINTENANCE, INVESTMENTS AND TAXES

[*To be revised after input from the City*]

Section 5.1 Utilities; Maintenance of the System in Good Condition. All maintenance and repair of the Series 2010 Property and utilities therefor shall be the responsibility of the City. (In exchange for the payment of the amounts due hereunder, the Seller shall provide nothing more than the Series 2010 Property.) The City shall (a) maintain the System in good condition, (b) operate the same in a proper and economical manner and at reasonable cost and (c) faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State.

Section 5.2 Insurance. The City shall maintain insurance on the System (which may take the form of or include an adequately-funded program of self-insurance), for the benefit of the holder or holders of the Series 2010 Obligations payable wholly or in part from the Revenues, for the full insurable value of all buildings and machinery and equipment therein, against loss or damage by fire, lightning, tornado or winds, and all other combustible property against loss or damage by fire or lightning, and other coverages and amounts of insurance (including public liability and damage to property of others to the extent deemed prudent by the City), normally carried by others on similar operations. The cost of such insurance may be paid as an Operating Expense. All money received for losses under any such insurance policies, except public liability policies, is hereby pledged by the City as security for the payment of this Series 2010 Purchase Agreement until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received. Self-insurance may be maintained for the System either separately or in connection with any general self-insurance retention program or other insurance program maintained by the City; provided that (a) any such program has been adopted by the City and (b) an independent insurance or actuarial consultant appointed by the City annually reviews and certifies to the City in writing that any such program is adequate and actuarially sound.

Section 5.3 No Sale; Lease or Encumbrance Exceptions.

(a) The City shall not sell, lease, encumber or in any manner dispose of the System as a whole until all of the Series 2010 Obligations and all interest thereon shall have been paid in full or provision for payment has been made in accordance with the Indenture.

(b) The City may sell, lease or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exists: (a) such property is not necessary for the operation of the System, (b) such property is not useful in the operation of the System, (c) such property is not profitable in the operation of the System or (d) the disposition of such property will be advantageous to the System and will not adversely affect the security for the holders of the Series 2010 Obligations. In addition, the City may sell to any other political subdivision of the State or any agency of any one or more of them, any portion of the System if there is filed with the Finance and Budget Director a certificate executed by the Consultant showing that, in his opinion, the proposed sale will not reduce the Pledged Revenues to be received in the full Bond Year next succeeding such sale to an amount less than 120 percent of the Parity Lien Test Debt Service. In making such computation, the Consultant shall consider such matters as he deems appropriate including: (i) anticipated diminution of Revenues; (ii) anticipated increase or decrease in Operating Expenses attributable to the sale and (iii) reduction, if any, in annual principal and interest requirements attributable to the application of the sale proceeds for payment of Series 2010 Obligations theretofore Outstanding.

(c) The City may sell or otherwise transfer the System as a whole to any political subdivision or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own and operate the System on behalf of the public, and which undertakes in writing, filed with the Finance and Budget Director, the City's obligations hereunder; provided that there shall be first filed with the Finance and Budget Director (1) a Special Counsel's Opinion to the effect that (A) such sale will not cause interest on any of the Series 2010 Obligations to become subject to federal income taxation, (B) such sale will not materially diminish the security of the holders of the Series 2010 Obligations (which opinion may be based on the Consultant's report described in clause (2), below) and (C) the obligations of the City hereunder have been validly assumed by such transferee and are the valid and legally binding obligations of such transferee and (2) an opinion of a Consultant expressing the view that such transfer in and of itself will not result in any diminution of the Pledged Revenues to the extent that in the full Bond Year next succeeding such transfer the Pledged Revenues will be less than 120 percent of the Parity Lien Test Debt Service. In reaching this conclusion, the Consultant shall take into consideration such factors as he may deem significant including any rate schedule to be imposed by said political subdivision or agency.

Section 5.4 Books, Records and Accounts. The City shall cause to be kept proper books, records and accounts of the System in accordance with standard accounting practices and procedures customarily used for systems of similar nature.

Section 5.5 Satisfaction of Liens. The City shall, from time to time, duly pay and discharge or cause to be paid and discharged all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Pledged Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the revenues or any part thereof or which might impair the security of the Series 2010 Obligations, except when the City in good faith contests its liability to pay the same.

Section 5.6 Disconnection of Service for Non-Payment; No Free Service.

(a) The City shall diligently enforce payment of all bills for services supplied by the System. If a bill becomes delinquent and remains so for a period to be determined in accordance with City policy from time to time, the City shall discontinue service in accordance with the laws of the State to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for such payment satisfactory to the City shall have been made. The City shall do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

(b) No free service shall be furnished by the System to the City or any department thereof or to any person, firm or corporation, public or private, or to any public agency or instrumentality, except as provided herein. The reasonable cost and value of all service rendered to the City and its various departments by the System shall be charged against the City and will be paid for as the service occurs from the City's current funds. All payments so made shall be considered Operating Revenues and shall be applied in the manner herein provided for the application of the Revenues of the System.

Section 5.7 No Competing System. The City shall not, to the extent permitted by law, grant a franchise or permit for the operation of any competing system in the City.

Section 5.8 Investments. In order to achieve the maximum economy in the acquisition and financing of the Series 2010 Property, the Seller and the City shall, at all times practicable, keep moneys held by them invested in Permitted Investments as provided in the Indenture. Such investments shall be made by the City or the Trustee in accordance with Section 5.5 of the Indenture, and all such investments shall be limited as to duration as provided in the Indenture.

Section 5.9 Taxes. All taxes of any type or nature charged to the Seller or affecting the Series 2010 Property or affecting the amount available to the Seller from payments received hereunder for the payment of the Series 2010 Obligations (including charges assessed or levied by any governmental agency, district or corporation having power to levy taxes) shall upon receipt of invoices therefor be paid by the City. Upon written request of the City, the Seller shall take whatever steps are necessary to contest the amount of tax, or to recover any tax paid if the City believes such tax or assessment to be improper or invalid. The City shall reimburse the Seller for any and all costs, including reasonable attorneys' fees, thus incurred by the Seller.

ARTICLE VI
INDEMNIFICATION

To the extent permitted by law, the City hereby indemnifies and holds the Seller, its directors, officers, agents, attorneys and employees, harmless for, from and against any and all claims, expenses, liens, judgments, liability or loss whatsoever, including reasonable legal fees and expenses, relating to or in any way arising out of (a) this Series 2010 Purchase Agreement, the Indenture, financing statements, supplements, amendments or additions thereto or the enforcement of any of the terms thereof; (b) the Series 2010 Obligations; (c) any official

statement or disclosure documents, either preliminary or final, pertaining to such Series 2010 Obligations; (d) the sale and execution and delivery of the Series 2010 Obligations or the transactions contemplated in any of the aforementioned acts, agreements or documents; or (e) the acquisition, purchase, ownership, lease, possession, rental, use, operation, sale or disposition of the Series 2010 Property hereunder or in connection herewith (including, without limitation, expense, liability or loss relating to or in any way arising out of injury to persons, property or the environment, patent or invention rights or strict liability in tort). The right of the Seller to indemnification from the City shall not extend to claims, suits and actions successfully brought against the Seller for, or losses, liabilities or expenses incurred as a result of, the negligence, bad faith, willful misconduct or breach of trust of the Seller. To the extent that the City makes or provides for payment to the satisfaction of the Seller under the indemnity provisions hereof, the City shall be subrogated to the rights of the Seller 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 Seller shall have the right to determine such settlement. The City shall pay all amounts due hereunder promptly upon notice thereof from the Seller. In case any action, suit or proceeding is brought against the Seller, if any, by reason of any act or condition which requires indemnification by the City hereunder, the Seller shall notify the City promptly of such action, suit or proceeding, and the City may (and shall upon the request of the Seller), at the expense of the City, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended, by counsel designated by the City and approved by the Seller. If the Seller desires to participate in the defense of such action, suit or proceeding through its own counsel, it may do so at its own expense. The Seller, its directors, officers, agents, attorneys, and employees, shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in connection with the Series 2010 Property. These indemnity provisions shall survive the satisfaction and expiration of this Series 2010 Purchase Agreement and the Indenture.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Purchase Events of Default. Any one or more of the following events (herein called *"Purchase Events of Default"*) shall constitute a default hereunder:

(a) The City shall fail to make any payment when due under Section 3.3(ii) or (iii); or

(b) The City shall fail to make any payment under Section 3.3(i), (iv) or (v) for a period of 30 days after notice of such failure shall have been given in writing to the City by the Seller or by the Trustee; or

(c) The City shall fail to perform any other covenant herein for a period of 30 days after written notice specifying such default shall have been given to the City by the Seller or the Trustee, provided that if such failure be such that it cannot be remedied within such 30 day period, it shall not be deemed a Purchase Event of Default so long as the City diligently tries to remedy the same; or

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy statutes, as amended, or under any similar acts which may hereafter be enacted.

Section 7.2 Remedies on Default by City. Upon the occurrence of a Purchase Event of Default, the Seller shall, but only if requested to do so by the Trustee, without further demand or notice, exercise any of the available remedies at law or in equity, including, but not limited to, specific performance, however, under no circumstances may amounts due hereunder be accelerated. Upon the filing of suit by the Trustee, any court having jurisdiction of the action may appoint a receiver to administer the System for the City with power to charge and collect fees sufficient to pay all of the Operating Expenses and to make all required payments hereunder. The Seller may assign any or all of its rights and privileges under this Section to the Trustee, and upon furnishing evidence of such assignment to the City, the Trustee may exercise any or all of such rights or privileges as it may deem advisable.

Section 7.3 Default by Seller. The Seller shall in no event be in default in the performance of any of its obligations hereunder unless and until the Seller shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the City to the Seller properly specifying wherein the Seller has failed to perform any such obligation. No default by the Seller shall relieve the City of its obligations to make the various payments herein required, so long as any of the Series 2010 Obligations remain Outstanding; however, the City may exercise any other remedy available at law or in equity to require the Seller to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to the Trustee under the Indenture.

ARTICLE VIII
INSURER AND POLICY

ARTICLE IX
MISCELLANEOUS

Section 9.1 Arizona Law to Govern; Entire Agreement.

(a) This Series 2010 Purchase Agreement shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

(b) This Series 2010 Purchase Agreement expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or

shall be bound by any agreement or by representation to the other party with respect to the matters covered hereby which is not expressly set forth in this Series 2010 Purchase Agreement.

Section 9.2 Amendments for Securities and Exchange Commission, Blue Sky and Other Limited Purposes. If it shall ever become necessary to make any amendment to this Series 2010 Purchase Agreement or to the Indenture in order to permit the qualification of an Indenture under the Trust Indenture Act of 1939 or the registration of the Series 2010 Obligations with the Securities and Exchange Commission or the sale of the Series 2010 Obligations in accordance with the "blue sky" laws of any state, the City and the Seller shall agree to such amendments to both this Series 2010 Purchase Agreement and the Indenture as may be necessary or advisable, in the Opinion of Counsel, to permit such qualification, registration or sale.

Section 9.3 Recordation and Filing of Instruments. The City shall prepare all documents of every kind and description, make all filings and recordings and shall deliver all Opinions of Counsel to the Seller and to the Trustee required under any provision of the Indenture.

Section 9.4 Right of Seller and Trustee to Perform City's Obligations Hereunder. In the event that the City should fail for any reason to make any payment or perform any obligation hereunder, and such failure shall continue for a period of 30 days after written notice has been given to the City by the Seller or the Trustee specifying such failure and requesting that it be remedied, the Seller or the Trustee on its behalf, may but shall not be required to make any such payment or to perform any such duty. The amount of such payment and all expenses reasonably incurred by the Seller and the Trustee in making such payment and performing such duty shall be additional items payable hereunder and shall be paid by the City immediately upon invoices by the Seller or the Trustee with interest at the average rate of interest applicable to the Series 2010 Obligations from the date said payment was due or expenses incurred to the date of payment by the City.

Section 9.5 Notices; Mailing Addresses. 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, delivered, or transmitted by telecopy, telex or other electronic transmission that produces written evidence of its delivery, to the party for which the same is intended, as follows:

To the Seller:

_____
_____
_____
_____
Attn: Corporate Trust Department

To the City:

City of Avondale, Arizona
11465 West Civic Center Drive
Avondale, Arizona 85323
Attn: Finance and Budget Director

To the Series 2010 Insurer (by registered or certified mail):

_____
_____
_____
Attn: Surveillance

To the Trustee:

_____
_____
_____
_____
Attn: Corporate Trust Department

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 9.6 Amendments Hereto. This Series 2010 Purchase Agreement may only be amended with the express written consent of the Trustee and in accordance with the provisions of the Indenture. [No provision herein (a) expressly recognizing or granting rights in or to the Series 2010 Insurer or (b) which would require consent of the holders of the Series 2010 Obligations, may be amended without the Series 2010 Insurer's prior written consent.**???**]

Section 9.7 Severability. If any term or provision of this Series 2010 Purchase Agreement or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Series 2010 Purchase Agreement 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 Series 2010 Purchase Agreement shall be valid and be enforced to the fullest extent permitted by law.

Section 9.8 Counterparts. This Series 2010 Purchase Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one Series 2010 Purchase Agreement, and it is also understood and agreed that separate counterparts of this Series 2010 Purchase Agreement may separately be executed by the Seller and the City, all with the same full force and effect as though the same counterpart had been executed by both the Seller and the City.

Section 9.9 Assignment by City. Neither this Series 2010 Purchase Agreement nor any interest of the City herein may at any time after the date hereof, without the prior written consent of the Trustee, be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law or otherwise. The City shall at all times remain liable for the performance of all of the covenants and conditions on its part to be performed, notwithstanding any such action.

Section 9.10 Interested Parties Herein. Nothing in this Series 2010 Purchase Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Trustee, the Paying Agent, if any, and the holders of the Series 2010 Obligations, any right, remedy or claim under or by reason of this

Series 2010 Purchase Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Series 2010 Purchase 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, if any, and the holders of the Series 2010 Obligations.

Section 9.11 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Seller acknowledges that this Series 2010 Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the City may within three (3) years after its execution cancel any contract (including this Series 2010 Purchase Agreement) without penalty or further obligation made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Seller shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the E-verify requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Seller of the foregoing shall be deemed a material breach of this Series 2010 Purchase Agreement and may result in the termination of the services of the Seller by the City. The City retains the legal right to randomly inspect the papers and records of the Seller to ensure that the Seller is complying with the above-mentioned warranty. The Seller shall keep such papers and records open for random inspection during normal business hours by the Seller. The Seller shall cooperate with the random inspections by the City including granting the City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential. The City shall preserve the confidentiality of any information, records or papers the City views, accesses or otherwise obtains during any and every such random inspection, including, without limitation, such information.

(c) Pursuant to Sections 35-391.06 and 35-393.06, Arizona Revised Statutes, as amended, the Seller certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this subsection, the term "scrutinized business operations" shall have the meanings set forth in Section 35-391 or and 35-393, Arizona Revised Statutes, as amended, as applicable. If the City determines that the Seller submitted a false certification, the City may impose remedies as provided by law including terminating the services of the Seller.

Section 9.12 Holidays. When any action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with effect as though performed on the appointed day or within the specified period.

[Remainder of page left blank intentionally]

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

_____,
as the Seller

By.....
Print Name:.....
Title:.....

THE CITY OF AVONDALE, ARIZONA, as purchaser

By.....
Mayor

ATTEST:

.....
Clerk

APPROVED AS TO FORM:

.....
City Attorney

329265791.1-3/26/2010

EXHIBIT

FORM OF BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That _____, a national banking association, authorized to exercise trust powers in the State of Arizona (the *"Seller"*), for good and valuable consideration received by the Seller from The City of Avondale, Arizona (the *"City"*), receipt of which is hereby acknowledged, does by these presents grant, bargain, sell and convey to the City, its successors and assigns, the Series 2010 Property as defined in the Series 2010 Purchase Agreement, dated as of _____ 1, 2010, by and between the Seller and the City, to have and to hold the property as sold to the City and its successors and assigns forever.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed this _____ day of _____, 2010.

_____

By.....
Print Name:.....
Title:.....

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2010

NEW ISSUE – BOOK-ENTRY-ONLY **RATING: See "RATING" herein.**
INSURANCE: See "OBLIGATION INSURANCE AND RELATED RISK FACTORS" herein.

In the opinion of Greenberg Traurig, LLP, Special Counsel, assuming compliance with certain tax covenants, the portion of each installment payment made by the City pursuant to the 2010 Purchase Agreement and denominated as and comprising interest pursuant to the 2010 Purchase Agreement with respect to the Obligations (the "Interest Portion") and received by the Holders of the Obligations will be excludable from gross income for federal income tax purpose and will not be an item of tax preference for purposes of the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended. The Interest Portion received by the Holders of the 2010 Obligations will also be exempt from income taxation under the laws of the State of Arizona. See "TAX MATTERS" herein for a description of certain federal tax consequences of ownership of the Obligations. See also "ORIGINAL ISSUE DISCOUNT" and "AMORTIZABLE PREMIUM" herein.

The Mayor and Council of the City have designated the 2010 Obligations as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. The Mayor and Council of the City have represented and warranted that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the City in calendar year 2010 will exceed $30,000,000.

DRAFT II
4/13/10

$9,015,000*
WATER AND SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2010
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF AVONDALE, ARIZONA,
Pursuant to a Series 2010 Purchase Agreement,
Dated as of June 1, 2010*
(BANK QUALIFIED)

Dated: Date of Initial Delivery *Due:* July 1, as shown on inside cover page

The $9,015,000* Water and Sewer System Revenue Obligations, Series 2010 (the "2010 Obligations") are being executed and delivered pursuant to the Series 2010 Obligation Indenture, to be dated as of June 1, 2010*, between the City of Avondale, Arizona (the "City"), and _____, as trustee (the "Trustee"). Interest on the 2010 Obligations will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2011*. The 2010 Obligations will initially be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"), for purposes of the book-entry-only system described herein and will be available to ultimate purchasers in the amounts of $5,000 of principal represented by the 2010 Obligations due on a specific maturity date, or any integral multiple thereof, pursuant to the book-entry-only system maintained by DTC. Payments of principal and interest with respect to the 2010 Obligations will be paid by the Trustee to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the 2010 Obligations. See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM."

The 2010 Obligations are being executed and delivered for the purpose of providing funds to (i) refinance certain property which is part of the hereinafter described utility system of the City; (ii) provide for a deposit to a debt service reserve fund for the 2010 Obligations; and (iii) pay the costs and expenses related to the issuance of the 2010 Obligations.

SEE INSIDE COVER PAGE FOR PRINCIPAL PAYMENT, INTEREST RATE AND YIELD SCHEDULE

The 2010 Obligations will be subject to redemption prior to maturity as described herein*. See "THE 2010 OBLIGATIONS – Redemption Provisions."

The 2010 Obligations will evidence undivided proportionate interests of the Holders (as defined herein) thereof in the right to receive certain installments of the Purchase Price (as defined herein) pursuant to the Series 2010 Purchase Agreement, to be dated as of June 1, 2010* (the "2010 Purchase Agreement"), between the City and the Trustee. Principal and interest with respect to the 2010 Purchase Agreement, together with principal and premium, if any, and interest on future parity bonds and other obligations, will be payable solely from the Pledged Revenues (as defined herein), derived by the City from the operation of the combined water production and distribution and sewer collection and treatment system of the City. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2010 OBLIGATIONS" herein. **The 2010 Obligations will not be general obligations of the City and will not constitute an indebtedness of the City when computing its bonded indebtedness for purposes of debt limitations imposed by constitutional, statutory or charter provisions, a charge against the general credit limitations imposed by constitutional or statutory provisions or against the general credit or taxing power of the City nor a liability of the City for payment of the 2010 Obligations other than from the sources described herein.**

The 2010 Obligations are offered when, as and if executed and delivered by the Trustee and received by the underwriter identified below (the "Underwriter"), subject to the approving opinion of Greenberg Traurig, LLP, Special Counsel, as to validity and tax exemption. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire, Sanders & Dempsey L.L.P. It is expected that the 2010 Obligations will be available for delivery through the facilities of DTC on or about June __, 2010.*

This cover page and inside front cover page contain certain information with respect to the 2010 Obligations for convenience of reference only. It is not a summary of the issue of which the 2010 Obligations are a part. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the 2010 Obligations.

* *Subject to change.*

STONE & YOUNGBERG

$9,015,000*
WATER AND SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2010
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF AVONDALE, ARIZONA,
Pursuant to a Series 2010 Purchase Agreement,
Dated as of June 1, 2010*
(BANK QUALIFIED)

PRINCIPAL PAYMENT, INTEREST RATE AND YIELD SCHEDULE*
CUSIP® No. _____[(1)]

Principal Payment Date (July 1)	Principal Amount	Interest Rate	Yield
2011	$1,995,000	%	%
2012	2,590,000		
2013	1,115,000		
2014	480,000		
2015	490,000		
2016	500,000		
2017	510,000		
2018	530,000		
2019	395,000		
2020	410,000		

$_____ _.__% Term Obligation due July 1, 20__ Price ___.___% CUSIP® No. _____ ___

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* *Subject to change.*

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CITY OF AVONDALE, ARIZONA

CITY COUNCIL

Marie Lopez-Rogers, *Mayor*

Jim McDonald, *Vice Mayor*
Jim Buster, *Council Member*
Stephanie Karlin, *Council Member*
Frank Scott, *Council Member*
Charles Vierhout, *Council Member*
Ken Weise, *Council Member*

CITY ADMINISTRATIVE OFFICIALS

Charlie McClendon
City Manager

David Fitzhugh, P.E.
Assistant City Manager

Kevin Artz, CPA
Finance & Budget Director

Rogene Hill
Assistant City Manager

Gust Rosenfeld P.L.C.
City Attorney

SPECIAL COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

TRUSTEE, REGISTRAR AND PAYING AGENT

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the 2010 Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from representatives of the City and the Arizona Department of Revenue and the Assessor, Finance Director and Treasurer of Maricopa County, Arizona, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or the Underwriter.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2010 OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The issuance and sale of the 2010 Obligations have not been registered under the Federal Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities; nor have the issuance and sale of the 2010 Obligations been qualified under the Securities Act of Arizona, in reliance upon various exemptions thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The City will undertake to provide continuing disclosure as described in this Official Statement under the caption "CONTINUING DISCLOSURE" and in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

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$9,015,000*
WATER AND SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2010
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF AVONDALE, ARIZONA,
Pursuant to a Series 2010 Purchase Agreement,
Dated as of June 1, 2010*
(BANK QUALIFIED)

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, has been prepared at the direction of the City of Avondale, Arizona (the "City"), in connection with the sale and execution and delivery of the $9,015,000* Water and Sewer System Revenue Obligations, Series 2010 (the "2010 Obligations"), evidencing proportionate interests of the Holders thereof in certain installment payments (the "Purchase Payments" and collectively, the "Purchase Price") to be paid by the City pursuant to a Series 2010 Purchase Agreement, to be dated as of June 1, 2010* (the "2010 Purchase Agreement"), between _____ (the "Trustee") in its separate capacity as seller, and the City. The 2010 Obligations will be executed and delivered pursuant to a Series 2010 Obligation Indenture, to be dated as of June 1, 2010* (the "Indenture"), between, the City and the Trustee in its separate capacity as trustee thereunder. Certain information concerning the authorization, purpose, terms, conditions of sale and sources of payment of and security for the 2010 Obligations is stated in this Official Statement.

The offering of the 2010 Obligations is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2010 Obligations. Accordingly, prospective purchasers of the 2010 Obligations should read this entire Official Statement before making their investment decision.

All financial and other information presented in this Official Statement with respect to the City has been provided by representatives of the City from its records, except for information expressly attributed to other sources. The presentation of financial and other information, including tables of receipts from utility revenues and other sources, is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

For definitions of certain capitalized terms used in this Official Statement and not defined before as well as for certain provisions of the 2010 Purchase Agreement and the Indenture, see APPENDIX E – "OBLIGATIONS DOCUMENTS SUMMARIES."

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* *Subject to change.*

THE 2010 OBLIGATIONS

Authorization and Purpose

The Trustee will be authorized to execute and deliver the 2010 Obligations pursuant to the provisions of the Indenture and an ordinance adopted by the Mayor and Council of the City (the "Council") on April 19, 2010 (the "Authorizing Ordinance").

The 2010 Obligations are being executed and delivered for the purpose of providing funds to (i) refinance certain property (the "Property") which is part of the complete works of the entire combined water production and distribution and sewer collection and treatment system of the City (the "System"); (ii) providing for a deposit to the Debt Service Reserve Account equal to the Reserve Requirement; and (iii) pay the costs and expenses related to the issuance of the 2010 Obligations. See "PLAN OF REFINANCING" and "SOURCES AND USES OF FUNDS." **After the delivery of the 2010 Obligations, the 2010 Obligations will be the only obligations of the City payable from the hereafter-described Pledged Revenues.**

General Provisions

The 2010 Obligations will be dated the date of their initial execution and delivery and will bear interest payable semiannually on January 1 and July 1 of each year (each an "interest payment date"), commencing January 1, 2011*. The 2010 Obligations will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside front cover page of this Official Statement. Interest will be computed on the basis of a year comprised of three hundred sixty (360) days consisting of twelve (12) months of thirty (30) days each. The 2010 Obligations initially will be registered only in the name of Cede & Co., the nominee of Depository Trust Company ("DTC") for purposes of a book-entry-only system. Beneficial ownership interests in the 2010 Obligations may be purchased through direct and indirect participants of DTC in amounts of $5,000 of principal of the same series due on a specific maturity date or integral multiples thereof. See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions*

Optional Redemption. The 2010 Obligations maturing before or on July 1, 20__, will not be subject to redemption prior to maturity. The 2010 Obligations maturing on or after July 1, 20__, will be subject to redemption prior to maturity, as directed by the City, in whole or in part on any date, in increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, as directed by the City, and by lot within a maturity, on July 1, 20__, and thereafter by the payment of a redemption price equal to the principal amount of each such 2010 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without a premium.

Mandatory Redemption. The 2010 Obligations maturing on July 1, 20__ (the "Term 2010 Obligation") will be subject to mandatory redemption and will be redeemed on July 1, by lot, in the years and in the principal amounts set forth below, by the payment of a redemption price equal to the principal amount of each such Term 2010 Obligation to be redeemed plus interest accrued to the date fixed for redemption, without a premium:

Term 2010 Obligation Payable July 1, 20__

Year	Redemption Amount
	$_____
	(a)

(a) Final maturity.

* *Subject to change.*

Notice of Redemption. So long as the Book-Entry-Only System is in effect, redemption notices will be sent only to DTC by electronic media, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM."

Effect of Redemption. On the date designated for redemption, the 2010 Obligations or portions thereof to be redeemed will become and be due and payable at the redemption price for such 2010 Obligations or portions thereof, and, if moneys for payment of the redemption price are held in a separate account, interest on such 2010 Obligations or portions thereof to be redeemed will cease to accrue, such 2010 Obligations or portions thereof will cease to be entitled to any benefit or security under the Resolution, the owners of such 2010 Obligations or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such 2010 Obligations or portion thereof will be deemed paid and no longer outstanding. DTC's practice is to determine by lot the amount of the interest of each Direct Participant (as defined in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM") to be redeemed.

Redemption of Less Than All of an Obligation. The City may redeem any amount which is included in a 2010 Obligation in the denomination in excess of, but divisible by, $5,000.

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2010 OBLIGATIONS

General

For the amounts payable pursuant to the 2010 Purchase Agreement (including the Purchase Price), the Trustee will sell and convey to the City, and the City will purchase from the Trustee, the Property.

The 2010 Obligations represent undivided proportionate interests of the Holders thereof in the right to receive the Purchase Payments to be paid by the City pursuant to the 2010 Purchase Agreement, which includes amounts sufficient to pay when due the principal of and interest on the 2010 Obligations. During the term of the 2010 Purchase Agreement, the Purchase Payments will be required to be made regardless of damage to the Series 2010 Property or commercial frustration of purpose, without right of set-off or counterclaim, regardless of any contingencies and whether or not the City possesses or uses the System. The obligations of the City to make the Purchase Payments will continue until all of the Purchase Payments and all other amounts due under the 2010 Purchase Agreement have been paid. No security interest will be held by the Trustee for the benefit of the Holders of the 2010 Obligations in any portion of the System. Remedies available upon a failure of the City to make the Purchase Payments when due will be limited and will not include acceleration of the Purchase Payments or recourse to any portion of the System. For a description of events of default and remedies under the 2010 Purchase Agreement, see APPENDIX E – "OBLIGATIONS DOCUMENTS SUMMARIES – The 2010 Purchase Agreement -- Purchase Events of Default" and "-- Remedies on Default by City." For information concerning the System, see APPENDIX A – "CITY OF AVONDALE, ARIZONA – THE WATER AND SEWER SYSTEM."

Source of Purchase Payments

The obligation of the City to make the Purchase Payments under the 2010 Purchase Agreement will be payable from and secured by a lien on, pledge of, and security interest in the net Pledged Revenues. "Pledged Revenues" are Revenues (including any unrestricted fund balances of the System) remaining after deducting Operating Expenses subject to certain additions or subtractions under certain circumstances as provided in the 2010 Purchase Agreement. "Revenues" are all income, moneys and receipts derived by the City from the ownership, use and operation of the System including, without limitation, interest received on, and profits realized from the sale of, investments made with moneys of the System, but excluding any amounts received which the City is contractually required to pay out as reimbursement for acquisition, construction or installation of the System. "Operating Expenses" are the reasonable and necessary costs of operation, maintenance and repair of the System, including salaries, wages, cost of materials and supplies, and insurance, but excluding non-cash transactions, including depreciation and loss on disposal or transfer of assets.

Such lien on, pledge of and security interest in the Pledged Revenues is on a parity with Additional Obligations subsequently issued or incurred under separate documentation in accordance with the 2010 Purchase Agreement.

The pledge of, lien on and security interest in the Pledged Revenues will be irrevocably made in the 2010 Purchase Agreement and created for the prompt and punctual payment of the principal of and interest on the 2010 Obligations and Additional Obligations, according to their terms and to make other payments specified in the 2010 Purchase Agreement. None of the 2010 Obligations or the Additional Obligations will be entitled to priority or distinction over any of the others in the application of the Pledged Revenues, regardless of the incurrence of any of the Additional Obligations in series or the delivery of the 2010 Obligations or any of the Additional Obligations prior to the delivery of any other of the 2010 Obligations or the Additional Obligations of that series or regardless of the time or times the 2010 Obligations or the Additional Obligations mature or are called for redemption prior to maturity or otherwise. The 2010 Obligations and the Additional Obligations will be co-equal as to the pledge of and lien on the Pledged Revenues for the payment thereof and will share ratably, without preference, priority or distinction, as to the source or method of payment or security therefore. See APPENDIX E – "OBLIGATIONS DOCUMENT SUMMARIES" herein.

Neither the 2010 Obligations nor the obligations of the City pursuant to the 2010 Purchase Agreement constitute a debt or a pledge of the full faith and credit of the City, the State of Arizona (the "State" or "Arizona") or any political subdivision thereof for constitutional or statutory purposes. The 2010 Obligations do not obligate the City to levy or pledge any form of ad valorem or other taxes. The 2010 Obligations are a limited obligation of the City secured solely by Pledged Revenues and otherwise as provided in the Authorizing Ordinance and the 2010 Purchase Agreement.

Debt Service Reserve Account

The Indenture establishes the Debt Service Reserve Account within the Obligation Fund for the benefit of the 2010 Obligations, but not Additional Obligations that may be subsequently issued. The City will fund the Debt Service Reserve Account with proceeds from the 2010 Obligations, in an amount equal to the Reserve Requirement (initially $901,500.00*). The Indenture permits the City to substitute a surety bond for any cash on deposit in the Debt Service Reserve Account at any time and vice versa. See APPENDIX E – "OBLIGATIONS DOCUMENTS SUMMARIES – The Obligation Indenture -- Flow of Funds Into the Obligation Fund" and "-- Flow of Funds Out of the Obligation Fund." *No amounts held in debt service reserve funds or accounts established in the future in connection with the issuance or incurrence of any series of Additional Obligations will secure payment of debt service on the 2010 Obligations.*

Rate Covenant

The City has covenanted and agreed in the 2010 Purchase Agreement to establish and maintain rates, fees and charges for all services supplied by the System to provide Revenues fully sufficient, after making reasonable allowance for contingencies and errors in estimates to produce (a) Pledged Revenues in each Fiscal Year equal to at least 120 percent of the Principal Requirement and the Interest Requirement on all Outstanding 2010 Obligations and Additional Obligations for the corresponding Bond Year (treating any Variable Interest Rate Obligations as bearing interest at the Assumed Interest Rate and treating any Outstanding 2010 Obligations and Additional Obligations subject to mandatory redemption as maturing on their respective mandatory redemption dates) and (b) an amount of Pledged Revenues for the then-current Fiscal Year which, net of the aggregate amounts required to be deposited to the Obligation Fund during such Fiscal Year, will be sufficient to provide at least 100 percent of the amounts with regard to any Credit Facility, due and owing in such Fiscal Year.

No Future Prior Lien Obligations

In the 2010 Purchase Agreement, the City will covenant that it will not issue or incur any obligations enjoying a lien or claim on Pledged Revenues prior or senior to the lien and claim made in favor of the 2010 Obligations and Additional Obligations. See APPENDIX E – "OBLIGATIONS DOCUMENTS SUMMARIES – The 2010 Purchase Agreement – Prior Lien Obligations."

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* *Subject to change.*

Additional Obligations

Pursuant to the provisions of the 2010 Purchase Agreement, the City may, in the future, incur Additional Obligations if the Pledged Revenues for the completed Fiscal Year immediately preceding the incurrence of such Additional Obligations have been (a) at least equal to 120 percent of the Parity Lien Test Debt Service including such Additional Obligations to be Outstanding immediately after incurrence and (b) sufficient to provide an amount of the Pledged Revenues for the then-current Fiscal Year which, net of the aggregate amounts required to be deposited to the Obligation Fund during such Fiscal Year, will be sufficient to provide at least 100 percent of the amounts with regard to any Credit Facility, due and owing in such Fiscal Year. "Parity Lien Test Debt Service" is the highest aggregate Principal Requirement and Interest Requirement of all Outstanding 2010 Obligations and Additional Obligations to fall due and payable in the current or any future Bond Year.

PLAN OF REFINANCING

The portion of the proceeds of the sale of the 2010 Obligations remaining after paying the costs and expenses related to the execution and delivery of the 2010 Obligations will be applied to pay or redeem the obligations described below on July 1, 2010 (the "Obligations Being Refinanced"), at a redemption price of 100%.

Schedule of Obligations Being Refinanced

Issue or Loan	Current Payment Date (July 1)	Coupon	Principal Amount Outstanding / Refinanced
Water Infrastructure Finance Authority Loan, Series 1992	7/1/2010	3.902%	$ 581,986.84
	7/1/2011	3.902	605,426.03
	7/1/2012	3.902	1,120,948.13
			$ 2,308,361.00
Municipal Development Corporation Revenue Bonds, Series 1996	7/1/2010	5.100%	$ 640,000
	7/1/2011	5.200	820,000
	7/1/2012	5.200	925,000
	7/1/2013	5.200	625,000
			$ 3,010,000
Greater Arizona Development Authority Water and Sewer Loan, Series 1998	7/1/2010	4.350%	$ 105,000
	7/1/2011	4.400	110,000
	7/1/2012	4.500	115,000
	7/1/2013	4.625	120,000
	7/1/2014	4.750	125,000
	7/1/2015	4.750	130,000
	7/1/2016	4.750	135,000
	7/1/2017	4.850	140,000
	7/1/2018	4.850	145,000
			$ 1,125,000
Water Infrastructure Finance Authority Loan, Series 1999	7/1/2010	3.940%	$ 303,308.83
	7/1/2011	3.940	315,259.20
	7/1/2012	3.940	327,680.42
	7/1/2013	3.940	340,591.02
	7/1/2014	3.940	354,010.31
	7/1/2015	3.940	367,958.32
	7/1/2016	3.940	382,455.87
	7/1/2017	3.940	397,524.64
	7/1/2018	3.940	413,187.11
	7/1/2019	3.940	429,466.68
	7/1/2020	3.940	446,387.66
			$ 4,077,830.06
		Total Obligations Being Refinanced:	$ 10,521,191.06

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Mayor and Council of the City (the "Council") have designated the 2010 Obligations as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. The Council has represented and warranted that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the City in calendar year 2010 will exceed $30,000,000.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount of the 2010 Obligations	$9,015,000.00*
Net Amortizable Premium / (Original Issue Discount)	
Debt Service Funds on Hand	
Reserve Fund Transfer	
Total Sources of Funds	$

Uses of Funds

Deposit to the Obligation Fund	$
Deposit to the Debt Service Reserve Account	
Deposit to the Interest Account	
Costs of Issuance Fund *(a)*	
Total Uses of Funds	$

* *Subject to change.*

(a) *Includes fees of Special Counsel, counsel to the Underwriter, compensation of the Underwriter, printing and preparation costs, rating agency fees and other costs related to the delivery of the 2010 Obligations including, if applicable, premiums for municipal bond insurance and debt service reserve fund surety policies.*

ESTIMATED DEBT SERVICE REQUIREMENTS AND PROJECTED DEBT SERVICE COVERAGE*

The following schedule sets forth (i) the estimated annual debt service requirements of the 2010 Obligations and (ii) the projected debt service coverage based on projected Pledged Revenues.

City of Avondale, Arizona
Schedule of Annual Sewer Revenue Obligation Debt Service Requirements and Projected Debt Service Coverage *(a)*

Fiscal Year	Pledged Revenues *(b)*	2010 Obligations Principal*	2010 Obligations Estimated Interest *(c)*	Total Estimated Annual Debt Service Requirements*	Projected Debt Service Coverage *(b)*
2008/09	$5,747,057				
2009/10					
2010/11		$ 1,995,000	$ 207,215 *(d)*	$ 2,202,215	2.61x
2011/12		2,590,000	166,338	2,756,338	2.09x
2012/13		1,115,000	127,488	1,242,488	4.63x
2013/14		480,000	107,975	587,975	9.77x
2014/15		490,000	97,175	587,175	9.79x
2015/16		500,000	84,925	584,925	9.83x
2016/17		510,000	69,925	579,925	9.91x
2017/18		530,000	52,075	582,075	9.87x
2018/19		395,000	32,200	427,200	13.45x
2019/20		410,000	16,400	426,400	13.48x
		$ 9,015,000			

* *Subject to change.*

(a) Prepared by the Underwriter.

(b) Pledged Revenues are for fiscal year 2008/09 and are used to calculate the coverage on the estimated debt service on the 2010 Obligations. See TABLE A-1 of APPENDIX A – "CITY OF AVONDALE – WATER AND SEWER SYSTEM."

(c) Interest is estimated at 3.00%.

(d) The first interest payment on the 2010 Obligations will be due on January 1, 2011. Thereafter, interest payments will be made semiannually on July 1 and January 1 until maturity or prior redemption.*

LITIGATION

To the knowledge of appropriate representatives of the City, no litigation or administrative action or proceeding is pending or threatened to restrain or enjoin, or seeking to restrain or enjoin: the issuance or delivery of the 2010 Purchase Agreement, the Indenture or the 2010 Obligations, or the pledge and/or collection of Pledged Revenues to pay the principal of, premium, if any, and interest on, the 2010 Obligations; contesting or questioning the proceedings and authority under which the 2010 Purchase Agreement, the Indenture or the 2010 Obligations have been authorized and are to be issued, sold, executed or delivered; or the validity of the 2010 Obligations. The City will deliver a certificate to that effect at the time of the original delivery of the 2010 Obligations.

The City has been named as a defendant in several lawsuits for which appropriate representatives of the City believe either that the City has adequate self-insurance or insurance coverage in the event of liability or that such liability would not otherwise materially and adversely affect the financial condition of the City.

TAX MATTERS

Under existing law, the portion of each Purchase Payment made by the City pursuant to 2010 Purchase Agreement and denominated as and comprising interest pursuant to the 2010 Purchase Agreement and received by the Holders of the 2010 Obligations (the "Interest Portion") will be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code and will not be treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. The Interest Portion will also be exempt from income taxation under the laws of Arizona so long as the Interest Portion is excluded from gross income for federal income tax purposes. Special Counsel expresses no opinion as to the treatment for federal or State income tax purposes on the Interest Portion as to any other tax consequence relating to the 2010 Obligations.

The Code prescribes a number of qualifications and conditions for such interest to be and remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the City to the federal government, require future or continuing compliance after delivery of the 2010 Obligations in order for the Interest Portion to be and to remain so excluded from the date of execution and delivery. Such opinion on such tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain continuing covenants of the City contained in documents which are part of the transcript of proceedings for the 2010 Obligations and which are intended to evidence and assure that the Interest Portion will remain excluded from gross income for federal income tax purposes. Special Counsel will not independently verify the accuracy of the certifications and representations, or compliance with the covenants, made by the City. Noncompliance with these requirements could cause the Interest Portion to be included in gross income for federal income tax purposes and to be subject to federal and State income taxation retroactive to the date of execution and delivery of the 2010 Obligations. The City has covenanted in the 2010 Purchase Agreement to take all such actions that may be required of them for the Tax-Exempt Interest Portion to be and remain excluded from gross income for federal income tax purposes and not to take any actions that would adversely affect that exclusion.

Pursuant to provisions of the Code applicable only to corporations (as defined for federal income tax purposes), the Interest Portion will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations and may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America (the "United States") and to a tax imposed on excess net passive income of certain S corporations. Also, pursuant to the Code, the exclusion of the Interest Portion from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income, deductions or credits for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status of the Holders of the 2010 Obligations or other tax-related matters. As noted hereinabove, Special Counsel expresses no opinion regarding these or other consequences.

AMORTIZABLE PREMIUM

The difference between the stated principal amounts of the 2010 Obligations maturing on July 1, 20__ through and including July 1, 20__ (referred to in this section as the "Premium Obligations"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Premium Obligations of the same maturity was sold constitutes to an initial purchaser amortizable premium that is not deductible from gross income for federal income tax purposes. The amount of amortizable premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Obligation. For purposes of determining gain or loss on the sale or other disposition of a Premium Obligation, a purchaser who acquires such Premium Obligation in the initial offering to the public at the initial offering price thereof as set forth on the inside front cover page of this Official Statement is required to decrease such purchaser's adjusted basis in such Premium Obligation annually by the amount of amortizable premium for the taxable year. The amortization of premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Premium Obligations. Prospective purchasers of the Premium Obligations should consult their own tax advisors with respect to the tax consequences of owning and disposing of the Premium Obligations.

ORIGINAL ISSUE DISCOUNT

The initial offering prices of the 2010 Obligations maturing on July 1, 20__ through and including July 1, 20__ (referred to in this section as the "Discount Obligations"), are less than the stated principal amounts thereof. Under the Code, the difference between the principal amounts of the Discount Obligations and the initial offering price to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Discount Obligations of the same maturity was sold, constitutes to an initial purchaser "original issue discount." Original issue discount represents interest that is excluded from gross income; however, such interest is taken into account for purposes of determining the alternative minimum tax imposed on corporations and may result in the collateral federal tax consequences described above under "TAX MATTERS." Original issue discount will accrue actuarially over the term of a Discount Obligation at a constant interest rate. A purchaser who acquires a Discount Obligation in the initial offering to the public at an initial offering price thereof as set forth on the inside front cover page of this Official Statement will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Obligation and will increase its adjusted basis in such Discount Obligation by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Obligation. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Obligation that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. Prospective purchasers of the Discount Obligations should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Obligations and with respect to the state and local tax consequences of owning and disposing of the Discount Obligations.

LEGAL MATTERS

Legal matters incident to the execution and delivery of the 2010 Obligations and with regard to the tax-exempt status of the Interest Portion are subject to the legal opinion of Special Counsel, whose services have been retained by the City. The signed legal opinion of Special Counsel, dated and premised on the law in effect as of the date of the 2010 Obligations, will be delivered to the Underwriter at the time of original delivery of the 2010 Obligations.

The proposed text of the legal opinion is set forth as APPENDIX F – "FORM OF OPINION OF SPECIAL COUNSEL." The legal opinion to be delivered may vary from the text of APPENDIX F if necessary to reflect the facts and law existing on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special

Counsel has reviewed or expressed any opinion concerning any matters relating to the 2010 Obligations subsequent to the original delivery of the 2010 Obligations.

Certain legal matters will be passed upon for the Underwriter by Squire, Sanders & Dempsey L.L.P., as counsel to the Underwriter.

RATING

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") has assigned the rating of "___" to the 2010 Obligations. Such rating reflects only the views of S&P. An explanation of the significance of any rating assigned by S&P may be obtained at 55 Water Street, New York, New York 10041. Such rating may be revised downward or withdrawn entirely at any time by S&P, if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2010 Obligations. The City has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating relating to the 2010 Obligations. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

OBLIGATION INSURANCE AND RELATED RISK FACTORS

The City has applied for a municipal bond insurance policy (the "Policy") for the 2010 Obligations from Assured Guaranty Municipal Corp. (the "Obligation Insurer") to guarantee the scheduled payment of principal of and interest on the 2010 Obligations. A commitment to provide the Policy has not been issued, and representatives of the City have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the City ultimately determines to obtain the Policy for the 2010 Obligations, in the event of default of the payment of principal or interest with respect to any of the 2010 Obligations when all or some becomes due, any owner of 2010 Obligations on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Obligation Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the 2010 Obligations will remain payable solely from the Pledged Revenues as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE 2010 OBLIGATIONS." In the event the Obligation Insurer becomes obligated to make payments with respect to the 2010 Obligations, no assurance will be given that such event will not adversely affect the market price of the 2010 Obligations and the marketability (liquidity) of the 2010 Obligations.

The long-term ratings on the 2010 Obligations will be dependent in part on the financial strength of the Obligation Insurer and its claim paying ability. The Obligation Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Obligation Insurer and of the rating on the 2010 Obligations insured by the Obligation Insurer will not be subject to downgrade, and such event could adversely affect the market price of the 2010 Obligations and the marketability (liquidity) of the 2010 Obligations.

The obligations of the Obligation Insurer will be general obligations of the Obligation Insurer, and in an event of default by the Obligation Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

None of the City, the Underwriter, or their respective agents or consultants have made independent investigation into the claims paying ability of the Obligation Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Obligation Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal of and interest on the 2010 Obligations and the claims paying ability of the Obligation Insurer, particularly over the life of the investment.

UNDERWRITING

The 2010 Obligations will be purchased by the Underwriter at an aggregate purchase price of $_____ pursuant to the 2010 Purchase Agreement. If the 2010 Obligations are sold to produce the yields on the inside front cover page hereof, the Underwriter's compensation will be $_____. The 2010 Purchase Agreement provides that the Underwriter purchase all of the 2010 Obligations so offered if any are purchased. The Underwriter may offer and sell the 2010 Obligations to certain dealers (including dealers depositing 2010 Obligations into unit investment trusts) and others at yields lower than the public offering prices stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page hereof may be changed, from time to time, by the Underwriter. The City and the Underwriter have agreed that if any financial consulting relationship between them has existed with respect to the 2010 Obligations, such relationship is terminated, and the City has consented to the purchase of the 2010 Obligations on a negotiated basis by the Underwriter.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

The closing documents will include a certificate confirming that, to the best knowledge, information and belief of the City's Finance and Budget Director, the descriptions and statements contained in this Official Statement were at the time of the sale of the 2010 Obligations, and are at the time of the delivery thereof, true, correct and complete in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein in order to make the statements, in light of the circumstances under which they are made, not misleading. In the event this Official Statement is supplemented or amended prior to the date of delivery of the 2010 Obligations, the foregoing confirmation will also encompass such supplements or amendments. All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show certain historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

CONTINUING SECONDARY MARKET DISCLOSURE

The City has covenanted for the benefit of beneficial owners of the 2010 Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2011 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events, if material (the "Notices of Material Events"). The Annual Reports and the Notices of Material Events will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA") as described in APPENDIX G – "CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Material Events is set forth in APPENDIX G – "CONTINUING DISCLOSURE UNDERTAKING."

These covenants have been made in order to assist the underwriter of the 2010 Obligations in complying with S.E.C. Rule 15c2 12(b)(5) (the "Rule"). Pursuant to Arizona law, the ability of the City to provide information pursuant to such covenants is subject to annual appropriation to, among other things, cover the costs of preparing and disseminating the Annual Reports and the Notices of Material Events. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2010 Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2010 Obligations and their market price.

The City has complied with all existing continuing disclosure undertakings relating to the City in all material respects. ***[Insurer downgrade Material Events Notice needs to be filed.]***

FINANCIAL STATEMENTS

Excerpts of the City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009 are included in APPENDIX D – "CITY OF AVONDALE, ARIZONA – EXCERPTS OF THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009" and have been audited by Henry & Horne, LLP, Certified Public Accountants. **The City neither requested nor obtained the consent of Henry & Horne, LLP to include their reports and Henry & Horne, LLP have performed no procedures subsequent to rendering their opinions on the financial statements.**

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as a part of a contract with the original purchasers or subsequent owners of the 2010 Obligations.

By: _____
Marie Lopez-Rogers, Mayor

APPENDIX A

CITY OF AVONDALE, ARIZONA – WATER AND SEWER SYSTEM

General – Water System

The water production and distribution portion of the System (the "Water System") currently serves the population of the City, totaling approximately 76,648 people within a 44.9 square mile area. The City is the water service provider for the majority of the incorporated City limits with the following exceptions:

- The Liberty Water Company (formerly Litchfield Park Service Company) serves four small areas within the area bounded by Thomas Road, Litchfield Road, Dysart Road and Indian School Road. The customers in this area include a college, some schools and a few commercial properties.

- Rigby Water Company serves an area of approximately 2.5 square miles in the southeastern portion of City. The system is divided into two independent systems and has four wells.

- Phoenix International Raceway ("PIR") is a self-supplier with its own water source and infrastructure to use water on the PIR site.

The City currently relies on 11 "active" production wells to meet the drinking water needs of the City. The total pumping capacity of the City's active wells serving the main distribution system is 26.7 million gallons per day ("mgd"). The City has approximately 390 miles of water distribution pipelines. The total current capacity of the water system is 26.7 mgd. The average daily demand is 11.7 mgd.

General – Sewer System

The sewer collection and treatment portion of the System (the "Sewer System") serves the incorporated area of the City for all treatment requirements with the exception of PIR.

The City owns one water reclamation facility, located at 4800 S. Dysart. The water reclamation facility was recently expanded (in fiscal year 2008/09) to increase treatment capacity from 6.4 mgd. to 9.0 mgd. The City has approximately 290 miles of sewer mains and 11 lift stations.

Administration of the System

The City operates the System under Title 11, Chapter 2, Article 4 of the Arizona Revised Statutes.

The Avondale Public Works department, which includes the water resources area, is directed by Mr. Wayne Janis, P.E. Previous to coming to the City in 2006, Mr. Janis served as the Assistant Water Resources Director for the City of Phoenix, Arizona ("Phoenix"), retiring after 21 years. Mr. Janis holds a Bachelors of Science degree in mechanical engineering and a Masters of business administration degree from the University of Illinois. Mr. Janis holds an Arizona Department of Environmental Quality licenses in all four water and wastewater operation specialties and is a registered professional engineer in Arizona. While working for the City, Mr. Janis has overseen the operations and construction of the Dr. Charles M. Wolf Water Resources Center.

The Finance and Budget department of the City operates under the direction of Kevin H. Artz, CPA. Mr. Artz was appointed Finance and Budget Director in June 2000. Prior to that, Mr. Artz served as the Finance Director for the City of Show Low, Arizona, and also worked for the City of Tucson, Arizona and for the Arizona Office of the Auditor General. Mr. Artz holds a Bachelor of Science degree in business administration from The University of Arizona. Mr. Artz is a Certified Public Accountant, licensed with the State since 1995.

Accounting and Billing of the System

Litigation and Administrative Actions in the System

Capital Improvements of the System

TABLE A-1

Summary of Historical Performance of the System
City of Avondale, Arizona

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total operating revenues *(a)*	$ 10,822,148	$ 11,579,722	$ 12,179,219	$ 15,396,708	$ 16,342,090	$ 18,749,786	$ 19,436,132	$ 18,073,447
Total operating expenses *(b)*	7,109,672	6,655,346	7,247,442	8,851,960	10,023,264	12,473,104	13,259,794	14,419,200
Net operating income	$ 3,712,476	$ 4,924,376	$ 4,931,777	$ 6,544,748	$ 6,318,826	$ 6,276,682	$ 6,176,338	$ 3,654,247
Other revenues	$ 571,524	$ 740,400	$ 420,466	$ 1,087,765	$ 2,585,356	$ 3,687,234	$ 2,785,829	$ 2,092,810
Net revenues before debt service	$ 4,284,000	$ 5,664,776	$ 5,352,243	$ 7,632,513	$ 8,904,182	$ 9,963,916	$ 8,962,167	$ 5,747,057
Debt service	$ 2,271,301	$ 2,538,561	$ 3,034,873	$ 2,461,448	$ 2,455,293	$ 2,469,394	$ 2,270,531	$ 2,441,059
Debt service coverage w/o development fees	1.89x	2.23x	1.76x	3.10x	3.63x	4.03x	3.95x	2.35x
Development Fees	$ 5,669,185	$ 7,066,769	$ 15,536,911	$ 14,201,323	$ 12,210,868	$ 7,202,600	$ 4,315,154	$ 1,470,652
Debt service coverage with development fees	4.38x	5.02x	6.88x	8.87x	8.60x	6.95x	5.85x	2.96x

(a) Includes all operating revenues of the System except for development fees of the System.

(b) Excludes depreciation and interest expenses.

The following tables contain information regarding the Water System.

TABLE A-2

Meter Connection Charges – Water System
City of Avondale, Arizona

Meter Size (Inches)	Charge
5/8 and 3/4	Cost of meter
1	Cost of meter
1 ½	Cost of meter
2	Cost of meter
All others	Cost of meter

TABLE A-3

New Account Fee Deposit Amounts – Water System
City of Avondale, Arizona

	Amount
Regular meters	
Residential	$ 75
Commercial/industrial	150
Hydrant meters	
Per hydrant	1,000

TABLE A-4

Connection Turn-on Fees – Water System
City of Avondale, Arizona

	Amount
Regular	
Per request	$20
Hydrant meters	
Per hydrant	50

TABLE A-5

Base User Rates – Water System
City of Avondale, Arizona

Description of Services	2008/09 Charges
Customer Charge Per Bill - all users	$ 2.60
Meter Size-Base Fee all users *(a)*	
¾"	$ 7.90
1"	19.90
1 ½"	31.80
2"	50.90
3"	95.50
4"	159.20
6"	318.50
Hydrant	318.50
Residential Usage Charge per 1,000 gallons	
0 - 4,000 gallons	$ 0.94
5,000 - 8,000 gallons	1.44
9,000 - 12,000gallons	2.16
13,000+ gallons	3.30
Non-Residential Usage Charge per 1,000 gallons *(b)*	
0 - 8,000 gallons	$ 1.44
9,000 - 12,000gallons	2.16
13,000+ gallons	3.30
Hydrant – all gallons	3.30

(a) Meter charge for multi-family will be based upon a 47 percent (47%) unit equivalency factor applied to the ¾" meter charge times number of units.

(b) Rate blocks for non-residential users with meters greater than 1" are adjusted by the meter equivalency factor.

TABLE A-6

Meter Installation Fees – Water System
City of Avondale, Arizona

Tap Size (Inches)	Residential	Commercial
¾	$450	$550
1	530	650
1 ½	750	850
2	N/A	Cost of meter + 10%
4	N/A	Cost of meter + 10%
6	N/A	Cost of meter + 10%
8	N/A	Cost of meter + 10%
10	N/A	Cost of meter + 10%
12	N/A	Cost of meter + 10%

TABLE A-7

Schedule of Percentage Increases in Residential User Fee Rates – Water System
City of Avondale, Arizona

Fiscal Year	User Fee % Change
2009/10	None
2008/09	3.80%
2007/08	3.40
2006/07	5.50
2005/06	5.50
2004/05	3.00

TABLE A-8

Schedule of Water Sales Revenue – Water System
City of Avondale, Arizona

	2004/05	2005/06	2006/07	2007/08	2008/09	Projected 2009/10
Residential	$ 5,028,766	$ 5,651,575	$ 6,666,137	$ 7,118,855	$ 7,033,853	$ 7,523,254
Commercial	2,271,440	2,821,000	4,022,926	4,111,297	3,843,863	4,140,706
Total	$ 7,300,206	$ 8,472,575	$ 10,689,063	$ 11,230,152	$ 10,877,716	$ 11,663,960

TABLE A-9

Schedule of Water System Customers – Water System
City of Avondale, Arizona

Fiscal Year	Residential	Commercial	Multi-unit	Industrial	Total Accounts
2008/09	19,804	1,201	164	3	21,172
2007/08	19,887	1,207	167	3	21,264
2006/07	20,109	1,169	168	4	21,450
2005/06	19,329	980	156	3	20,468
2004/05	18,125	927	166	3	19,221

TABLE A-10

Schedule of Ten Largest Customers (Excluding the City of Avondale, Arizona) – Water System
City of Avondale, Arizona

Customer	Description	2008/09 Water System Fees/Charges
Mirabella Apartments	Apartments	$ 254,255
Garden Lakes HOA	Home Owners Association	168,032
Rancho Santa Fe HOA	Home Owners Association	161,771
Del Rio Ranch HOA	Home Owners Association	100,716
Agua Fria UHS District #216	School	87,391
Carter , Dr. Helen J	Mobile Home Park	82,884
Cambridge Estates HOA	Home Owners Assoc	73,537
Inland Southwest Management	Retail Center	60,642
Stardust Development	Home Owners Association	54,417
Coldwater Springs HOA	Home Owners Association	53,453
	Total:	$ 1,097,098

Total as a Percent of Total 2008/09 Water System Operating Revenue: 9.45%

TABLE A-11

Other Charges – Water System
City of Avondale, Arizona

	Charges
Reconnections (per disconnection for non-payment)	$60.00
Meter re-reading/testing (per re-read/test)	5.00
Account transfers (per transfer)	20.00
Bank returned items (per check)	25.00
Credit/debit card transaction	
(per transaction via counter)	N/A
(via web or phone)	1.50

N/A = Not applicable.

TABLE A-12

Revenues from Other Fees and Charges – Water System
City of Avondale, Arizona

Fiscal Year	Meter Install Revenues	Turn-on Fees	Interest Earnings	Total
2009/10 *(a)*	$40,500	$262,800	$ 20,400	$ 323,700
2008/09	59,470	425,480	159,980	644,930
2007/08	155,875	284,239	663,170	1,103,284
2006/07	443,495	175,359	787,344	1,406,198
2005/06	669,014	161,425	469,084	1,299,523
2004/05	909,646	275,004	173,333	1,357,982

(a) Projected.

The following tables contain information regarding the Sewer System.

TABLE A-13

Schedule of Existing Monthly Sewer Service Charges – Sewer System
City of Avondale, Arizona

Administrative Charge per Bill – all users $6.25

User Class	Volume Charge (per 1,000 gallon)	Return Factor
Residential *(a)*	$3.17	80%
Multi-family	3.17	100
Mobile home park	3.17	80
Auto steam cleaning	9.37	70
Bakery wholesale	7.30	80
Hospital and convalescence	2.90	80
Markets with garbage disposal	6.84	80
Repair shop and service station	2.98	80
Restaurant	7.30	80
Schools and colleges	2.37	80
Bars without dining	2.89	80
Laundromat	2.48	70
Commercial laundry	4.09	70
Car wash	1.99	70
Professional office	2.32	80
Department store and retail	2.56	80
Hotel with dining	5.08	80
Hotel without dining	3.21	80
Mortuaries	6.84	80

(a) Residential charges are calculated using the average water usage for the months of December, January and February, adjusted by the return factor shown in the table above.

TABLE A-14

Schedule of Percentage Increases in Residential User Fee Rates – Sewer System
City of Avondale, Arizona

Fiscal Year	User Fee % Change
2009/10	None
2008/09	1.80%
2007/08	2.40
2006/07	None
2005/06	None
2004/05	3.00

TABLE A-15

Schedule of Sewer User Fee Revenues – Sewer System
City of Avondale, Arizona

	2004/05	2005/06	2006/07	2007/08	2008/09	Projected 2009/10
Residential	$ 5,636,385	$ 5,934,162	$ 6,482,346	$ 6,699,493	$ 6,520,800	$ 6,264,455
Commercial	760,700	543,408	698,701	749,840	810,341	854,355
Total	$ 6,397,085	$ 6,477,570	$ 7,181,047	$ 7,449,333	$ 7,331,141	$ 7,118,810

TABLE A-16

Other Fees and Charges – Sewer System
City of Avondale, Arizona

Fiscal Year	Tap Fee Revenues	Interest Earnings	Total
2009/10 *(a)*	$ 40,500	$10,500	$51,000
2008/09	115,800	92,864	208,664
2007/08	286,293	394,342	680,635
2006/07	265,200	470,857	736,057
2005/06	487,820	301,126	788,946
2004/05	583,593	125,851	709,444

(a) Projected.

TABLE A-17

Schedule of Sewer System Customers – Sewer System
City of Avondale, Arizona

Fiscal Year	Residential	Commercial	Multi-unit	Industrial	Total Accounts
2008/09	19,475	570	152	1	20,198
2007/08	19,554	560	146	1	20,261
2006/07	19,796	549	156	1	20,502
2005/06	19,025	461	153	1	19,640
2004/05	17,801	422	154	1	18,378

TABLE A-18

Schedule of Ten Largest Customers (Excluding the City of Avondale, Arizona) – Sewer System
City of Avondale, Arizona

Customer	Description	2008/09 Water System Fees/Charges
Carter , Dr. Helen J - Private individual	Mobile Home Park	$ 70,482
Mirabella Apartments	Apartments	48,258
PEM Investments LLC	Apartments	43,969
Mountain View Management LLC	Apartments	38,196
Versante Apartments	Apartments	34,717
Maricopa County HD	County Government	33,983
Aventura Apartments	Apartments	33,767
Maricopa County Housing Authority	County Government	30,881
Newport	Apartments	29,285
Country Villa	Mobile Home Park	28,122
	Total:	$ 391,660
	Total as a Percent of Total 2008/09 Sewer System Operating Revenue:	5.19%

APPENDIX B

CITY OF AVONDALE, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information regarding the City is provided for background information only. No representation is made as to the relevance of the data to the repayment of the 2010 Obligations. The 2010 Obligations are payable solely from payments to be paid by the City under the 2010 Purchase Agreement and Indenture, which are secured by Pledged Revenues as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE 2010 OBLIGATIONS."

General

The City is located approximately 15 miles west of downtown Phoenix, Arizona ("Phoenix") in the southwestern portion of the metropolitan Phoenix area and in the central portion of the County, contiguous to the communities of Litchfield Park, Arizona to the north, Phoenix to the north and east, Tolleson, Arizona to the east and Goodyear, Arizona to the north and west. Unique to the City is the convergence of the Gila, Salt and Agua Fria rivers within the City. The City was incorporated in 1946 and is considered one of the fastest growing residential areas in the County.

TABLE B-1

POPULATION STATISTICS
City of Avondale, Arizona

	City of Avondale	Maricopa County	State of Arizona
2009 Estimate *(a)*	76,900	4,023,331	6,683,129
2000 Census	35,883	3,072,149	5,130,632
1990 Census	16,169	2,122,101	3,665,339
1980 Census	8,168	1,509,175	2,716,546
1970 Census	6,626	971,228	1,775,399
1960 Census	6,151	663,510	1,302,161

(a) Data as of July 2009.

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Municipal Government and Utilities

The City operates under a Council-Manager form of government in accordance with its Charter. The Mayor is elected for a four-year term and six council members are elected at large on a non-partisan basis for four-year, staggered terms. The City Council appoints the City Manager who has full responsibility for carrying out Council policy and administering operations for the City. The City Manager in turn appoints department heads.

The City provides its residents with sanitation, water and sewer services. Electricity is provided by both Arizona Public Service Company and Salt River Project. Natural gas is supplied by Southwest Gas Corporation.

Economy

The City is developing from an agriculturally based community into a location of commerce and light industry. The City's economy is a mix of services, retail and manufacturing. The City has two employment corridors that are able to access a labor pool of more than half a million employees within a 30-minute commute. The I-10 Corridor and the Avondale Boulevard Corridor serve the 66-acre Avondale Civic Center and include a 16,000 square foot Hilton Garden Inn complex.

TABLE B-2

MAJOR EMPLOYERS
City of Avondale, Arizona

Employer	Description	Approximate Number of Employees
Wal-Mart Stores	Retail	470
Avondale Elementary School District No. 44	Education	395
Avondale Automotive Inc.	Retail – automotive	385
Smith Food & Drug Stores – Frys Food Store	Retail – grocery	360
City of Avondale	Government	355
Tolleson Union High School District No. 214 (Avondale portion only)	Education	345
Agua Fria Union High School District No. 216 (Portion in Avondale only)	Education	305
Costco	Retail	210
Universal Technical Institute (UTI)	Education	205
Estrella Mountain Community College	Education	185
The Home Depot	Retail – home improvement	150
Earnhardt Auto Center	Retail – automotive	140
SunBridge Estrella Care & Rehabilitation	Health care	140
Gateway Chevrolet	Retail – automotive	120
Avondale Nissan	Retail – automotive	115
Bashas'	Retail – grocery	115

Source: Estrella Mountain Community College Office of Planning & Institutional Effectiveness, 2009 and *2009 Arizona Industrial Directory* and *2009 Arizona Services Directory*, Harris Infosource.

The following table illustrates the unemployment averages for the City, the County, the State and the United States of America.

TABLE B-3

UNEMPLOYMENT AVERAGES

Calendar Year	City of Avondale	Maricopa County	State of Arizona	United States of America
2010 *(a)*	8.8%	9.0%	9.8%	9.7%
2009	8.0	8.3	9.1	9.3
2008	5.0	5.1	5.9	5.8
2007	3.1	3.2	3.8	4.6
2006	3.4	3.5	4.1	4.6
2005	3.9	4.0	4.6	5.1

(a) Data through February 2010.

Source: Arizona Department of Commerce, Research Administration, CES/LAUS Unit and U.S. Department of Labor, Bureau of Labor Statistics.

Construction

The following tables illustrate a building permit summary for residential and non-residential construction and new housing permits for the City.

TABLE B-4

VALUE OF BUILDING PERMITS
City of Avondale, Arizona
($000s omitted)

Calendar Year	Residential	Commercial	Industrial	Other	Total
2009	$ 20,223	$ 4,737	$ 36	$ 8,630	$ 33,626
2008	32,917	118,426	941	5,330	157,614
2007	128,908	43,148	5,056	24,335	201,447
2006	177,536	61,961	37,830	11,783	289,110
2005	284,248	86,083	5,880	11,746	387,957

Source: Realty Studies, Morrison School, Arizona State University Polytechnic campus. Note that the data is obtained from county and municipal divisions which issue such permits. Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The issuance of a building permit does not necessarily mean that construction will commence immediately or at all.

TABLE B-5

NEW HOUSING STARTS
City of Avondale, Arizona

Calendar Year	Total New Housing Permits
2009	98
2008	1,189
2007	696
2006	1,228
2005	1,805

Source: Realty Studies, Morrison School, Arizona State University Polytechnic campus. Note that the data is obtained from county and municipal divisions which issue such permits. The issuance of a building permit does not necessarily mean that construction will commence immediately or at all.

Commerce

The following table illustrates the past five years of sales tax collections.

TABLE B-6

SALES TAX COLLECTIONS
City of Avondale, Arizona
($000s omitted)

Fiscal Year	Amount
2008/09	$32,618
2007/08	37,549
2006/07	42,620
2005/06	39,328
2004/05	35,956

Source: Comprehensive Annual Financial Reports for Avondale

Tourism

Phoenix International Raceway, on the southern edge of the City, away from residential areas, hosts many important auto races each year, including Copperworld Classic, Indy Car and NASCAR, as well as other entertainment activities. Billy Moore Days, named for a colorful character who lived in the City during Arizona's early years, is held in October. Estrella Mountain Regional Park, on the City's southern boundary, has 19,000acres with an 18-hole golf course as well as camping, horseback riding and picnicking. The 26,000-acre White Tank Mountain Regional Park, to the northwest, features unusual petroglyphs, hiking trails, a waterfall and scenic desert vistas.

Transportation

The Papago Freeway, a segment of Interstate 10, as well as the Loop 101 serve the City. The Loop 101 Freeway connects the northern portion of metropolitan Phoenix with the southwestern portion at 99th Avenue and Interstate 10 in the City.

Air transportation is provided by both the Phoenix-Goodyear Municipal Airport, located approximately one mile west in Goodyear, Arizona, and by the Phoenix Sky Harbor International Airport, located approximately 18 miles east in Phoenix. The Union Pacific rail line also runs through the City, providing industrial sites with rail access.

Education

The City is served by five elementary school districts, two high school districts and numerous charter schools. Post-secondary education is provided by the Estrella Mountain Community College with Arizona State University West, Glendale Community College and Thunderbird American Graduate School of International Management located nearby in Phoenix and Glendale, Arizona.

APPENDIX C

CITY OF AVONDALE, ARIZONA – FINANCIAL DATA

TABLE C-1

Current Year Statistics (Fiscal Year 2009/10)
City of Avondale, Arizona

General Obligation Bonded Debt Outstanding and to be Outstanding	$ 39,985,000	*(a)*
Water and Sewer Revenue Obligations Outstanding and to be Outstanding	9,015,000*	*(b)*
Street and Highway User Revenue Bonded Debt Outstanding	2,780,000	
Excise Tax Revenue Bonded Debt Outstanding	69,435,000	
Primary Assessed Valuation	574,984,407	*(c)*
Secondary Assessed Valuation	641,762,977	*(c)*
Estimated Net Full Cash Value	4,932,828,426	*(d)*

The City's preliminary fiscal year 2010/11 secondary assessed valuation is estimated at $524,305,349, a decrease of approximately 18% from the fiscal year 2009/10 secondary assessed valuation. The City's preliminary fiscal year 2010/11 primary assessed valuation is estimated at $489,092,429, a decrease of approximately 15% from the fiscal year 2009/10 primary assessed valuation. The City's preliminary fiscal year 2010/11 estimated net full cash value is estimated at $3,878,604,415 , a decrease of approximately 21% from the fiscal year 2009/10 estimated net full cash value. Although the final official valuations are not expected to differ materially from the estimated valuations, the valuations are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on August 16, 2010.

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* *Subject to change.*

(a) *Includes the $2,715,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2010 (the "Refunding Bonds") which the City intends to sell pursuant to a separate offering document and which is expected to be delivered simultaneously with the 2010 Obligations.*

(b) *Represents the 2010 Obligations.*

(c) *State property taxes are divided into two categories: primary and secondary. Secondary property taxes are those taxes and assessments imposed to pay principal and interest on bonded indebtedness and certain other obligations, those imposed for special districts other than school districts and those imposed to exceed a budget, expenditure or tax limitation pursuant to voter approval. Primary property taxes are all ad valorem taxes other than secondary property taxes. Annual increases in the valuation of certain types of property for primary property tax purposes and the amount of primary property taxes which may be levied in any year are subject to certain limitations. These limitations do not apply with respect to secondary property taxes. See "PROPERTY TAXES – Ad Valorem Taxes – Property Tax Assessment Ratios" for the method of determination of such categories.*

(d) *Estimated net full cash value is the total market value of the property less net exempt property within the City.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates & Assessed Values*, Arizona Tax Research Association.

STATEMENTS OF BONDED INDEBTEDNESS

TABLE C-2

General Obligation Bonded Debt Outstanding and to be Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding	Bonds Being Refunded	Balance Outstanding and to be Outstanding
1998	$ 4,300,000	7-1-04/18	$ 2,910,000	$ (2,910,000)	$ -
2003A	7,050,000	7-1-04/10	1,090,000		1,090,000
2003B	3,060,000	7-1-04/14	1,555,000		1,555,000
2005	4,145,000	7-1-06/16	3,310,000		3,310,000
2006B	2,500,000	7-1-07/17	1,515,000		1,515,000
2009	29,800,000	7-1-10/34	29,800,000		29,800,000
Total General Obligation Bonded Debt Outstanding					$ 37,270,000
Plus: The Refunding Bonds *(a)*					2,715,000
Total Net General Obligation Bonded Debt Outstanding and to be Outstanding					$ 39,985,000

(a) Includes the Refunding Bonds which the City intends to sell pursuant to a separate offering document and which is expected to be delivered simultaneously with the 2010 Obligations.

TABLE C-3

Water and Sewer Revenue Obligations Outstanding and to be Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding	Balance Outstanding and to be Outstanding / Refinanced*
1992	$ 7,500,000	7-1-93/12	$ 2,308,361	$ -
1996	8,940,000	7-1-97/13	3,010,000	-
1998	6,300,000	7-1-99/18	1,125,000	-
1999	6,125,000	7-1-02/20	4,077,830	-
Total Water and Sewer Revenue Bonded Debt Outstanding				$ -
Plus: The 2010 Obligations *(a)*				9,015,000*
Total Net Water and Sewer Revenue Obligations Outstanding and to be Outstanding				$ 9,015,000*

* *Subject to change.*

(a) Represents the 2010 Obligations.

TABLE C-4

Street and Highway User Revenue Bonded Debt Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding
2005	$ 3,185,000	7-1-06/17	$ 2,780,000
Total Street and Highway User Revenue Bonded Debt Outstanding			$ 2,780,000

TABLE C-5

Excise Tax Revenue Bonded Debt Outstanding
City of Avondale, Arizona

Issue Series	Original Amount	Maturity Dates	Balance Outstanding
1999	$ 11,285,000	7-1-01/11	$ 1,740,000
2002	23,000,000	7-1-03/15	7,725,000
2003	13,120,000	7-1-04/15	6,880,000
2004	12,400,000	7-1-05/20	9,280,000
2005	12,850,000	7-1-06/20	12,400,000
2006	18,500,000	7-1-07/26	16,825,000
2008	15,000,000	7-1-09/28	14,585,000
Total Excise Tax Revenue Bonded Debt Outstanding			$ 69,435,000

TABLE C-6

Other Indebtedness
City of Avondale, Arizona

Item Leased	Median Payment Amount	Period Due
HVAC system	$277,356	Annually through 2014
(2) Fire pumper truck	153,541	Annually through 2013

Source: The City.

Direct Bonded Debt, Legal Limitation and Unused Borrowing Capacity
City of Avondale, Arizona

The Arizona Constitution provides that the general obligation bonded indebtedness for a city or town for general municipal purposes may not exceed six percent (6%) of the secondary assessed valuation of the taxable property in that city or town. In addition to the six percent limitation for general municipal purpose bonds, cities and towns may issue general obligation bonds up to an additional twenty percent (20%) of the secondary assessed valuation for supplying water, artificial light or sewers, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and streets and transportation facilities.

TABLE C-7

General Municipal Purpose Bonds		Water, Light, Sewer, Open Space, Public Safety, Law Enforcement, Fire and Emergency Services, Park, Street and Transportation Facilities Bonds	
Total 6% General Obligation Bonding Capacity	$ 38,505,778	Total 20% General Obligation Bonding Capacity	$ 128,352,595
Less: 6% General Obligation Bonds Outstanding	(1,515,000)	Less: 20% General Obligation Bonds Outstanding	(38,470,000) *(a)*
Net 6% General Obligation Bonding Capcity	$ 36,990,778	Net 20% General Obligation Bonding Capcity	$ 89,882,595

(a) Includes the Refunding Bonds which the City intends to sell pursuant to a separate offering document and which is expected to be delivered simultaneously with the 2010 Obligations.

TABLE C-8

Direct and Overlapping General Obligation Bonded Debt
City of Avondale, Arizona

Overlapping Jurisdiction	General Obligation Bonded Debt *(b)*	Proportion Applicable to the District *(a)* Approximate Percent	Proportion Applicable to the District *(a)* Net Debt Amount
State of Arizona	None	0.74 %	None
Maricopa County	None	1.11	None
Maricopa County Community College District	$ 653,040,000	1.11	$ 7,248,744
Maricopa County Flood Control District	None	1.17	None
Tolleson Elementary School District No. 17	19,055,000 *(c)*	10.71	2,040,791
Avondale Elementary School District No. 44	37,990,000 *(d)*	18.50	7,028,150
Littleton Elementary School District No. 65	13,390,000	57.64	7,717,996
Litchfield Elementary School District No. 79	35,705,000	11.95	4,266,748
Pendergast Elementary School District No. 92	27,195,000	30.67	8,340,707
Tolleson Union High School District No. 214	88,515,000	24.82	21,969,423
Agua Fria Union High School District No. 216	52,485,000	14.30	7,505,355
City of Avondale	39,985,000 *(e)*	100.00	39,985,000 *(e)*
Net Direct and Overlapping General Obligation Bonded Debt			$ 106,102,913

(a) *Does not include outstanding principal amounts of certificates or participation, revenue obligations, loan obligations, improvement bonds, or other debt not secured by ad valorem property taxes. Includes total stated principal amount of general obligation bonds outstanding, however, does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may be authorized by voters within overlapping jurisdictions pursuant to future elections.*

Overlapping Jurisdiction	*General Obligation Bonds Authorized but Unissued*
Maricopa Community College District	*$301,093,000*
Tolleson Elementary School District No. 17	*3,260,000* [1]
Avondale Elementary School District No. 44	*None* [2]
Littleton Elementary School District No. 65	*7,600,000*
Litchfield Elementary School District No. 79	*35,705,000*
Pendergast Elementary School District No. 92	*27,195,000*
Tolleson Union High School District No. 214	*6,600,000*

[1] *Excludes the School Improvement Bonds, Project of 2006, Series D (2010) bond issue in the approximate aggregate principal amount of $5,300,000 scheduled to close in June 2010.*

[(2)] *Excludes the School Improvement Bonds, Project of 2005, Series D (2010) bond issue in the approximate aggregate principal amount of $2,470,000 scheduled to close in June 2010.*

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October l, 1993. Effectiveness of the agreement is subject to a number of conditions including settlement of certain Indian community water claims and other water claims and will require certain Arizona legislation. Federal enabling legislation was passed in 2004. If the conditions are not met by May 9, 2012, and the parties do not amend the agreement, the agreement will terminate and litigation will resume. If it appears prior to May 9, 2012, that the conditions will not be met by the deadline, the parties can amend the agreement or either party may petition the United States District Court to terminate the agreement and resume litigation. CAWCD is a water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of secondary assessed valuation, of which ten cents is being levied for fiscal year 2008/09. (See Arizona Revised Statutes, Sections 45-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract that such levy limit will not be increased or removed at any time during the life of the contract.

(c) Includes the School Improvement Bonds, Project of 2006, Series D (2010) bond issue in the approximate aggregate principal amount of $5,300,000 scheduled to close in June 2010.

(d) Includes the School Improvement Bonds, Project of 2005, Series D (2010) bond issue in the approximate aggregate principal amount of $2,470,000 scheduled to close in June 2010.

(e) Includes the Refunding Bonds which the City intends to sell pursuant to a separate offering document and which is expected to be delivered simultaneously with the 2010 Obligations.

Source: The various entities, Arizona Department of Revenue and *Property Tax Rates and Assessed Values,* Arizona Tax Research Association.

TABLE C-9

Direct and Overlapping General Obligation Bonded Debt Ratios
City of Avondale, Arizona

	Per Capita Bonded Debt Population Estimated @ 76,900	As % of City's 2009/10 Secondary Assessed Valuation	As % of City's 2009/10 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt *(a)*	$ 519.96	6.23%	0.81%
Net Direct and Overlapping General Obligation Debt *(a)*	1,379.75	16.53	2.15

(a) Includes the Refunding Bonds which the City intends to sell pursuant to a separate offering document and which is expected to be delivered simultaneously with the 2010 Obligations.

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and Arizona Department of Commerce, Population Statistics Unit.

RETIREMENT SYSTEM

Retirement Benefits

The City's employees are covered by the Arizona State Retirement System (the "ASRS"), a cost-sharing, multiple-employer defined benefit plan. Annual contributions are set by the Arizona Legislature. For fiscal year 2009/10, the District's annual contribution is 9.45% of payroll amounts. The District's annual contribution for fiscal year 2010/11 is expected to be 9.85% of payroll amounts. The City is current on its contributions to the ASRS. See Note 7 in APPENDIX D – "CITY OF AVONDALE, ARIZONA – EXCERPTS OF AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009" for further discussion of the City's retirement plan.

The City also contributes to the Public Safety Personnel Retirement System (the "PSPRS"), an agent multiple-employer, public employee retirement system that acts as a common investment and administrative agent to provide retirement and death and disability benefits for public safety personnel who are regularly assigned hazardous duty in the employ of the State or a political subdivision, such as City, thereof. For the fiscal year ended June 30, 2009, the City's contribution was 12.78% of payroll amounts for police and 13.02% of payroll amounts for fire.

The City also contributes to the Correctional Officers Retirement Plan (the "CORP"), a multiple-employer defined benefit pension plan that covers certain full-time state, county and municipal detention officers. The CORP is governed by a five-member board (the "Fund Manager") according to the Arizona Revised Statutes, Title 38, Chapter 5, Article 5. Benefits are established by State statute and generally provide retirement, death, disability, survivor and health insurance premium benefits. For the fiscal year ended June 30, 2009, the City's contribution was 5.11% of payroll amounts for covered employees.

The City also contributes to the Elected Officials' Retirement Plan (the "EORP"), a multiple-employer cost-sharing defined benefit pension plan administered by the State to provide pension benefits for state and county elected officials, judges and certain elected officials. The State Legislature has the authority to establish and amend benefits, provisions and contributions for active plan members. EORP provides retirement, death and disability benefits. For the fiscal year ended June 30, 2009, the City's contribution was 28.02% of payroll amounts for covered employees.

The City also contributes to the Volunteer Firefighters' Relief and Pension Fund (the "VFRPF"), a defined contribution plan which provides pensions to volunteer firefighters only. The VFRPF is administered by State statute, requiring both the employee and the City to make contributions equal to 5.00% of the employee's compensation. Some monies are also received from the State. After 20 years of service as a volunteer firefighter, he or she is entitled to a monthly pension determined by the board of trustees of the VFRPF in an amount not to exceed $400. If the volunteer firefighter resigns before completing 20 years of service, he or she is entitled to a refund of his or her contributions only, but not to the City's contributions, amounts received from the State or earnings on any contributions. For the fiscal year ended June 30, 2009, the payroll for employees covered by VFRPF required no contributions.

Other Post-Employment Retirement Benefits

Beginning with the fiscal year that commences on July 1, 2008, the City was required to implement Government Accounting Standards Board Statement Number 45, *Accounting by Employers for Post-Employment Benefits Other than Pensions* ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, GASB 45 will require the reporting of such costs as a financial statement liability.

The City does not offer OPEBs. The City employees, their spouses and survivors may, however, be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all the City employees that reach normal or early retirement age while working for the City will become eligible for such benefits. Currently, such retirees may obtain the health care benefits offered by the State by paying the applicable health care insurance premium; such plan is available to all participants, whether retired or not, in the State's health care program. It is not the responsibility of the City to fund such costs.

NOTE: THE FOLLOWING DATA AND OTHER INFORMATION IS GIVEN AS BACKGROUND INFORMATION CONCERNING THE CITY. UNDER NO CIRCUMSTANCES ARE THE 2010 OBLIGATIONS PAYABLE FROM AD VALOREM PROPERTY TAXES OF THE CITY.

PROPERTY TAXES

Tax Years

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures, as explained below, begin prior to January 1 of the tax year and continue through May of the succeeding calendar year. The tax lien attaches to the real property as of January 1 of the tax year in question.

Ad Valorem Taxes

The State has two different valuation bases for levying ad valorem property taxes. They are "limited property" and "full cash" values. Additionally, all property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each legal classification is defined by property use and has an assessment ratio (a percentage factor) that is multiplied by the limited or full cash value of the property to obtain the assessed valuation. See "Assessment Ratios" herein.

Assessment Ratios

The appropriate property classification ratio is applied to the full cash value to determine the assessed valuation for such parcel. The current assessment ratios for each class of property are set forth in the following table.

TABLE C-10

Property Classification *(a)*	2006	2007	2008	2009	2010
Mining, Utilities, Commercial and Industrial *(b)*	24.5%	24%	23%	22%	21%
Agriculture and Vacant Land *(b)*	16	16	16	16	16
Owner Occupied Residential	10	10	10	10	10
Leased or Rented Residential	10	10	10	10	10
Railroad, Private Car Company and Airline Flight Property *(b)(c)*	22	21	20	18	17

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2010, full cash values up to $66,440 on commercial, industrial and agricultural personal property are exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. Effective January 1, 2010, the assessment rate on mining, utility, commercial and industrial property was reduced to 21%. Additionally, this rate will be reduced by one percentage point annually through tax year 2010, resulting in an assessment rate of 20% from and after December 31, 2010.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Most property is valued by the various county assessors, including the Assessor of the County, with the Arizona Department of Revenue valuing centrally assessed properties such as gas, water and electrical utilities, pipelines, mines, local and long distance telephone companies and airline flight property. Full cash value is statutorily defined to mean "that value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value." "Market value" means that estimate of value that is derived annually by use of standard appraisal methods and techniques, which generally include the market approach, the cost approach and the income approach. As a general matter, the Assessor of the County uses a cost approach for commercial/industrial property and a sales data approach for residential property. State law allows taxpayers to appeal such valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land at the same full cash valuation for up to three years. The Assessor of the County currently values existing properties on a two year cycle.

Certain residential property owners sixty-five years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a

person who does not qualify, the valuation reverts to its current full cash value. Any freeze on increases in full cash value will, as a result, freeze the secondary assessed value of the affected property as hereinafter described.

Primary Taxes

Taxes levied against the assessed limited property value (after application of the assessment ratio) are referred to as primary taxes, which are used for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State. The State does not currently levy ad valorem taxes. With the exception of personal property (other than mobile homes) and utility, mining and producing oil, gas and geothermal property with limited values equal to full cash values, limited property value cannot exceed the full cash value and is derived statutorily using one of the following two procedures:

(1) The limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use is established at the previous year's limited property value increased by the greater of either 10% of the previous year's limited property value or 25% of the difference between the previous year's limited property value and the current year's full cash value.

(2) The limited property value for property that was omitted from the tax roll in the prior year, that underwent a change in use or modification through construction, destruction or demolition or that has been split, subdivided or consolidated is established at a level or percentage of the limited property value to full cash value of existing properties of the same use or legal classification.

The aggregate of the primary taxes levied by a county, city, town and community college district is constitutionally limited to a maximum increase of 2% over the prior year's levy limit plus any taxes on property not subject to tax in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). In November 2006, the maximum allowable primary property tax levy limit was rebased to the amount of actual 2005 primary property taxes levied (plus amounts levied against property not subject to taxation in prior years). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the full cash value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid in the form of the "State Equalization Assistance Property Tax." See footnote (a) to TABLE C-12.

Secondary Taxes

Taxes levied against the assessed value (after application of the assessment ratio to the full cash value) are referred to as secondary taxes, which are used for debt retirement (i.e., debt service on the Refunding Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts. There is no limitation on the annual increases in full cash value of any property, and annual levies for voter-approved bond indebtedness and special district assessments are unlimited.

Tax Procedures

On or before the third Monday in August each year the Board of Supervisors of the County approves the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Obligations. None of the City, the Financial Advisor nor their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

TABLE C-11

Real and Secured Property Taxes Levied and Collected *(a)*
City of Avondale, Arizona

Fiscal Year	Tax Rate	Adopted Tax Levy	Adjusted Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year: Amount	Collected to June 30th of Initial Fiscal Year: % of Adj. Levy as of June 30th	Adjusted Tax Levy as of 3/25/2010	Cumulative Collections to March 25, 2010: Amount	Cumulative Collections to March 25, 2010: % of Adj. Levy as of 3/25/2010
2009/10	$1.1058	$6,843,611	$6,819,004	*(b)*	*(b)*	$6,819,004	$3,766,168	55.23 %
2008/09	1.1058	7,102,059	7,052,405	$6,710,295	95.15 %	7,045,071	7,030,819	99.80
2007/08	1.1058	5,906,911	5,870,299	5,639,466	96.07	5,838,200	5,834,504	99.94
2006/07	1.1692	4,389,587	4,381,433	4,225,998	96.45	4,364,832	4,362,946	99.96
2005/06	1.1692	3,668,855	3,639,840	3,521,489	96.75	3,626,743	3,625,164	99.96
2004/05	1.1692	2,977,361	2,971,845	2,872,201	96.65	2,944,147	2,943,178	99.97

(a) *Taxes are certified and collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *2009/10 taxes in course of collection:*
First installment due 10-01-09, delinquent 11-01-09;
Second installment due 03-01-10, delinquent 05-01-10.

Source: Office of the Treasurer of the County.

ASSESSED VALUATIONS AND TAX RATES

TABLE C-12

Direct and Overlapping Assessed Valuations and Total Tax Rates
Per $100 Assessed Valuation

Overlapping Jurisdiction	2009/10 Secondary Assessed Valuation	2009/10 Primary Assessed Valuation	2009/10 Total Tax Rate Per $100 Assessed Valuation
State of Arizona	$ 86,504,734,898	$ 74,775,994,183	$ 0.3306 *(a)*
Maricopa County	57,984,051,718	49,675,117,156	0.9909
Maricopa County Community College District	57,984,051,718	49,675,117,156	0.8844
Maricopa County Fire District *(b)*	57,984,051,718	N/A	0.0057
Maricopa County Library District *(b)*	57,984,051,718	N/A	0.0353
Maricopa County Flood Control District *(b)*	54,862,329,172	N/A	0.1367
Maricopa County Special Health Care District *(b)*	57,984,051,718	N/A	0.0914
Central Arizona Water Conservation District *(b)*	57,984,051,718	N/A	0.1000
McMicken Irrigation District *(b)*	N/A	N/A	0.9077 / Acre
Roosevelt Irrigation District *(b)*	N/A	N/A	17.1000 / Acre
St. Johns Irrigation District *(b)*	N/A	N/A	78.5885 / Acre
Western Maricopa Education Center *(b)*	20,706,973,204	N/A	0.0500
Tolleson Elementary School District No. 17	275,146,610	223,986,554	3.9095
Avondale Elementary School District No. 44	551,976,521	469,470,551	3.3117
Littleton Elementary School District No. 65	389,531,143	342,338,643	3.7718
Litchfield Elementary School District No. 79	988,320,957	875,411,148	2.6215
Pendergast Elementary School District No. 92	545,329,053	478,490,620	5.2024
Tolleson Union High School District No. 214	1,697,183,102	1,451,885,679	2.0963
Agua Fria Union High School District No. 216	1,540,297,478	1,344,881,699	2.6949
City of Avondale	641,762,977	574,984,407	1.1058

(a) *Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in fiscal year 2009/10 has been set at $0.3306 and is adjusted annually pursuant to Arizona Revised Statutes, Section 41-1276.*

(b) *The assessed valuation of the flood control district does not include the personal property assessed valuation of the County. All levies for fire districts, library districts, flood control districts, special health care districts, water conservation districts, community facilities districts and joint technological districts are levied on the secondary assessed valuation. Valuation shown for the Central Arizona Water Conservation District covers only the County portion of such district.*

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Total Tax Rates Per $100 Assessed Valuation

There are 20 taxing jurisdictions which overlap portions of the District's boundaries. The total overlapping property tax rate for property owners within the District ranges from $9.0472 to $12.2876, depending upon the specific taxing jurisdictions which overlap the property.

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and Arizona Department of Revenue.

TABLE C-13

Secondary Assessed Valuation by Property Classification
City of Avondale, Arizona

Class	2009/10 Secondary Assessed Valuation	2008/09 Secondary Assessed Valuation	2007/08 Secondary Assessed Valuation	2006/07 Secondary Assessed Valuation	2005/06 Secondary Assessed Valuation
Commercial, Industrial, Utilities & Mines	$ 202,034,059	$ 179,304,017	$ 142,205,772	$ 112,571,195	$ 84,028,152
Agricultural and Vacant	57,098,417	59,981,988	48,977,215	38,654,272	31,816,713
Residential (owner occupied)	291,548,136	372,761,407	322,139,304	199,784,255	181,778,769
Residential (rental)	90,706,051	91,692,313	70,127,449	35,453,959	24,736,679
Railroad	376,314	415,276	435,213	326,959	315,471
Totals*	$ 641,762,977	$ 704,155,001	$ 583,884,953	$ 386,790,640	$ 322,675,785

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* *Totals may not add due to rounding.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

TABLE C-14

Assessed Valuation of Major Taxpayers
City of Avondale, Arizona

Major Taxpayer *(a)*	2009/10 Secondary Assessed Valuation	As % of 2009/10 Secondary Assessed Valuation
Phoenix Speedway Corp.	$ 8,385,956	1.31 %
Inland Western Avondale McDowell LLC	8,182,904	1.28
Moreland Properties LLC	6,223,057	0.97
Raintree Pad 2 LLC	6,207,205	0.97
Mechanic (AZ) ARS 15-41 Inc.	4,957,827	0.77
Smiths Food & Drug Centers Inc.	4,920,002	0.77
D H Ventures LLC	4,873,154	0.76
Harkins Phoenix Cinemas LLC	4,190,413	0.65
Avondale Commerce Center Phase 1 LLC	4,090,680	0.64
Alameda Avondale LLC Etal	4,088,484	0.64
	$ 56,119,682	8.76 %

(a) Some of such taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the NYSE at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the City, Special Counsel nor Financial Advisor has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: Office of the Assessor of the County.

SPECIAL NOTE: The assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed valuation of the City in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the full cash value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the full cash value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If SRP elected not to make such contributions, the City would be required to levy an increased tax rate on all other taxable property to provide sufficient amounts to pay debt service on the Refunding Bonds. If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the City have no recourse against the property of SRP and the City may not have adequate tax collections to pay debt service on the Refunding Bonds in full.

Since 1964, when the in lieu contribution was originally authorized in State statue, SRP has never failed to make that election. The fiscal year 2009/10 in lieu assessed valuation of SRP within the City is $5,434,590, which represents approximately 0.8% of the combined secondary assessed value in the City. The preliminary fiscal year 2010/11 in lieu assessed valuation of SRP within the City is estimated at $5,775,857, which represents approximately 1.1 % of the combined estimated secondary assessed value in the City.

TABLE C-15

Comparison of Secondary Assessed Valuation to Estimated Net Full Cash Value
City of Avondale, Arizona

Fiscal Year	Secondary Assessed Valuation	Estimated Net Full Cash Value *(a)*
2009/10	$641,762,977	$4,932,828,426
2008/09	704,155,001	5,644,500,029
2007/08	583,884,953	4,689,759,903
2006/07	386,790,640	2,970,954,404
2005/06	322,675,785	2,500,804,244

(a) Estimated net full cash value is the total market value of the property within the City less the net exempt property within the City.

Source: State *and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values,* Arizona Tax Research Association.

APPENDIX D

EXCERPTS FROM CITY OF AVONDALE, ARIZONA AUDITED ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009

The following are excerpts from the City's Audited Annual Financial Report for the fiscal year ended June 30, 2009. These are the most recent audited financial statements available to the City and may not represent the current financial position of the City.

The City neither requested nor obtained the consent of Henry & Horne, LLP to include their reports and Henry & Horne, LLP has performed no procedures subsequent to rendering their opinions on the financial statements.

APPENDIX E

OBLIGATIONS DOCUMENTS SUMMARIES

Definitions

For the purposes hereof and in addition to those defined prior to the Appendices hereof, the following words and phrases will have the following meanings:

"Additional Obligation Documents" means any contract (including an authorizing ordinance of the Mayor and Council of the City) or agreement of the City constituting or authorizing Additional Obligations.

"Additional Obligations" means obligations (including bonds) or applicable interests therein which are incurred (i) by, or the payment of which is assumed by, the City subsequent to, and are to rank on a parity with, the payments of the Purchase Price and share pro rata in payments to be made by the City from the Pledged Revenues, without priority one over the other or the 2010 Purchase Agreement (including to pay any Regularly Scheduled Payments with respect to the 2010 Obligations or similar arrangements for Additional Obligations), and (ii) for the purpose of making extensions, renewals, improvements or replacements to the System or to refund the 2010 Obligations or Additional Obligations.

["Assumed Interest Rate" means an interest rate for a series of Variable Rate Obligations at the computation date computed to be the lesser of (i) the maximum rate which the Variable Rate Obligations of a series may bear under the terms of their incurrence or (ii) the rate of interest established for long-term bonds by the 30-year revenue bond index published by The Bond Buyer of New York, New York, on the date that is nearest to 30 days prior to the computation date (or in the absence of such published index, some other index selected in good faith by the Finance Director after consultation with one or more reputable, experienced investment bankers as being equivalent thereto).]

"Bond Year" means a twelve-month period beginning July 2 of the calendar year and ending on the next succeeding July 1.

"Business Day" means a day on which banks located in the City of Avondale, Arizona, and in the city or cities in which the principal office of the Trustee, the Paying Agent and the 2010 Insurer are not required or authorized by law or executive order to remain closed.

"City Representative" means the Finance and Budget Director or any other person at any time designated to act on behalf of the City by written certificate furnished to the Trustee containing the specimen signature of such person and signed by the City Administrator or his or her designee. Such certificate may designate one or more alternates.

"Credit Facility" means a bank, financial institution, insurance company or indemnity company which is engaged by or on behalf of the City to perform one or more of the following tasks: (a) the enhancement of the credit of the City securing Additional Obligations by assuring that principal of and interest on such Additional Obligations (or any interests therein) will be paid promptly when due (including the issuance of an insurance policy, letter of credit, surety bond or other form of security for a reserve) or (b) providing liquidity for Additional Obligations (or any interests therein) through undertaking to cause such Additional Obligations to be bought from the holders thereof when submitted pursuant to an arrangement prescribed by the Obligation Documents.

"Debt Service Reserve Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1 of the Indenture.

"Defeasance Obligations" means any of the following:

1. Cash.

2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – (SLGs)).

3. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself.

4. Resolution Funding Corp. ("REFCORP"). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

5. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating) then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
b. Farmers Home Administration (FmHA)
c. Federal Financing Bank
d. General Services Administration
Participation Certificates
e. U.S. Maritime Administration
Guaranteed Title XI financing
f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures – U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds

"Depository Trustee" means any financial institution meeting the requirements as a successor Bond Trustee under Section 8.6 of the Indenture which may be designated by the City.

["Derivative Product" means any of the following entered into by the City with respect to the 2010 Obligations, (i) any contract known or referred to as, or which performs the function of, an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any contract called, or designed to perform the function of, an interest rate floor or cap, option, put or call or to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk and (v) any other contract or arrangement that the City determines to use, or intends to use, to manage or reduce the cost of indebtedness, to covert any element of indebtedness from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.]

["Early Termination Payment" means, with respect to a Derivative Product, any payment obligation of the City due upon the early termination of any transaction governed by such Derivative Product[, other than an Insured Early Termination Payment???].

"Fiscal Year" means the 12-month period used by the City for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

"Fitch" means Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, *"Fitch"* shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"Holder" or "holder" means the registered owner of any 2010 Obligation.

"Indenture Event of Default" means any one of those events set forth in Section 7.1 of the Indenture.

["Insured Early Termination Payment" means, with respect to a Derivative Product, any payment obligation of the City due upon the early termination of any transaction governed by such Derivative Product, which is insured pursuant to an insurance policy issued by the 2010 Insurer.???]

["Insured Swap" means any Derivative Product wherein the Regularly Scheduled Payments are insured pursuant to a swap insurance policy from the 2010 Insurer, having an outstanding principal amount at least equal to the notional amount of the Derivative Product.???]

"Interest Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1 of the Indenture.

"Interest Requirement" means (i) with respect to this 2010 Purchase Agreement, as of any date of calculation, the interest amount on this 2010 Purchase Agreement due during the then-current Bond Year, and (ii) with respect to Additional Obligations, as of any date of calculation, the amount required to be paid by the City during the then-current Bond Year with respect to interest on such Additional Obligations. In the case of Variable Rate Obligations Outstanding or proposed to be incurred, the Interest Requirement shall be computed with the Assured Interest Rate.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

["Non-Scheduled Payments" means any payments of the City made pursuant to any Derivative Product, which are not Regularly Scheduled Payments, including, but not limited to, Early Termination Payments [and Insured Early Termination Payments???], indemnification payments, tax gross-up payments, expenses and default interest payments.]

"Obligation Fund" means the fund of that name created pursuant to Section 5.1 of the Indenture.

"Obligation Payment Date" means each date on which interest or both principal (or redemption price) and interest shall be payable on any of the 2010 Obligations according to their respective terms so long as any 2010 Obligations are Outstanding.

"Opinion of Counsel" means a written opinion of an attorney or firm of attorneys acceptable to the Trustee and who (except as otherwise expressly provided in the Indenture or in the 2010 Purchase Agreement) may be counsel for the City or the Trustee, provided that such attorney or firm of attorneys may not be an employee of the Trustee.

"Outstanding" when used with reference to the 2010 Obligations, means, as of any date of determination, all 2010 Obligations theretofore executed and delivered except:

(i) 2010 Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) 2010 Obligations which are deemed paid and no longer Outstanding as provided in the

Indenture, including as a result of irrevocable instructions being provided by the City for the redemption thereof;

(iii) 2010 Obligations in lieu of which other 2010 Obligations have been executed and delivered pursuant to the provisions of the Indenture relating to 2010 Obligations destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such 2010 Obligation is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken under the Indenture or the 2010 Purchase Agreement by the Holders of a specified percentage in principal amount of 2010 Obligations, 2010 Obligations held by or for the account of the City, or any Person controlling, controlled by, or under common control with, any of them; and

when used with reference to Additional Obligations, shall have the meaning assigned to such term in the corresponding, applicable Additional Obligation Documents which shall be as similar as possible to such definition in the Indenture.

"Paying Agent" means the banks or trust companies and their successors designated as the paying agencies or places of payment for the 2010 Obligations. The Trustee is designated as Paying Agent for the 2010 Obligations.

"Permitted Investments" means, to the extent the use of which is not otherwise prohibited by applicable law:

1. Defeasance Obligations;

2. Federal Housing Administration debentures;

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

A. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") Participation Certificates (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
Senior debt obligations

B. Farm Credit Banks (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated system-wide bonds and notes

C. Federal Home Loan Banks (FHL Banks) Consolidated debt obligations

D. Federal National Mortgage Association (FNMA or "Fannie Mae")
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding the portion of their unpaid principal amounts)

E. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)

F. Financing Corporation (FICO) Debt obligations

G. Resolution Funding Corp. (REFCORP) Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having

maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

7. Money market funds rated 'AAm' or 'AAm-G' or higher by S&P.

8. "State Obligations", which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or higher, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any

other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements: With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's and acceptable to the Certificate Insurer, provided that:

A. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

B. The Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

C. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

D. All other requirements of S&P in respect of repurchase agreements shall be met;

E. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Certificate Insurer), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Issuer or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa2" by Moody's; provided that, by the terms of the investment agreement:

A. interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Certificates;

B. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Trustee thereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

C. the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the

provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

D. the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Certificate Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Certificate Insurer;

E. the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Certificate Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee, and

F. the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

G. the investment agreement must provide that if during its term:

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee (who shall give such direction if so directed by the Certificate Insurer), be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid with interest thereon shall be repaid to the Trustee, as appropriate.

12. Interests in the Local Government Investment Pool established pursuant to Arizona Revised Statutes Section 35-326.

"Person" shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

"Principal Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1 of the Indenture.

"Principal Installment" means, for any particular date, the aggregate of the principal amount of 2010

Obligations that are due on such date.

"Principal Requirement" means (i) with respect to the 2010 Purchase Agreement, as of any date of calculation, the principal amount of the 2010 Obligations maturing or subject to mandatory redemption pursuant to the Indenture during the then-current Bond Year, and (ii) with respect to Additional Obligations, as of any date of calculation, the principal amount required to be paid by the City during the then-current Bond Year with respect to Additional Obligations. In computing the Principal Requirement for Additional Obligations, an amount of Additional Obligations required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of Additional Obligations maturing on the scheduled maturity date. In the case of Additional Obligations supported by a Credit Facility, the Principal Requirement for such Additional Obligations shall be determined in accordance with the principal retirement schedule specified in the Additional Obligation Documents authorizing the incurrence of such Additional Obligations, rather than any amortization schedule set forth in such Credit Facility unless payments under such Additional Obligations shall be in default at the time of the determination, in which case the Principal Requirements for such Additional Obligations shall be determined in accordance with the amortization schedule set forth in such Credit Facility.

"Purchase Event of Default" means one of the events defined as such in Section 7.1 of the 2010 Purchase Agreement.

"Purchase Price" means the sum of the payments paid pursuant to Sections 5.4 (i) and (ii) of the Indenture from amounts to be paid by or on behalf of the City as the purchase price for the Series 2010 Property.

"Qualified Derivative Product" means:

(a) a Derivative Product[, whether an Insured Swap or an Uninsured Swap,???] if:

(i) the notional amount for such Derivative Product will not exceed the Outstanding principal amount of the 2010 Obligations; provided however that a transaction which reverses, in whole or in part, an existing Qualified Derivative Product (with the same provider, the same payment terms and dates, but reversing the obligations of the parties, providing that the two transactions are netted against one another for payment purposes and that one transaction may not be terminated unless either (1) the other transaction is terminated or (2) the remaining transaction would qualify as a Qualified Derivative Product if such determination were made at that point) will be permitted and, so long as both remain in effect, will be considered, collectively, to have a zero notional amount for purposes of determining whether the notional amount of such Derivative Product will exceed the Outstanding principal amount of the 2010 Obligations,

(ii) the rate to be paid by the City pursuant to such Derivative Product is not subject to a multiplier;

(iii) the Derivative Product does not include a significant loan component (i.e., an obligation to repay money borrowed, credit extended or the equivalent thereof, including, but not limited to, receipt by the City of a payment (or promise of a payment) which effectively increases the rate on the Derivative Product which the City would otherwise pay);

(iv) such Derivative Product is not a currency swap and all payments pursuant to such Derivative Product are calculated in U.S. Dollars, and any variable or index-based rate used in such swap are from an index for U.S. Dollar denominated obligations;

(v) any Non-Scheduled Payments [(on an Uninsured Swap) or uninsured payments (on an Insured Swap)???] thereunder are both: (A) Subordinate to the 2010

Obligations and (B) payable only if and to the extent that after such payment the City shall have sufficient funds to make all of the payments on the 2010 Obligations for the succeeding six months;

(vi) collateral may be required to be delivered by the City in connection with such Derivative Product only if and to the extent that after such delivery the City shall have sufficient funds to make payments on the 2010 Obligations for the succeeding six months;

(vii) the principal amount of any obligation issued to secure a Qualified Derivative Product shall be deemed to have a principal amount of zero for purposes of determining any consent or other voting rights pursuant to this Indenture and

(viii) [the 2010 Insurer receives notice of, and a copy of, such Derivative Product; or

(b) any other Derivative Product approved by the 2010 Insurer.???]

"Qualified Reserve Fund Instrument" means a letter or line of credit, insurance policy or surety bond which meets the requirements set forth below:

(i) A surety bond or insurance policy issued to the Trustee by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the 2010 Obligations (a "municipal bond insurer") may be deposited in the Debt Service Reserve Account to meet the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the 2010 Purchase Agreement if the claims paying ability of the issuer thereof shall be rated ***["AA" or "Aa2"]*** by S&P or Moody's, respectively.

(ii) A surety bond or insurance policy issued to the Trustee, as agent of the Holders of the 2010 Obligations, by an entity other than a municipal bond insurer may be deposited in the Debt Service Reserve Account to meet the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the 2010 Purchase Agreement if the form and substance of such instrument and the issuer thereof shall be approved by the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is then in good standing and the applicable provider thereof is not in default thereunder.

(iii) An unconditional irrevocable letter of credit issued to the Trustee, as agent of the Holders of the 2010 Obligations, by a bank may be deposited in the Debt Service Reserve Account to meet the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the 2010 Purchase Agreement if the issuer thereof is rated at least "AA" by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the 2010 Obligations. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the City and the Trustee, not later than 24 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

If such notice indicates that the expiration date shall not be extended, the City shall deposit in the Debt Service Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Account together with any other qualifying Qualified Reserve Fund Instruments, to equal the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the 2010 Purchase Agreement, such deposit to be paid in equal installments on at least a semiannual basis over the ensuing three years, unless the Qualified Reserve Fund Instrument is replaced by a Qualified Reserve Fund Instrument meeting the requirements in any of (i)-(iii) above. The letter of credit shall permit a draw in full not less than 14 days prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Trustee is

authorized and directed to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Debt Service Reserve Account is fully funded in its required amount.

The deposit of any Qualified Reserve Fund Instrument pursuant to this paragraph (iii) shall be subject to receipt of an opinion of counsel acceptable to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder and in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder and in form and substance satisfactory to the providers of any Qualified Reserve Fund Instruments then in effect if the applicable Qualified Reserve Fund Instrument is in good standing and the applicable provider thereof is not in default thereunder to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the 2010 Obligations (or any other account party under the letter of credit).

The obligation to reimburse the issuer of a Qualified Reserve Fund Instrument for any fees, expenses, claims or draws upon such Qualified Reserve Fund Instrument shall be subordinate to the payment of debt service on the 2010 Obligations. The right of the issuer of a Qualified Reserve Fund Instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Debt Service Reserve Account, and subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Debt Service Reserve Account. The Qualified Reserve Fund Instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Qualified Reserve Fund Instrument to reimbursement will be further subordinated to cash replenishment of the Debt Service Reserve Account to an amount equal to the difference between the full original amount available under the Qualified Reserve Fund Instrument and the amount then available for further draws or claims. If (A) the issuer of a Qualified Reserve Fund Instrument becomes insolvent or (B) the issuer of a Qualified Reserve Fund Instrument defaults in its payment obligations thereunder or (C) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P ***["AA" or "Aa2"]*** or (D) the rating of the issuer of the letter of credit falls below a S&P ***["AA"]*** the obligation to reimburse the issuer of the Qualified Reserve Fund Instrument shall be subordinate to the cash replenishment of the Debt Service Reserve Account.

(iv) If (A) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (B) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P ***["AA"]*** or a Moody's ***["Aa2"]*** or (C) the rating of the issuer of the letter of credit falls below a S&P ***["AA"],*** the City shall either (1) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Account to equal the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the 2010 Purchase Agreement, such amount to be paid over the ensuing three years in equal installments deposited at least semiannually or (2) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of (i)-(iii) above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (b) the rating of the issuer of the letter of credit

falls below "A" or (c) the issuer of the Qualified Reserve Fund Instrument defaults in its payment obligations or (d) the issuer of the Qualified Reserve Fund Instrument becomes insolvent, the City shall either (i) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Account to equal the amount which should have then been on deposit in the Debt Service Reserve Account pursuant to the requirements of the 2010 Purchase Agreement, such amount to be paid over the three years in equal installments on at least a monthly basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements above, as applicable, within six months of such occurrence.

(v) Where applicable, the amount available for draws or claims under the Qualified Reserve Fund Instrument may be reduced by the amount of cash or permitted investments deposited in the Debt Service Reserve Account pursuant to clause (d)(i) of the preceding subparagraph (iv).

(vi) Any amounts owed by the City to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the 2010 Purchase Agreement for any purpose, e.g., rate covenant or additional Obligations test.

(vii) The Trustee shall ascertain the necessity for a claim or draw upon the Qualified Reserve Fund Instrument and provide notice to the issuer of the Qualified Reserve Fund Instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Qualified Reserve Fund Instrument) prior to each interest payment date.

(viii) Cash on deposit in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Qualified Reserve Fund Instrument. If and to the extent that more than one Qualified Reserve Fund Instrument is deposited in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(ix) A Qualified Reserve Fund Instrument may not be provided to replace existing cash or Permitted Investments unless the City is provided a Special Counsel's Opinion.

"Rating Agency" means Fitch, Moody's or S&P, or any of them or their replacements as provided in the definition of each.

"Regularly Scheduled Payments" means any payments of the City pursuant to a Derivative Product, which are scheduled (at the time such Derivative Product is executed) for payment on Obligation Payment Dates related to interest payment dates for the 2010 Obligations and which are intended to be "interest-like" when the interest on the 2010 Obligations and such payments are viewed together.

"Reserve Requirement" means $_____*.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"Special Counsel's Opinion" means an opinion signed by an attorney or a firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

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* *Subject to change.*

"State" means the State of Arizona.

["Subordinate" means, with respect to a Derivative Product or a Qualified Derivative Product, that in the event of: (i) any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, arrangement or other similar proceedings in connection therewith, relative to the City, (ii) any Subordinated Swap Payment is declared or otherwise becomes due and payable pursuant to the applicable Derivative Product or (iii) any Event of Default shall occur and be continuing and (1) written notice of such default will have been given to the Trustee and (2) judicial proceedings will be commenced in respect of such Event of Default; then, for so long as any action described in clause (i), (ii) or (iii) shall not have been remedied or cured in the opinion of the Trustee, the Trustee will pay in full all principal of and premium, if any, and interest on the 2010 Obligations before the Swap Provider is entitled to receive any Subordinated Swap Payment, and to that end the Trustee will be entitled to receive for application in payment of the 2010 Obligations in accordance with this Indenture any payment or distribution of any kind or character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of such Subordinated Swap Payment after giving effect to any concurrent payment or distribution in respect to the 2010 Obligations.]

["Subordinated Swap Payment" means any Non-Scheduled Payment on an Uninsured Swap or any uninsured payment on an Insured Swap.???]

["Swap Provider" means, with respect to any Derivative Product, the person that is identified in such agreement as the counterparty to, or contracting party with, the City for the purposes of such agreement.]

["Swap Provider Reimbursement Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1 of the Indenture.]

"2010 Policy" means the municipal bond insurance policy with respect to the 2010 Obligations from the 2010 Insurer.

["Uninsured Swap" means a Derivative Product which is not an Insured Swap.???]

"Variable Rate Obligations" means any Additional Obligations which may, in the future, bear interest at rates which cannot be determined with specificity on their original incurrence.

The 2010 Purchase Agreement

Section 2.1. Agreement to Cause Execution and Delivery of Obligations; Application of Obligation Proceeds. In order to provide funds to refinance the Property of execution and delivery of the 2010 Obligations, the 2010 Obligations shall be executed and delivered under the Indenture.

Section 2.2. Refinancing; Costs of Issuance Fund.

(b) The City shall establish and maintain a separate fund known as the "Costs of Issuance Fund," which shall be funded from amounts transferred to the City by the Trustee pursuant to the Indenture and other funds which may be made available by the City from time to time. Moneys in the Costs of Issuance Fund shall be disbursed by the City for costs and expenses relating to the sale, credit enhancement and execution and delivery of the Series 2010 Obligations, including, but not limited to "out of pocket" expenses and charges, fees and disbursements of counsel, printing expenses and other expenses reasonably incurred by the Seller and the Trustee in connection herewith.

Section 3.3. Amounts of Purchase Price Payable Upon Execution and Delivery of the 2010 Obligations. After providing for certain amounts due to the federal government as rebate of excess earnings, on the tenth day of each month, the Pledged Revenues received pursuant to Section 4.1 shall be paid for the following purposes and in the following order of priority, after decreasing any such payment for any interest income or gain received, or increasing such payment for any loss realized, during the preceding month in the account to which such payment is to be deposited:

(i) Fees and expenses of the Trustee in accordance with the provisions of Section 8.8 of the Indenture to the Trustee.

(ii) *Pro-rata*, commencing _____ 10, 201_, through _____, 201_, one-_____ (1/__), and commencing _____ 10, 201_, one-sixth (1/6) of (A) the interest on the Series 2010 Obligations falling due on the next succeeding Obligation Payment Date for deposit to the Interest Account and (B) Regularly Scheduled Payments for deposit to the Swap Provider Reimbursement Account.

(iii) Commencing _____ 10, 201_, through _____ 1, 201_, one-_____ (1/__), and commencing July 10, 201_, one-twelfth (1/12) of the principal due or subject to mandatory redemption on the next succeeding Obligation Payment Date for deposit to the Principal Account.

(iv) After a determination of the Trustee that the amount on deposit in the Debt Service Reserve Account is less than the Reserve Requirement, an amount equal to one-twelfth (1/12) of the amount which, when added to the balance in the Debt Service Reserve Account, will be equal to the amount then required to be on deposit therein for deposit to the Debt Service Reserve Account.

(v) [Non-Scheduled Payments/Subordinated Swap Payments???] for deposit to the Swap Provider Reimbursement Account.

In the event the City should fail to make when due any of the payments required by this Section, the installment so in default shall continue as an obligation of the City, payable solely from the Pledged Revenues, until the amount in default shall have been fully paid, and the City shall pay the same with interest thereon at the rate applicable to the corresponding maturities of Series 2010 Obligations, from the date said payment was to be made to the date of payment by the City until paid. The 2010 Purchase Agreement shall be deemed and construed to be a "net purchase agreement," and the payments provided for in this Section shall be an absolute net return to the Seller, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided in the 2010 Purchase Agreement. The City shall cause an amount of Revenues to be included in the annual budget and appropriation for every Fiscal Year sufficient to meet all requirements of this the Purchase Agreement.

Section 4.1. Limitation of Source of City Payments.

(a) The 2010 Purchase Agreement is a limited, special obligation of the City, payable solely and secured as to the payment in accordance with the terms and the provisions of the 2010 Purchase Agreement.

(b) All amounts to be paid by the City pursuant to Section 3.3 (or under any other section of the 2010 Purchase Agreement) shall be payable solely from the Pledged Revenues. Nothing, however, shall preclude the City, in the sole and absolute discretion of the Mayor and Council of the City, from paying such amounts from other moneys of the City. Under no circumstances shall amounts paid under the 2010 Purchase Agreement from such moneys constitute a pledge thereof, and amounts payable by the City under the 2010 Purchase Agreement (except the Pledged Revenues) shall never constitute a general obligation of the City or a pledge of ad valorem property taxes by the City.

(c) The City pledges and shall raise and apply the Pledged Revenues in such amounts and in such manner as required to make the payments required to be made by the City under the 2010 Purchase Agreement and covenants to make said payments from the Pledged Revenues. This pledge shall be a first lien and on a parity to the pledge thereof and lien thereon for the Series 2010 Obligations. All of the Pledged Revenues shall be immediately subject to such pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such persons have notice thereof. Nothing contained in this Section shall be construed as limiting any authority granted elsewhere in the 2010 Purchase Agreement to incur the 2010 Purchase Agreement or Additional Obligations nor be deemed a limitation upon the issuance of bonds, notes or other obligations under any law pertaining to the City secured by moneys, income and funds other than the Pledged Revenues and other moneys and investments pledged under the 2010 Purchase Agreement or under the Indenture. After the application of the Pledged Revenues for the purposes in the 2010 Purchase Agreement, they may be used for any lawful purpose.

[Section 4.5. Derivative Products. The City reserves the right to enter into Derivative Products and to make payments on the Derivative Products from the Pledged Revenues, provided the long-term indebtedness or the claims-paying ability of the Swap Provider must be rated initially at least in the two highest Rating Categories of two Rating Agencies or is otherwise approved by the 2010 Insurer and thereafter so long as the long-term indebtedness or the claims-paying ability of the Swap Provider does not fall below the third highest Rating Category of a Rating Agency. Any Derivative Product entered into by the City shall include termination provisions if such rating falls below such Rating Category.]

Section 7.1. Purchase Events of Default. Any one or more of the following events (herein called "Purchase Events of Default") shall constitute a default under the 2010 Purchase Agreement:

(a) The City shall fail to make any payment when due under Section 3.3(ii) or (iii); or

(b) The City shall fail to make any payment under Section 3.3(i), (iv) or (v) for a period of 30 days after notice of such failure shall have been given in writing to the City by the Seller or by the Trustee; or

(c) The City shall fail to perform any other covenant in the 2010 Purchase Agreement for a period of 30 days after written notice specifying such default shall have been given to the City by the Seller or the Trustee, provided that if such failure be such that it cannot be remedied within such 30 day period, it shall not be deemed a Purchase Event of Default so long as the City diligently tries to remedy the same; or

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy statutes, as amended, or under any similar acts which may hereafter be enacted.

Section 7.2. Remedies on Default by City. Upon the occurrence of a Purchase Event of Default, the Seller shall, but only if indemnified to its satisfaction and requested to do so by the Trustee (acting upon direction from the holders of a majority in aggregate principal amount of the Series 2010 Obligations), without further demand or notice, exercise any of the available remedies at law or in equity, including, but not limited to, specific performance, however, under no circumstances may amounts due under the 2010 Purchase Agreement be accelerated. Upon the filing of suit by the Trustee, any court having jurisdiction of the action may appoint a receiver to administer the System for the City with power to charge and collect fees sufficient to pay all of the Operating Expenses and to make all required payments under the 2010 Purchase Agreement. The Seller may assign any or all of its rights and privileges under this Section to the Trustee, and upon furnishing evidence of such assignment to the City, the Trustee may exercise any or all of such rights or privileges as may be deem advisable.

Section 7.16. Certain Statutory Notices

(a) To the extent applicable by provision of law, the Trustee acknowledges that the 2010 Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the City may within three (3) years after its execution cancel any contract (including the 2010 Purchase Agreement) without penalty or further obligation made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

The Indenture

Pursuant to the Obligation Indenture, the City grants a security interest in, assigns, transfers, pledges, grants and conveys unto the Trustee and its successors and assigns the following described property:

A. All rights and interests in, under and pursuant to the 2010 Purchase Agreement, provided that the assignment made by this clause shall not include any right to limitation of

liability, indemnification of liability, or payment or reimbursement of fees, costs or expenses,

B. Amounts on deposit from time to time in the funds and accounts created pursuant to the Obligation Indenture, subject to the provisions of the Obligation Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein and

C. Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security under the Obligations Indenture, by the City or by anyone on its behalf or with its written consent, in favor of the Obligation Trustee.

The 2010 Obligations authorized and the payments to be made thereon and into the various funds established under the Obligation Indenture are not general obligations of the City but are limited obligations payable solely from payments under the 2010 Purchase Agreement.

Section 5.3. Flow of Funds into the Obligation Fund. The following payments to the Trustee shall be applied in the following manner:

(i) The Trustee shall deposit to the Interest Account amounts paid pursuant to Section 3.3(ii)(A) of the 2010 Purchase Agreement and amounts received from Swap Providers. (Amounts transferred pursuant to Section 5.4(iii)(B) shall also be deposited into the Interest Account.)

(ii) The Trustee shall deposit to the Principal Account amounts paid pursuant to Section 3.3(iii) of the Series 2010 Purchase Agreement as well as the total of any amounts received for any redemption.

(iii) The Trustee shall deposit to the Debt Service Reserve Account amounts paid pursuant to Section 3.3(iv) of the 2010 Purchase Agreement. No deposit need be made into the Debt Service Reserve Account if the amount on deposit therein plus the maximum amount of the Qualified Reserve Fund Instruments contained therein equals the Reserve Requirement.

[(iv) The Trustee shall deposit to the Swap Provider Reimbursement Account amounts paid pursuant to Sections 3.3(ii)(B) and 3.3(v) of the 2010 Purchase Agreement.]

Section 5.4. Flow of Funds out of the Obligation Fund.

Amounts in the following accounts shall be applied in the following manner:

(i) Amounts in the Interest Account shall be used to pay interest on the Series 2010 Obligations as it becomes due.

(ii) Amounts in the Principal Account shall be used to retire Series 2010 Obligations by payment at their scheduled maturity, mandatory redemption date or optional redemption date directed by the City Representative.

(iii) (A) Amounts in the Debt Service Reserve Account shall be used to pay the interest on, or to retire at their scheduled maturity or mandatory redemption date, the Series 2010 Obligations in the event that no other money of the City is available therefor or for the retirement (including by defeasance pursuant to Section 10.2) of all of the Series 2010 Obligations then Outstanding. If and to the extent that money has been deposited in the Debt Service Reserve Account, all such money shall be used (or investments purchased with such money shall be liquidated and the proceeds applied as required) prior to any drawing under a Qualified Reserve Fund Instrument. If and to the extent that more than one Qualified Reserve Fund Instrument is credited to the Debt Service Reserve Account in lieu of money, drawings under such Qualified

Reserve Fund Instruments shall be made on a *pro-rata* basis (calculated by reference to the policy, surety or other similar limits or maximum amounts available thereunder) after applying all available money in the Debt Service Reserve Account.

(B) If on July 2 of any year the amount in the Debt Service Reserve Account exceeds an amount equal to the Reserve Requirement and if the City is not then in default under the Series 2010 Purchase Agreement, the Trustee shall withdraw the amount of any such excess from such account and shall apply such amount, first and on a *pro-rata* basis, to pay amounts due with respect to any Qualified Reserve Fund Instruments, including by transferring *pro-rata* amounts in the appropriate "reimbursement funds" established to reimburse the providers of any Qualified Reserve Fund Instruments for any payments made by the providers thereof until the corresponding costs with respect thereto are paid, and second, as a deposit to the Interest Account.

[(iv) Moneys in the Swap Provider Reimbursement Account shall be used to pay Regularly Scheduled Payments[, Insured Early Termination Payments???] and the Non-Scheduled Payments as required by the terms of any Derivative Product.]

Section 7.1. Events of Default. Each of the following is declared an "Indenture Event of Default" under the Obligation Indenture:

(a) If payment of any installment of interest on any 2010 Obligation shall not be made in full when the same becomes due and payable;

(b) If payment of the principal or redemption premium, if any, on any 2010 Obligation shall not be made in full when the same becomes due and payable;

(c) If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of all or any part of the interests pledged hereunder and such custody or control shall continue for more than 60 days;

(d) If the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions on its part to be performed as provided herein or in the 2010 Obligations and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Trustee, unless within such 30 days the City shall have commenced and be diligently pursuing in good faith appropriate corrective action to the satisfaction of the Trustee; the Trustee may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25% in principal amount of the 2010 Obligations then outstanding; or

(e) If any event of default provided by Section 7.1 of the 2010 Purchase Agreement occurs.

Section 7.2. Remedies and Enforcement of Remedies. (a) Upon the occurrence and continuance of any Indenture Event of Default and in accordance with the Obligation Indenture and the 2010 Purchase Agreement, the Trustee may, and upon the written request of the Holders of not less than a majority in principal amount of the 2010 Obligations Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Holders thereunder by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to, an action for the recovery of any amounts due thereunder or for damages for the breach of the Obligation Indenture, and the Trustee may pursue any other remedy which the law affords, including the remedy of specific performance. The Trustee shall also have those remedies provided pursuant to the 2010 Purchase Agreement subject to any limitations on such remedies set forth therein.

(b) Regardless of the happening of an Indenture Event of Default and subject to Section 7.7 of the Obligation Indenture, the Trustee, if requested in writing by the Holders of not less than a majority in principal amount of the 2010 Obligations then outstanding shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any

impairment of the security thereunder by any acts which may be unlawful or in violation thereof, or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions thereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of 2010 Obligations not making such request.

Section 7.3. No Acceleration. In no event shall the Trustee have the right to accelerate or cause to become immediately due and payable or payable in advance of their scheduled maturity dates, other than an optional redemption pursuant to the Obligation Indenture and then only to the extent of the amount to be so redeemed and only pursuant to the Obligation Indenture, amounts due thereunder.

Section 7.4. Application of Revenues and Other Moneys After Default.

(a) During the continuance of an Indenture Event of Default all moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Obligation Indenture, shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the 2010 Obligation Fund, and all amounts held by the Trustee thereunder shall be applied as follows provided, that if the amount available shall not be sufficient to pay in full any amount or amounts then due, then to the payment thereof ratably in a manner consistent with Section 3.3 of the Purchase Agreement, according to the amounts due to the Persons entitled thereto, without any discrimination or preference:

First: To the payment to the persons entitled thereto of all installments of interest (including interest on amounts unpaid when due on the 2010 Obligations) and payment of Regularly Scheduled Payments then due;

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments or redemption price of any 2010 Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates; and

Third: To the payment of Non-Scheduled Payments, if any, due to a Swap Provider pursuant to a Derivative Product.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal of the 2010 Obligations to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid 2010 Obligation until such 2010 Obligation shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

(c) Whenever all principal of and interest on the 2010 Obligations which has become due has been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid and the Obligation Fund contains the amounts then required to be credited thereto, any balance remaining shall be paid to the City.

Section 7.7. Individual Holder Action Restricted.

(a) No Holder of any 2010 Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement thereof or for the execution of any trust under the Obligation Indenture or for any remedy thereunder except for the right to institute any suit, action or proceeding in equity or at law for the enforcement of the Trustee's duties and powers thereunder upon the occurrence of all of the following events:

(i) The Holders of at least a majority in principal amount of 2010 Obligations outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Obligation

Indenture; and

(ii) Such Holders shall have offered the Trustee indemnity as provided in the Obligation Indenture; and

(iii) The Trustee shall have failed or refused to exercise the duties or powers therein granted for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) During such 60-day period no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a greater majority in principal amount of 2010 Obligations then Outstanding.

(b) No one or more Holders of 2010 Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the security thereof or to enforce any right thereunder except in the manner therein provided and for the equal benefit of the Holders of all 2010 Obligations Outstanding.

(c) Nothing contained in the Obligation Indenture shall affect or impair, or be construed to affect or impair, the right of the Holder of any 2010 Obligation (i) to receive payment of the principal of or premium, if any, or interest on such 2010 Obligation, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any 2010 Obligation may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien thereof on the moneys, funds and properties pledged thereunder for the equal and ratable benefit of all Holders of 2010 Obligations.

Section 7.9. Waiver of Indenture Event of Default.

(a) No delay or omission of the Trustee or of any Holder of the 2010 Obligations to exercise any right or power accruing upon any Indenture Event of Default shall impair any such fight or power or shall be construed to be a waiver of any such Indenture Event of Default or an acquiescence therein. Every power and remedy given by the Obligation Indenture may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Indenture Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under, the provisions thereof of the Obligation Indenture, or before the completion of the enforcement of any other remedy thereunder.

(c) In case of any waiver by the Trustee of an Indenture Event of Default under the Obligation Indenture, the City, the Trustee and the Holders shall be restored to their former positions and rights thereunder, respectively, but no such waiver shall extend to any subsequent or other Indenture Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Indenture Event of Default in accordance with this Section.

Section 8.1. Certain Duties and Responsibilities.

(a) Except during the continuance of an Indenture Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in the 2010 Indenture, and no implied covenants or obligations shall be read into the 2010 Indenture against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, 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 the Indenture; but in the case of any such certificates or opinions which are required by any provision of the Indenture or the 2010 Purchase Agreement, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the

requirements of the Indenture or the 2010 Purchase Agreement.

(b) In case an Indenture Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent corporate indenture trustee would exercise or use under the circumstances.

(c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or breach of trust, except that:

(i) this subsection (c) shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith and without negligence by a president or vice-president of the board of directors, the president or vice-president of the executive committee of the board of directors, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence in accordance with the direction of the Holders of the Outstanding 2010 Obligations as provided in the Indenture 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 the 2010 Obligation Indenture and

(iv) no provision of the 2010 Obligation Indenture 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 under the Indenture, 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. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the City for all reasonable costs, expenses, attorneys' and other fees, and all other reasonable disbursements, including its own fees, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence, willful misconduct or breach of trust.

(d) Whether or not therein expressly so provided, every provision of the Indenture 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 8.2. Certain Rights of Trustee. Except as otherwise provided in Section 8.1:

(a) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Holders pursuant to the Indenture unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Section 8.6. Removal and Resignation of Trustee.

(a) The Trustee may resign at any time by giving written notice of the resignation to the City and any Paying Agents and by mailing written notice of the resignation to the Holders as their names and addresses appear on the register it maintains with respect to the 2010 Obligations at the close of business fifteen days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

(b) 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 and any Paying Agents and signed by (i) the City Representative or (ii) by or on behalf of the Holders of not less than a majority in aggregate principal amount of the 2010 Obligations then Outstanding. 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 Indenture with respect to the duties and obligations of the Trustee by an instrument signed by the City or by any court of competent jurisdiction upon the application of the City, or the Holders of not less a majority in aggregate principal amount of the 2010 Obligations then Outstanding under this Indenture. Any removal shall not take effect until a successor Trustee shall have been appointed. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation or removal is given, the Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

(c) In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the City shall be entitled to appoint a successor Trustee acceptable to the City.

(d) If the Holders of a majority of the principal amount of 2010 Obligations then Outstanding object to the successor Trustee so appointed by the City and if such Holders designate another Person qualified to act as the Trustee, the City shall then appoint as the Trustee the Person so designated by the Holders.

Section 8.8. Trustee's Fees and Expenses.

(a) The Trustee shall be entitled to be paid from time to time reasonable compensation for all services rendered by it under the Indenture; to reimbursement upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of the Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct or breach of trust; and to be indemnified by the City, for, from and against any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust or its duties under the Indenture.

Section 9.1. Supplements not Requiring Consent of Holders. The City and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more supplements to the Obligation Indenture for one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission therein or to correct or supplement any provision in the Obligation Indenture which may be inconsistent with any other provision therein, or, to make any other provisions with respect to matters or questions arising thereunder provided such action shall, in the opinion of the Trustee, not materially adversely affect the interests of the Holders;

(b) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(c) To secure additional revenues or provide additional security or reserves for payment of the 2010 Obligations or to add a Qualified Reserve Fund Instrument and necessary, related provisions thereof;

(d) To comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder;

(e) To provide for the appointment of a successor trustee or co-trustee pursuant to the terms of the Obligation Indenture;

(f) To permit 2010 Obligations in bearer form if, the City and the Trustee receive a Special Counsel's Opinion, such action will not cause the interest on any Obligations to become includible in gross income for purposes of federal income taxes;

(g) To preserve the exclusion of the interest on the 2010 Obligations from gross income for purposes

of federal or State income taxes and to preserve the power of the City to continue to incur obligations (specifically not limited to the 2010 Obligations) the interest on which is likewise exempt from federal and State income taxes; and

(h) To adopt procedures for the disclosure of information to Holders and to others in accordance with any guidelines for such purpose promulgated by the American Bankers Association or some other similar national organization, as such guidelines may be made applicable to the Obligation Indenture by agreement of the Trustee and the City.

Section 9.2. Supplements Requiring Consent of Holders.

(a) Other than supplements to the Obligation Indenture referred to in Section 9.1 thereof and subject to the terms and provisions and limitations contained in the Obligation Indenture and not otherwise, the Holders of not less than a majority in principal amount of the 2010 Obligations then outstanding, shall have the right, from time to time, anything contained therein to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such supplement as shall be deemed necessary and desirable by the City and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained therein; provided, however, nothing in this Section or Section 9.1 of the Obligation Indenture shall permit or be construed as permitting a supplement to the Obligation Indenture which would:

(i) Extend the stated maturity of or time for paying interest on any 2010 Obligation or reduce the principal amount of or rate of interest payable on any 2010 Obligation without the consent of the Holder of such 2010 Obligation;

(ii) Prefer or give a priority to any 2010 Obligation over any other 2010 Obligation without the consent of the Holder of such 2010 Obligation;

(iii) Reduce the principal amount of 2010 Obligations then outstanding the consent of the Holders of which is required to authorize such supplement without the consent of the Holders of all 2010 Obligations then Outstanding;

(iv) Increase the principal amount of 2010 Obligations then Outstanding, the request of the Holders of which is required by Section 7.1 (iv) of the Obligation Indenture, without the consent of the Holders of all 2010 Obligations then Outstanding; or

(v) Reduce the redemption price of any 2010 Obligation upon optional redemption or reduce any period of time prior to commencement of any optional redemption period set forth in Section 3.2 of the Obligation Indenture without the consent of the Holder of such 2010 Obligation.

(b) If at any time the City shall request the Trustee to enter into a supplement pursuant to this Section, the Trustee shall, upon being satisfactorily and specifically indemnified by the City with respect to expenses with respect to such supplement, cause notice of the proposed execution of such supplement to be mailed by first class mail, postage pre-paid, to all registered Holders of 2010 Obligations then outstanding at their addresses as they appear on the registration books for the 2010 Obligations. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail, or the failure of such Holder to receive, the notice required by this Section, and any such failure shall not affect the validity of such supplement when consented to and approved as provided in this Section. Such notice shall briefly set forth the nature of the proposed supplement and shall state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

Section 9.4. Amendments to 2010 Purchase Agreement Not Requiring Consent of Holders. The Trustee may, without the consent of or notice to any of the Holders consent to and join with the City in the execution and delivery of any amendment, change or modification of the 2010 Purchase Agreement as may be required (i) by the provisions thereof; (ii) to cure any ambiguity or formal defect or omission therein or to correct or supplement any provision therein which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising thereunder provided such action shall, in the opinion of the Trustee, not materially adversely affect the interests of the Holders; (iii) to add a Qualified Reserve Fund Instrument and

necessary, related provisions therefore so long as any payments with regard thereto are paid no sooner or in an amount greater than *pro-rata* with amounts required to be paid pursuant to Section 3.3(iv) of the Series 2010 Purchase Agreement; and (iv) to preserve the exclusion of the interest on the 2010 Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur obligations (specifically not limited to the 2010 Obligations) the interest on which is likewise exempt from federal and State income taxes in connection with any other change therein, which in the opinion of the Trustee will not materially adversely affect the interests of the Holders or the Trustee.

Section 9.5. Amendments to 2010 Purchase Agreement Requiring Consent of Holders.

(a) Except for amendments, changes or modification to the 2010 Purchase Agreement referred to in Section 9.4 above and subject to the terms and provisions and limitations contained in the Obligation Indenture and not otherwise, the Trustee may consent to and join with the City in the execution and delivery of any amendment, change or modification to the 2010 Purchase Agreement only upon the consent of not less than a majority in principal amount of 2010 Obligations then outstanding, given as provided in this Section, provided, however, no such amendment, change or modification may affect the obligation of the City to make payments under the 2010 Purchase Agreement or reduce the amount of or extend the time for making such payments without the consent of the Holders of all 2010 Obligations then outstanding.

Section 10.1. Discharge.

(a) If payment of all principal of and premium, if any, and interest on all of the 2010 Obligations in accordance with their terms and as provided in the Obligation Indenture is made, or is provided for in accordance with Article X of the Obligation Indenture, and if all other sums, if any, payable thereunder shall be paid, then the liens, estates and security interests granted thereby shall cease. Thereupon, upon the request of the City, and upon receipt by the Trustee of an Opinion of Counsel addressed to the City and the Trustee stating that all conditions precedent to the satisfaction and discharge of the lien thereof have been satisfied, the Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien thereof and the Trustee shall transfer all property held by it thereunder, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the 2010 Obligations, to the City or such other person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection therewith.

(b) The City may at any time surrender to the Trustee for cancellation any 2010 Obligations previously executed and delivered which the City may have acquired in any manner whatsoever and such 2010 Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.2. Providing for Payment of Obligations.

(a) Payment of all or any part of the 2010 Obligations in authorized denominations may be provided for by the deposit with the Trustee or a Depository Trustee of moneys or Defeasance Obligations which are not redeemable in advance of their maturity dates. The moneys and the maturing principal and interest income on such Defeasance Obligations, if any, shall be sufficient, as evidenced by a certificate of an independent nationally recognized certified public accountant or firm of such accountants acceptable to the Trustee or such Depository Trustee, to pay when due the principal or redemption price of and interest on such 2010 Obligations. The moneys and Defeasance Obligations shall be held by the Trustee or such Depository Trustee irrevocably in trust for the Holders of such 2010 Obligations solely for the purpose of paying the principal or redemption price of and interest on such 2010 Obligations as the same shall mature, come due or become payable upon prior redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable, to the Trustee or such Depository Trustee as to the dates upon which any such 2010 Obligations are to be redeemed prior to their respective maturities.

(c) If payment of 2010 Obligations is so provided for, the Trustee shall mail a notice so stating to each holder of a 2010 Obligation so provided for.

(d) 2010 Obligations, the payment of which has been provided for, in accordance with this Section,

shall no longer be deemed outstanding thereunder or secured thereby. The obligation in respect of such 2010 Obligations shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the moneys or Defeasance Obligations deposited with the Trustee or such Depository Trustee to provide for the payment of such Obligations.

Section 11.10 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Trustee acknowledges that the Obligation Indenture is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the City may within three (3) years after its execution cancel any contract (including the Obligation Indenture) without penalty or further obligation made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

APPENDIX F

FORM OF OPINION OF SPECIAL COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

_____
_____

Re: Water and Sewer System Revenue Obligations, Series 2010, Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by the City of Avondale, Arizona, Pursuant to a Series 2010 Purchase Agreement, Dated as of June 1, 2010*.

We hereby certify that we have examined a transcript of the proceedings relating to the initial execution and delivery of the above-referenced Obligations (the "*Obligations*") in the aggregate principal amount of $9,015,000 and fully registered form, dated the date of their initial execution and delivery. The Obligations are being executed and delivered to refinance certain improvements comprising part of the water and sewer utility system (the "*System*") serving the City of Avondale, Arizona (the "*City*").

We have examined the law and such documents and matters as we have deemed necessary to render this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon, and have assumed due compliance with the provisions of, such documents and have relied upon certifications and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, the use to be made of the proceeds of the Obligations. Reference is made to certifications of, and opinions of counsel to, parties with respect to the existence and powers of such parties to enter into and perform the instruments referred to, the authorization, execution and delivery of such instruments by such parties and such instruments being binding upon and enforceable against such parties; we express no opinion as to such matters.

The Obligations are being executed and delivered pursuant to the Series 2010 Obligation Indenture, dated as of June 1, 2010* (the "*Indenture*"), by and between the City and _____, in its capacity as trustee (the "*Trustee*"). Each of the Obligations represents an undivided and proportionate interest in certain obligations of the City pursuant to the Series 2010 Purchase Agreement, dated as of June 1, 2010* (the "*Purchase Agreement*"), by and between the Trustee, in its separate capacity as seller (the "*Seller*"), and the City, as purchaser, pursuant to which the City has agreed to make certain installment purchase payments to the Trustee. The Obligations are payable solely, as to both principal and interest, from such installment purchase payments made by the City pursuant to the Purchase Agreement. The City and the Seller have assigned certain of their rights in and benefits from, and of their obligations pursuant to, the Purchase Agreement to the Trustee pursuant to the Indenture.

Based upon the foregoing, we are of the opinion as of this date, which is the date of initial execution and delivery of the Obligations against payment therefor, that:

* *Subject to change.*

1. The Indenture, the Purchase Agreement and the Obligations are valid and binding and enforceable in accordance with their terms. The rights of the owners of the Obligations and the enforceability of those rights pursuant to the Obligations as well as the Indenture and the Purchase Agreement may, however, be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights, and the enforcement of those rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity. The enforceability of the indemnification provisions in the Purchase Agreement and the Indenture may be affected by applicable securities laws.

2. The obligation of the City for the payment of the installment purchase payments required to be paid by the City pursuant to the provisions of the Purchase Agreement constitute a valid and binding limited, special obligation of the City, payable together with any other obligations issued on parity therewith, solely from and secured solely by a pledge of, a lien on and a security interest in the Pledged Revenues (as defined in the Purchase Agreement), consisting generally of revenues derived by the City from the operation of the System after sufficient funds have been provided for the operation and maintenance expenses of the System and for payment of certain senior lien obligations and amounts related thereto. Such payments are not secured by an obligation or pledge of any moneys raised by taxation; the Obligations do not represent or constitute a debt or pledge of the general credit of the City or the State of Arizona and the Purchase Agreement, 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. The portion of each installment purchase payment made by the City pursuant to the Purchase Agreement, denominated as and comprising interest pursuant to the Purchase Agreement and received by the owners of the Obligations (the "*Interest Portion*"), is excludable from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. The Interest Portion is also exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excluded form gross income for federal income tax purposes. Pursuant to the Code, however, portions of the Interest Portion earned by certain corporations (as defined for federal income tax purposes) may be taken into account in determining adjusted current earnings for purposes of computing alternative minimum tax imposed on such corporations and may be subject to a branch profits tax imposed on certain of such corporations which are foreign corporations doing business in the United States and to a tax imposed on excess net passive income of such corporations which are S corporations. (We express no opinion regarding other federal or State tax consequences resulting from the ownership of, receipt or accrual of interest on or disposition of the Obligations.)

In rendering the opinion expressed in the third numbered paragraph hereof, we have assumed continuing compliance with certain tax covenants provided in connection with the original execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal tax purposes. The failure of the City to meet certain requirements of the Code with respect to the matters described in the third numbered paragraph hereof may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to the date of initial execution and delivery of the Obligations. The City has covenanted 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 the same limitations in the penultimate sentence of the first numbered paragraph hereof as they would relate to such covenants, 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,

APPENDIX G

CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this "Undertaking") is executed and delivered on behalf of the City of Avondale, Arizona (the "City"), in connection with the sale and execution and delivery of $9,015,000* aggregate principal amount of Water and Sewer System Revenue Obligations, Series 2010, Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price To Be Paid by the City of Avondale, Arizona, Pursuant to a Series 2010 Purchase Agreement, Dated as of June 1, 2010* (the "Obligations").

In connection with the Obligations, the City covenants and agrees as follows:

1. Definitions. In addition to the terms defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"Annual Information" means the financial information and operating data set forth in Exhibit I.

"Annual Information Disclosure" means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the general purpose audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Material Event" means the occurrence of any of the events with respect to the Obligations set forth in Exhibit II that is material, as materiality is interpreted under the Exchange Act.

"MSRB" means the Municipal Securities Rulemaking Mayor and Council.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"Undertaking" means the obligations at the City pursuant to Sections 4, 5, 6 and 7 hereof.

"Underwriter" includes each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Obligations.

2. Purpose of this Undertaking. This Undertaking is executed and delivered on behalf of the City for the benefit of the beneficial owners of the Obligations and in order to assist the Underwriter in complying with the requirements of the Rule.

---

* *Subject to change.*

3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Obligations is _____. The Final Official Statement relating to the Obligations is dated _____, 2010.

4. Annual Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Information and its Audited Financial Statement, if any (in the form and by the dates set forth in Exhibit I) to the MSRB through EMMA, in a format prescribed by the MSRB. The City is required to deliver such information in such manner and by such time so that such entities receive the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Material Events Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate in a timely manner notice of occurrence of a Material Event to the MSRB through EMMA, in a format prescribed by the MSRB.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner to the MSRB through EMMA, in a format prescribed by the MSRB, of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Obligation may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default on the Obligations. The sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any provision of this Undertaking, the City by certified resolutions authorizing each amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

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

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

(c) The amendment does not materially impair the interests of the beneficial owners of the Obligations, as determined by an independent counsel or other entity unaffiliated with the City.

8. Non-Appropriation. The performance by the City of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the City to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the City shall provide prompt notice of such fact to the MSRB through EMMA.

9. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City no longer has liability for any obligation relating to repayment of the Obligations or the Rule no longer applies to the Obligations. The City shall give notice in a timely manner if this Section is applicable to the MSRB through EMMA.

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

11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of Material Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Material Event.

12. Beneficiaries. This Undertaking has been executed in order to assist the Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

13. Recordkeeping. The City shall maintain records of all Annual Information Disclosure and notices of occurrence of Material Events including the content of such disclosure or notices, the names of the entities with whom such disclosure or notices were filed and the date of filing such disclosure or notices.

14. Assignment. The City shall not transfer its obligations in connection to the Obligations unless the transferee agrees to assume all obligation of the City under this Undertaking or to execute an Undertaking under the Rule.

Dated: [Closing Date]

CITY OF AVONDALE, ARIZONA

By.....
Mayor, City of Avondale, Arizona

ATTEST:

.....
Clerk, City of Avondale, Arizona

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means quantitative financial information and operating data concerning the operations of the City of the type set forth in the Official Statement in Appendix A in the tables entitled "CITY OF AVONDALE, ARIZONA SUMMARY OF WASTEWATER USERS FEES," "CITY OF AVONDALE, ARIZONA, SUMMARY OF USER FEES REVENUES," "CITY OF AVONDALE, ARIZONA, CONNECTION FEE REVENUES," "CITY OF AVONDALE, ARIZONA, REVENUES FROM OTHER FEES AND CHARGES" and "CITY OF AVONDALE WASTEWATER MANAGEMENT DEPARTMENT COMPARATIVE STATEMENTS OF SYSTEM REVENUES, EXPENDITURES AND NET REVENUES AVAILABLE FOR DEBT SERVICE.[**???**]

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB through EMMA, no later than the first business day in February of each year, commencing February 1, 2011. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements when available.

Audited Financial Statements will be prepared according to generally accepted accounting principles ("GAAP"), as applied to governmental units as modified by State law, Audited Financial Statements will be provided to the MSRB through EMMA, at the same time as Annual Financial Information is filed, or if not available when such Annual Financial Information is filed, within 30 days after availability to the City.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in Fiscal Year or GAAP.

EXHIBIT II

EVENTS FOR WHICH NOTICE OF OCCURRENCE OF MATERIAL EVENTS IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of creditor liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting, if applicable, the tax-exempt status of the Obligations
7. Modifications to the rights of holders of the Obligations
8. Obligation calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the Obligations
11. Rating changes

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE CITY, SPECIAL COUNSEL OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the 2010 Obligations. The 2010 Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligation certificate will be issued for each maturity of the 2010 Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 2010 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2010 Obligations on DTC's records. The ownership interest of each actual purchaser of each 2010 Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2010 Obligations are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2010 Obligations, except in the event that use of the book-entry system for the 2010 Obligations is discontinued.

To facilitate subsequent transfers, all 2010 Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2010 Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2010 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2010 Obligations are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2010 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2010 Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of 2010 Obligations may wish to ascertain that the nominee holding the 2010 Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2010 Obligations unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2010 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the 2010 Obligations will be made by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2010 Obligations at any time by giving reasonable notice to the Trustee or the City. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

NEITHER THE CITY NOR THE TRUSTEE WILL HAVE RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2010 OBLIGATIONS UNDER THE TRUST AGREEMENT; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2010 OBLIGATIONS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2010 OBLIGATIONS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2010 OBLIGATIONS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered owner of the 2010 Obligations, as nominee for DTC, references herein to "Owner" or registered owners of the 2010 Obligations (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such 2010 Obligations.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Trustee to DTC only.

So long as Cede & Co. is the registered Owner of the 2010 Obligations, as nominee for DTC, references herein to "Owner" or registered owners of the 2010 Obligations (other than under the captions "TAX MATTERS," "AMORTIZABLE PREMIUM" and "ORIGINAL ISSUE DISCOUNT") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such 2010 Obligations.

When reference is made herein to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Trustee to DTC only.

ORDINANCE NO. 1407-410

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA (1) PROVIDING FOR THE SALE AND EXECUTION AND DELIVERY PURSUANT TO A SERIES 2010 OBLIGATION INDENTURE OF WATER AND SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2010, EVIDENCING PROPORTIONATE INTERESTS OF THE HOLDERS THEREOF IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID BY THE CITY OF AVONDALE, ARIZONA, PURSUANT TO A SERIES 2010 PURCHASE AGREEMENT; (2) AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY WITH RESPECT THERETO OF AGREEMENTS NECESSARY OR APPROPRIATE AS PART OF REFINANCING PART OF THE WATER AND SEWER SYSTEM OF THE CITY AND PAYING RELATED FINANCING COSTS; (3) DELEGATING TO THE MAYOR, THE CITY MANAGER AND THE FINANCE AND BUDGET DIRECTOR CERTAIN AUTHORITY WITH RESPECT TO THE PURPOSES HEREOF; (4) APPROVING A FORM AND AUTHORIZING THE EXECUTION AND DELIVERY AND DISTRIBUTION OF AN OFFICIAL STATEMENT WITH RESPECT TO SUCH SERIES 2010 OBLIGATIONS; (5) AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO SUCH SERIES 2010 OBLIGATIONS; (6) AUTHORIZING THE FINANCE AND BUDGET DIRECTOR TO EXPEND ALL NECESSARY FUNDS THEREFOR AND (7) DECLARING AN EMERGENCY

WHEREAS, the City of Avondale, Arizona (hereinafter referred to as the "City"), has previously issued or incurred the following obligations with respect to financing or refinancing certain property (hereinafter referred to as the "Property") for the complete works of the entire combined water production and distribution and sewer collection and treatment system of the City:

- Loan Agreement, dated as of December 1, 1992, with the predecessor of Water Infrastructure Finance Authority of Arizona;

- City Lease, dated as of March 1, 1996, from City of Avondale Municipal Development Corporation;

- City of Avondale, Arizona - Greater Arizona Development Authority Loan Water and Sewer Revenue Bonds (Projects of 1993), Series 1998, dated as of October 1, 1998; and

- Loan Agreement, dated December 17, 1999, with Water Infrastructure Finance Authority of Arizona; and

WHEREAS, it is necessary and in the best interests of the City that obligations be incurred and sold and the proceeds thereof used to refinance the Property; and

WHEREAS, therefore, the Mayor and Council of the City (hereinafter referred to as the "Council") have determined to cause the execution and delivery of a Series 2010 Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Series 2010 Obligations (hereinafter referred to as the "Series 2010 Purchase Agreement"), in substantially the form presented at the meeting at which this Ordinance was adopted, by which the City will agree to purchase the Property; and

WHEREAS, the acquisition of the Property will be financed through the sale and execution and delivery of certain proportionate interests (hereinafter referred to as the "Series 2010 Obligations") in the Series 2010 Purchase Agreement pursuant to, and secured by, a Series 2010 Obligation Indenture, to be dated as of the date of the Series 2010 Purchase Agreement (hereinafter referred to as the "Series 2010 Obligation Indenture"), from the City to a trustee to be determined as provided herein (including any successor appointed and acting in such capacity, hereinafter referred to as the "Trustee"), in substantially the form presented at the meeting at which this Ordinance was adopted; and

WHEREAS, the Council has determined to cause the sale of the Series 2010 Obligations to Stone & Youngberg LLC (hereinafter referred to as the "Underwriter") as provided in a Purchase Contract, to be dated the date of the sale of the Series 2010 Obligations (hereinafter referred to as the "Purchase Contract"), between the City and the Underwriter, in substantially the form presented at the meeting at which this Ordinance was adopted; and

WHEREAS, the Underwriter is required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (hereinafter referred to as the "Rule"), in connection with selling the Series 2010 Obligations as an underwriter, and in that regard, the City will execute and deliver a Continuing Disclosure Undertaking, to be dated the date of the Series 2010 Obligations (hereinafter referred to as the "Undertaking"), with respect to the Series 2010 Obligations, in substantially the form included as an appendix to the herein described Preliminary Official Statement; and

WHEREAS, the City has the requisite power and authority to execute and deliver the Series 2010 Purchase Agreement and to cause the sale and execution and delivery of the Series 2010 Obligations, and all acts, conditions and things required by the Constitution and laws of the State of Arizona and the requirements of the City to happen, exist and be performed precedent to and as a condition to the adoption of this Ordinance have happened, exist and been performed in the time and manner required to make the Series 2010 Purchase Agreement a valid and binding limited, special obligation of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, as follows:

SECTION 1. Authorization and Execution and Delivery of Documents and Obligations.

(a) For the purpose of providing funds to refinance the costs of the Property and the related costs of the sale and execution and delivery of the Series 2010 Obligations, the

Series 2010 Obligations shall be sold and executed and delivered. The Series 2010 Obligations shall be dated the date of their initial authentication and delivery, shall be issued in such form and denominations, shall be payable as to interest and principal on such dates, shall be executed in such manner and shall have such other provisions, including, without limitation, provisions with respect to redemption prior to maturity, as set forth in the form of the Series 2010 Obligation Indenture and, as executed and delivered, the Purchase Contract, with such additions, deletions and modifications consistent with this Ordinance as shall be approved by the officers of the Trustee executing and delivering the same on behalf of the Trustee, the execution and delivery thereof to constitute conclusive evidence of their approval and of such additions, deletions or modifications. The identity of the Trustee, the aggregate principal amount of the Series 2010 Obligations, the period over which the Series 2010 Obligations shall mature, the date on and price at which the Series 2010 Obligations shall be sold (including provisions for any discount) and the rates of interest the Series 2010 Obligations shall bear shall be determined by the Mayor, the City Manager or the Finance and Budget Director of the City or the designees of any of them (hereinafter referred to as, collectively, the "Authorized Representatives") to which such authority is hereby delegated.

(b) The Mayor or, in the absence thereof, the Vice Mayor are hereby authorized to execute, and the Clerk is hereby authorized to attest and deliver, respectively, the Series 2010 Purchase Agreement, the Series 2010 Obligation Indenture, the Purchase Contract and the Undertaking which are hereby approved, with such additions, deletions and modifications as shall be approved by those officers executing and delivering the same on behalf of the City, the execution and delivery thereof to constitute conclusive evidence of their approval, and of such additions, deletions and modifications.

(c) The Trustee is hereby requested to execute and deliver the Series 2010 Obligations, the Series 2010 Purchase Agreement, the Series 2010 Obligation Indenture and the Purchase Contract to accomplish the purposes hereof.

(d) The Authorized Representatives are hereby authorized to cause the sale and execution and delivery of the Series 2010 Obligations and are hereby delegated the authority to complete any information missing in, or necessary for the consummation of the transactions contemplated by, the Series 2010 Purchase Agreement, the Series 2010 Obligation Indenture, the Purchase Contract and the Undertaking. The Authorized Representatives are authorized to select, and execute and deliver contracts with, appropriate professionals (including special counsel) to provide various professional services with respect to the sale and execution and delivery of the Series 2010 Obligations as well as to provide for such other matters (including credit enhancement providers if deemed advantageous by them) as are necessary in order to accomplish the purposes of this Ordinance. The Authorized Representatives are hereby further authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such credit enhancement, including those making provision for the repayment of amounts advanced for credit enhancement thereunder. The fees, costs and expenses with respect to the foregoing shall be paid from proceeds of the sale of the Series 2010 Obligations or any other legally available moneys. The Finance and Budget Director is hereby authorized to receive and expend such funds as necessary to accomplish the purposes of this Ordinance, including payment of installment payments related to debt service on the Series 2010 Obligations.

SECTION 2. Acceptance of Proposal. Subject to the direction delegated by Section 1 hereof, the proposal of the Underwriter pursuant to the Purchase Contract may be accepted. Such acceptance shall be evidenced by the execution and delivery of the Purchase Contract pursuant to Section 2 hereof. The Series 2010 Obligations shall be prepared and executed and delivered following the adoption of this Ordinance and shall thereupon be delivered to the Underwriter upon payment therefor in accordance with the terms of the Purchase Contract.

SECTION 3. Authorization of Official Statement. The Authorized Representatives are hereby authorized to (i) approve the preparation and dissemination by the Underwriter of a Preliminary Official Statement, to be dated the date of the publication thereof (hereinafter referred to as the "Preliminary Official Statement"), relating to the Series 2010 Obligations in substantially the form presented at the meeting at which this Ordinance was adopted and (ii) execute and approve the preparation and delivery to, and use by, the Underwriter of a final Official Statement, to be dated the date of the sale of the Series 2010 Obligations (hereinafter referred to as the "Official Statement"), relating to the Series 2010 Obligations in substantially the form of the Preliminary Official Statement with such additions, deletions and modifications consistent with this Ordinance as shall be approved by them. If and to the extent applicable, the Authorized Representatives shall certify or otherwise represent that the Preliminary Official Statement, in original or revised form, is a "deemed final" official statement (except for permitted omissions) of the City as of a particular date and that a completed version is a "final" official statement, in both cases, for purposes of the Rule. The distribution and use of the Preliminary Official Statement and the Official Statement by the City and the Underwriter is hereby authorized, ratified, confirmed and approved. The Authorized Representatives are further authorized to use and distribute, or authorize the use and distribution of, any supplements in connection with the original execution and delivery of the Series 2010 Obligations as may be necessary or appropriate and to sign and deliver, on behalf of the City, the Official Statement and such certificates in connection with the accuracy of the Official Statement and any amendment thereto as may be necessary or appropriate.

SECTION 4. Severability. All actions of the officers, employees and agents of the City including the Council which conform to the purposes and intent of this Ordinance and which further the issuance and sale of the Series 2010 Obligations as contemplated by this Ordinance, whether taken before or after adoption of this Ordinance, are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Ordinance.

SECTION 5. Ratification of Actions. All actions of the officers, employees and agents of the City including the Council conform to the purposes and intent of this Ordinance and which further the actions contemplated by this Ordinance, whether taken before or after adoption of this Ordinance, are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Ordinance.

SECTION 6. Emergency. The immediate operation of this Ordinance is necessary for the preservation of the public health and welfare, particularly to be able to finance the capital needs of the City on the most advantageous terms presently available, and an emergency is

hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval by the Council of the City of Avondale, Arizona, as required by law, and it is hereby exempt from the referendum provisions of the Charter of the City and the Constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Council of the City of Avondale, April 19, 2010.

_____
Marie Lopez Rogers, Mayor

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

CERTIFICATION

I hereby certify that the foregoing Ordinance No. 1407-410 was duly passed and adopted by the Mayor and Council of the City of Avondale, Arizona, at a regular meeting held on the 19th day of April, 2010, and the vote was _____ ayes and _____ nays and that the Mayor and _____ Councilmembers were present thereat.

_____
Carmen Martinez, City Clerk

329265647.2-4/7/2010

1229183.1

CITY COUNCIL REPORT

SUBJECT:
Contract Award - Mountain States Pipe and Supply Co. for Purchase of Radio Read Water Meters

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Wayne Janis, P.E., Public Works Director, (623) 333-4444

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council approve a Contract with Mountain States Pipe and Supply Co. to purchase radio read water meters and related equipment, in an amount not-to-exceed $1,766,088 over the term of the contract (plus applicable sales tax), authorize the transfer of $750,000 from the Water Operations Contingency Fund, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

Approximately six years ago staff began a 10-year program to convert from a touch read meter reading system to an Itron-compatible radio read system and, at present, approximately 62% of the water meters installed in the City employ radio read technology. Use of the radio read technology has significantly improved the rate at which staff can collect data, and the quality of the data. About 38% of the system remains to be converted, equal to approximately 8,600 accounts.

So that the Department can gain the benefit of a full radio read program sooner than originally planned, and further improve reading efficiency, City Management approved of the Department expediting conversion of the remaining meters to radio read.

DISCUSSION:

To purchase the necessary meters, the City issued an Invitation for Bid (IFB WR 10-045) for Radio Read Water Meters on January 5, 2010. The bid deadline, and bid opening, occurred on January 28, 2010. Four vendors submitted bids, however, all bids were deemed "Nonresponsive." The City issued a re-bid (IFB WR 10-045.2). All specifications of the re-bid were identical to the original IFB, and the four vendors that submitted bids for the original IFB, responded to the re-bid. This Contract and Council action is for the re-bid, IFB WR 10-045.2.

The re-bid, IFB WR 10-045.2, was issued by the City on February 11, 2010, and advertised in the Arizona Business Gazette on February 11, 2010 and the West Valley View on the 12th and 19th of February. A non-mandatory pre-submittal conference was held on February 17, 2010, and was attended by five vendors. The IFB allowed for multiple contract awards, by individual or groups of line items, if advantageous to the City. The initial contract term is through February 1, 2012, with an option for two one-year renewals. The bid deadline and bid opening were on March 4, 2010. Four bids were received.

As shown in the following table, it was deemed advantageous to the City to award two contracts, by line item. This contract is for Mountain States Pipe and Supply Co. who provided the lowest bids for the radio read water meters <u>with</u> an integrated transmitter (ERT), fire hydrant meters, RPZ (backflow)

devices, turbo meters, single body compound meters, and encoder registers. The Mountain States bid for these items totaled $1,766,088 (before sales tax). The four bids are summarized below:

Vendors/Equipment	Mountain States Pipe	National Meter	Farnsworth Wholesale	HD Supply Waterworks
Meters w/o ERT	$1,699,097	$1,639,475	$1,679,830	$2,286,925
Meters w/ ERT	$1,652,854	$1,669,918	$1,670,630	$2,286,925
Hydrant Meter	$12,127	$12,821	$12,500	$13,888
RPZ Device	$892	$913	$0.00	$0.00
Mag Meter	$69,563	$66,334	$75,220	$0.00
Compound Mag Meter	$70,381	$66,334	$76,750	$0.00
Turbo Meter	$8,701	$10,493	$10,493	$8,903
Compound Meter w/ by-pass	$56,959	$46,701	$38,408*	$47,908
Compound Meter (single body)	$37,123	$46,701	$38,408	$47,908
Encoder Register	$54,391	$68,240	$72,826	$15,000*
Meter Strainers	$1,475	$1,274	$1,688	$2,210
SUBTOTAL	**$1,766,088**	**$1,820,118**	**--**	**--**

*Does not meet requirements

Staff conducted reference checks and the Certificate for Distributorship was investigated and confirmed by Procurement.

The two contracts for purchase of the required meters, along with an upcoming contract for meter installation, will allow the City to condense the remaining four-year conversion program into approximately 10 months.

BUDGETARY IMPACT:

Funding in the amount of $375,000 for this contract is available this fiscal year (2009/2010) in the Water Operations Budget, line item 501-9100-00-7495. Staff requests authorization to transfer an additional $750,000 of funding from the Water Operations Contingency Fund, line item 501-9110-00-9900. The term of the contract is four (4) years including extensions. Expenditures per year will not exceed the amounts included in the approved budget each year.

RECOMMENDATION:

Staff recommends that City Council approve this Contract with Mountain States Pipe and Supply Co. for the purchase of radio read water meters and related equipment, in an amount not-to-exceed

$1,766,088 over the term of the contract (plus applicable sales tax), authorize the transfer of $750,000 from the Water Operations Contingency Fund, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

- Contract

OFFER

The undersigned (the "Bidder") hereby offers this Bid (the "Offer") and certifies that Bidder has read, understands and agrees to fully comply with all terms and conditions as set forth in this Contract (as defined below), and any amendments thereto, together with all Specifications, Exhibits and other documents included as part of this Contract.

BY SIGNING THIS PAGE THE SUBMITTING BIDDER CERTIFIES THAT BIDDER HAS REVIEWED THIS CONTRACT AND ALL CORRESPONDING IFB TERMS AND CONDITIONS AND AGREES TO BE CONTRACTUALLY BOUND BY THEM.

Arizona Transaction (Sales) Privilege Tax License Number: 20072417-V	For Clarification of this Bid contact:
Federal Employer Identification Number: 84-0441361	Name: Paul T Carroll, CEO
	Telephone: 719-634-5555
	Facsimile: 719-634-5551
Contractor Name: Mountain States Pipe & Supply Co.	Email: paulc@msps.com
Address: 111 West Las Vegas Street	**Authorized Signature for Contractor**
City State Zip Code: Colorado Springs, CO 80903-4291	Printed Name: Paul T. Carroll
	Title: Chief Executive Officer

ACCEPTANCE OF OFFER AND NOTICE OF AWARD (FOR CITY OF AVONDALE USE ONLY)

Effective Date:_____ Contract No._____ Official File:_____

CITY OF AVONDALE, an Arizona municipal corporation

_____
Charles P. McClendon, City Manager

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

INVITATION FOR BID

City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323

Solicitation Number:	**WR 10-045.2**
Solicitation Title:	**Radio Read Water Meters**
Release Date:	**February 11, 2010**
NON-MANDATORY Pre-Submittal Conference:	**February 17, 2010** **3:00 p.m.** (local time, Phoenix, Arizona) Avondale Civic Center Sonoran Conference Room 11465 West Civic Center Drive Avondale, Arizona 85323
Final Date for Inquiries:	**February 22, 2010**
Bid Deadline:	**March 4, 2010** **3:00 PM** (local-time, Phoenix, Arizona)
Bid Opening:	**March 4, 2010** **3:00 PM** (local-time, Phoenix, Arizona)
Department Representative:	**Tony Ayala** — **tayala@avondale.org** **623-333-4416**
Procurement Representative:	**Loretta Browning** — **lbrowning@avondale.org** **623-333-2029**

In accordance with the City of Avondale Procurement Code, competitive sealed Bids for the Materials specified herein will be received by the City Clerk at the City Clerk's Office at the above-referenced location until the date and time cited below (the "Bid Deadline"). Bids received by the Bid Deadline shall be publicly opened and the Bid Price read. Bids shall be in the actual possession of the City Clerk on, or prior to, the Bid Deadline Date. Late Bids shall not be considered except as provided in the City Procurement Code. Bids shall be submitted in a sealed envelope with the Solicitation Number and the Bidder's name and address clearly indicated on the front of the envelope.

* The City of Avondale reserves the right to amend the solicitation schedule as necessary.

ARTICLE I - DEFINITIONS

For purposes of this Invitation for Bids, the following definitions shall apply:

"Bid" or "Offer" means a responsive bid or quotation submitted by a Bidder in response to this IFB.

"Bid Deadline" means the date and time set forth on the cover of this IFB for the City Clerk to be in actual possession of the sealed Bids.

"Bid Opening" means the date and time set forth on the cover of this IFB for opening of sealed bids.

"Bidder" means any person or firm submitting a competitive Bid in response to this IFB.

"Days" means calendar days unless otherwise specified.

"City" means the City of Avondale, an Arizona municipal corporation.

"Confidential Information" means that portion of a Bid, proposal, Offer, specification or protest that contains information that the person submitting the information believes should be withheld, provided (i) such person submits a written statement advising the City of this fact at the time of the submission and (ii) the information shall be so identified wherever it appears.

"Contract" means, collectively, the (i) the Offer, (ii) Article I - Definitions, (iii) Article II – Bid Process; Bid Award, (iv) Article III - General Terms & Conditions, (v) Article IV – Special Conditions, if any, (vi) the Specifications, attached hereto as Exhibit A, (vii) the Price Sheet, attached hereto as Exhibit B, (viii) the Licenses; DBE/WBE Status Sheet, if any, attached hereto as Exhibit C, (ix) References, attached hereto as Exhibit D, (x) Acknowledgement of Addenda Received attached hereto as Exhibit E, (xi) the Notice of Award, (xii) the Notice to Proceed or Purchase Order(s), (xiii) any approved Change Order or Amendment, (xiv) the Contractor's Certificates of Insurance and a copy of the Declarations Page(s) of the insurance policies and (xv) Bid, Performance and Payment Bonds, if any.

"Contractor" means the individual, partnership, or corporation who has submitted a Bid in response to this IFB and who, as a result of the competitive bidding process, is awarded a contract for Materials or Services by the City.

"Invitation for Bids" or "IFB" means this request by the City for participation in the competitive bidding process according to all documents, including those attached or incorporated herein by reference, utilized for soliciting Bids for the Materials and/or Services in compliance with the City's Procurement Code.

"Materials" means any personal property, including equipment, materials and supplies provided by the Contractor in conjunction with the Contract and shall include, in addition to materials incorporated in the Project, equipment and other material used and/or consumed in the performance of Services or Work.

"Multiple Award" means an award of an indefinite quantity contract for one or more similar products, commodities or services to more than one Bidder.

"Price" means the total expenditure for a defined quantity of a commodity or service.

"Procurement Agent" means the City Manager or authorized designee.

"Procurement Code" means the City of Avondale Procurement Code, as amended from time to time.

"Procurement Representative" or "Department Representative" means a City employee who has specifically been designated to act as a contact person to the Bidders and/or Contractor, and who is responsible for monitoring and overseeing the Contractor's performance under the Contract.

"Project" means the purpose and work described as set forth in Section 2.1 of this IFB.

"Services" means the furnishing of labor, time or effort by a Contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance and as further defined in the Contract. This term does not include "professional and technical services" as defined in the Procurement Code.

"Specification" means any description of the physical characteristics, functional characteristics, or the nature of a commodity, product, supply or services. The term may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

"Subcontractor" means those persons or groups of persons having a direct contract with the Contractor to perform a portion of the Work and those who furnish Materials according to the plans and/or Specifications required by this Contract.

"Work" means all labor, materials and equipment incorporated or to be incorporated in the Project that are necessary to accomplish the services required by this Contract.

ARTICLE II – BID PROCESS; BID AWARD

2.1 Purpose/Scope of Work. The purpose of this IFB is to establish pricing for the purchase of one or more Radio Read Water Meters and ERT Conversion Kits (the "Materials") as more particularly described in the Specifications, attached hereto as Exhibit A and incorporated herein by reference. The City of Avondale is requesting quotes for the purchase of Water Meters and ERT Conversion Kits for the City of Avondale Automatic Meter Reading Program for year 2010

The City of Avondale currently has a water utility base of approximately 22,430 accounts. Approximately 13,855 accounts have been changed out to radio read meters. The remainder of the accounts is touch read meters. City plans on changing out existing meters to radio read within the next 2 years. In addition, City plans to continue to install radio read meters in new housing subdivisions as they are developed.

2.2 Authority; Amendment of IFB. This IFB and resultant Contract is issued under the authority of the City. No alteration hereof may be made without the express written approval of the City in the form of an official IFB or Contract amendment. Any attempt to alter this IFB/Contract without such approval is subject to the legal and contractual remedies available to the City including, but not limited to, Contract cancellation and suspension and/or debarment of the Bidder or Contractor.

2.3 Preparation/Submission of Bid. Bidders are invited to participate in the competitive bidding process for the Materials specified in this IFB. Bidders shall review their Bid submissions to ensure the following requirements are met.

A. Irregular/Non-responsive Bids. The City will consider as "irregular" or "non-responsive" and may reject any Bid not prepared and submitted in accordance with the IFB and the Specifications, or any Bid lacking sufficient information to enable the City to make a reasonable determination of compliance to the specifications outlined in the Specifications. Unauthorized or unreasonable exceptions, conditions, limitations, or provisions shall be cause for rejection. Bids may be deemed non-responsive at any time during the evaluation process if, in the sole opinion of the City:

1. Bidder does not meet the minimum required skill, experience or requirements to perform the Work or provide the Services.

2. Bidder has a past record of failing to fully perform or fulfill its contractual obligations.

3. Bidder cannot demonstrate financial stability.

4. Bid submission contains false, inaccurate or misleading statements that, in the opinion of the City Manager or authorized designee, is intended to mislead the City in its evaluation of the Bid.

C. Specification Minimums. Bidders are reminded that the Specifications stated in this IFB are the minimum levels required and that Bids submitted must be for products that meet or exceed the minimum level of all features specifically listed in this IFB. Bids offering less than the minimums specified are not responsive and should not be submitted. It shall be the Bidder's responsibility to carefully examine each item listed in the Specifications. Bidders shall provide complete manufacturers' descriptive literature regarding the Materials. Literature shall be sufficient in detail in order to allow full and fair evaluation of the Offer.

D. Required Submittal. Bidders shall provide **one** complete, fully executed **original** of this IFB, signed in ink by a person authorized to bind the Bidder, together with all completed, required attachments as specified below, to be considered a responsive Bid:

1. Offer
2. Price Sheet
3. Licenses; /DBE & MBE Status
4. References
5. Acknowledgement for each Addendum received, if any

E. Bidder Responsibilities. All Bidders shall (1) examine the entire Bid package, (2) seek clarification of any item or requirement that may not be clear, (3) check all responses for accuracy before submitting a Bid and (4) submit the entire, completed Bid package by the official Bid Deadline. Late Bids shall not be considered. Bids not submitted with an **original, signed** Offer page by a person authorized to bind the Bidder shall be considered non-responsive Bids. Negligence in preparing a Bid confers no right of withdrawal after the Bid Opening.

F. Sealed Bids. All Bids shall be sealed and clearly marked with the IFB title and number on the lower left hand corner of the mailing envelope. A return address must also appear on the outside of the sealed Bid.

G. Address. All Bids shall be directed to the following address: City Clerk, 11465 West Civic Center Drive, Suite 200, Avondale, Arizona 85323, or hand-delivered to the City Clerk's office.

H. Bid Forms. All Bids shall be on the forms provided in this IFB. It is permissible to copy these forms if required. Telegraphic (facsimile), electronic (email) or mailgram Bids will not be considered.

I. Modifications. Erasures, interlineations, or other modifications in the Bid shall be initialed in original ink by the authorized person signing the Bid.

J. Withdrawal. At any time prior to the specified Bid Opening, a Bidder (or designated representative) may amend or withdraw its Bid. Facsimile, electronic (email) or mailgram Bid amendments or withdrawals will not be considered. No Bid shall be altered, amended or withdrawn after the specified Bid Deadline unless otherwise permitted pursuant to the City Procurement Code.

K. Prices. Bid prices shall be submitted on a per unit basis by line item, when applicable. In the event of a disparity between the unit price and extended price, the unit price shall prevail unless obviously in error.

2.4 Inquiries; Interpretation of Scope of Work; Specifications.

A. Inquiries. Any question related to the IFB, including any part of the Specifications, Scope of Work or other Contract documents, shall be directed to the Department Representative or Procurement Representative whose name appears on the cover page of this IFB. Questions shall be submitted in writing by the date indicated on the cover page of this IFB; the City will not respond to any questions submitted later than the Final Date for Inquiries. The Bidder submitting such inquiry will be responsible for its prompt delivery to the City. Any correspondence related to the IFB shall refer to the title and number, page and paragraph. However, the Bidder shall not place the IFB number and title on the outside of any envelope containing questions, because such an envelope may be identified as a sealed Bid and may not be opened until the Bid Opening. Any interpretations or corrections of the proposed Contract documents will be made only by addenda duly approved and issued by the City. The City will not be responsible for any other explanations or interpretations of the Contract documents.

B. Addenda. It shall be the Bidder's responsibility to check for addenda issued to this IFB. Any addendum issued by the City with respect to this IFB will be available at:

City of Avondale City Hall, 11465 West Civic Center Dr. Avondale, Arizona 85323
Buyhub Website at www.buyhub.com
City of Avondale website at www.avondale.org/procurement

C. Approval of Substitutions. The materials, products, and equipment described in this Contract establish a standard or required function, dimension, appearance and quality to be met by any proposed substitution. No substitute will be considered unless written request for approval has been received by the City or its representative at least ten days prior to the Bid Deadline. Each such request shall include the name of the material or equipment for which it is to be substituted and a complete description of the proposed substitute, including any drawings, performance and test data and any other information necessary for evaluation of the substitute. If a substitute is approved, the approval shall be by written addendum to the Contract. Contractor shall not rely upon approvals made in any other manner.

D. Use of Equals. When the Specifications for materials, articles, products and equipment include the phrase "or equal," Contractor may bid upon and use materials, articles, products and equipment which will perform equally the duties imposed by the general design. The Procurement Representative will have the final approval of all materials, articles, products and equipment proposed to be used as an "equal." No such "equal" shall be purchased or installed without prior written approval from the Procurement Representative. Approvals for "equals" before Bid Opening may be requested in writing to the Procurement Representative for approval. Requests must be received at least ten days prior to the Bid Deadline. The request shall state the name of the material, article, product or equipment for which the item is sought to be considered and equal and a complete description of the proposed equal including any drawings, performance and test data and any other information necessary for approval of the equal. All approvals of equals shall be issued in the form of written addendum to this Contract.

E. Proposal Quantities. It is expressly understood and agreed by the parties hereto that the quantities of the various classes of Materials to be furnished under this Contract, which have been estimated as stated in the Bidders' Offer, are only approximate and are to be used solely for the purpose of comparing, on a consistent basis, the Bidders' Offers for this Contract. The Contractor further agrees that the City shall not be held responsible if any of the quantities shall be found to be incorrect and the Contractor will not make any claim for damages or for loss of profits because of a difference between the quantities of the various classes of

Material as estimated and the Materials actually provided. If any error, omission or misstatement is found to occur in the estimated quantities, the same shall not (1) invalidate this Contract or the whole or any part of the Specifications in accordance herewith and for the prices herein agreed upon and fixed therefore, (2) excuse Contractor from any of the obligations or liabilities hereunder or (3) entitle Contractor to any damage or compensation except as may be provided in this Contract.

2.5 Prospective Bidders' Conference. A prospective bidders' conference may be held. If scheduled, the date and time of this conference will be indicated on the cover page of this IFB. This conference may be designated as mandatory or non-mandatory on the cover of this IFB. Bids shall not be accepted from Bidders who do not attend a mandatory prospective bidders' conference. Bidders are strongly encouraged to attend those prospective bidder's conferences designated as non-mandatory. The purpose of this conference will be to clarify the contents of this IFB in order to prevent any misunderstanding of the City's requirements. Any doubt as to the requirements of this IFB or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine if any action is necessary and may issue a written amendment or addendum to the IFB. Oral statements or instructions will not constitute an amendment or addendum to this IFB.

2.6 New Materials. All Materials to be utilized by the Contractor and included in the Bid shall be new, unless otherwise stated in the Specifications.

2.7 Pricing. All Materials shall be provided at the prices as set forth in the Price Sheet attached as Exhibit B.

2.8 Payment; Discounts. Any Bid that requires payment in less than 30 calendar days shall not be considered. Payment discounts of 30 calendar days or less will be deducted from the Bid Price in determining the low Bid. However, the City shall be entitled to take advantage of any payment discount offered, provided payment is made within the discount period. Payment discounts shall be indicated on Price Sheet.

2.9 Taxes. The City is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item. It is the sole responsibility of the Bidder to determine any applicable State tax rates and calculate the Bid accordingly. Failure to accurately tabulate and applicable taxes may result in a determination that a Bid is non-responsive. The Bidder shall not rely on, and shall independently verify, any tax information provided by the City.

2.10 Federal Funding. It is the responsibility of the Bidder to verify with the Department Representative if federal wage rates other federal requirements apply to the Work (the "Federal Requirements"). It is also the responsibility of the Bidder to incorporate any necessary amounts in the Bid to accommodate for required federal record keeping, necessary pay structures or other matters related to the Federal Requirements.

2.11 Cost of Bid/Proposal Preparation. Bids submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The City does not reimburse the cost of developing, presenting or providing any response to this solicitation; the Bidder is responsible for all costs incurred in responding to this IFB. All materials and documents submitted in response to this IFB become the property of the City and will not be returned.

2.12 Public Record. All Bids shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification, in accordance with the City's Procurement Code.

2.13 Confidential Information. If a Bidder believes that a Bid, Specification, Scope of Work, or protest contains information that should be withheld from the public record, a statement advising the Procurement Representative of this fact shall accompany the submission and the information shall be identified. The information identified by the Bidder as confidential shall not be disclosed until the Procurement

Representative makes a written determination. The Procurement Representative shall review the statement and information and shall determine in writing whether the information shall be withheld. If the Procurement Representative determines to disclose the information, the Procurement Representative shall inform the Bidder in writing of such determination.

2.14 Vendor Licensing and Registration. Prior to the award of the Contract, the successful Bidder shall (A) be licensed with the Arizona Corporation Commission to do business in Arizona and (B) have a completed Request for Vendor Number on file with the City Financial Services Department. The Bidder shall provide licensure information with the Bid. Corporations and partnerships shall be able to provide a Certificate of Good Standing from the Arizona Corporation Commission.

2.15 Certification. By submitting a Bid, the Bidder certifies:

A. No Collusion. The submission of the Bid did not involve collusion or other anti-competitive practices.

B. No Discrimination. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11456.

C. No Gratuity. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a City employee, officer, agent or elected official in connection with the submitted Bid or a resultant Contract. In the event that the resultant Contract is cancelled pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

D. Financial Stability. It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

E. No Signature/False Statement. Failure to sign the Bid, or signing it with a false statement, shall void the submitted Bid and any resulting Contract and the Bidder may be debarred from further bidding in the City.

2.16 Award of Contract.

A. Multiple Award. The City may, at its sole discretion, accept Bidder's Offer as part of a Multiple Award.

B. Line Item Option. Unless the Bidder's Offer states otherwise, or unless specifically provided within this Contract, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City. The City's flexibility with respect to the method of award also includes any items bid as alternates, which may be accepted or rejected, in whole or in part, at the City's sole discretion.

C. Evaluation. The evaluation of this Bid will be based on, but not limited to, the following: (1) compliance with Specifications, (2) Price, including alternates, if any and (3) Bidder qualifications to provide the Materials.

D. Defects. Notwithstanding any other provision of this IFB, the City expressly reserves the right to: (1) waive any immaterial defect or informality, (2) reject any or all Bids or portions thereof and (3) reissue an IFB.

E. Offer. A Bid is a binding offer to contract with the City based upon the terms, conditions and specifications contained in this IFB and the Bidder's responsive Bid, unless any of the terms, conditions, or specifications is modified by a written addendum or contract amendment. Bids become binding Contracts when the Acceptance of Offer and Notice of Award is executed in writing by the City. Bidder Offers shall be valid and irrevocable for **90** days after the Bid Opening.

F. Protests. Any Bidder may protest this IFB issued by the City, the proposed award of a Contract, or the actual award of a Contract. All protests will be considered in accordance with the City Procurement Code.

ARTICLE III – GENERAL TERMS AND CONDITIONS

3.1 Term. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until February 1, 2012 (the "Initial Term"), unless terminated as otherwise provided herein. This Agreement may be renewed for up to two additional one-year terms (each a "Renewal Term") if deemed in the best interests of the City and subject to availability and appropriation of funds for renewal in each subsequent year. Such renewal shall occur upon the City's written notice to the Contractor given not later than 30 days prior to the end of the then - current term. The Initial Term and any Renewal Terms are collectively referred to as the "Term". Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

3.2 Compensation. The City shall pay the Contractor as set forth in the Price Sheet. The Contractor shall not commence any billable work or provide any Materials under this Contract until the Contractor receives an executed purchase order from the City.

3.3 Payments. The Contractor will be paid on the basis of invoices submitted following acceptance of the Materials. All invoices shall document and itemize all Materials delivered and shall include the purchase order number authorizing the transaction to the City Accounts Payable address indicated on the face of the purchase order, unless otherwise specified. All transportation charges must be prepaid by the Contractor. If invoice is subject to a cash discount, the discount period will be calculated from the date of receipt of the claim or the Materials, whichever is later.

3.4 Documents. All documents prepared and submitted to the City pursuant to this Contract shall be the property of the City.

3.5 Contractor Personnel. Contractor shall provide adequate, experienced personnel, capable of and devoted to the successful completion and delivery of services or Materials required pursuant to this Contract.

3.6 Deliveries. Time is of the essence for all orders placed under this Contract. Therefore delivery shall be made within **30** days of purchase order to:

Avondale Water Resources
399 East Lower Buckeye Road
Avondale, Arizona 85323

Product documentation required by Section 3.15 shall be delivered to the City upon delivery of the Materials. Delivery shall not be considered complete until the City is in receipt of the manuals. Contractor shall retain title and control of all materials and Materials until they are delivered and the City has accepted delivery. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The City will notify the Contractor promptly of any damaged Materials and shall assist the Contractor in arranging for inspection. The City reserves the right to cancel and reject the Materials upon default by Contractor in time, rate or manner of delivery. The City also

reserves the right to refuse shipments made in advance of any scheduled delivery date appearing on the purchase order.

3.7 Quantity. The quantity of Materials ordered must not be exceeded or reduced without the City Procurement Representative's permission in writing except in conformity with acknowledged industry tolerances.

3.8 Specification changes. The City shall have the right, by a written change order, to make changes in the Materials to be furnished by the Contractor. If such changes cause an increase or decrease in the amount due under the purchase order, or in the time required for its performance, an acceptable adjustment shall be made and the purchase order shall be modified in writing accordingly. Any agreement for adjustment must be asserted in writing within ten days from when the change is ordered. Nothing in this Contract shall relieve the Contractor from proceeding without delay in the performance of the purchase order as changed.

3.9 F.O.B. Unless otherwise agreed to in writing, signed by the City Manager or designee, all delivery terms are FOB Destination and are to be prepaid. All other freight charges are to be prepaid and charged on the invoice. If a cash discount is not permitted on freight charges, then specific notation of this must be shown on the invoice.

3.10 Packing. No extra charges shall be made for packaging or packing material unless authority is expressly incorporated in this Contract. Contractor shall be responsible for safe packing which must conform to the requirement of carrier's tariffs. All shipments must carry the correct quantity, product identification, purchase order number, receiving address and product department plainly marked on all packages. Cars or trucks must be loaded to minimum weight requirements to assure lowest rate unless otherwise specified or shipper will be charged with excess freight that the City is required to pay.

3.11 Performance Warranty. All Materials supplied under this Specification shall be fully guaranteed by the Contractor for a minimum period of one year from the date of acceptance by the City (or such longer period as may be provided under the Specifications). Any defects in design, workmanship or materials that would result in non-compliance with Contract Specifications shall be fully corrected by the Contractor (including parts and labor) without cost to the City. Contractor further agrees to execute any special guarantees as provided by the Contract or by law. Contactor shall require similar guarantees from all of its vendors or its subcontractors. Contractor shall include a complete and exclusive statement of the product warranty.

3.12 Price Warranty. Contractor shall give the City the benefit of any price reductions before actual time of shipment, except that should the Procurement Representative of the City permit shipment to be made prior to specified shipping date that the City shall have advantage of any price reduction before specified shipping date.

3.13 Inspection; Acceptance. All Materials are subject to final inspection and acceptance by the City. Materials failing to conform to the Specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. Upon discovery of a non-conforming material or services, the City may elect to do any or all of the following by written notice to the Contractor: (A) waive the non-conformance; (B) stop the work immediately; or (C) bring material or service into compliance and withhold the cost of same from any payments due to the Contractor.

3.14 Waiver. Waiver by the City of a condition in any shipment shall not be considered a waiver of (1) any other terms of this Contract or (2) that condition for subsequent shipments.

3.15 Product Documentation. Books, manuals or CD's when possible, shall accompany each unit and provide complete and comprehensive information on all Materials, components and accessories, as supplied to comply with the Specifications. If changes, modifications, additions or alterations of any kind are made on the Materials, the Contractor shall provide blueprints, line drawings and descriptive text sufficient to allow one

of average skill in general mechanics to diagnose, repair and maintain the Materials and all components. On Materials assembled from manufactured components, parts manuals shall show the manufacturer of each part and all cross-referencing between the Contractor and the manufacturers. The City shall have the right to reproduce any equipment/product documentation for City educational purposes only.

3.16 Product Discontinuance. In the event that a product or model is discontinued by the manufacturer, the City at its sole discretion may allow the Contractor to provide a substitute for the discontinued item. The Contractor shall request permission to substitute a new product or model and provide the following: (A) a formal announcement from the manufacturer that the product or model has been discontinued, (B) documentation from the manufacturer that names the replacement product or model, (C) documentation that provides clear and convincing evidence that the replacement meets or exceeds all specifications required by the original solicitation, (D) documentation that provides clear and convincing evidence that the replacement will be compatible with all the functions or uses of the discontinued product or model and (E) documentation confirming that the price for the replacement is the same as or less than the discontinued product or model.

3.17 No Replacement of Defective Tender. Every tender of Materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.

3.18 Shipment Under Reservation Prohibited. Contractor is not authorized to ship Materials under reservation and no tender of a bill of lading will operate as a tender of the materials.

3.19 Liens. All Materials shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

3.20 Right to Assurance. Whenever one party to this Contract in good faith has reason to question the other party's intent to perform it may demand that the other party give a written assurance of its intent to perform. In the event that a demand is made and no written assurance is given within five days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

3.21 Records and Audit Rights. Contractor's and its Subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of any Contractor and its Subcontractors' employees who perform any work or services pursuant to this Contract to ensure that the Contractor and its Subcontractor are complying with the warranty under Section 3.22 below (all the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (1) evaluation and verification of any invoices, payments or claims based on Contractor's and its Subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Contract and (2) evaluation of the Contractor's and its Subcontractor's compliance with the Arizona employer sanctions laws referenced in Section 3.22 below. To the extent necessary for the City to audit Records as set forth in this subsection, Contractor and its Subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records from the effective date of this Contract for the duration of the work and until three years after the date of final payment by the City to Contractor pursuant to this Contract its Subcontractor facilities, and shall be provided adequate and appropriate workspace, in order to conduct audits in compliance with the provisions of this Section. The City shall give Contractor or its Subcontractors reasonable advance notice of intended audits. Contractor shall require its Subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Contract.

3.22 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that

relate to their employees and compliance with the E-verify requirements under ARIZ. REV. STAT.§ 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the City.

3.23 Scrutinized Business Operations. Pursuant to ARIZ. REV. STAT. §§ 35-391.06 and 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in ARIZ. REV. STAT. § 35-391 or and 35-393, as applicable. If the City determines that the Contractor submitted a false certification, the City may impose remedies as provided by law including terminating this Contract pursuant to Section 3.31 below.

3.24 Right to Inspect Plant. The City may, at reasonable times, inspect the part of the plant or place of business of the Contractor or Subcontractor that is related to the performance of this Contract.

3.25 Patents and Copyrights. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this Contract are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.

3.26 Advertising. Contractor shall not advertise or publish information concerning this Contract without prior, written consent of the City.

3.27 Licenses; Materials. Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor. The City has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Contract. The City has no obligation to provide tools, equipment or material to Contractor.

3.28 Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Contract. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

3.29 Insurance.

A. General.

1. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Contract at the City's option.

2. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Contractor. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the

insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

3. Additional Insured. [INTENTIONALLY OMITTED]

4. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Contract are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Contract.

5. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Contract and in the protection of the City as an Additional Insured.

6. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

7. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. Contractor shall be solely responsible for any such deductible or self-insured retention amount.

8. Use of Subcontractors. If any work under this Contract is subcontracted in any way, Contractor shall execute written agreement with Subcontractor containing the indemnification provisions set forth in this subsection and insurance requirements set forth herein protecting the City and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining certificates of insurance verifying the insurance requirements.

9. Evidence of Insurance. Prior to commencing any work or services under this Contract, Contractor will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Contract, issued by Contractor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Contract and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Contract. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Contract. In the event any insurance policy required by this Contract is written on a "claims made" basis, coverage shall extend for two years past completion of the Services and the City's acceptance of the Contractor's work or services and as evidenced by annual certificates of insurance. If any of the policies required by this Contract expire during the life of this Contract, it shall be Contractor's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Contract shall be identified by referencing this Contract. A $25.00 administrative fee shall be assessed for all certificates or declarations received without a reference to this Contract. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing

a contract number will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

a. The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(i) Commercial General Liability - Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(ii) Auto Liability - Under ISO Form CA 20 48 or equivalent.

(iii) Excess Liability - Follow Form to underlying insurance.

b. Contractor's insurance shall be primary insurance as respects performance of the Contract.

c. All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of Work or Services performed by Contractor under this Contract.

d. A 30-day advance notice cancellation provision. If ACORD certificate of insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

B. Required Insurance Coverage.

1. Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

2. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Contractor's owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Contract. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection,

such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3. Professional Liability. [INTENTIONALLY OMITTED]

4. Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Contractor's employees engaged in the performance of work or services under this Contract and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

C. Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or materially changed without 30 days' prior written notice to the City.

3.30 Applicable Law; Venue. In the performance of this Contract, Contractor shall abide by and conform to any and all laws of the United States, State of Arizona and City of Avondale, including but not limited to, federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this Contract. This Contract shall be governed by the laws of the State of Arizona and suit pertaining to this Contract may be brought only in courts in Maricopa County, Arizona.

3.31 Termination; Cancellation.

A. For City's Convenience. This Contract is for the convenience of the City and, as such, may be terminated without cause after receipt by Contractor of written notice by the City. Upon termination for convenience, Contractor shall be paid for all undisputed services performed to the termination date.

B. For Cause. This Contract may be terminated by either party upon 30 days' written notice should the other party fail to substantially perform in accordance with this Contract's terms, through no fault of the party initiating the termination. In the event of such termination for cause, payment shall be made by the City to the Contractor for the undisputed portion of its fee due as of the termination date.

C. Due to Work Stoppage. This Contract may be terminated by the City upon 30 days' written notice to Contractor in the event that the services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Contractor for the undisputed portion of its fee due as of the termination date.

D. Conflict of Interest. This Contract is subject to the provisions of ARIZ. REV. STAT. § 38-511. The City may cancel this Contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the City or any of its departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a Contractor to any other party of the Contract with respect to the subject matter of the Contract.

E. Gratuities. The City may, by written notice to the Contractor, cancel this Contract if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the City for the purpose of securing this Contract. In the event this Contract is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor an amount equal to 150% of the gratuity.

3.32 Miscellaneous.

A. Independent Contractor. The Contractor acknowledges and agrees that all Materials provided under this Contract are being provided as an independent contractor, not as an employee or agent of the City. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. Contractor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. City and Contractor do not intend to nor will they combine business operations under this Contract.

B. Laws and Regulations. The Contractor shall keep fully informed and shall at all times during the performance of its duties under this Contract ensure that it and any person for whom the Contractor is responsible remains in compliance with all rules, regulations, ordinances, statutes or laws affecting the services, including the following: (1) existing and future City and County ordinances and regulations, (2) existing and future state and federal laws, (3) existing and future Occupational Safety and Health Administration ("OSHA") standards and (4) Arizona employer sanctions provisions.

C. Amendments. This Contract may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor.

D. Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Contract will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract will promptly be physically amended to make such insertion or correction.

E. Severability. The provisions of this Contract are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Contract which may remain in effect without the invalid provision or application.

F. Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and Contractor agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Contract.

G. Entire Agreement; Interpretation; Parol Evidence. This Contract represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Contract are hereby revoked and superseded by this Contract. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Contract. This Contract shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Contract. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Contract.

H. Assignment. No right or interest in this Contract shall be assigned by Contractor without prior, written permission of the City signed by the City Manager and no delegation of any duty of Contractor shall be made without prior, written permission of the City signed by the City Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Contract by Contractor.

I. Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior written approval of the City. The Contractor is responsible for performance under this Contract whether or not subcontractors are used.

J. Rights and Remedies. No provision in this Contract shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Contract. The failure of the City to insist upon the strict performance of any term or condition of this Contract or to exercise or delay the exercise of any right or remedy provided in this Contract, or by law, or the City's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Contract.

K. Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

L. Offset.

1. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Contractor any amounts Contractor owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Contract.

2. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Contractor any amounts Contractor owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

M. Notices and Requests. Any notice or other communication required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if (1) delivered to the party at the address set forth below, (2) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (3) given to a recognized and reputable overnight delivery service, to the address set forth below or (4) delivered by facsimile transmission to the number set forth below:

If to the City: City of Avondale

11465 West Civic Center Drive
Avondale, Arizona 85323
Facsimile: 623-333-0100
Attn: Charles P. McClendon, City Manager

With copy to: GUST ROSENFELD, P.L.C.
201 East Washington Street, Suite 800
Phoenix, Arizona 85004-2327
Facsimile: 602-340-1538
Attn: Andrew J. McGuire, Esq.

If to Contractor: Mountain States Pipe & Supply Co.
111 West Las Vegas Street
Colorado Springs, CO 80903
Facsimile: 719-634-5551
Attn: Paul T Carroll

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this section. Notices shall be deemed received (1) when delivered to the party, (2) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (3) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (4) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

N. Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Contract. Persons requesting such information should be referred to the City. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under this Contract.

O. Conflicting Terms. In the event of a conflict between the IFB, the Contractor's response to the IFB, the Specifications, the Price Sheet and this Contract, the terms of this Contract shall govern.

P. Non-Exclusive Contract. This Contract is entered into with the understanding and agreement that it is for the sole convenience of the City of Avondale. The City reserves the right to obtain like goods and services from another source when necessary.

Q. Cooperative Purchasing. This Contract shall be for the use of the City. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate, at their discretion and with the agreement of the awarded Contract. In order to participate in this Contract, a political subdivision or nonprofit educational or public health institution must agree to the terms and conditions in the solicitation and the Contractor must be in agreement with the cooperative transaction. Any orders placed to the successful Contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this Contract will be the sole responsibility of each participating agency. The City shall not be responsible for any disputes arising out of transactions made by others.

EXHIBIT A
TO
INVITATION FOR BID NO. WR 10-045.2

[Specifications]

See following pages.

SPECIFICATIONS
RADIO READ WATER METERS – WR 10-045.2

In order to qualify under these specifications, the make, model and radio frequency technology of the meter being offered must have been field proven for a minimum of 3 years.

Registers shall read in gallons.

Registers with oil or liquid fill are not acceptable under these specifications. The City of Avondale is currently using ITRON M.V.R S. 7.12 Software, and the meters and ERTs offered shall be compatible with this software.

All meters supplied to the City of Avondale Water Resources Department shall be manufactured in accordance with the latest revisions of the appropriate American Water Works Association Standard.

All meters must be stamped at the factory with identification shop numbers as specified by the City of Avondale Water Utility. Further specifics for Utility shop numbers are listed under specifications for each type of meter.

POSITIVE DISPLACEMENT METERS: 5/8" through 2" (with Test Plugs for 1 1/2" and 2" meters)

General Description: Meters shall be new, first line quality, positive displacement type for cold water service and will comply with NSF61 Low Lead Specifications. Meters must be of the oscillating piston/nutating disc or equivalent. Meters shall comply with AWWA Standard C700 latest revision and the minimum specifications herein. They shall be designed for use with potable water below 120° F. Meters must be magnetically driven.

In addition, each meter shall have affixed to its outside surface a meter accuracy test tag. Tag must indicate Utility Meter Shop ID number, meter size and test results.

Registration Accuracy: All meters shall meet the following flow requirements:

Size	Low Flow GPM @ 95%	Normal Flow GPM 98.5%-101.5%	Continuous Flow GPM
5/8" X 3/4"	1/8	1-20	15
3/4" X 3/4"	1/4	2-30	15
1"	3/4	3-50	25
1 ½"	1.5	5-100	50
2"	2.0	8-160	80

Accuracy and head loss Test: Meters shall conform to minimum of the current AWWA C-700 current revision test flows and accuracy standards.

Main Case: The body main case shall be of high quality bronze composition Low Lead NSF61 with raised markings to indicate the direction of flow and size. All cases shall have a minimum wall thickness of 1/8th of an inch. All 5/8" through 1" meter main cases shall include a bottom plate made of Low Lead NSF61 and held in place with stainless steel bolts with integral washer heads. 1 1/2" and 2" meters shall be split case type with bronze lower and upper shell assemblies. 1 1/2" and 2" meter flanges will be oval flanged. All main cases shall be guaranteed against defects in materials and workmanship for twenty-five years (25) years or more. All bottom plates shall be isolated from the potable water by a full rubber liner.

Cases must be capable of withstanding working pressures of one hundred fifty (150) psi. Thread protectors shall be supplied for the connection ends for 5/8" through 1".

Register Housings: Register housings shall be constructed of a suitable engineering polymer or bronze and provide full protection of the register assembly. Register assemblies shall be secured to the main case in a tamper resistant fashion to prohibit unauthorized removal. Seal screws, tamperproof screws, or locking devices are required.

Registers: Registers shall be permanently, hermetically sealed in a copper or stainless steel can/case. Similar size, type and registration of registers shall be interchangeable. Registers for pit set application shall be true tempered glass design to resist breaking, scratching and abrasion. Registers shall be equipped with low flow indicators and faceplates must be stamped with date of manufacture. All water meters must be available with absolute encoder registers, as set forth in AWWA C-706 and C-707 Standards, latest revisions, respectively. Registers shall read in US Gallons/1000.

Measuring Chambers: Measuring chambers shall be of the two-piece design and be made of a copper alloy containing not less than 85% copper or a suitable engineering polymer. The chamber shall be separate from the outer casing and so secured in the main case that the accuracy of the meter will not be affected by any distortion of the case. All wear prone surfaces shall be reinforced with a nylon material. All measuring chamber assemblies shall operate smoothly and be capable of sustaining long-term accuracy. All motion from the piston shall be transferred to the register via magnetic drive.

Pistons: Pistons shall be made of vulcanized hard rubber or a suitable engineering polymer with a specific gravity approximately equal to that of water. Piston oscillations must not exceed the figure recommended in Table One (1) of AWWA Standards C-700 latest revision for the size of meter being requested.

Strainers: All meters shall be provided with a strainer screen installed in the meter. Strainer screens shall be rigid, fit snugly, be easy to remove and have an effective straining area at least two times that of the main case inlet.

Length: Shall conform to a minimum of the American Water Works Standard C-700 as most recently revised. 3/4 "water meters will be 7.5 inches.

Warranties: All meters shall carry the following published warranties:

Meters shall be guaranteed to be free from defects in materials and workmanship and to meet AWWA New Meter Accuracy Standards for a period of five years from the date of purchase or the first 750,000 gallons registered through meter. At the expiration of this period, meters shall be guaranteed to meet AWWA Repaired Meter Accuracy Standards for the following time periods listed below or conform to the most recently revised AWWA C-700 as most recently revised.

5/8" through 1" 5 - 25 years from the date of shipment
1 ½ "through 2"5 - 25 years from the date of shipment

In addition, the functionality of all direct reading register assemblies shall be guaranteed for a period of twenty-five (25) years from date of manufacture. All absolute encoder registers shall be guaranteed to perform accurately for a period of ten (10) years from date of manufacture.

All meters shall fully comply with all City of Avondale Utility metering specifications and be fully compatible with the Utility's current reading probes and reading system. Meters shall be an absolute encoder type as described herein and be pre-approved by the Water Resources Department.

Turbo / Turbine TYPE METERS: 1 1/2" through 8"

General Description: Meters shall be new, first line quality, turbo/turbine type for cold water service. Meter sizes shall be inclusive and shall comply with the Class II AWWA Standard C701 latest revision and the minimum specifications herein. They shall be designed for use with potable water below 120 degrees F.

Each meter w/ERT shall have affixed to the ERT module a 2-part type sticker with ERT module ID number and Utility Meter Shop ID number. Both ID numbers must be on each half of the sticker. The bottom half of the 2-part sticker must be of the peel off type.

In addition, each meter shall have affixed to its outside surface a meter accuracy test tag. Tag must indicate Utility meter ID number, meter size and test results.

Registration Accuracy: All meters shall meet the following flow requirements:

Size	Min Flow GPM @95%	Normal Flow GPM 98.5%-101.5%	Continuous Flow GPM
1 1/2"	3	4-200	160
2"	3	4-200	160
3"	4	5-750	600
4"	7	10-1250	1000
6"	15	20-2500	2000
8"	25	30-3500	2800

Main Cases: The body main case shall be of either traditional waterworks bronze or low lead bronze with raised characters showing model, size and direction of flow. The case has a throated inlet. Bronze composition of a high tensile strength and be capable of resisting distortion under pressure up to one hundred and fifty (150) psi. and is designed for easy removal of all interior parts without disturbing the connections to the pipeline.

Register Housings: The register housing shall be constructed of a suitable engineering polymer or bronze and provide full protection of the register assembly. Register assemblies shall be secured to the main case in a **tamper resistant fashion** to prohibit unauthorized removal. Seal screws, tamperproof screws, or locking devices are acceptable.

Registers: The registers shall be permanently hermetically sealed in a copper or stainless steel can. Similar size, type and registration of registers shall be interchangeable. The register glass shall be tempered to resist breaking, scratching, and abrasion. Register face plates shall be stamped with the date of manufacture. All meters must be available with absolute encoder registers as set forth in AWWA C-706 and C-707 Standards latest revisions respectively. **Registers shall read in US Gallons**.

Measuring Chambers: The measuring element assembly consists of the rotor, straightening vanes, accuracy regulator, spindles and gears. The measuring element is attached to the underside of the cover with stainless steel screws and washers. The internal accuracy regulator vane is interconnected with an external regulator assembly located underneath the register. This allows meter calibration without depressurizing the test bench or meter service. The regulator is protected by the register assembly, assuring tamperproof performance. The main case and cover are assembled with an O-ring gasket and stainless steel bolts.

Rotors: The measuring impellers, vanes or rotors for all meters shall be polypropylene, nylon, hard rubber or other suitable engineering polymer and shall be mounted on a horizontal axis in the center of the

measuring element with rotations of the turbo/turbine transmitted to the register by means of magnets. Straightening vanes of corrosion resistant material as required shall precede the rotor.

Strainers: Meters shall be capable of accepting separate external bronze case strainers of the stainless steel plate type. They shall be rigid, easily removable, and have an effective straining area at least double that of the meter main case inlet. Strainer connections shall conform to the main case and shall be accompanied by gaskets, bolts and nuts. **Note: Meters will be ordered without strainers unless specified otherwise.**

Warranties: All meters shall carry the following published warranties:

Meters shall be guaranteed to be free from defects in materials and workmanship and to meet AWWA C-701 Accuracy Standards for two (2) years from date of shipment.

In addition, the functionality of all direct reading register assemblies shall be guaranteed for a period of ten (10) years from date of manufacture.

All meters shall fully comply with all City of Avondale Water Utility metering specifications and be fully compatible with the Utility's current reading probes and reading system. Meters shall be an absolute encoder type as described herein and be pre-approved by the Utility.

COMPOUND with by-pass and Single Body WATER METERS: 2" through 4"

General Description: Meters shall be new, first line quality, compound type for cold water service. Meters combining turbo/turbine and displacement meters furnished under these specifications shall conform to AWWA C702 latest revision and the minimum specifications herein. Meters shall combine a main line meter of the Class II turbo/turbine type for measuring high rates of flow with a bypass meter of the positive displacement type for measuring low rates of flow. The single body application will have the capability to measure low flow and high flow without a bypass. Meters shall have an automatic valve mechanism which diverts low rates of flow through the bypass meter. They shall be designed for use with potable water below 120 degrees F.

In addition, each meter shall have affixed to its outside surface a meter accuracy test tag. Tag must indicate Utility meter ID number, meter size and test results.

Operating Characteristics and Dimensions: Meter sizes, capacities and pressure losses shall conform to Table 1 of the AWWA Standard. The main case lengths shall not exceed those reflected in Table 2 of the AWWA Standard.

Registration Accuracy: All meters shall meet the following flow requirements:

Size	Min Flow GPM @95%	Normal Flow GPM 98.5%-101.5%	Continuous Flow GPM
2"	1/8	1-160	170
3"	1/8	1-650	400
4"	¼	2-1150	800

Main Cases: The body main case shall be of bronze composition and be capable of withstanding pressure of one hundred and fifty (150) psi. Outer cases shall permit separate removal of measuring chambers. Meters shall be designed for easy removal of all interior parts without disturbing the connections to the pipeline.

Automatic Valves: Automatic valves shall be as specified in Section 2.10 of the AWWA Standard. Spring loaded valves shall be a Poppet-type suitable for such purpose. Spring tension shall offer sufficient resistance to the incoming water to divert all small rates of flow through the bypass meter until such time as the pressure loss is great enough to ensure efficient operation of the main measuring section. Spring loaded valve shall have components made of the following or approved equal: Valve cages shall be of copper alloy, spring and screws of stainless steel, and spindles and cones of suitable engineering polymer. Spring loaded valves shall be self flushing and fast opening and closing. Valve assemblies utilizing gates are acceptable if the manufacturer can assure an accuracy level of at least 97% at changeover.

Register Housings: The register housings shall be constructed of a suitable engineering polymer or bronze and provide full protection of the register assembly. Register assemblies shall be secured to the main cases in a **tamper resistant fashion** to prohibit unauthorized removal. Seal screws, tamper-resistant plugs, tamperproof screws, or locking devices are acceptable.

Registers: The registers shall be permanently hermetically sealed in a copper or stainless steel can. Similar size, type and registration of registers shall be interchangeable. The register glass shall be tempered to resist breaking, scratching, and abrasion. Register face plates shall be stamped with the date of manufacture. All meters must be available with absolute encoder registers as set forth in AWWA C-707 Standards latest revisions. **Registers shall read in US Gallons**.

Measuring Unit Assemblies: Measuring chambers and cages shall be bronze or suitable engineering polymer. They shall be easily detached and removed from the case. Rotor spindles shall be of tungsten carbide steel supported by PTFE or graphite radial bearings. Replaceable thrust bearings shall be provided. The main line and bypass chambers shall be interchangeable in all meters of the same size and model. Intermediate gear trains shall be made of non corrosive materials or synthetic polymer. The bypass chamber assemblies shall be positive displacement type and shall not be cast as part of the outer case.

Strainers: Meters shall be capable of accepting separate external bronze case strainers of the stainless steel plate type. They shall be rigid, easily removable, and have an effective straining area at least double that of the meter main case. Strainer connections shall conform to the main case and shall be accompanied by gaskets, bolts and nuts. **Note: Meters will be ordered without strainers unless specified otherwise.**

Connections and Companion Flanges: Main case connections shall be as shown in Table 4 of the AWWA Standard and shall be accompanied by companion flanges, gaskets, bolts and nuts of the same size as shown in Table 4 of the AWWA Standard.

Warranties: All meters shall carry the following published warranties:

Meters shall be guaranteed to be free from defects in materials and workmanship and to meet AWWA C-701 Accuracy Standards for two (2) years from date of shipment.

In addition, the functionality of all direct reading register assemblies shall be guaranteed for a period of ten (10) years from date of manufacture.

All meters shall fully comply with all City of Avondale Water Resources metering specifications and be fully compatible with the Utility's current reading probes and reading system. Meters shall be an absolute encoder type as described herein and be pre-approved by the Utility.

ABSOLUTE ENCODER TYPE REGISTERS:

General Description: Registers furnished under these specifications shall be the product of a manufacturer with at least eight (8) years experience in the manufacture of absolute encoder-based registers.

The registers shall have the capability of providing encoded meter information as described in the enclosed specification.

Specifications for the required cold water meters can be found above in separate specifications.

Registers: Registers shall be of the "absolute encoder" type and permanently sealed in a vacuum purged or dry nitrogen gas filled copper or stainless steel can.

Systems utilizing generator pulses or low voltage conversions are not acceptable under this standard. Similar size, type and registration of registers shall be interchangeable.
Registers shall be equipped with low flow indicators and faceplates must be stamped with date of manufacture and serial identity number.

Registers shall visually read in **100 US Gallons with six-wheel resolution**.

Upon inquiry from a remote location, the absolute encoder register shall disclose the exact position of the six most prominent number rollers as well as the electronic identity number of the register without the use of internal power. All power necessary for data transmission shall be supplied from the interrogation device.

All registers shall be fully compatible with the City of Avondale Water Utility's current reading probes, ERT radio modules, and MVRS most current version reading software and programmer units.

The electronic identity number must be programmable with a minimum of ten digits.

All registers shall employ a device to offer a "quick transfer" of the roller bank assembly to prevent ambiguous readings.

All registers shall be easily upgradeable to other types of Automatic Meter Reading (AMR), which includes Telephone, Radio, Cable, etc. with the substitution of the remote receptacle with appropriate Meter Interface Unit.

AMR: AUTOMATIC METER READING DEVICES:

Data transmission shall be instantaneous and supplied in an ASCII format without conversion or modification. The register must operate reliably down to at least 3.0 volts.

A suitable wire terminal cover shall be provided and be factory potted by the meter manufacturer when ordered for underground pit installations. All registers must be removable without disassembly of meter or depressurizing the service line. Register must be free of openings to protect the internal electronics of the register. All registers must have tamper-proof register screw or similar devise.

Lens covers shall be of mineral glass for underground pit installations. All other register assembly and material requirements stated herein shall also apply.

ERT MODULES:

The City of Avondale has a substantial investment in their Itron Endpoints AMR System. Contractor must be able to supply this existing technology.

All ERT modules furnished under these specifications that are shipped to City of Avondale for installation shall have 2-part type stickers affixed to ERT module.

The 2-part stickers for ERT Modules only shall have the ERT module ID number on both halves of the sticker. The bottom half of the 2-part sticker must be of the peel off type.

Direct Mount ERT: Each meter's register, when required, shall be shipped with an ITRON ERT module directly mounted and integrally attached to the meter utilizing tamper-protected fasteners.

The meter manufacturer is required to provide integration of ERT wiring to the register such that all wiring is completely concealed and tamper protected. No wires will be exposed.

Integration and installation of the ERT module to the meter and register shall be accomplished at the meter manufacturer's plant to assure quality control and full warranty protection.

The meter manufacturer is required to complete the assembly and integration process and provide a one-piece unit that is factory wired, mounted, tested, sealed, inspected, packaged and shipped ready for installation.

Pit ERT: Each Encoder Positive Displacement Water Meter w/glass lens for pit application, Low Lead NSF61 body and bottom plate, 100 USG registration, 6 wheel resolution, magnetic drive, and external threaded spuds shall be shipped w/5' of wire and pit ERT attached utilizing tamper-protected fasteners.

Integration and installation of the ERT module to the meter and register shall be accomplished at the meter manufacturer's plant to assure quality control and full warranty protection.

The meter manufacturer is required to complete the assembly and integration process and provide a unit that is factory wired, tested, sealed, inspected, packaged and shipped ready for installation.

Pit ERT must be rugged and waterproof. The register and wire connection must be water proofed for pit settings by potted method.

The electronics within the register and the wire connection must with stand long-term submersion in water, as well as repeated subjection to water filling and receding in the meter pit.

The transmission distance of the Pit ERT must be such that they can be read from the nearest street by using the hand-held or mobile reading unit.

ELECTROMAGNETIC MAG METER TURBINE/COMPOUND APPLICATION W/ERT

Construction of Mag Meters: Body stainless steel grade 304, flow tube stainless steel grade 316, electrodes stainless steel grade 316, flanges epoxy coated cast iron, register stainless steel with glass cover, register housing/lid uv resistant plastic, environment class ip68 hermitically sealed unit, waterproof to 30ft depth

ERT WARRANTY:

Contractor warrants the batteries purchased hereunder shall, at the time of acceptance by the City for a period of twenty (20) years after installation will be free of all defects in workmanship, material or installation. Contractor further warrants in the event defects are discovered within twenty (20) years after installation, the Contractor, upon written notice, shall correct such defects within a reasonable period of time or the City, at its option, shall have the right to return the property to the Contractor at Contractor's expense and receive a refund of the entire purchase price for the defective property.

GENERAL INFORMATION:

Quantities on items stated are estimates only. Actual amounts purchased may be more or less. All materials will be purchased on an "as needed" basis upon request by the Water Resources Department, City of Avondale.

With each shipment of meters (with or without ERTs attached) and shipments of ERTs only, an electronic file listing Utility meter ID number, ERT number, meter size and ERT type shall be electronically mailed to the City of Avondale Water Resources Department.

Local Inventory Sales / Technical Support Requirements

Local warehouse shall maintain one month of product availability. The City of Avondale wants to protect its current AMR investment and requires that all Itron 60W ERTs and associated data collection equipment be supported by a factory authorized distributor for the State of Arizona with no less than three years experience. The factory authorized as well as sales and technical support personnel shall provide factory training located in Arizona or with the ability to respond on-site within 24 hours.

EXHIBIT B
TO
INVITATION FOR BID NO. WR 10-045.2

[Price Sheet]

See following pages.

PRICE SHEET
RADIO READ WATER METERS – WR 10-045.2

Quantities on items stated are estimates only. Actual amounts purchased may be more or less. All Materials will be purchased on an "as needed" basis upon request by the Water Resources Department, City of Avondale.

Prices bid must be exact and held firm through the term of the Agreement. There shall be no additional charges for delivery, handling or any other miscellaneous fees.

Item	Description of material and/or services	Quantity	Unit	Unit Price	Extended Price
	Positive Displacement Water Meters w/ Encoder Type Register Only Itron ILC 5' with ERT 1.5 & 2.0 Meters will have a test plug				
	5/8" x 3/4" w/Encoder Type Register Only	1		$139.41	$139.41
	3/4" x 3/4" (short)w/Encoder Type Register Only	9200		$146.65	$1,349,180.00
	1.0" w/Encoder Type Register Only	150		$189.52	$24,428.00
	1.5" w/Encoder Type Register Only	350		$335.43	$117,400.50
	2.0" w/Encoder Type Register Only	550		$371.07	$204,088.50
	Positive Displacement Water Meters for Integral Set w/ERT: No Wire Exposed 1.5 & 2.0 Meters will have a test plug				
	5/8" x 3/4' w/Encoder Type Register and Direct Mount ERT	1		$136.25	$136.25
	3/4" x 3/4 " (short)with Encoder Type Register and Direct Mount 60W ERT	9200		$142.56	$1,311,552.00
	1.0" with Encoder Type Register and Direct Mount 60W ERT	150		$181.34	$27,201.00
	1.5" with Encoder Type Register and Direct Mount 60W ERT	350		$329.14	$115,199.00
	2.0" with Encoder Type Register and Direct Mount 60W ERT	550		$361.64	$198,902.00
	Fire Hydrant Meter Application				
	3" Fire Hydrant Meter Without Connections	5		$501.08	$2,505.40
	3" Fire Hydrant with Standard Connections	5		$526.45	$2,632.25
	3" Fire Hydrant with RPZ, Gate Valve, and adjustable Stand. The meter and the RPZ must have identical serial number engraved onto their bodies	5		$1,397.85	$6,989.25
	RPZ DEVICE				
	Wilkins Model 975XL TCU	1		$428.32	$428.32
	Febco Model 825Y or 825YA	1		$463.59	$463.59
	Electromagnetic Mag Meter Turbine Application w/ERT				
	1.5" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10		$1,107.53	$11,075.30

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Item	Description of material and/or services	Quantity	Unit	Unit Price	Extended Price
	2,0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10		$1,234.35	$12,343.50
	3.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12		$1,774.35	$21,292.20
	4.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12		$1,820.84	$21,850.08
	6.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	1		$3001.94	$3001.94
	Electromagnetic Mag Meter Compound Application w/ERT				
	1.5" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10		$1,150.54	$11,505.40
	2,0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10		$1,276.94	$12,769.40
	3.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12		$1,689.68	$20,276.16
	4.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12		$1,891.94	$22,703.28
	6.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	1		$3,127.02	$3,127.02
	Turbo/Turbine Water Meters for Pit Mount Application w/ERT:				
	1.5" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1		$501.08	$501.08
	2.0" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1		$586.02	$586.02
	3.0" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	2		$698.92	$1397.84
	4.0" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	2		$1,053.76	$2,107.52
	6.0 Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1		$1,564.62	$1,564.62
	8.0 Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1		$2,544.09	$2,544.09
	Compound Water Meters w/ by-pass for Pit Mount Application and ERT:				
	2.0" Compound with Encoder Type Register, ERT w/ 25' Wire	1		$1558.60	$1,558.60
	3.0" Compound with Encoder Type Register, ERT w/ 25' Wire	12		$2,054.84	$24,658.08
	4.0" Compound with Encoder Type Register, ERT w/ 25' Wire	12		$2,561.83	$30,741.96
	Compound Water Meters Single Body Pit Mount Application w/ERT:				
	2.0" Compound with Encoder Type Register, Pit Mount ERT & 25' Wire	1		$1,227.10	$1,227.10
	3.0" Compound with Encoder Type Register, Pit Mount ERT & 25' Wire	12		$1,373.12	$16,477.44

Item	Description of material and/or services	Quantity	Unit	Unit Price	Extended Price
	4.0" Compound with Encoder Type Register, Pit Mount ERT & 25' Wire	12		$1618.24	$19,419.36
	Equipment – Encoder Register & ERT only:				
	ERT, 60W Direct Integral Mount Type, w/Encoder Register 3/4" – 2.0"	100		$ 99.58	$9,958.00
	Encoder Type Register Only 5/8" – 2.0"	100		$ 60.80	$6,080.00
	ERT 60W Pit Set Type, with In-Line Connector, Seal Lock & Hardware	300		$54.55	$16,365.00
	Itron through the lid mounts	9200		$ 2.39	$21,988.50
	Water Meter Strainers for Turbine & Compound Meters 2.0 to 6.0				
	2.0" Strainer w/companion flange kit	1		$166.00	$ 166.00
	3.0" Strainer w/companion flange kit	1		$287.21	$ 287.21
	4.0" Strainer w/companion flange kit	1		$372.12	$ 372.12
	6.0" Strainer w/companion flange kit	1		$649.90	$649.90
	Subtotal:				$3,663,839.59
	Tax Rate 8.30 **% Taxes:**				$ 304,098.69
	Total:				$3,967,938.28

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EXHIBIT C
TO
INVITATION FOR BID NO. WR 10-045.2

[Licenses; DBE/WBE Status]

See following page.

LICENSE; DBE/WBE STATUS
RADIO READ WATER METERS WR 10-045.2

Attach a copy of your Business License to your bid submittal.

* Business License must be either a City of Avondale Privilege Tax Business License or an Arizona Transaction Tax (sales) Privilege Tax License

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise? Yes_____, No___X___.

If yes, please provide details and documentation of the certification.

ARIZONA DEPARTMENT OF REVENUE
LICENSE & REGISTRATION SECTION
1600 WEST MONROE
PHOENIX, ARIZONA 85007-2650

EFFECTIVE DATE
March 22, 2005

TRANSACTION PRIVILEGE TAX LICENSE

-NOT TRANSFERABLE-

The licensee listed below is licensed to conduct business upon the condition that taxes are paid to the Arizona Department of Revenue as required under provisions of A.R.S. Title 42, Chapter 5, Article 1.

20072417 ALL communications and reports MUST REFER to this LICENSE NO.

0500000451131

Issued To: MOUNTAIN STATES PIPE & SUPPLY COMPANY
US METERING AND TECHNOLOGY INC
PO BOX 698
COLORADO SPRINGS CO 80901-0698

BUSINESS CLASS

015 Contracting-Prime
017 Retail

Location: US METERING AND TECHNOLOGY INC
23610 N 20TH DR STE 8
PHOENIX AZ 85027-0627

PROGRAM CITIES

NONE

This License is issued to the business named above for the address shown. Licenses, by law, cannot be transferred from one person to another, nor can they be transferred from one location to another. Arizona law requires licensees to notify the Department of Revenue if there is a change in business name, trade name, location, mailing address, or ownership. In addition, when the business ceases to operate or the business location changes and a new license is issued, this license must be returned to the Arizona Department of Revenue.

EXHIBIT D
TO
INVITATION FOR BID NO. WR 10-045.2

[References]

See following page.

REFERENCES
RADIO READ WATER METERS WR 10-045.2

Provide the following information for three (3) clients for whom Bidder has provided services of similar size and scope with the past (36) months. These references will be checked, so make sure all information is accurate and current. Failure to provide three (3) accurate or suitable references may result in disqualification.

1. Company: Global Water Resources
Address: 22601 N. 19th Avenue, Suite 210
City/State/Zip Code: Phoenix, AZ 85027
Contact: Cindy Liles Vice President, COO
Telephone Number: 623-580-9600
Date of Contract Initiation: January 2003 till on going
Project Description: (Include Final Costs) MSPS provides total turn-key supply, warehousing, installation of all water meters, technology and system maintenance. Cost to this point $7,000,000
Complete supply of Itron Fix Network, Drive-by Aclara Fix Network

2. Company: City of Flagstaff
Address: 211 West Aspen Avenue
City/State/Zip Code: Flagstaff, AZ 86001
Contact: Ron Mead and Dave Pugh
Telephone Number: 928-779-7685 ext 7339
Date of Contract Initiation: July 13, 2005
Project Description: (Include Final Costs) $2,500,000
MSPS supply of Itron radio read system with 50W & 60W modules. Warehouse material on Phoenix warehouse.

3. Company: City of Tucson
Address: 7575 East Speedway, Bldg 6
City/State/Zip Code: Tucson, AZ 85710
Contact: Cheryl Avila
Telephone Number: 520-791-4056
Date of Contract Initiation: July 23, 2004
Project Description: (Include Final Costs) MSPS supply and installation of Itron 50W & 60W Modules
Current contract runs until 2012.
$2,500,000

Please see additional References on Sperate Page

4	Company:	**Cucamonga Valley Water District**
	Address:	10440 Ashford Street
	City/State/Zip Code:	Rancho Cucamonga, CA 91729
	Contact:	Darron Poulsen, Customer Service Officer
	Telephone Number:	909-483-7428
	Date of Contract Initiation:	August 8, 2006
	Project Description: (Include Final Costs)	Mountain State Pipe & Supply Co. dba USM&T is the meter installation contractor providing meter change outs relating to a 5-year plan to convert the District's meters to a Fixed Network meter reading system. The installation project includes the meters, fixed network modules, meter installations, GPS (sub-meter accuracy) collection, and "clean-out" of meter boxes. USM&T built a work order management system specifically for this
5	Company:	**City of Avondale**
	Address:	399 E. Lower Buckeye Road, Suite 100
	City/State/Zip Code:	Avondale, AZ 85323
	Contact:	Tony Ayala, Water Distribution & Service Mgmt.
	Telephone Number:	+1 (623) 932-1909
	Date of Contract Initiation:	1/1/2001
	Project Description:	Supply of Water Meters
	(Include Final Costs)	$ 1,500,000.00
6	Company:	**City of Prescott**
	Address:	1481 Sundog Ranch Road
	City/State/Zip Code:	Prescott, AZ 86301
	Contact:	Mr. Harry Brown, Water Operations Superintendent
	Telephone Number:	(928) 777-1118
	Date of Contract Initiation:	July 2010; 3-years total
	Project Description: (include final costs)	AMR Radio Water Meter Bid – Elster won 5/8" - 2" C700 w/ Itron 60W. Awarded $2,641,976.

EXHIBIT E
TO
INVITATION FOR BID NO. WR 10-045.2

[Acknowledgement of Addenda received, if any]

See following page.

*All Addenda, if any, together with original, signed acknowledgments, issued for this IFB are to be attached by Bidder as this Exhibit E and submitted with the sealed Bid.

Finance and Budget Department
11465 W. Civic Center Drive, Suite 250
Avondale, Arizona 85323-6807
Phone: (623) 333-2029
Fax: (623) 333-0200
Website: www.avondale.org

April 1, 2010

Mr. Paul T. Carroll, CEO
Mountain States Pipe & Supply Co.
111 West Las Vegas Street
Colorado Springs, CO 80903-4291

Subject: Notice of Intent Multiple Award IFB WR 10-045.2 Radio Read Water Meters

Dear Mr. Paul T. Carroll:

This letter is to notify Mountain States Pipe & Supply of the City's intent to issue a Multiple Award contract to provide the bid item materials of above referenced IFB and as detailed in Attachment 1, herein. The Multiple Award(s) are based upon Grouped Line Item per the General Terms and Conditions Item 2.16 A. - B., of the Invitation for Bids Document. Although selected, the contract awards are pending. Vendor Offer becomes a contract when the agreement is signed by both the City and your firm and accepted by the City Council.

This item is scheduled to go before council during the April 19, 2010, Council Meeting. If you have questions or require additional information, please do not hesitate to contact me at 623.333.2029 or lbrowning@avondale.org . We look forward to working with you.

Sincerely,

L Browning

Loretta Browning
Procurement Officer

cc: File
Tony Ayala

Attachment

Finance and Budget Department
11465 W. Civic Center Drive, Suite 250
Avondale, Arizona 85323-6807
Phone: (623) 333-2029
Fax: (623) 333-0200
Website: www.avondale.org

Notice of Intent to Award
Attachment 1 of 1
WR 10-045.2
Radio Read Water Meters

Awarded to NATIONAL METER & AUTOMATION INC.

Bid Item Description:

Positive Displacement Water Meters w/ Encoder Type Register Only Itron ILC 5' with ERT

Electromagnetic Mag Meter Turbine Application w/ERT

Electromagnetic Mag Meter Compound Application w/ERT

Compound Water Meters w/ by-pass for Pit Mount Application and ERT:

Water Meter Strainers for Turbine & Compound Meters 2.0 to 6.0

Awarded to MOUNTAIN STATES PIPE & SUPPLY CO.

Bid Item Description:

Positive Displacement Water Meters for Integral Set w/ERT: No Wire Exposed

Fire Hydrant Meter Application

RPZ DEVICE

Turbo/Turbine Water Meters for Pit Mount Application w/ERT

Compound Water Meters Single Body Pit Mount Application w/ERT:

Equipment – Encoder Register & ERT only:

CITY COUNCIL REPORT

SUBJECT:
Contract Award - National Meter and Automation, Inc., for Purchase of Radio Read Water Meters

MEETING DATE:
April 19, 2010

TO: Mayor and Council

FROM: Wayne Janis, P.E., Public Works Director, (623) 333-4444

THROUGH: Charlie McClendon, City Manager

PURPOSE:

Staff is requesting that the City Council approve a Contract with National Meter and Automation, Inc., for the purchase of radio read water meters and related equipment, in an amount not-to-exceed $1,820,118 over the term of the contract (plus applicable sales tax), and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

BACKGROUND:

Approximately six years ago staff began a 10-year program to convert from a touch read meter reading system to an Itron-compatible radio read system and, at present, approximately 62% of the water meters installed in the City employ radio read technology. Use of the radio read technology has significantly improved the rate at which staff can collect data, and the quality of the data.

About 38% of the system remains to be converted, equal to approximately 8,600 accounts. So that the Department can gain the benefit of a full radio read program sooner than originally planned, and further improve reading efficiency, City Management approved of the Department expediting conversion of the remaining meters to radio read.

DISCUSSION:

To purchase the necessary meters, the City issued an Invitation for Bid (IFB WR 10-045) for Radio Read Water Meters on January 5, 2010. The bid deadline, and bid opening, occurred on January 28, 2010. Four vendors submitted bids, however, all bids were deemed "Nonresponsive." The City issued a re-bid (IFB WR 10-045.2). All specifications of the re-bid were identical to the original IFB, and the four vendors that submitted bids for the original IFB, responded to the re-bid. This Contract and Council action is for the re-bid, IFB WR 10-045.2.

The re-bid, IFB WR 10-045.2, was issued by the City on February 11, 2010, and advertised in the Arizona Business Gazette on February 11, 2010 and the West Valley View on the 12th and 19th of February. A non-mandatory pre-submittal conference was held on February 17, 2010, and was attended by five vendors. The IFB allowed for multiple contract awards, by individual or groups of line items, if advantageous to the City. The initial contract term is through February 1, 2012, with an option for two one-year renewals. The bid deadline and bid opening were on March 4, 2010. Four bids were received.

As shown in the following table, it was deemed advantageous to the City to award two contracts, by line item. This contract is for National Meter and Automation, Inc., who provided the lowest bids for the radio read water meters <u>without</u> an integrated transmitter (ERT), mag (electromagnetic) meters, compound mag meters, compound meters with by-pass, and meter strainers. The National Meter bid for these items totaled $1,820,118 (before sales tax). The four meter bids are summarized below:

Vendors/Equipment	Mountain States Pipe	National Meter	Farnsworth Wholesale	HD Supply Waterworks
Meters w/o ERT	$1,699,097	$1,639,475	$1,679,830	$2,286,925
Meters w/ ERT	$1,652,854	$1,669,918	$1,670,630	$2,286,925
Hydrant Meter	$12,127	$12,821	$12,500	$13,888
RPZ Device	$892	$913	$0.00	$0.00
Mag Meter	$69,563	$66,334	$75,220	$0.00
Compound Mag Meter	$70,381	$66,334	$76,750	$0.00
Turbo Meter	$8,701	$10,493	$10,493	$8,903
Compound Meter w/ by-pass	$56,959	$46,701	$38,408*	$47,908
Compound Meter (single body)	$37,123	$46,701	$38,408	$47,908
Encoder Register	$54,391	$68,240	$72,826	$15,000*
Meter Strainers	$1,475	$1,274	$1,688	$2,210
SUBTOTAL	**$1,766,088**	**$1,820,118**	**--**	**--**

*Does not meet requirements

Staff conducted reference checks and the Certificate for Distributorship was investigated and confirmed by Procurement.

The two contracts for purchase of the required meters, along with an upcoming contract for meter installation, will allow the City to condense the remaining four-year conversion program into approximately 10 months.

BUDGETARY IMPACT:

Funding in the amount of $375,000 for this contract is available this fiscal year (2009/2010) in the Water Operations Budget, line item 501-9100-00-7495. The term of the contract is four (4) years including extensions. Expenditures per year will not exceed the amounts included in the approved budget each year.

RECOMMENDATION:

Staff recommends that City Council approve this Contract with National Meter and Automation, Inc., for the purchase of radio read water meters and related equipment, in an amount not-to-exceed $1,820,118 over the term of the contract (plus applicable sales tax), and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

ATTACHMENTS:

Click to download

- Contract

OFFER

The undersigned (the "Bidder") hereby offers this Bid (the "Offer") and certifies that Bidder has read, understands and agrees to fully comply with all terms and conditions as set forth in this Contract (as defined below), and any amendments thereto, together with all Specifications, Exhibits and other documents included as part of this Contract.

BY SIGNING THIS PAGE THE SUBMITTING BIDDER CERTIFIES THAT BIDDER HAS REVIEWED THIS CONTRACT AND ALL CORRESPONDING IFB TERMS AND CONDITIONS AND AGREES TO BE CONTRACTUALLY BOUND BY THEM.

Arizona Transaction (Sales) Privilege Tax License Number: 20059290 Federal Employer Identification Number: 20-1891985 NATIONAL METER & AUTOMATION INC. Contractor Name 7777 E. PARADISE LANE SUITE 104 Address SCOTTSDALE AZ 85260 City State Zip Code	For Clarification of this Bid contact: Name: JOHN BJORKLUND Telephone: 480.596.8600 Facsimile: 480.596.8606 Email: JBJORKLUND@NMAAI.com **Authorized Signature for Contractor** JOHN BJORKLUND Printed Name AZ SALES DIRECTOR Title

ACCEPTANCE OF OFFER AND NOTICE OF AWARD (FOR CITY OF AVONDALE USE ONLY)

Effective Date:_____ Contract No._____ Official File:_____

CITY OF AVONDALE, an Arizona municipal corporation

_____
Charles P. McClendon, City Manager

ATTEST:

_____
Carmen Martinez, City Clerk

APPROVED AS TO FORM:

_____
Andrew J. McGuire, City Attorney

INVITATION FOR BID

City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323

Solicitation Number:	**WR 10-045.2**
Solicitation Title:	**Radio Read Water Meters**
Release Date:	**February 11, 2010**
NON-MANDATORY Pre-Submittal Conference:	**February 17, 2010** **3:00 p.m.** (local time, Phoenix, Arizona) Avondale Civic Center Sonoran Conference Room 11465 West Civic Center Drive Avondale, Arizona 85323
Final Date for Inquiries:	**February 22, 2010**
Bid Deadline:	**March 4, 2010** **3:00 PM** (local-time, Phoenix, Arizona)
Bid Opening:	**March 4, 2010** **3:00 PM** (local-time, Phoenix, Arizona)
Department Representative:	**Tony Ayala** — **tayala@avondale.org** **623-333-4416**
Procurement Representative:	**Loretta Browning** — **lbrowning@avondale.org** **623-333-2029**

In accordance with the City of Avondale Procurement Code, competitive sealed Bids for the Materials specified herein will be received by the City Clerk at the City Clerk's Office at the above-referenced location until the date and time cited below (the "Bid Deadline"). Bids received by the Bid Deadline shall be publicly opened and the Bid Price read. Bids shall be in the actual possession of the City Clerk on, or prior to, the Bid Deadline Date. Late Bids shall not be considered except as provided in the City Procurement Code. Bids shall be submitted in a sealed envelope with the Solicitation Number and the Bidder's name and address clearly indicated on the front of the envelope.

* The City of Avondale reserves the right to amend the solicitation schedule as necessary.

ARTICLE I - DEFINITIONS

For purposes of this Invitation for Bids, the following definitions shall apply:

"Bid" or "Offer" means a responsive bid or quotation submitted by a Bidder in response to this IFB.

"Bid Deadline" means the date and time set forth on the cover of this IFB for the City Clerk to be in actual possession of the sealed Bids.

"Bid Opening" means the date and time set forth on the cover of this IFB for opening of sealed bids.

"Bidder" means any person or firm submitting a competitive Bid in response to this IFB.

"Days" means calendar days unless otherwise specified.

"City" means the City of Avondale, an Arizona municipal corporation.

"Confidential Information" means that portion of a Bid, proposal, Offer, specification or protest that contains information that the person submitting the information believes should be withheld, provided (i) such person submits a written statement advising the City of this fact at the time of the submission and (ii) the information shall be so identified wherever it appears.

"Contract" means, collectively, the (i) the Offer, (ii) Article I - Definitions, (iii) Article II – Bid Process; Bid Award, (iv) Article III - General Terms & Conditions, (v) Article IV – Special Conditions, if any, (vi) the Specifications, attached hereto as Exhibit A, (vii) the Price Sheet, attached hereto as Exhibit B, (viii) the Licenses; DBE/WBE Status Sheet, if any, attached hereto as Exhibit C, (ix) References, attached hereto as Exhibit D, (x) Acknowledgement of Addenda Received attached hereto as Exhibit E, (xi) the Notice of Award, (xii) the Notice to Proceed or Purchase Order(s), (xiii) any approved Change Order or Amendment, (xiv) the Contractor's Certificates of Insurance and a copy of the Declarations Page(s) of the insurance policies and (xv) Bid, Performance and Payment Bonds, if any.

"Contractor" means the individual, partnership, or corporation who has submitted a Bid in response to this IFB and who, as a result of the competitive bidding process, is awarded a contract for Materials or Services by the City.

"Invitation for Bids" or "IFB" means this request by the City for participation in the competitive bidding process according to all documents, including those attached or incorporated herein by reference, utilized for soliciting Bids for the Materials and/or Services in compliance with the City's Procurement Code.

"Materials" means any personal property, including equipment, materials and supplies provided by the Contractor in conjunction with the Contract and shall include, in addition to materials incorporated in the Project, equipment and other material used and/or consumed in the performance of Services or Work.

"Multiple Award" means an award of an indefinite quantity contract for one or more similar products, commodities or services to more than one Bidder.

"Price" means the total expenditure for a defined quantity of a commodity or service.

"Procurement Agent" means the City Manager or authorized designee.

"Procurement Code" means the City of Avondale Procurement Code, as amended from time to time.

"Procurement Representative" or "Department Representative" means a City employee who has specifically been designated to act as a contact person to the Bidders and/or Contractor, and who is responsible for monitoring and overseeing the Contractor's performance under the Contract.

"Project" means the purpose and work described as set forth in Section 2.1 of this IFB.

"Services" means the furnishing of labor, time or effort by a Contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance and as further defined in the Contract. This term does not include "professional and technical services" as defined in the Procurement Code.

"Specification" means any description of the physical characteristics, functional characteristics, or the nature of a commodity, product, supply or services. The term may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

"Subcontractor" means those persons or groups of persons having a direct contract with the Contractor to perform a portion of the Work and those who furnish Materials according to the plans and/or Specifications required by this Contract.

"Work" means all labor, materials and equipment incorporated or to be incorporated in the Project that are necessary to accomplish the services required by this Contract.

ARTICLE II – BID PROCESS; BID AWARD

2.1 Purpose/Scope of Work. The purpose of this IFB is to establish pricing for the purchase of one or more Radio Read Water Meters and ERT Conversion Kits (the "Materials") as more particularly described in the Specifications, attached hereto as Exhibit A and incorporated herein by reference. The City of Avondale is requesting quotes for the purchase of Water Meters and ERT Conversion Kits for the City of Avondale Automatic Meter Reading Program for year 2010

The City of Avondale currently has a water utility base of approximately 22,430 accounts. Approximately 13,855 accounts have been changed out to radio read meters. The remainder of the accounts is touch read meters. City plans on changing out existing meters to radio read within the next 2 years. In addition, City plans to continue to install radio read meters in new housing subdivisions as they are developed.

2.2 Authority; Amendment of IFB. This IFB and resultant Contract is issued under the authority of the City. No alteration hereof may be made without the express written approval of the City in the form of an official IFB or Contract amendment. Any attempt to alter this IFB/Contract without such approval is subject to the legal and contractual remedies available to the City including, but not limited to, Contract cancellation and suspension and/or debarment of the Bidder or Contractor.

2.3 Preparation/Submission of Bid. Bidders are invited to participate in the competitive bidding process for the Materials specified in this IFB. Bidders shall review their Bid submissions to ensure the following requirements are met.

A. Irregular/Non-responsive Bids. The City will consider as "irregular" or "non-responsive" and may reject any Bid not prepared and submitted in accordance with the IFB and the Specifications, or any Bid lacking sufficient information to enable the City to make a reasonable determination of compliance to the specifications outlined in the Specifications. Unauthorized or unreasonable exceptions, conditions, limitations, or provisions shall be cause for rejection. Bids may be deemed non-responsive at any time during the evaluation process if, in the sole opinion of the City:

1. Bidder does not meet the minimum required skill, experience or requirements to perform the Work or provide the Services.

2. Bidder has a past record of failing to fully perform or fulfill its contractual obligations.

3. Bidder cannot demonstrate financial stability.

4. Bid submission contains false, inaccurate or misleading statements that, in the opinion of the City Manager or authorized designee, is intended to mislead the City in its evaluation of the Bid.

C. Specification Minimums. Bidders are reminded that the Specifications stated in this IFB are the minimum levels required and that Bids submitted must be for products that meet or exceed the minimum level of all features specifically listed in this IFB. Bids offering less than the minimums specified are not responsive and should not be submitted. It shall be the Bidder's responsibility to carefully examine each item listed in the Specifications. Bidders shall provide complete manufacturers' descriptive literature regarding the Materials. Literature shall be sufficient in detail in order to allow full and fair evaluation of the Offer.

D. Required Submittal. Bidders shall provide **one** complete, fully executed **original** of this IFB, signed in ink by a person authorized to bind the Bidder, together with all completed, required attachments as specified below, to be considered a responsive Bid:

1. Offer
2. Price Sheet
3. Licenses; /DBE & MBE Status
4. References
5. Acknowledgement for each Addendum received, if any

E. Bidder Responsibilities. All Bidders shall (1) examine the entire Bid package, (2) seek clarification of any item or requirement that may not be clear, (3) check all responses for accuracy before submitting a Bid and (4) submit the entire, completed Bid package by the official Bid Deadline. Late Bids shall not be considered. Bids not submitted with an **original, signed** Offer page by a person authorized to bind the Bidder shall be considered non-responsive Bids. Negligence in preparing a Bid confers no right of withdrawal after the Bid Opening.

F. Sealed Bids. All Bids shall be sealed and clearly marked with the IFB title and number on the lower left hand corner of the mailing envelope. A return address must also appear on the outside of the sealed Bid.

G. Address. All Bids shall be directed to the following address: City Clerk, 11465 West Civic Center Drive, Suite 200, Avondale, Arizona 85323, or hand-delivered to the City Clerk's office.

H. Bid Forms. All Bids shall be on the forms provided in this IFB. It is permissible to copy these forms if required. Telegraphic (facsimile), electronic (email) or mailgram Bids will not be considered.

I. Modifications. Erasures, interlineations, or other modifications in the Bid shall be initialed in original ink by the authorized person signing the Bid.

J. Withdrawal. At any time prior to the specified Bid Opening, a Bidder (or designated representative) may amend or withdraw its Bid. Facsimile, electronic (email) or mailgram Bid amendments or withdrawals will not be considered. No Bid shall be altered, amended or withdrawn after the specified Bid Deadline unless otherwise permitted pursuant to the City Procurement Code.

K. Prices. Bid prices shall be submitted on a per unit basis by line item, when applicable. In the event of a disparity between the unit price and extended price, the unit price shall prevail unless obviously in error.

2.4 Inquiries; Interpretation of Scope of Work; Specifications.

A. Inquiries. Any question related to the IFB, including any part of the Specifications, Scope of Work or other Contract documents, shall be directed to the Department Representative or Procurement Representative whose name appears on the cover page of this IFB. Questions shall be submitted in writing by the date indicated on the cover page of this IFB; the City will not respond to any questions submitted later than the Final Date for Inquiries. The Bidder submitting such inquiry will be responsible for its prompt delivery to the City. Any correspondence related to the IFB shall refer to the title and number, page and paragraph. However, the Bidder shall not place the IFB number and title on the outside of any envelope containing questions, because such an envelope may be identified as a sealed Bid and may not be opened until the Bid Opening. Any interpretations or corrections of the proposed Contract documents will be made only by addenda duly approved and issued by the City. The City will not be responsible for any other explanations or interpretations of the Contract documents.

B. Addenda. It shall be the Bidder's responsibility to check for addenda issued to this IFB. Any addendum issued by the City with respect to this IFB will be available at:

City of Avondale City Hall, 11465 West Civic Center Dr. Avondale, Arizona 85323
Buyhub Website at www.buyhub.com
City of Avondale website at www.avondale.org/procurement

C. Approval of Substitutions. The materials, products, and equipment described in this Contract establish a standard or required function, dimension, appearance and quality to be met by any proposed substitution. No substitute will be considered unless written request for approval has been received by the City or its representative at least ten days prior to the Bid Deadline. Each such request shall include the name of the material or equipment for which it is to be substituted and a complete description of the proposed substitute, including any drawings, performance and test data and any other information necessary for evaluation of the substitute. If a substitute is approved, the approval shall be by written addendum to the Contract. Contractor shall not rely upon approvals made in any other manner.

D. Use of Equals. When the Specifications for materials, articles, products and equipment include the phrase "or equal," Contractor may bid upon and use materials, articles, products and equipment which will perform equally the duties imposed by the general design. The Procurement Representative will have the final approval of all materials, articles, products and equipment proposed to be used as an "equal." No such "equal" shall be purchased or installed without prior written approval from the Procurement Representative. Approvals for "equals" before Bid Opening may be requested in writing to the Procurement Representative for approval. Requests must be received at least ten days prior to the Bid Deadline. The request shall state the name of the material, article, product or equipment for which the item is sought to be considered and equal and a complete description of the proposed equal including any drawings, performance and test data and any other information necessary for approval of the equal. All approvals of equals shall be issued in the form of written addendum to this Contract.

E. Proposal Quantities. It is expressly understood and agreed by the parties hereto that the quantities of the various classes of Materials to be furnished under this Contract, which have been estimated as stated in the Bidders' Offer, are only approximate and are to be used solely for the purpose of comparing, on a consistent basis, the Bidders' Offers for this Contract. The Contractor further agrees that the City shall not be held responsible if any of the quantities shall be found to be incorrect and the Contractor will not make any claim for damages or for loss of profits because of a difference between the quantities of the various classes of

Material as estimated and the Materials actually provided. If any error, omission or misstatement is found to occur in the estimated quantities, the same shall not (1) invalidate this Contract or the whole or any part of the Specifications in accordance herewith and for the prices herein agreed upon and fixed therefore, (2) excuse Contractor from any of the obligations or liabilities hereunder or (3) entitle Contractor to any damage or compensation except as may be provided in this Contract.

2.5 Prospective Bidders' Conference. A prospective bidders' conference may be held. If scheduled, the date and time of this conference will be indicated on the cover page of this IFB. This conference may be designated as mandatory or non-mandatory on the cover of this IFB. Bids shall not be accepted from Bidders who do not attend a mandatory prospective bidders' conference. Bidders are strongly encouraged to attend those prospective bidder's conferences designated as non-mandatory. The purpose of this conference will be to clarify the contents of this IFB in order to prevent any misunderstanding of the City's requirements. Any doubt as to the requirements of this IFB or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine if any action is necessary and may issue a written amendment or addendum to the IFB. Oral statements or instructions will not constitute an amendment or addendum to this IFB.

2.6 New Materials. All Materials to be utilized by the Contractor and included in the Bid shall be new, unless otherwise stated in the Specifications.

2.7 Pricing. All Materials shall be provided at the prices as set forth in the Price Sheet attached as Exhibit B.

2.8 Payment; Discounts. Any Bid that requires payment in less than 30 calendar days shall not be considered. Payment discounts of 30 calendar days or less will be deducted from the Bid Price in determining the low Bid. However, the City shall be entitled to take advantage of any payment discount offered, provided payment is made within the discount period. Payment discounts shall be indicated on Price Sheet.

2.9 Taxes. The City is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item. It is the sole responsibility of the Bidder to determine any applicable State tax rates and calculate the Bid accordingly. Failure to accurately tabulate and applicable taxes may result in a determination that a Bid is non-responsive. The Bidder shall not rely on, and shall independently verify, any tax information provided by the City.

2.10 Federal Funding. It is the responsibility of the Bidder to verify with the Department Representative if federal wage rates other federal requirements apply to the Work (the "Federal Requirements"). It is also the responsibility of the Bidder to incorporate any necessary amounts in the Bid to accommodate for required federal record keeping, necessary pay structures or other matters related to the Federal Requirements.

2.11 Cost of Bid/Proposal Preparation. Bids submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The City does not reimburse the cost of developing, presenting or providing any response to this solicitation; the Bidder is responsible for all costs incurred in responding to this IFB. All materials and documents submitted in response to this IFB become the property of the City and will not be returned.

2.12 Public Record. All Bids shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification, in accordance with the City's Procurement Code.

2.13 Confidential Information. If a Bidder believes that a Bid, Specification, Scope of Work, or protest contains information that should be withheld from the public record, a statement advising the Procurement Representative of this fact shall accompany the submission and the information shall be identified. The information identified by the Bidder as confidential shall not be disclosed until the Procurement

Representative makes a written determination. The Procurement Representative shall review the statement and information and shall determine in writing whether the information shall be withheld. If the Procurement Representative determines to disclose the information, the Procurement Representative shall inform the Bidder in writing of such determination.

2.14 Vendor Licensing and Registration. Prior to the award of the Contract, the successful Bidder shall (A) be licensed with the Arizona Corporation Commission to do business in Arizona and (B) have a completed Request for Vendor Number on file with the City Financial Services Department. The Bidder shall provide licensure information with the Bid. Corporations and partnerships shall be able to provide a Certificate of Good Standing from the Arizona Corporation Commission.

2.15 Certification. By submitting a Bid, the Bidder certifies:

A. No Collusion. The submission of the Bid did not involve collusion or other anti-competitive practices.

B. No Discrimination. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11456.

C. No Gratuity. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a City employee, officer, agent or elected official in connection with the submitted Bid or a resultant Contract. In the event that the resultant Contract is cancelled pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

D. Financial Stability. It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

E. No Signature/False Statement. Failure to sign the Bid, or signing it with a false statement, shall void the submitted Bid and any resulting Contract and the Bidder may be debarred from further bidding in the City.

2.16 Award of Contract.

A. Multiple Award. The City may, at its sole discretion, accept Bidder's Offer as part of a Multiple Award.

B. Line Item Option. Unless the Bidder's Offer states otherwise, or unless specifically provided within this Contract, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City. The City's flexibility with respect to the method of award also includes any items bid as alternates, which may be accepted or rejected, in whole or in part, at the City's sole discretion.

C. Evaluation. The evaluation of this Bid will be based on, but not limited to, the following: (1) compliance with Specifications, (2) Price, including alternates, if any and (3) Bidder qualifications to provide the Materials.

D. Defects. Notwithstanding any other provision of this IFB, the City expressly reserves the right to: (1) waive any immaterial defect or informality, (2) reject any or all Bids or portions thereof and (3) reissue an IFB.

E. Offer. A Bid is a binding offer to contract with the City based upon the terms, conditions and specifications contained in this IFB and the Bidder's responsive Bid, unless any of the terms, conditions, or specifications is modified by a written addendum or contract amendment. Bids become binding Contracts when the Acceptance of Offer and Notice of Award is executed in writing by the City. Bidder Offers shall be valid and irrevocable for **90** days after the Bid Opening.

F. Protests. Any Bidder may protest this IFB issued by the City, the proposed award of a Contract, or the actual award of a Contract. All protests will be considered in accordance with the City Procurement Code.

ARTICLE III – GENERAL TERMS AND CONDITIONS

3.1 Term. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until February 1, 2012 (the "Initial Term"), unless terminated as otherwise provided herein. This Agreement may be renewed for up to two additional one-year terms (each a "Renewal Term") if deemed in the best interests of the City and subject to availability and appropriation of funds for renewal in each subsequent year. Such renewal shall occur upon the City's written notice to the Contractor given not later than 30 days prior to the end of the then - current term. The Initial Term and any Renewal Terms are collectively referred to as the "Term". Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

3.2 Compensation. The City shall pay the Contractor as set forth in the Price Sheet. The Contractor shall not commence any billable work or provide any Materials under this Contract until the Contractor receives an executed purchase order from the City.

3.3 Payments. The Contractor will be paid on the basis of invoices submitted following acceptance of the Materials. All invoices shall document and itemize all Materials delivered and shall include the purchase order number authorizing the transaction to the City Accounts Payable address indicated on the face of the purchase order, unless otherwise specified. All transportation charges must be prepaid by the Contractor. If invoice is subject to a cash discount, the discount period will be calculated from the date of receipt of the claim or the Materials, whichever is later.

3.4 Documents. All documents prepared and submitted to the City pursuant to this Contract shall be the property of the City.

3.5 Contractor Personnel. Contractor shall provide adequate, experienced personnel, capable of and devoted to the successful completion and delivery of services or Materials required pursuant to this Contract.

3.6 Deliveries. Time is of the essence for all orders placed under this Contract. Therefore delivery shall be made within **30** days of purchase order to:

Avondale Water Resources
399 East Lower Buckeye Road
Avondale, Arizona 85323

Product documentation required by Section 3.15 shall be delivered to the City upon delivery of the Materials. Delivery shall not be considered complete until the City is in receipt of the manuals. Contractor shall retain title and control of all materials and Materials until they are delivered and the City has accepted delivery. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The City will notify the Contractor promptly of any damaged Materials and shall assist the Contractor in arranging for inspection. The City reserves the right to cancel and reject the Materials upon default by Contractor in time, rate or manner of delivery. The City also

reserves the right to refuse shipments made in advance of any scheduled delivery date appearing on the purchase order.

3.7 Quantity. The quantity of Materials ordered must not be exceeded or reduced without the City Procurement Representative's permission in writing except in conformity with acknowledged industry tolerances.

3.8 Specification changes. The City shall have the right, by a written change order, to make changes in the Materials to be furnished by the Contractor. If such changes cause an increase or decrease in the amount due under the purchase order, or in the time required for its performance, an acceptable adjustment shall be made and the purchase order shall be modified in writing accordingly. Any agreement for adjustment must be asserted in writing within ten days from when the change is ordered. Nothing in this Contract shall relieve the Contractor from proceeding without delay in the performance of the purchase order as changed.

3.9 F.O.B. Unless otherwise agreed to in writing, signed by the City Manager or designee, all delivery terms are FOB Destination and are to be prepaid. All other freight charges are to be prepaid and charged on the invoice. If a cash discount is not permitted on freight charges, then specific notation of this must be shown on the invoice.

3.10 Packing. No extra charges shall be made for packaging or packing material unless authority is expressly incorporated in this Contract. Contractor shall be responsible for safe packing which must conform to the requirement of carrier's tariffs. All shipments must carry the correct quantity, product identification, purchase order number, receiving address and product department plainly marked on all packages. Cars or trucks must be loaded to minimum weight requirements to assure lowest rate unless otherwise specified or shipper will be charged with excess freight that the City is required to pay.

3.11 Performance Warranty. All Materials supplied under this Specification shall be fully guaranteed by the Contractor for a minimum period of one year from the date of acceptance by the City (or such longer period as may be provided under the Specifications). Any defects in design, workmanship or materials that would result in non-compliance with Contract Specifications shall be fully corrected by the Contractor (including parts and labor) without cost to the City. Contractor further agrees to execute any special guarantees as provided by the Contract or by law. Contactor shall require similar guarantees from all of its vendors or its subcontractors. Contractor shall include a complete and exclusive statement of the product warranty.

3.12 Price Warranty. Contractor shall give the City the benefit of any price reductions before actual time of shipment, except that should the Procurement Representative of the City permit shipment to be made prior to specified shipping date that the City shall have advantage of any price reduction before specified shipping date.

3.13 Inspection; Acceptance. All Materials are subject to final inspection and acceptance by the City. Materials failing to conform to the Specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. Upon discovery of a non-conforming material or services, the City may elect to do any or all of the following by written notice to the Contractor: (A) waive the non-conformance; (B) stop the work immediately; or (C) bring material or service into compliance and withhold the cost of same from any payments due to the Contractor.

3.14 Waiver. Waiver by the City of a condition in any shipment shall not be considered a waiver of (1) any other terms of this Contract or (2) that condition for subsequent shipments.

3.15 Product Documentation. Books, manuals or CD's when possible, shall accompany each unit and provide complete and comprehensive information on all Materials, components and accessories, as supplied to comply with the Specifications. If changes, modifications, additions or alterations of any kind are made on the Materials, the Contractor shall provide blueprints, line drawings and descriptive text sufficient to allow one

of average skill in general mechanics to diagnose, repair and maintain the Materials and all components. On Materials assembled from manufactured components, parts manuals shall show the manufacturer of each part and all cross-referencing between the Contractor and the manufacturers. The City shall have the right to reproduce any equipment/product documentation for City educational purposes only.

3.16 Product Discontinuance. In the event that a product or model is discontinued by the manufacturer, the City at its sole discretion may allow the Contractor to provide a substitute for the discontinued item. The Contractor shall request permission to substitute a new product or model and provide the following: (A) a formal announcement from the manufacturer that the product or model has been discontinued, (B) documentation from the manufacturer that names the replacement product or model, (C) documentation that provides clear and convincing evidence that the replacement meets or exceeds all specifications required by the original solicitation, (D) documentation that provides clear and convincing evidence that the replacement will be compatible with all the functions or uses of the discontinued product or model and (E) documentation confirming that the price for the replacement is the same as or less than the discontinued product or model.

3.17 No Replacement of Defective Tender. Every tender of Materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.

3.18 Shipment Under Reservation Prohibited. Contractor is not authorized to ship Materials under reservation and no tender of a bill of lading will operate as a tender of the materials.

3.19 Liens. All Materials shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

3.20 Right to Assurance. Whenever one party to this Contract in good faith has reason to question the other party's intent to perform it may demand that the other party give a written assurance of its intent to perform. In the event that a demand is made and no written assurance is given within five days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

3.21 Records and Audit Rights. Contractor's and its Subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of any Contractor and its Subcontractors' employees who perform any work or services pursuant to this Contract to ensure that the Contractor and its Subcontractor are complying with the warranty under Section 3.22 below (all the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (1) evaluation and verification of any invoices, payments or claims based on Contractor's and its Subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Contract and (2) evaluation of the Contractor's and its Subcontractor's compliance with the Arizona employer sanctions laws referenced in Section 3.22 below. To the extent necessary for the City to audit Records as set forth in this subsection, Contractor and its Subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records from the effective date of this Contract for the duration of the work and until three years after the date of final payment by the City to Contractor pursuant to this Contract its Subcontractor facilities, and shall be provided adequate and appropriate workspace, in order to conduct audits in compliance with the provisions of this Section. The City shall give Contractor or its Subcontractors reasonable advance notice of intended audits. Contractor shall require its Subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Contract.

3.22 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that

relate to their employees and compliance with the E-verify requirements under ARIZ. REV. STAT.§ 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the City.

3.23 Scrutinized Business Operations. Pursuant to ARIZ. REV. STAT. §§ 35-391.06 and 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in ARIZ. REV. STAT. § 35-391 or and 35-393, as applicable. If the City determines that the Contractor submitted a false certification, the City may impose remedies as provided by law including terminating this Contract pursuant to Section 3.31 below.

3.24 Right to Inspect Plant. The City may, at reasonable times, inspect the part of the plant or place of business of the Contractor or Subcontractor that is related to the performance of this Contract.

3.25 Patents and Copyrights. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this Contract are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.

3.26 Advertising. Contractor shall not advertise or publish information concerning this Contract without prior, written consent of the City.

3.27 Licenses; Materials. Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor. The City has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Contract. The City has no obligation to provide tools, equipment or material to Contractor.

3.28 Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Contract. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

3.29 Insurance.

A. General.

1. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Contract at the City's option.

2. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Contractor. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the

insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

3. Additional Insured. [INTENTIONALLY OMITTED]

4. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Contract are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Contract.

5. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Contract and in the protection of the City as an Additional Insured.

6. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

7. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. Contractor shall be solely responsible for any such deductible or self-insured retention amount.

8. Use of Subcontractors. If any work under this Contract is subcontracted in any way, Contractor shall execute written agreement with Subcontractor containing the indemnification provisions set forth in this subsection and insurance requirements set forth herein protecting the City and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining certificates of insurance verifying the insurance requirements.

9. Evidence of Insurance. Prior to commencing any work or services under this Contract, Contractor will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Contract, issued by Contractor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Contract and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Contract. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Contract. In the event any insurance policy required by this Contract is written on a "claims made" basis, coverage shall extend for two years past completion of the Services and the City's acceptance of the Contractor's work or services and as evidenced by annual certificates of insurance. If any of the policies required by this Contract expire during the life of this Contract, it shall be Contractor's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Contract shall be identified by referencing this Contract. A $25.00 administrative fee shall be assessed for all certificates or declarations received without a reference to this Contract. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing

a contract number will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

a. The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(i) Commercial General Liability - Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(ii) Auto Liability - Under ISO Form CA 20 48 or equivalent.

(iii) Excess Liability - Follow Form to underlying insurance.

b. Contractor's insurance shall be primary insurance as respects performance of the Contract.

c. All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of Work or Services performed by Contractor under this Contract.

d. A 30-day advance notice cancellation provision. If ACORD certificate of insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

B. Required Insurance Coverage.

1. Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

2. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Contractor's owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Contract. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection,

such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

3. Professional Liability. [INTENTIONALLY OMITTED]

4. Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Contractor's employees engaged in the performance of work or services under this Contract and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

C. Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or materially changed without 30 days' prior written notice to the City.

3.30 Applicable Law; Venue. In the performance of this Contract, Contractor shall abide by and conform to any and all laws of the United States, State of Arizona and City of Avondale, including but not limited to, federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this Contract. This Contract shall be governed by the laws of the State of Arizona and suit pertaining to this Contract may be brought only in courts in Maricopa County, Arizona.

3.31 Termination; Cancellation.

A. For City's Convenience. This Contract is for the convenience of the City and, as such, may be terminated without cause after receipt by Contractor of written notice by the City. Upon termination for convenience, Contractor shall be paid for all undisputed services performed to the termination date.

B. For Cause. This Contract may be terminated by either party upon 30 days' written notice should the other party fail to substantially perform in accordance with this Contract's terms, through no fault of the party initiating the termination. In the event of such termination for cause, payment shall be made by the City to the Contractor for the undisputed portion of its fee due as of the termination date.

C. Due to Work Stoppage. This Contract may be terminated by the City upon 30 days' written notice to Contractor in the event that the services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Contractor for the undisputed portion of its fee due as of the termination date.

D. Conflict of Interest. This Contract is subject to the provisions of ARIZ. REV. STAT. § 38-511. The City may cancel this Contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the City or any of its departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a Contractor to any other party of the Contract with respect to the subject matter of the Contract.

E. Gratuities. The City may, by written notice to the Contractor, cancel this Contract if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the City for the purpose of securing this Contract. In the event this Contract is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor an amount equal to 150% of the gratuity.

3.32 Miscellaneous.

A. Independent Contractor. The Contractor acknowledges and agrees that all Materials provided under this Contract are being provided as an independent contractor, not as an employee or agent of the City. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. Contractor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. City and Contractor do not intend to nor will they combine business operations under this Contract.

B. Laws and Regulations. The Contractor shall keep fully informed and shall at all times during the performance of its duties under this Contract ensure that it and any person for whom the Contractor is responsible remains in compliance with all rules, regulations, ordinances, statutes or laws affecting the services, including the following: (1) existing and future City and County ordinances and regulations, (2) existing and future state and federal laws, (3) existing and future Occupational Safety and Health Administration ("OSHA") standards and (4) Arizona employer sanctions provisions.

C. Amendments. This Contract may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor.

D. Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Contract will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract will promptly be physically amended to make such insertion or correction.

E. Severability. The provisions of this Contract are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Contract which may remain in effect without the invalid provision or application.

F. Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and Contractor agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Contract.

G. Entire Agreement; Interpretation; Parol Evidence. This Contract represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Contract are hereby revoked and superseded by this Contract. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Contract. This Contract shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Contract. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Contract.

H. Assignment. No right or interest in this Contract shall be assigned by Contractor without prior, written permission of the City signed by the City Manager and no delegation of any duty of Contractor shall be made without prior, written permission of the City signed by the City Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Contract by Contractor.

I. Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior written approval of the City. The Contractor is responsible for performance under this Contract whether or not subcontractors are used.

J. Rights and Remedies. No provision in this Contract shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Contract. The failure of the City to insist upon the strict performance of any term or condition of this Contract or to exercise or delay the exercise of any right or remedy provided in this Contract, or by law, or the City's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Contract.

K. Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

L. Offset.

1. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Contractor any amounts Contractor owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Contract.

2. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Contractor any amounts Contractor owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

M. Notices and Requests. Any notice or other communication required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if (1) delivered to the party at the address set forth below, (2) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (3) given to a recognized and reputable overnight delivery service, to the address set forth below or (4) delivered by facsimile transmission to the number set forth below:

If to the City: City of Avondale

11465 West Civic Center Drive
Avondale, Arizona 85323
Facsimile: 623-333-0100
Attn: Charles P. McClendon, City Manager

With copy to: GUST ROSENFELD, P.L.C.
201 East Washington Street, Suite 800
Phoenix, Arizona 85004-2327
Facsimile: 602-340-1538
Attn: Andrew J. McGuire, Esq.

If to Contractor: _____
_____
_____
Facsimile:_____
Attn:_____

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this section. Notices shall be deemed received (1) when delivered to the party, (2) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (3) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (4) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

N. Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Contract. Persons requesting such information should be referred to the City. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under this Contract.

O. Conflicting Terms. In the event of a conflict between the IFB, the Contractor's response to the IFB, the Specifications, the Price Sheet and this Contract, the terms of this Contract shall govern.

P. Non-Exclusive Contract. This Contract is entered into with the understanding and agreement that it is for the sole convenience of the City of Avondale. The City reserves the right to obtain like goods and services from another source when necessary.

Q. Cooperative Purchasing. This Contract shall be for the use of the City. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate, at their discretion and with the agreement of the awarded Contract. In order to participate in this Contract, a political subdivision or nonprofit educational or public health institution must agree to the terms and conditions in the solicitation and the Contractor must be in agreement with the cooperative transaction. Any orders placed to the successful Contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this Contract will be the sole responsibility of each participating agency. The City shall not be responsible for any disputes arising out of transactions made by others.

EXHIBIT A
TO
INVITATION FOR BID NO. WR 10-045.2

[Specifications]

See following pages.

SPECIFICATIONS
RADIO READ WATER METERS – WR 10-045.2

In order to qualify under these specifications, the make, model and radio frequency technology of the meter being offered must have been field proven for a minimum of 3 years.

Registers shall read in gallons.

Registers with oil or liquid fill are not acceptable under these specifications. The City of Avondale is currently using ITRON M.V.R S. 7.12 Software, and the meters and ERTs offered shall be compatible with this software.

All meters supplied to the City of Avondale Water Resources Department shall be manufactured in accordance with the latest revisions of the appropriate American Water Works Association Standard.

All meters must be stamped at the factory with identification shop numbers as specified by the City of Avondale Water Utility. Further specifics for Utility shop numbers are listed under specifications for each type of meter.

POSITIVE DISPLACEMENT METERS: 5/8" through 2" (with Test Plugs for 1 1/2" and 2" meters)

General Description: Meters shall be new, first line quality, positive displacement type for cold water service and will comply with NSF61 Low Lead Specifications. Meters must be of the oscillating piston/nutating disc or equivalent. Meters shall comply with AWWA Standard C700 latest revision and the minimum specifications herein. They shall be designed for use with potable water below 120° F. Meters must be magnetically driven.

In addition, each meter shall have affixed to its outside surface a meter accuracy test tag. Tag must indicate Utility Meter Shop ID number, meter size and test results.

Registration Accuracy: All meters shall meet the following flow requirements:

Size	Low Flow GPM @ 95%	Normal Flow GPM 98.5%-101.5%	Continuous Flow GPM
5/8" X 3/4"	1/8	1-20	15
3/4" X 3/4"	1/4	2-30	15
1"	3/4	3-50	25
1 ½"	1.5	5-100	50
2"	2.0	8-160	80

Accuracy and head loss Test: Meters shall conform to minimum of the current AWWA C-700 current revision test flows and accuracy standards.

Main Case: The body main case shall be of high quality bronze composition Low Lead NSF61 with raised markings to indicate the direction of flow and size. All cases shall have a minimum wall thickness of 1/8th of an inch. All 5/8" through 1" meter main cases shall include a bottom plate made of Low Lead NSF61 and held in place with stainless steel bolts with integral washer heads. 1 1/2" and 2" meters shall be split case type with bronze lower and upper shell assemblies. 1 1/2" and 2" meter flanges will be oval flanged. All main cases shall be guaranteed against defects in materials and workmanship for twenty-five years (25) years or more. All bottom plates shall be isolated from the potable water by a full rubber liner.

Cases must be capable of withstanding working pressures of one hundred fifty (150) psi. Thread protectors shall be supplied for the connection ends for 5/8" through 1".

Register Housings: Register housings shall be constructed of a suitable engineering polymer or bronze and provide full protection of the register assembly. Register assemblies shall be secured to the main case in a tamper resistant fashion to prohibit unauthorized removal. Seal screws, tamperproof screws, or locking devices are required.

Registers: Registers shall be permanently, hermetically sealed in a copper or stainless steel can/case. Similar size, type and registration of registers shall be interchangeable. Registers for pit set application shall be true tempered glass design to resist breaking, scratching and abrasion. Registers shall be equipped with low flow indicators and faceplates must be stamped with date of manufacture. All water meters must be available with absolute encoder registers, as set forth in AWWA C-706 and C-707 Standards, latest revisions, respectively. Registers shall read in US Gallons/1000.

Measuring Chambers: Measuring chambers shall be of the two-piece design and be made of a copper alloy containing not less than 85% copper or a suitable engineering polymer. The chamber shall be separate from the outer casing and so secured in the main case that the accuracy of the meter will not be affected by any distortion of the case. All wear prone surfaces shall be reinforced with a nylon material. All measuring chamber assemblies shall operate smoothly and be capable of sustaining long-term accuracy. All motion from the piston shall be transferred to the register via magnetic drive.

Pistons: Pistons shall be made of vulcanized hard rubber or a suitable engineering polymer with a specific gravity approximately equal to that of water. Piston oscillations must not exceed the figure recommended in Table One (1) of AWWA Standards C-700 latest revision for the size of meter being requested.

Strainers: All meters shall be provided with a strainer screen installed in the meter. Strainer screens shall be rigid, fit snugly, be easy to remove and have an effective straining area at least two times that of the main case inlet.

Length: Shall conform to a minimum of the American Water Works Standard C-700 as most recently revised. 3/4 "water meters will be 7.5 inches.

Warranties: All meters shall carry the following published warranties:

Meters shall be guaranteed to be free from defects in materials and workmanship and to meet AWWA New Meter Accuracy Standards for a period of five years from the date of purchase or the first 750,000 gallons registered through meter. At the expiration of this period, meters shall be guaranteed to meet AWWA Repaired Meter Accuracy Standards for the following time periods listed below or conform to the most recently revised AWWA C-700 as most recently revised.

5/8" through 1" 5 - 25 years from the date of shipment
1 ½ "through 2"5 - 25 years from the date of shipment

In addition, the functionality of all direct reading register assemblies shall be guaranteed for a period of twenty-five (25) years from date of manufacture. All absolute encoder registers shall be guaranteed to perform accurately for a period of ten (10) years from date of manufacture.

All meters shall fully comply with all City of Avondale Utility metering specifications and be fully compatible with the Utility's current reading probes and reading system. Meters shall be an absolute encoder type as described herein and be pre-approved by the Water Resources Department.

Turbo / Turbine TYPE METERS: 1 1/2" through 8"

General Description: Meters shall be new, first line quality, turbo/turbine type for cold water service. Meter sizes shall be inclusive and shall comply with the Class II AWWA Standard C701 latest revision and the minimum specifications herein. They shall be designed for use with potable water below 120 degrees F.

Each meter w/ERT shall have affixed to the ERT module a 2-part type sticker with ERT module ID number and Utility Meter Shop ID number. Both ID numbers must be on each half of the sticker. The bottom half of the 2-part sticker must be of the peel off type.

In addition, each meter shall have affixed to its outside surface a meter accuracy test tag. Tag must indicate Utility meter ID number, meter size and test results.

Registration Accuracy: All meters shall meet the following flow requirements:

Size	Min Flow GPM @95%	Normal Flow GPM 98.5%-101.5%	Continuous Flow GPM
1 1/2"	3	4-200	160
2"	3	4-200	160
3"	4	5-750	600
4"	7	10-1250	1000
6"	15	20-2500	2000
8"	25	30-3500	2800

Main Cases: The body main case shall be of either traditional waterworks bronze or low lead bronze with raised characters showing model, size and direction of flow. The case has a throated inlet. Bronze composition of a high tensile strength and be capable of resisting distortion under pressure up to one hundred and fifty (150) psi. and is designed for easy removal of all interior parts without disturbing the connections to the pipeline.

Register Housings: The register housing shall be constructed of a suitable engineering polymer or bronze and provide full protection of the register assembly. Register assemblies shall be secured to the main case in a **tamper resistant fashion** to prohibit unauthorized removal. Seal screws, tamperproof screws, or locking devices are acceptable.

Registers: The registers shall be permanently hermetically sealed in a copper or stainless steel can. Similar size, type and registration of registers shall be interchangeable. The register glass shall be tempered to resist breaking, scratching, and abrasion. Register face plates shall be stamped with the date of manufacture. All meters must be available with absolute encoder registers as set forth in AWWA C-706 and C-707 Standards latest revisions respectively. **Registers shall read in US Gallons**.

Measuring Chambers: The measuring element assembly consists of the rotor, straightening vanes, accuracy regulator, spindles and gears. The measuring element is attached to the underside of the cover with stainless steel screws and washers. The internal accuracy regulator vane is interconnected with an external regulator assembly located underneath the register. This allows meter calibration without depressurizing the test bench or meter service. The regulator is protected by the register assembly, assuring tamperproof performance. The main case and cover are assembled with an O-ring gasket and stainless steel bolts.

Rotors: The measuring impellers, vanes or rotors for all meters shall be polypropylene, nylon, hard rubber or other suitable engineering polymer and shall be mounted on a horizontal axis in the center of the

measuring element with rotations of the turbo/turbine transmitted to the register by means of magnets. Straightening vanes of corrosion resistant material as required shall precede the rotor.

Strainers: Meters shall be capable of accepting separate external bronze case strainers of the stainless steel plate type. They shall be rigid, easily removable, and have an effective straining area at least double that of the meter main case inlet. Strainer connections shall conform to the main case and shall be accompanied by gaskets, bolts and nuts. **Note: Meters will be ordered without strainers unless specified otherwise.**

Warranties: All meters shall carry the following published warranties:

Meters shall be guaranteed to be free from defects in materials and workmanship and to meet AWWA C-701 Accuracy Standards for two (2) years from date of shipment.

In addition, the functionality of all direct reading register assemblies shall be guaranteed for a period of ten (10) years from date of manufacture.

All meters shall fully comply with all City of Avondale Water Utility metering specifications and be fully compatible with the Utility's current reading probes and reading system. Meters shall be an absolute encoder type as described herein and be pre-approved by the Utility.

COMPOUND with by-pass and Single Body WATER METERS: 2" through 4"

General Description: Meters shall be new, first line quality, compound type for cold water service. Meters combining turbo/turbine and displacement meters furnished under these specifications shall conform to AWWA C702 latest revision and the minimum specifications herein. Meters shall combine a main line meter of the Class II turbo/turbine type for measuring high rates of flow with a bypass meter of the positive displacement type for measuring low rates of flow. The single body application will have the capability to measure low flow and high flow without a bypass. Meters shall have an automatic valve mechanism which diverts low rates of flow through the bypass meter. They shall be designed for use with potable water below 120 degrees F.

In addition, each meter shall have affixed to its outside surface a meter accuracy test tag. Tag must indicate Utility meter ID number, meter size and test results.

Operating Characteristics and Dimensions: Meter sizes, capacities and pressure losses shall conform to Table 1 of the AWWA Standard. The main case lengths shall not exceed those reflected in Table 2 of the AWWA Standard.

Registration Accuracy: All meters shall meet the following flow requirements:

Size	Min Flow GPM @95%	Normal Flow GPM 98.5%-101.5%	Continuous Flow GPM
2"	1/8	1-160	170
3"	1/8	1-650	400
4"	¼	2-1150	800

Main Cases: The body main case shall be of bronze composition and be capable of withstanding pressure of one hundred and fifty (150) psi. Outer cases shall permit separate removal of measuring chambers. Meters shall be designed for easy removal of all interior parts without disturbing the connections to the pipeline.

Automatic Valves: Automatic valves shall be as specified in Section 2.10 of the AWWA Standard. Spring loaded valves shall be a Poppet-type suitable for such purpose. Spring tension shall offer sufficient resistance to the incoming water to divert all small rates of flow through the bypass meter until such time as the pressure loss is great enough to ensure efficient operation of the main measuring section. Spring loaded valve shall have components made of the following or approved equal: Valve cages shall be of copper alloy, spring and screws of stainless steel, and spindles and cones of suitable engineering polymer. Spring loaded valves shall be self flushing and fast opening and closing. Valve assemblies utilizing gates are acceptable if the manufacturer can assure an accuracy level of at least 97% at changeover.

Register Housings: The register housings shall be constructed of a suitable engineering polymer or bronze and provide full protection of the register assembly. Register assemblies shall be secured to the main cases in a **tamper resistant fashion** to prohibit unauthorized removal. Seal screws, tamper-resistant plugs, tamperproof screws, or locking devices are acceptable.

Registers: The registers shall be permanently hermetically sealed in a copper or stainless steel can. Similar size, type and registration of registers shall be interchangeable. The register glass shall be tempered to resist breaking, scratching, and abrasion. Register face plates shall be stamped with the date of manufacture. All meters must be available with absolute encoder registers as set forth in AWWA C-707 Standards latest revisions. **Registers shall read in US Gallons**.

Measuring Unit Assemblies: Measuring chambers and cages shall be bronze or suitable engineering polymer. They shall be easily detached and removed from the case. Rotor spindles shall be of tungsten carbide steel supported by PTFE or graphite radial bearings. Replaceable thrust bearings shall be provided. The main line and bypass chambers shall be interchangeable in all meters of the same size and model. Intermediate gear trains shall be made of non corrosive materials or synthetic polymer. The bypass chamber assemblies shall be positive displacement type and shall not be cast as part of the outer case.

Strainers: Meters shall be capable of accepting separate external bronze case strainers of the stainless steel plate type. They shall be rigid, easily removable, and have an effective straining area at least double that of the meter main case. Strainer connections shall conform to the main case and shall be accompanied by gaskets, bolts and nuts. **Note: Meters will be ordered without strainers unless specified otherwise.**

Connections and Companion Flanges: Main case connections shall be as shown in Table 4 of the AWWA Standard and shall be accompanied by companion flanges, gaskets, bolts and nuts of the same size as shown in Table 4 of the AWWA Standard.

Warranties: All meters shall carry the following published warranties:

Meters shall be guaranteed to be free from defects in materials and workmanship and to meet AWWA C-701 Accuracy Standards for two (2) years from date of shipment.

In addition, the functionality of all direct reading register assemblies shall be guaranteed for a period of ten (10) years from date of manufacture.

All meters shall fully comply with all City of Avondale Water Resources metering specifications and be fully compatible with the Utility's current reading probes and reading system. Meters shall be an absolute encoder type as described herein and be pre-approved by the Utility.

ABSOLUTE ENCODER TYPE REGISTERS:

General Description: Registers furnished under these specifications shall be the product of a manufacturer with at least eight (8) years experience in the manufacture of absolute encoder-based registers.

The registers shall have the capability of providing encoded meter information as described in the enclosed specification.

Specifications for the required cold water meters can be found above in separate specifications.

Registers: Registers shall be of the "absolute encoder" type and permanently sealed in a vacuum purged or dry nitrogen gas filled copper or stainless steel can.

Systems utilizing generator pulses or low voltage conversions are not acceptable under this standard. Similar size, type and registration of registers shall be interchangeable.
Registers shall be equipped with low flow indicators and faceplates must be stamped with date of manufacture and serial identity number.

Registers shall visually read in **100 US Gallons with six-wheel resolution**.

Upon inquiry from a remote location, the absolute encoder register shall disclose the exact position of the six most prominent number rollers as well as the electronic identity number of the register without the use of internal power. All power necessary for data transmission shall be supplied from the interrogation device.

All registers shall be fully compatible with the City of Avondale Water Utility's current reading probes, ERT radio modules, and MVRS most current version reading software and programmer units.

The electronic identity number must be programmable with a minimum of ten digits.

All registers shall employ a device to offer a "quick transfer" of the roller bank assembly to prevent ambiguous readings.

All registers shall be easily upgradeable to other types of Automatic Meter Reading (AMR), which includes Telephone, Radio, Cable, etc. with the substitution of the remote receptacle with appropriate Meter Interface Unit.

AMR: AUTOMATIC METER READING DEVICES:

Data transmission shall be instantaneous and supplied in an ASCII format without conversion or modification. The register must operate reliably down to at least 3.0 volts.

A suitable wire terminal cover shall be provided and be factory potted by the meter manufacturer when ordered for underground pit installations. All registers must be removable without disassembly of meter or depressurizing the service line. Register must be free of openings to protect the internal electronics of the register. All registers must have tamper-proof register screw or similar devise.

Lens covers shall be of mineral glass for underground pit installations. All other register assembly and material requirements stated herein shall also apply.

ERT MODULES:

The City of Avondale has a substantial investment in their Itron Endpoints AMR System. Contractor must be able to supply this existing technology.

All ERT modules furnished under these specifications that are shipped to City of Avondale for installation shall have 2-part type stickers affixed to ERT module.

The 2-part stickers for ERT Modules only shall have the ERT module ID number on both halves of the sticker. The bottom half of the 2-part sticker must be of the peel off type.

Direct Mount ERT: Each meter's register, when required, shall be shipped with an ITRON ERT module directly mounted and integrally attached to the meter utilizing tamper-protected fasteners.

The meter manufacturer is required to provide integration of ERT wiring to the register such that all wiring is completely concealed and tamper protected. No wires will be exposed.

Integration and installation of the ERT module to the meter and register shall be accomplished at the meter manufacturer's plant to assure quality control and full warranty protection.

The meter manufacturer is required to complete the assembly and integration process and provide a one-piece unit that is factory wired, mounted, tested, sealed, inspected, packaged and shipped ready for installation.

Pit ERT: Each Encoder Positive Displacement Water Meter w/glass lens for pit application, Low Lead NSF61 body and bottom plate, 100 USG registration, 6 wheel resolution, magnetic drive, and external threaded spuds shall be shipped w/5' of wire and pit ERT attached utilizing tamper-protected fasteners.

Integration and installation of the ERT module to the meter and register shall be accomplished at the meter manufacturer's plant to assure quality control and full warranty protection.

The meter manufacturer is required to complete the assembly and integration process and provide a unit that is factory wired, tested, sealed, inspected, packaged and shipped ready for installation.

Pit ERT must be rugged and waterproof. The register and wire connection must be water proofed for pit settings by potted method.

The electronics within the register and the wire connection must with stand long-term submersion in water, as well as repeated subjection to water filling and receding in the meter pit.

The transmission distance of the Pit ERT must be such that they can be read from the nearest street by using the hand-held or mobile reading unit.

ELECTROMAGNETIC MAG METER TURBINE/COMPOUND APPLICATION W/ERT

Construction of Mag Meters: Body stainless steel grade 304, flow tube stainless steel grade 316, electrodes stainless steel grade 316, flanges epoxy coated cast iron, register stainless steel with glass cover, register housing/lid uv resistant plastic, environment class ip68 hermitically sealed unit, waterproof to 30ft depth

ERT WARRANTY:

Contractor warrants the batteries purchased hereunder shall, at the time of acceptance by the City for a period of twenty (20) years after installation will be free of all defects in workmanship, material or installation. Contractor further warrants in the event defects are discovered within twenty (20) years after installation, the Contractor, upon written notice, shall correct such defects within a reasonable period of time or the City, at its option, shall have the right to return the property to the Contractor at Contractor's expense and receive a refund of the entire purchase price for the defective property.

GENERAL INFORMATION:

Quantities on items stated are estimates only. Actual amounts purchased may be more or less. All materials will be purchased on an "as needed" basis upon request by the Water Resources Department, City of Avondale.

With each shipment of meters (with or without ERTs attached) and shipments of ERTs only, an electronic file listing Utility meter ID number, ERT number, meter size and ERT type shall be electronically mailed to the City of Avondale Water Resources Department.

Local Inventory Sales / Technical Support Requirements

Local warehouse shall maintain one month of product availability. The City of Avondale wants to protect its current AMR investment and requires that all Itron 60W ERTs and associated data collection equipment be supported by a factory authorized distributor for the State of Arizona with no less than three years experience. The factory authorized as well as sales and technical support personnel shall provide factory training located in Arizona or with the ability to respond on-site within 24 hours.

EXHIBIT B
TO
INVITATION FOR BID NO. WR 10-045.2

[Price Sheet]

See following pages.

PRICE SHEET
RADIO READ WATER METERS – WR 10-045.2

Quantities on items stated are estimates only. Actual amounts purchased may be more or less. All Materials will be purchased on an "as needed" basis upon request by the Water Resources Department, City of Avondale.

Prices bid must be exact and held firm through the term of the Agreement. There shall be no additional charges for delivery, handling or any other miscellaneous fees.

Item	Description of material and/or services	Quantity	Unit	Unit Price	Extended Price
	Positive Displacement Water Meters w/ Encoder Type Register Only Itron ILC 5' with ERT 1.5 & 2.0 Meters will have a test plug				
	5/8" x 3/4" w/Encoder Type Register Only				
	3/4" x 3/4" (short)w/Encoder Type Register Only	9200	EA	139.25	1,281,100.00
	1.0" w/Encoder Type Register Only	150	EA	170.50	25,575.00
	1.5" w/Encoder Type Register Only	350	EA	305.00	106,750.00
	2.0" w/Encoder Type Register Only	550	EA	411.00	226,050.00
	Positive Displacement Water Meters for Integral Set w/ERT: No Wire Exposed 1.5 & 2.0 Meters will have a test plug				
	5/8" x 3/4' w/Encoder Type Register and Direct Mount ERT				
	3/4" x 3/4 " (short)with Encoder Type Register and Direct Mount 60W ERT	9200	EA	142.95	1,315,140.00
	1.0" with Encoder Type Register and Direct Mount 60W ERT	150	EA	172.00	25,800.00
	1.5" with Encoder Type Register and Direct Mount 60W ERT	350	EA	301.15	105,402.50
	2.0" with Encoder Type Register and Direct Mount 60W ERT	550	EA	406.50	223,575.00
	Fire Hydrant Meter Application				
	3" Fire Hydrant Meter Without Connections	5	EA	608.50	3042.50
	3" Fire Hydrant with Standard Connections	5	EA	695.55	3477.75
	3" Fire Hydrant with RPZ, Gate Valve, and adjustable Stand. The meter and the RPZ must have identical serial number engraved onto their bodies	5	EA	1260.15	6300.75
	RPZ DEVICE				
	Wilkins Model 975XL TCU 2"	1	EA	475.85	475.85
	Febco Model 825Y or 825YA 2"	1	EA	437.35	437.35
	Electromagnetic Mag Meter Turbine Application w/ERT				
	1.5" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10	EA	1342.95	13,429.50

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Item	Description of material and/or services	Quantity	Unit	Unit Price	Extended Price
	2,0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10	EA	1395.00	13,950.00
	3.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12	EA	1499.00	17,988.00
	4.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12	EA	1595.50	19,146.00
	6.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	1	EA	1820.00	1,820.00
	Electromagnetic Mag Meter Compound Application w/ERT				
	1.5" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10	EA	1342.95	13,429.50
	2,0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	10	EA	1395.00	13,950.00
	3.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12	EA	1499.00	17,988.00
	4.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	12	EA	1595.50	19,146.00
	6.0" Mag Meter w/ Encoder Register for Pit / Above Ground Application	1	EA	1820.00	1,820.00
	Turbo/Turbine Water Meters for Pit Mount Application w/ERT:				
	1.5" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1	EA	596.50	596.50
	2.0" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1	EA	695.65	695.65
	3.0" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	2	EA	777.40	1554.80
	4.0" Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	2	EA	1095.85	2191.70
	6.0 Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1	EA	2564.20	2564.20
	8.0 Turbo/Turbine with Encoder Type Register, Pit Mount ERT & 25' Wire	1	EA	2890.10	2890.10
	Compound Water Meters w/ by-pass for Pit Mount Application and ERT:				
	2.0" Compound with Encoder Type Register, ERT w/ 25' Wire	1	EA	1461.45	1461.45
	3.0" Compound with Encoder Type Register, ERT w/ 25' Wire	12	EA	1495.00	17940.00
	4.0" Compound with Encoder Type Register, ERT w/ 25' Wire	12	EA	2275.00	27,300.00
	Compound Water Meters Single Body Pit Mount Application w/ERT:				
	2.0" Compound with Encoder Type Register, Pit Mount ERT & 25' Wire	1	EA	1461.45	1461.45
	3.0" Compound with Encoder Type Register, Pit Mount ERT & 25' Wire	12	EA	1495.00	17940.00

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Item	Description of material and/or services	Quantity	Unit	Unit Price	Extended Price
	4.0" Compound with Encoder Type Register, Pit Mount ERT & 25' Wire	12	EA	2275.00	27,300.00
	Equipment – Encoder Register & ERT only:				
	ERT, 60W Direct Integral Mount Type, w/Encoder Register 3/4" – 2.0"	100	EA	114.50	11,450.00
	Encoder Type Register Only 5/8" – 2.0"	100	EA	65.90	6590.00
	ERT 60W Pit Set Type, with In-Line Connector, Seal Lock & Hardware	300	EA	60.00	18,000.00
	Itron through the lid mounts	9200	EA	3.50	32,200.00
	Water Meter Strainers for Turbine & Compound Meters 2.0 to 6.0				
	2.0" Strainer w/companion flange kit	1	EA	232.00	232.00
	3.0" Strainer w/companion flange kit	1	EA	394.00	394.00
	4.0" Strainer w/companion flange kit	1	EA	576.00	576.00
	6.0" Strainer w/companion flange kit	1	EA	723.30	723.30
	Subtotal:				$3,629,854.85
	Tax Rate 8.9 **% Taxes:**				$310,145.22
	Total:				$3,940,000.07

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EXHIBIT C
TO
INVITATION FOR BID NO. WR 10-045.2

[Licenses; DBE/WBE Status]

See following page.

LICENSE; DBE/WBE STATUS
RADIO READ WATER METERS WR 10-045.2

Attach a copy of your Business License to your bid submittal.

* Business License must be either a City of Avondale Privilege Tax Business License or an Arizona Transaction Tax (sales) Privilege Tax License

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise? Yes_____, No___X_____.

If yes, please provide details and documentation of the certification.

City of Avondale
11465 W. Civic Center Drive, #270
Avondale, AZ 85323-6808

LICENSE NO:23115

THIS NONTRANSFERABLE PRIVILEGE TAX/BUSINESS LICENSE IS ISSUED IN ACCORDANCE THE WITH CITY OF AVONDALE TAX CODE AND IS VALID ONLY WHILE OPERATING UNDER THE HEREIN SPECIFIED NAME AND LOCATION UNTIL EXPIRATION DATE. BUSINESS ACTIVITY MUST BE CONDUCTED IN COMPLIANCE WITH ALL BUILDING, FIRE AND ZONING CODES.

BUSINESS NAME: NATIONAL METER & AUTOMATION IN EXPIRES:12/31/10

BUSINESS LOCATION: LOCATION OUTSIDE AVONDALE

THIS LICENSE MUST BE DISPLAYED IN A CONSPICUOUS PLACE

NATIONAL METER & AUTOMATION IN
P O BOX 5429
GREENWOOD VILLAGE, CO 80155

ISSUED BY: Kevin H. Artz
City of Avondale
11465 W Civic Center Dr. #270
Avondale, AZ. 85323

EXHIBIT D
TO
INVITATION FOR BID NO. WR 10-045.2

[References]

See following page.

REFERENCES
RADIO READ WATER METERS WR 10-045.2

Provide the following information for three (3) clients for whom Bidder has provided services of similar size and scope with the past (36) months. These references will be checked, so make sure all information is accurate and current. Failure to provide three (3) accurate or suitable references may result in disqualification.

1. Company: CITY OF DENVER - 228,000 SERVICES
Address: 1600 W. 12TH AVENUE
City/State/Zip Code: DENVER CO 80204
Contact: BOB BLAUVELT
Telephone Number: 303.628.6822
Date of Contract Initiation: DECEMBER 2004

Project Description: (Include Final Costs) METER + ITRON PROJECTS - OVER $5 MILLION (NOTE- JUST SIGNED A $15MM PROJECT).

2. Company: CITY OF THORNTON - 39,000 SERVICES
Address: 9500 CIVIC CENTER DR.
City/State/Zip Code: THORNTON CO 80229
Contact: JASON MONTOYA
Telephone Number: 720.977.6563
Date of Contract Initiation: JANUARY 2005

Project Description: (Include Final Costs) METER + ITRON PROJECTS - $2,500,00

3. Company: CITY OF LODI - 15,000 SERVICES
Address: 1331 S. HAM LANE
City/State/Zip Code: LODI CA 95242
Contact: KEVIN GAITHER
Telephone Number: 209.333.6900 X 2652
Date of Contract Initiation: JUNE 2006

Project Description: (Include Final Costs) METER + ITRON PROJECTS $2,650,000

1150462.2

EXHIBIT E
TO
INVITATION FOR BID NO. WR 10-045.2

[Acknowledgement of Addenda received, if any]

See following page.

*All Addenda, if any, together with original, signed acknowledgments, issued for this IFB are to be attached by Bidder as this Exhibit E and submitted with the sealed Bid.

BadgerMeter, Inc.

4545 W. Brown Deer Road
Milwaukee, Wisconsin 53223

P.O. Box 245036
Milwaukee, WI 53224-9536 (414) 355-0400

March 16, 2010

Loretta Browning
Procurement Officer
City of Avondale
Finance and Budget Department
11465 W. Civic Center Drive, Suite #250
Avondale, AZ 85323

Dear Ms. Browning,

We thank you for your interest in Badger Meters and Itron ERT's as supplied by our Authorized Distributor, National Meter and Automation.

National Meter & Automation has been our Distributor in many States, including Arizona, for over 4 years, and is authorized to sell all of our water metering products, Badger AMR Systems, Itron Reading equipment, software & ERT transmitters.

If you have any questions or require additional information please contact me.

Sincerely,

Pamela Stokke Ceci

Pamela G. Stokke-Ceci
Assistant Secretary

NATIONAL
METER AND AUTOMATION, INC.

7777 East Paradise Lane, Suite 104
Scottsdale, AZ 85260
O: 480.596.8600 F: 480.596.8606
www.nmaai.com

March 17, 2010

Loretta Browning
Procurement Officer
City of Avondale
11465 W. Civic Center Drive
Suite 250
Avondale AZ 85323

Dear Loretta:

Enclosed please find the required responses per your letter to us dated March 12, 2010. These items include a letter from Badger Meter regarding our distributorship for Badger AND Itron products, an email exchange between our company and Itron, and the tech briefs on our Itron Integral, Compound Meters, and Magnetic Meters.

Should there be any questions please contact me at your convenience.

We look forward to working with the City on this meter and AMR project.

Sincerely:

John Bjorklund

BadgerMeter, Inc.

4545 W. Brown Deer Road
Milwaukee, Wisconsin 53223
P.O. Box 245036
Milwaukee, WI 53224-9536 (414) 355-0400

March 16, 2010

Loretta Browning
Procurement Officer
City of Avondale
Finance and Budget Department
11465 W. Civic Center Drive, Suite #250
Avondale, AZ 85323

Dear Ms. Browning,

We thank you for your interest in Badger Meters and Itron ERT's as supplied by our Authorized Distributor, National Meter and Automation.

National Meter & Automation has been our Distributor in many States, including Arizona, for over 4 years, and is authorized to sell all of our water metering products, Badger AMR Systems, Itron Reading equipment, software & ERT transmitters.

If you have any questions or require additional information please contact me.

Sincerely,

Pamela G. Stokke-Ceci
Assistant Secretary

John Bjorklund

From: John Bjorklund [jbjorklund@nmaai.com]
Sent: Wednesday, March 17, 2010 9:31 AM
To: 'Loretta Browning'; 'Pilar Morales'; 'Tony Ayala'
Subject: FW: Factory Authorized Support

Loretta, Pilar, and Tony:

Pls see this email exchange below between the owner of our company, Noel Frakes, and Kevin Davis of Itron re distribution certification. As you will note Itron no longer has a certification process.

Our local technical manager, Richard MacKendrick, is Itron certified on all their products and has been for the past three years. In addition we have at our disposal two other technical managers in California and Colorado who are available should Richard be on vacation etc. if the City of Avondale needs support.

Lastly, our local warehouse in Scottsdale carries meters and Itron inventory at all times with backup warehouses in Santa Rosa California and Denver Colorado to better serve you.

You and your staff are welcome to visit our facilities at any time.

Thank you,
JB

John Bjorklund
National Meter & Automation, Inc.
O: 480.596.8600
C: 480.323.6096

www.nmaai.com

-----Original Message-----
From: nfrakes@nmaai.com [mailto:nfrakes@nmaai.com]
Sent: Tuesday, March 16, 2010 11:53 AM
To: jbjorklund@nmaai.com
Subject: Fw: Factory Authorized Support

------Original Message------
From: Davis, Kevin
To: nfrakes@nmaai.com
Sent: Mar 16, 2010 11:01 AM
Subject: RE: Factory Authorized Support

Noel,

You are correct about the certification process. Your technical folks continue to do a great job and I appreciate all of their efforts.

Kevin Davis
Account Executive
Itron, Inc.
405 627 5788

-----Original Message-----
From: nfrakes@nmaai.com [mailto:nfrakes@nmaai.com]
Sent: Tuesday, March 16, 2010 10:24 AM

To: Davis, Kevin
Subject: Factory Authorized Support

Kevin:
It is my understanding that Itron no longer has a certification process for support personnel at the distributor level. Am I correct in this matter?
As you know National Meter and Automation has been providing technical support for our Itron customers for the last five years.
Denver Water is an example of our technical support.
Thank you for your attention to this matter.

Noel Frakes
President
National Meter and Automation, Inc
Sent from my Verizon Wireless BlackBerry

Sent from my Verizon Wireless BlackBerry

ITRON Endpoint	Badger Itron Integral 60W Endpoint	Technical Brief

Description

Applications: The Badger® Itron® Integral 60W endpoint is designed for submerged pit-set water meter reading applications for use with either the Absolute Digital Encoder (ADE®) or the Recordall® Transmitter Register (RTR®).

The 60W endpoint is directly hard wired to a Badger Meter encoder register with 15 inches of wire. The shroud assembly is mounted to the side of the encoder via two lock-in prongs. The wire connection is enclosed in an abrasion-resistant cover to prevent wear on the cable.

Operation Overview: The 60W endpoints are designed to accumulate consumption readings, obtain tamper information, and report potential continuous usage occurrence with bubble up RF technology. Approximately every seven seconds, the 60W endpoint transmits a standard consumption message (SCM) at approximately +10dBm between 902-928 MHz.

The 60W pit endpoint also provides utilities with the following features:

- *Leak Detection.* The 60W endpoint will continually compare readings in the endpoint looking for continuous usage patterns. The 60W provides notification to the meter in its SCM if a zero consumption (equal to previous read) doesn't occur over a period of seven days.
- *Tamper Indication* The 60W provides a cut cable alarm as part of its SCM, if the endpoint is disconnected and cannot communicate with an encoder register.
- *Reverse Flow* The 60W provides reverse flow notification when the stored reading in the transmitter is less than the latest reading provided by the encoder (ADE feature only).

Battery Life: The 60W pit endpoint is powered by a non-replaceable long life dual lithium battery pack.

Installation Options: The Itron 60W Integral comes mounted to the side of the Badger Meter encoder shroud assembly for easy installation.

Badger Itron Integral 60W

Specifications

Transmission Parameters

- Data Message: Multiple RF channel transmissions of meter register value, register communication (cut cable) status, leak and reverse-flow messages broadcast every seven seconds
- Cut Cable/Communication Error Message: Enabled after 24 consecutive, unsuccessful, hourly register communication attempts
- Transmitter Frequencies: 902 – 928 MHz @ +10 dBm (10 milliwatts)

Cable Cover

- 15/25 +/- 125 inches long
- Black
- UV stable for outdoor use in direct sunlight
- Abrasion resistant
- Solvent and acid resistant
- Temperature range: -40° F to +200° F

Approved Reading Devices

System	Devices
Network	Itron Fixed Network CCU Version 4 and Data Repeaters
Drive-by	Itron Mobile Collection System and Mobile Field Collector
Walk-by	Itron G5R and FC200SR Handheld Computers

Regulatory and Standards

FCC Part 15.247

Industry Canada #210, Section 6.2.2 (o)

ADE, Badger, Recordall and RTR are registered trademarks of Badger Meter, Inc.
All other trademarks appearing in this document are the property of their respective entities.

Please see our Web site at
www.badgermeter.com
for specific contacts.

Due to continuous research, product improvements and enhancements, Badger Meter reserves the right to change product or system specifications without notice, except to the extent an outstanding contractual obligation exists.

BadgerMeter, Inc.
P.O. Box 245036, Milwaukee, WI 53224-9536
800-876-3837
infocentral@badgermeter.com • www.badgermeter.com

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Recordall® Compound Series Meter	Cold Water Size 2" (DN 50 mm)	Technical Brief

DESCRIPTION

Badger Meter offers the 2" Compound Series meter in Cast Bronze and a Low Lead Alloy. The Low Lead Alloy (Trade Designation: Compound Series LL-NS) version complies with NSF/ANSI Standard 61 and carries the NSF-61 Mark on the product.

APPLICATIONS: For use in measurement of potable cold water in commercial and industrial services where flow is in one direction only.

OPERATION: At low flow rates, the water is diverted up through a bypass to the disc chamber. Leaving the chamber's outlet port, water flows beyond the turbo and main valve. As the flow rate increases, a pressure differential is created which opens the main valve. The water then flows straight through the turbine chamber in addition to a portion still flowing through the disc chamber before exiting the meter. Rotor and disc movement are transmitted by magnetic drive couplings to individual register odometers.

OPERATING PERFORMANCE: With its' patented design, the Badger® Recordall Compound meter meets or exceeds registration accuracy for low flow rate, normal operating flow rates, maximum continuous operation flow rate, and changeover flow rate as specifically stated in AWWA Standard C702.

CONSTRUCTION: Badger Recordall Compound meter construction which complies with ANSI and AWWA C702 standards, consists of three basic components: meter housing, interchangeable measuring elements and single, sealed direct reading registers. The measuring element consist of the disc measuring chamber, turbo head assembly and high flow valve assembly.

To simplify maintenance, the registers and measuring elements can be removed without removing the meter housing from the installation.

MAGNETIC DRIVE: Direct magnetic drive, through the use of high-strength magnets, provides positive, reliable and dependable register coupling for straight-reading or remote reading options.

SEALED REGISTERS: The standard registers consists of a straight-reading odometer-type totalization display, 360° test circle with center sweep hand and flow finder to detect leaks. Register gearing consists of self-lubricating thermoplastic gears to minimize friction and provide long life. Permanently sealed; dirt, moisture, tampering and lens fogging problems are eliminated. Multi-position register simplifies meter installation and reading. Automatic meter reading and close proximity systems are available for all Compound Series meters. (See back of sheet for additional information.) All reading options are removable from the meter without disrupting water service.

METER READING TECHNOLOGIES: The Itron® ERT®, ORION® and TRACE® meter reading systems are available for all Recordall Compound Series meters. An optional summator or Read-o-Matic® summator/converter can be provided as an integral part of the register assembly. (See back of sheet for additional information.)

TAMPER-PROOF FEATURES: Tamper resistant register provides protection from unauthorized personnel.

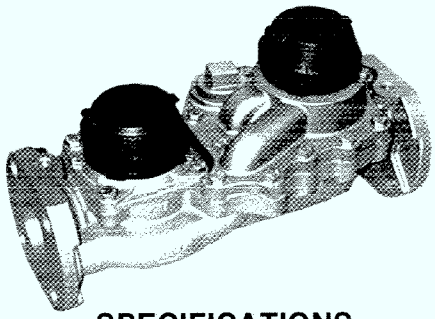
STRAINER: A separate strainer is recommended to protect the measuring element but is not a requirement. See Technical Brief PS-T-1 for strainer dimensions.

MAINTENANCE: Badger Recordall Compound meters are designed and manufactured to provide long-term service with minimal maintenance.

When maintenance is required, it can be performed easily either at the meter installation or at any other convenient location. As an alternative to repair by the utility, Badger offers various maintenance and meter component exchange programs to fit the needs of the utility.

CONNECTIONS: Companion flanges for installation of meters on various pipe types and sizes are available in cast iron or bronze as an option.

STANDARD: 3/4" drain plug.



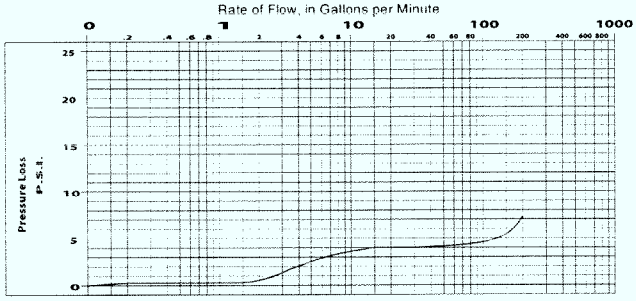
SPECIFICATIONS

Typical Operating Range (100% ± 1.5%)	1/2-200 GPM (0.1 to 45 m^3/h)
Low Flow Registration	1/4 GPM (0.06 m^3/h)
Maximum Continuous Flow	170 GPM (38.3 m^3/h)
Pressure Loss at MaximumContinuous Flow	5.4 PSI at 170 GPM (0.38 bar at 38.3 m^3/h)
Pressure Loss at Crossover	3.5 PSI (0.24 bar)
Minimum Crossover Accuracy	97%
Maximum Operating Pressure	150 PSI (10 bar)
Maximum Operating Temperature	120°F (49°C)
Meter Flanges	2" Elliptical or Round Flanges, Class 150
Registers	Straight reading, permanently sealed magnetic drive standard. Automatic Meter Reading and Close Proximity units optional.
High Flow Registration	100,000,000 Gallons 100 gallons/sweep hand revolution. 10,000,000 Cubic Feet 10 cubic ft./sweep hand revolution. 1,000,000 m^3 1 m^3/sweep hand revolution.
Low Flow Registration	10,000,000 Gallons 10 gallons/sweep hand revolution. 1,000,000 Cubic Feet 1 cubic ft./sweep hand revolution. 100,000 m^3/sweep hand revolution. .1 m^3/sweep hand revolution.

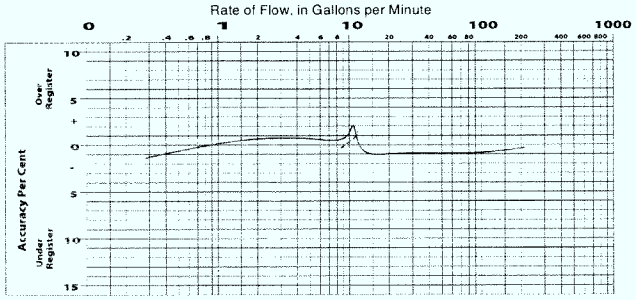
MATERIALS

Housing and Cover	Cast Bronze (B81), Low Lead Alloy
Turbo Cast Head	Cast Bronze (B81), Low Lead Alloy
Nose Cone and Straightening Vanes	Thermoplastic
Rotor	Thermoplastic
Rotor Radial Bearings	Lubricated Thermoplastic
Rotor Thrust Bearing	Sapphire Jewels
Rotor Bearing Pivots	Passivated 316 Stainless Steel
Calibration Mechanism	Stainless Steel And Thermoplastic
Measuring Chamber and Disc	Thermoplastic
High Flow Valve	Thermoplastic / Stainless Steel
Magnets	Ceramic
Register Lens	Glass
Register Housing and Cover	Thermoplastic or Bronze
Trim	Stainless Steel

PRESSURE LOSS CHART
Rate of Flow, in Gallons per Minute

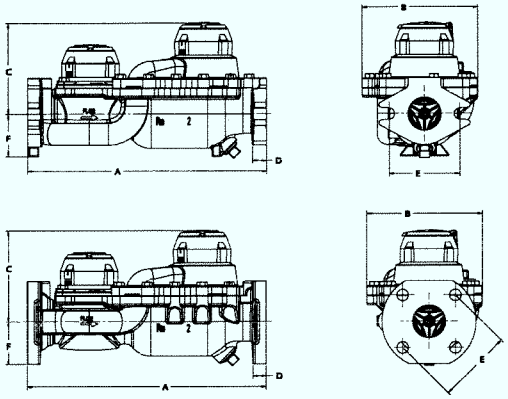


ACCURACY CHART
Rate of Flow, in Gallons per Minute



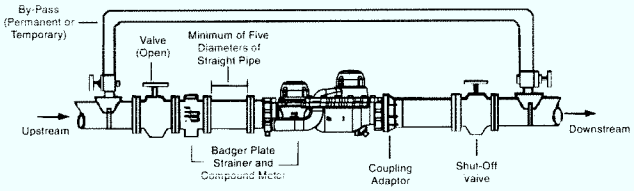
Meter & Pipe Size	DIMENSIONS								
	Length A	Width B	Height C	Flange D	Bolt Circle E	Centerline to F Base	No. Bolts	Net Weight	Shipping Weight
2" EL (DN 50)	15 1/4" * (387mm)	7 3/8" (187mm)	5 7/8" (149mm)	7/8" (22mm)	4 ½" (114mm)	2 3/4" (70mm)	2	45 lb. (20.4kg)	63 lb. (28.5kg)
2" RD (DN 50)	15 1/4" * (387mm)	7 3/8" (187mm)	5 7/8" (149mm)	7/8" (22mm)	4 3/4" (121mm)	2 3/4" (70mm)	4	45 lb. (20.4kg)	63 lb. (28.5kg)

* Adapter available to increase total length to 17".

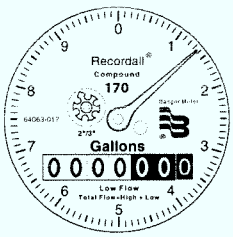


PROPER INSTALLATION: The following installation guidelines will insure optimum field performance and reliability when installing a Badger® Compound Series meter.

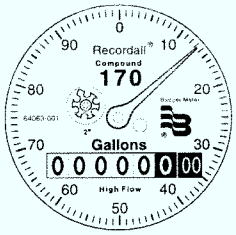
1. A Strainer IS REQUIRED to insure optimum flow conditioning and protection for the Compound Series meter measuring element.
2. Compound meters, with a strainer, REQUIRE a minimum of five (5) pipe diameters of straight pipe upstream of the meter.
3. ONLY full-open gate valves should be used immediately upstream of the meter. Butterfly valves MUST be five (5) pipe diameters or more upstream of the meter. Full-open gate or butterfly valves can be used downstream.
4. DO NOT install pressure reducing devices or check valves upstream of the meter.
5. Unweighted check valves MUST be located at least three (3) pipe diameters downstream of the meter.
6. Pressure reducing devices and externally weighted check valves MUST be located at least five (5) pipe diameters downstream of the meter.



LOW FLOW



HIGH FLOW



Badger® and Recordall® are registered trademarks of Badger Meter, Inc.

Please see our website at
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for specific contacts.

Due to continuous research, product improvements and enhancements, Badger Meter reserves the right to change product or system specifications without notice, except to the extent an outstanding contractual obligation exists.

BadgerMeter, Inc.
P.O. Box 245036, Milwaukee, WI 53224-9536
(800) 876-3837 / Fax: (888) 371-5982
www.badgermeter.com

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Recordall® Compound Series Meter	Cold Water Size 3" (DN 80 mm)	Technical Brief

DESCRIPTION

Badger Meter offers the 3" Compound Series meter in Cast Bronze and a Low Lead Alloy. The Low Lead Alloy (Trade Designation: Compound Series LL-NS) version complies with NSF/ANSI Standard 61 and carries the NSF-61 Mark on the product.

APPLICATIONS: For use in measurement of potable cold water in commercial and industrial services where flow is in one direction only.

OPERATION: At low flow rates, the water is diverted up through a bypass to the disc chamber. Leaving the chamber's outlet port, water flows beyond the turbo and main valve. As the flow rate increases, a pressure differential is created which opens the main valve. The water then flows straight through the turbine chamber in addition to a portion still flowing through the disc chamber before exiting the meter. Rotor and disc movement are transmitted by magnetic drive couplings to individual register odometers.

OPERATING PERFORMANCE: With its' patented design, the Badger® Recordall Compound meter meets or exceeds registration accuracy for low flow rate, normal operating flow rates, maximum continuous operation flow rate, and changeover flow rate as specifically stated in AWWA Standard C702.

CONSTRUCTION: Badger Recordall Compound meter construction which complies with ANSI and AWWA C702 standards, consists of three basic components: meter housing, interchangeable measuring elements and single, sealed direct reading registers. The measuring element consist of the disc measuring chamber, turbo head assembly and high flow valve assembly.

To simplify maintenance, the registers and measuring elements can be removed without removing the meter housing from the installation.

MAGNETIC DRIVE: Direct magnetic drive, through the use of high-strength magnets, provides positive, reliable and dependable register coupling for straight-reading or remote reading options.

SEALED REGISTERS: The standard registers consists of a straight-reading odometer-type totalization display, 360° test circle with center sweep hand and flow finder to detect leaks. Register gearing consists of self-lubricating thermoplastic gears to minimize friction and provide long life. Permanently sealed; dirt, moisture, tampering and lens fogging problems are eliminated. Multi-position register simplifies meter installation and reading. Automatic meter reading and close proximity systems are available for all Compound Series meters. (See back of sheet for additional information.) All reading options are removable from the meter without disrupting water service.

METER READING TECHNOLOGIES: The Itron® ERT®, ORION® and TRACE® meter reading systems are available for all Recordall Compound Series meters. An optional summator or Read-o-Matic® summator/converter can be provided as an integral part of the register assembly. (See back of sheet for additional information.)

TAMPER-PROOF FEATURES: Tamper resistant register provides protection from unauthorized personnel.

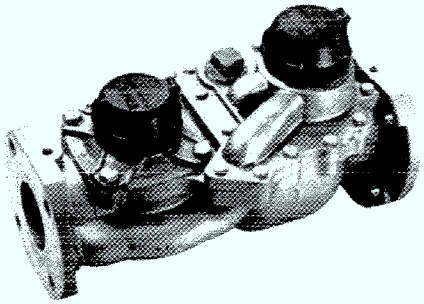
STRAINER: A separate strainer is recommended to protect the measuring element but is not a requirement. See Technical Brief PS-T-1 for strainer dimensions.

MAINTENANCE: Badger Recordall Compound meters are designed and manufactured to provide long-term service with minimal maintenance.

When maintenance is required, it can be performed easily either at the meter installation or at any other convenient location. As an alternative to repair by the utility, Badger offers various maintenance and meter component exchange programs to fit the needs of the utility.

CONNECTIONS: Companion flanges for installation of meters on various pipe types and sizes are available in cast iron or bronze as an option.

STANDARD: 3/4" drain plug.



SPECIFICATIONS

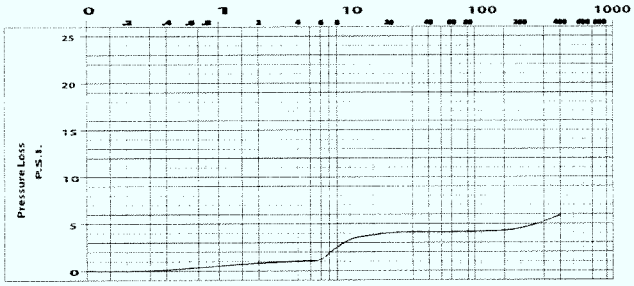
Typical Operating Range (100% ± 1.5%)	1/2-450 GPM (0.1 to 102 m^3/h)
Low Flow Registration	1/4 GPM (0.06 m^3/h)
Maximum Continuous Flow	400 GPM (90.3 m^3/h)
Pressure Loss at MaximumContinuous Flow	6.0 PSI at 400 GPM (0.41 bar at 90.3 m^3/h)
Pressure Loss at Crossover	4 PSI (0.28 bar)
Minimum Crossover Accuracy	97%
Maximum Operating Pressure	150 PSI (10 bar)
Maximum Operating Temperature	120°F (49°C)
Meter Flanges	3" Round Flanges, Class 150
Registers	Straight reading, permanently sealed magnetic drive standard. Automatic Meter Reading and Close Proximity units optional.
High Flow Registration	100,000,000 Gallons 100 gallons/sweep hand revolution. 10,000,000 Cubic Feet 10 cubic ft./sweep hand revolution. 1,000,000 m^3 1 m^3/sweep hand revolution.
Low Flow Registration	10,000,000 Gallons 10 gallons/sweep hand revolution. 1,000,000 Cubic Feet 1 cubic ft./sweep hand revolution. 100,000 m^3/sweep hand revolution. .1 m^3/sweep hand revolution.

MATERIALS

Housing and Cover	Cast Bronze (B81), Low Lead Alloy
Turbo Cast Head	Cast Bronze (B81), Low Lead Alloy
Nose Cone and Straightening Vanes	Thermoplastic
Rotor	Thermoplastic
Rotor Radial Bearings	Lubricated Thermoplastic
Rotor Thrust Bearing	Sapphire Jewels
Rotor Bearing Pivots	Passivated 316 Stainless Steel
Calibration Mechanism	Stainless Steel And Thermoplastic
Measuring Chamber and Disc	Thermoplastic
High Flow Valve	Thermoplastic / Stainless Steel
Magnets	Ceramic
Register Lens	Glass
Register Housing and Cover	Thermoplastic or Bronze
Trim	Stainless Steel

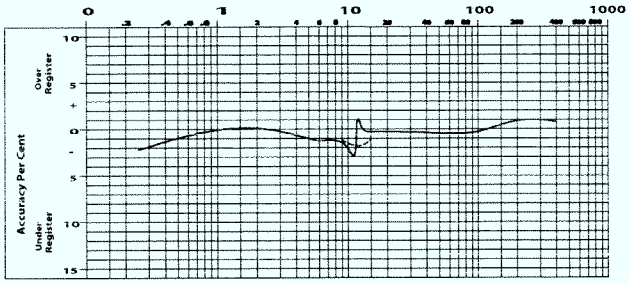
PRESSURE LOSS CHART

Rate of Flow, in Gallons per Minute



ACCURACY CHART

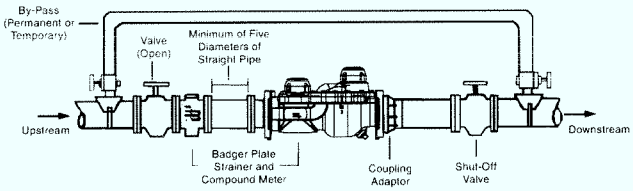
Rate of Flow, in Gallons per Minute

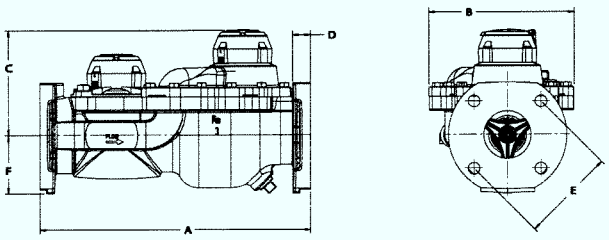


Meter & Pipe Size	DIMENSIONS								
	Length A	Width B	Height C	Flange D	Bolt Circle E	Centerline to F Base	No. Bolts	Net Weight	Shipping Weight
3" (DN 80)	17" (432mm)	9¼" (235mm)	6 5/8" (168mm)	1 1/8" (29.5mm)	6" (152mm)	3 5/8" (92mm)	4	71.5 lb. (32.4kg)	99.5 lb. (45kg)

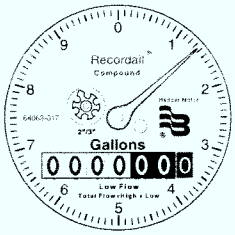
PROPER INSTALLATION: The following installation guidelines will insure optimum field performance and reliability when installing a Badger® Compound Series meter.

1. A Strainer IS REQUIRED to insure optimum flow conditioning and protection for the Compound Series meter measuring element.
2. Compound meters, with a strainer, REQUIRE a minimum of five (5) pipe diameters of straight pipe upstream of the meter.
3. ONLY full-open gate valves should be used immediately upstream of the meter. Butterfly valves MUST be five (5) pipe diameters or more upstream of the meter. Full-open gate or butterfly valves can be used downstream.
4. DO NOT install pressure reducing devices or check valves upstream of the meter.
5. Unweighted check valves MUST be located at least three (3) pipe diameters downstream of the meter.
6. Pressure reducing devices and externally weighted check valves MUST be located at least five (5) pipe diameters downstream of the meter.

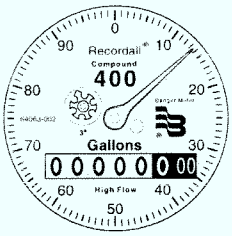




LOW FLOW



HIGH FLOW



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Please see our website at
www.badgermeter.com
for specific contacts.

Due to continuous research, product improvements and enhancements, Badger Meter reserves the right to change product or system specifications without notice, except to the extent an outstanding contractual obligation exists.

BadgerMeter, Inc.
P.O. Box 245036, Milwaukee, WI 53224-9536
(800) 876-3837 / Fax: (888) 371-5982
www.badgermeter.com

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Recordall® Compound Series Meter	Cold Water Size 4" (DN 100 mm)	Technical Brief

DESCRIPTION

Badger Meter offers the 4" Compound Series meter in Cast Bronze and a Low Lead Alloy. The Cast Bronze (Trade Designation: Compound Series B81-NS) and the Low Lead Alloy (Trade Designation: Compound Series LL-NS) versions comply with NSF/ANSI Standard 61 and carry the NSF-61 Mark on the product.

APPLICATIONS: For use in measurement of potable cold water in commercial and industrial services where flow is in one direction only.

OPERATION: At low flow rates, the water is diverted up through a bypass to the disc chamber. Leaving the chamber's outlet port, water flows beyond the turbo and main valve. As the flow rate increases, a pressure differential is created which opens the main valve. The water then flows straight through the turbine chamber in addition to a portion still flowing through the disc chamber before exiting the meter. Rotor and disc movement are transmitted by magnetic drive couplings to individual register odometers.

OPERATING PERFORMANCE: With its' patented design, the Badger® Recordall Compound meter meets or exceeds registration accuracy for low flow rate, normal operating flow rates, maximum continuous operation flow rate, and changeover flow rate as specifically stated in AWWA Standard C702.

CONSTRUCTION: Badger Recordall Compound meter construction which complies with ANSI and AWWA C702 standards, consists of three basic components: meter housing, interchangeable measuring elements and single, sealed direct reading registers. The measuring element consist of the disc measuring chamber, turbo head assembly and high flow valve assembly.

To simplify maintenance, the registers and measuring elements can be removed without removing the meter housing from the installation.

MAGNETIC DRIVE: Direct magnetic drive, through the use of high-strength magnets, provides positive, reliable and dependable register coupling for straight-reading or remote reading options.

SEALED REGISTERS: The standard registers consists of a straight-reading odometer-type totalization display, 360° test circle with center sweep hand and flow finder to detect leaks. Register gearing consists of self-lubricating thermoplastic gears to minimize friction and provide long life. Permanently sealed; dirt, moisture, tampering and lens fogging problems are eliminated. Multi-position register simplifies meter installation and reading. Automatic meter reading and close proximity systems are available for all Compound Series meters. (See back of sheet for additional information.) All reading options are removable from the meter without disrupting water service.

METER READING TECHNOLOGIES: The Itron® ERT®, ORION® and TRACE® meter reading systems are available for all Recordall Compound Series meters. An optional summator or Read-o-Matic® summator/converter can be provided as an integral part of the register assembly. (See back of sheet for additional information.)

TAMPER-PROOF FEATURES: Tamper resistant register provides protection from unauthorized personnel.

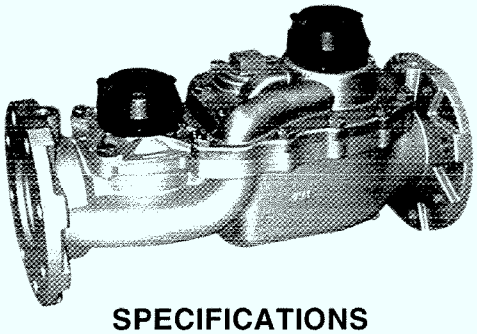
STRAINER: A separate strainer is recommended to protect the measuring element but is not a requirement. See Technical Brief PS-T-1 for strainer dimensions.

MAINTENANCE: Badger Recordall Compound meters are designed and manufactured to provide long-term service with minimal maintenance.

When maintenance is required, it can be performed easily either at the meter installation or at any other convenient location. As an alternative to repair by the utility, Badger offers various maintenance and meter component exchange programs to fit the needs of the utility.

CONNECTIONS: Companion flanges for installation of meters on various pipe types and sizes are available in cast iron or bronze as an option.

STANDARD: 3/4" drain plug.



SPECIFICATIONS

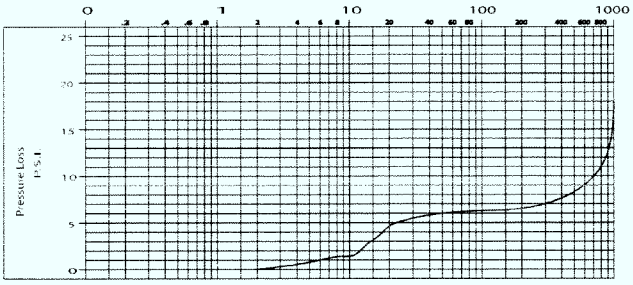
Typical Operating Range (100% ± 1.5%)	3/4-1000 GPM (0.17 to 227 m^3/h)
Low Flow Registration	3/8 GPM (0.09 m^3/h)
Maximum Continuous Flow	800 GPM (181.6 m^3/h)
Pressure Loss at Maximum Continuous Flow	11.0 PSI at 800 GPM (0.75 bar at 181.6 m^3/h)
Pressure Loss at Crossover	4 PSI (0.28 bar)
Minimum Crossover Accuracy	97%
Maximum Operating Pressure	150 PSI (10 bar)
Maximum Operating Temperature	120°F (49°C)
Meter Flanges	4" Round Flanges, Class 150
Registers	Straight reading, permanently sealed magnetic drive standard. Automatic Meter Reading and Close Proximity units optional.
High Flow Registration	1,000,000,000 Gallons 100 gallons/sweep hand revolution. 100,000,000 Cubic Feet 10 cubic ft./sweep hand revolution. 1,000,000 m^3 1 m^3/sweep hand revolution.
Low Flow Registration	100,000,000 Gallons 10 gallons/sweep hand revolution. 10,000,000 Cubic Feet 1 cubic ft./sweep hand revolution. 100,000 m^3/sweep hand revolution. 0.1 m^3/sweep hand revolution.

MATERIALS

Housing and Cover	Cast Bronze (B81), Low Lead Alloy
Turbo Cast Head	Cast Bronze (B81), Low Lead Alloy
Nose Cone and Straightening Vanes	Thermoplastic
Rotor	Thermoplastic
Rotor Radial Bearings	Lubricated Thermoplastic
Rotor Thrust Bearing	Sapphire Jewels
Rotor Bearing Pivots	Passivated 316 Stainless Steel
Calibration Mechanism	Stainless Steel And Thermoplastic
Measuring Chamber and Disc	Thermoplastic
High Flow Valve	Thermoplastic / Stainless Steel
Magnets	Ceramic
Register Lens	Glass
Register Housing and Cover	Thermoplastic or Bronze
Trim	Stainless Steel

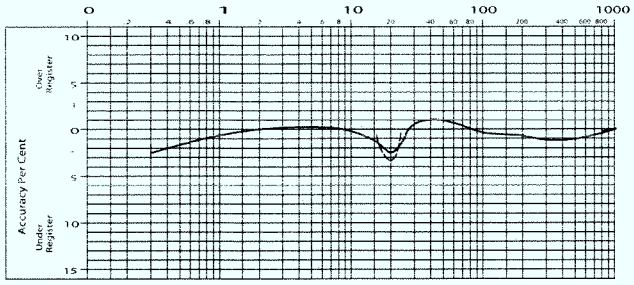
PRESSURE LOSS CHART

Rate of Flow, in Gallons per Minute



ACCURACY CHART

Rate of Flow, in Gallons per Minute

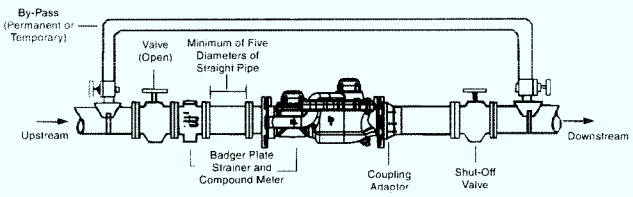


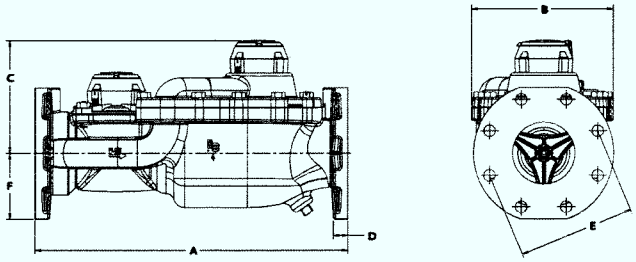
Meter & Pipe Size	DIMENSIONS								
	Length A	Width B	Height C	Flange D	Bolt Circle E	Centerline to F Base	No. Bolts	Net Weight	Shipping Weight
4" (DN 100)	20" * (508mm)	9 1/8" (232mm)	7 ¼" (184mm)	1" (25mm)	7½" (190.5mm)	4 ¼" (108mm)	8	85 lb. (38.4kg)	120 lb. (53.8kg)

* Adapter available to increase total length to 24".

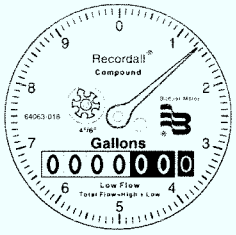
PROPER INSTALLATION: The following installation guidelines will insure optimum field performance and reliability when installing a Badger® Compound Series meter.

1. A Strainer IS REQUIRED to insure optimum flow conditioning and protection for the Compound Series meter measuring element.
2. Compound meters, with a strainer, REQUIRE a minimum of five (5) pipe diameters of straight pipe upstream of the meter.
3. ONLY full-open gate valves should be used immediately upstream of the meter. Butterfly valves MUST be five (5) pipe diameters or more upstream of the meter. Full-open gate or butterfly valves can be used downstream.
4. DO NOT install pressure reducing devices or check valves upstream of the meter.
5. Unweighted check valves MUST be located at least three (3) pipe diameters downstream of the meter.
6. Pressure reducing devices and externally weighted check valves MUST be located at least five (5) pipe diameters downstream of the meter.

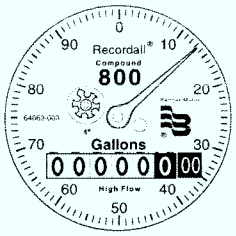




LOW FLOW



HIGH FLOW



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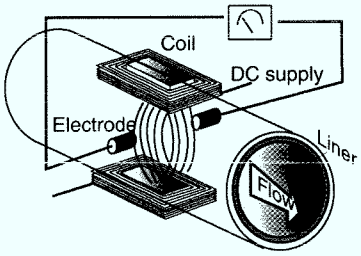
Magnetoflow® Mag Meter	Model Magnetoflow Flanged	Technical Brief

GENERAL

Badger's Magnetoflow line is the result of 35 years of research and field use in electromagnetic flow meters. Based on Faraday's law of induction, these meters can measure almost any liquid, slurry or paste that has a minimum of electrical conductivity. Designed, developed and manufactured under the strictest quality standards, the Magnetoflow meter ranks among the best in the market. Its sophisticated, processor based signal conversion represents the state of the art in the industry with accuracies of 0.25% or better. The wide selection of liner and electrode materials insures maximum compatibility and minimum maintenance over a long operating period.

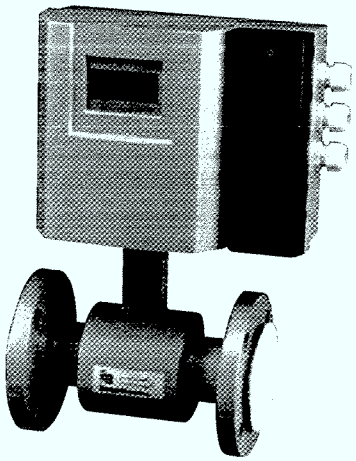
OPERATION

The flow meter is basically a stainless steel tube lined with a nonconductive material. Outside the tube two DC powered electromagnetic coils are positioned diametrically opposing each other. Perpendicular to these coils, two electrodes are inserted into the flow tube. When the coils are energized, a magnetic field is created across the whole diameter of the pipe. When a conductive fluid flows through this magnetic field, a voltage is induced across the electrodes. This voltage is directly proportional to the average flow velocity of the fluid and is picked up by the two electrodes. This induced voltage is then amplified and processed digitally by the converter to produce a very accurate analog or digital signal. The signal can then be used to indicate flow rate, totalization or to communicate to remote sensors and controllers. The main advantages of this technology are that with no parts in the flow stream, there is no pressure loss, the accuracy is not affected by temperature, pressure, viscosity, density or flow profile and with no moving parts there is practically no maintenance required.



APPLICATION

Because of its inherent advantages over other more conventional technologies, this meter can be used in the majority of industrial flow applications. Whether the fluid is water or something highly corrosive, very viscous, contains a moderate amount of solids or requires special handling, this meter will be able to accurately measure it. Today Magnetoflow meters are successfully being used in most industries including food and beverage, pharmaceutical, water and wastewater, and chemical.



Magnetoflow® Flanged

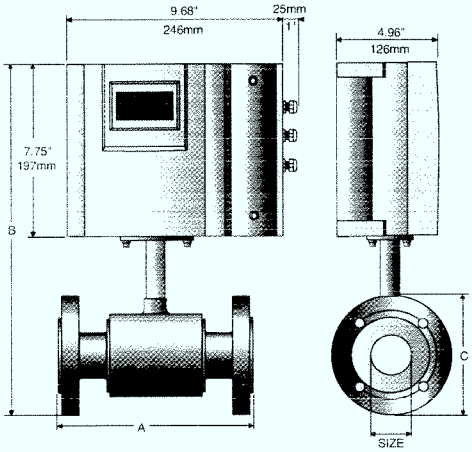
FEATURES

- 0.25% accuracy independent of fluid viscosity, density and temperature
- Unaffected by most solids contained in fluids
- Pulsed DC magnetic field for zero point stability
- No pressure loss for low operational costs
- Long life corrosion resistant liners
- Calibrated in state of the art facilities
- Integral and remote signal converter availability
- Optional grounding rings or grounding electrode
- Measurement largely independent of flow profile
- NSF listed

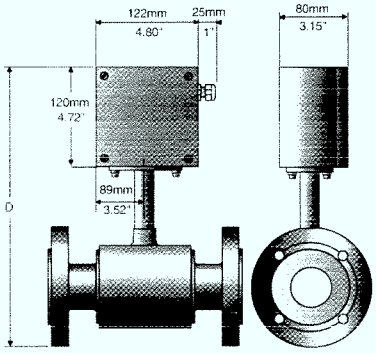
Electrodes

The two measuring electrodes, when looking from the end of the meter into the inside bore, are positioned at 3 o'clock and 9 o'clock. Badger Meter's Magnetoflow Mag meters have an "Empty Pipe Detection" feature. This is accomplished by the use of a third electrode that is positioned between 12 o'clock and 1 o'clock in the meter. At any time this electrode is not covered by fluid, (for a minimum of a five second duration), the meter will display an Empty Pipe Detection condition, send out an error message if desired, and stop measuring to maintain accuracy. When the electrode again becomes covered with fluid, the error message will disappear and the meter will continue measuring.

As an option to the use of a set of grounding rings, to assure proper grounding in a given installation a grounding electrode (4th electrode) can be installed in the meter when initially fabricated. The position of this electrode is about 5 o'clock.



Meter with Primo® Amplifier



Meter with junction box for remote Primo® Amplifier

Size		A		B		C		D		Est. Weight with Primo		Flow Range LPM		Flow Range GPM	
inch	mm	inch	mm	inch	mm	inch	mm	inch	mm	Lbs	Kg	Min	Max	Min	Max
1/4	6	6.7	170	14.0	356	3.5	89	11.4	288	12	5.5	0.063	20	0.02	5
5/16	8	6.7	170	14.0	356	3.5	89	11.4	288	12	5.5	0.114	34	0.03	9
3/8	10	6.7	170	14.0	356	3.5	89	11.4	288	12	5.5	0.177	53	0.05	14
1/2	15	6.7	170	14.0	356	3.5	89	11.4	288	12	5.5	0.416	125	0.11	33
3/4	20	6.7	170	14.2	361	3.9	99	11.5	293	15	6.5	0.75	225	0.2	59
1	25	8.9	225	14.4	366	4.3	108	11.7	298	20	9.0	1.20	350	0.3	93
1 1/4	32	8.9	225	15.2	386	4.6	117	12.5	318	22	10.0	2.00	575	0.5	152
1 1/2	40	8.9	225	15.4	390	5.0	127	12.7	322	23	10.5	3.00	900	0.8	239
2	50	8.9	225	15.9	403	6.0	152	13.2	335	28	12.5	4.70	1400	1	373
2 1/2	65	11.0	280	17.1	434	7.0	178	14.4	366	54	24.5	8	2400	2	631
3	80	11.0	280	17.3	440	7.5	191	14.7	372	56	25.5	12	3600	3	956
4	100	11.0	280	18.4	466	9.0	229	15.7	398	58	26.5	19	5600	5	1493
5	125	15.8	400	19.6	498	10.0	254	16.9	430	60	27.0	30	8800	8	2334
6	150	15.8	400	20.6	524	11.0	279	17.9	456	62	28.0	40	12700	11	3361
8	200	15.8	400	22.5	572	13.5	343	20.4	518	88	40.0	75	22600	20	5975
10	250	19.7	500	26.8	681	16.0	406	24.1	613	180	82.0	120	35300	30	9336
12	300	19.7	500	28.9	734	19.0	483	26.2	666	209	95.0	170	50800	45	13444
14	350	19.7	500	30.8	782	21.0	533	28.2	716	260	118	230	69200	60	18299
16	400	23.6	590	33.7	856	23.5	597	31.0	788	308	140	300	90400	80	23901
18	450	23.6	590	35.0	890	25.0	635	32.4	822	402	182	380	114000	100	30250
20	500	23.6	590	38.2	969	27.5	699	35.5	901	495	225	470	140000	125	37346
22	550	23.6	590	39.6	1005	29.5	749	36.9	937	525	238	570	170000	150	45188
24	600	23.6	590	42.2	1071	32.0	813	39.5	1003	554	252	680	200000	180	53778
28	700	23.6	590	46.2	1173	36.5	927	44.0	1118	650	295	920	275000	240	73100
30	750	31.5	800	48.3	1228	39.0	984	45.7	1161	704	320	1060	315000	280	84000
32	800	31.5	800	52.2	1325	41.4	1015	49.5	1257	770	350	1200	361000	320	95600
36	900	31.5	800	55.3	1405	46.0	1168	54.1	1374	850	386	1500	457000	400	121000
40	1000	31.5	800	60.0	1525	50.2	1230	57.4	1457	924	420	1900	565000	500	149300
42	1050	36.0	914	66.0	1675	53.0	1346	63.4	1610	1100	500	2100	620000	550	164600
48	1200	39.4	1000	69.9	1775	59.4	1455	67.2	1707	1210	550	2700	814000	720	215100
54	1400	39.4	1000	78.5	1995	68.4	1675	75.9	1927	1364	620	3700	1100000	980	292700

SPECIFICATIONS - Detector

Flow Range: 0.1 - 39.4 fps (0.03-12 m/s)
Sizes: 1/4" to 54" (16 to 1400 mm)
Min. Conductivity: ≥ 5 micromhos/cm
Accuracy:
± 0.25% accuracy of rate from 1-39.4 fps.
± 0.5% accuracy of rate from 0.1-1.0 fps.
Electrode Materials: Standard: Alloy C
Optional: 316 Stainless Steel, Gold/Platinum Plated, Tantalum, Platinum/Rhodium
Liner Material: PFA up to 3/8", PTFE 1/2" thru 24", Soft and Hard Rubber from 1" to 54", Halar® from 14" to 40"
NSF Listed: Models with Hard Rubber Liner 4" size and up; PTFE Liner - All sizes.

"Only products bearing the NSF Mark are Certified."

Fluid Temperature:
With Remote Converter:
PFA, PTFE & Halar 311°F, (155°C)
Rubber 178°F, (80°C)
With Meter Mounted Converter:
PFA, PTFE & Halar 212°F, (100°C)
Rubber 178°F, (80°C)
Pressure Limits:
150 psi (10Bar) optional 300psi (20Bar)
Coil Power: Pulsed DC
Ambient Temperature: -4°F to 140°F, (-20°C to 60°C)
Pipe Spool Material: 316 Stainless Steel
Meter Housing Material: Carbon Steel welded

Flanges: Carbon Steel - Standard (ANSI B16.5 Class 150 RF) 316 Stainless Steel - Optional
Meter Enclosure Classification: Nema 4
Optional: Submersible Nema 6P (Remote Amplifier Required)
Junction Box Enclosure Protection:
(For Remote Converter Option) Powder coated die-cast aluminum, Nema 4
Cable Entries: 1/2" NPT Cord Grip
Optional Stainless Steel Grounding Rings:

Meter Size	Thickness (of one ring)
up thru 10"	.135"
12" to 20"	.187"

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P.O. Box 245036, Milwaukee, WI 53224-9536
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www.badgermeter.com

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Questions and Answers
Issued : February 25, 2010

Invitation for Bid
For
Radio Read Water Meters
WR 10-045.2

Pre-submittal Conference was held Wednesday, February 16, 2010. City of Avondale Representatives in attendance included: Tony Ayala, Sue Schneider, and Loretta Browning.

Additional Wrtitten Inquiries Received by the Required Deadline:

1. I would like to request what the Grand totals were for the Radio Read Water Meters Bid - Solicitation # WR10-045 that were opened and read on January 28, 2010. I believe that all of the bids were rejected for not being filled out correctly. Thank you for your help.
    - This information has been posted on the Procurement webpage as Additional Information.

2. In regards to the RPZ Device section. The Wilkins 975XL TCU and Febco 825Y & 825YA do not show what size the city is looking for. Once we find out the size do we just put a unit cost since there is no quantity? Also, the other items that do not have a quantity do we just put a unit cost and added it to Grand Total?
    - **Clarification:** The Backflow size is 2".

    - **Clarification:** Instances where there is no quantity or "Quantity 1" is listed, bidders should list the Unit Price in that column and the same dollar figure in the Extended Price column. The amounts listed in the grand total should be a sum of all dollar figures listed in the Extended Price Column.

3. I have a couple of questions on Solicitation # WR10-045.2 is this all or nothing bid? Meaning that are you going pick the lowest bidder for each section or does the whole bid go to the lowest bidder overall? If a vendor is not able to bid on a certain item does that mean they are disqualified for this bid?
    - Per Section 2.16 Award of Contract A. and B.
      The City at its sole discretion may accept the Bidder's offer as a part of a Multiple Award or By Line Item Option.

4. I would like to submit a request for a substitution on Solicitation # WR10-045.2 on the glass lens to accept a plastic lens. I've attached a copy of the specifications for the plastic lens that Hersey Meter provides with their register. Please call me with any questions.

    - After reviewing your request and the information that you provided the City has determined that the specification requesting a glass lens will remain unchanged.

END OF DOCUMENT

City of Avondale

Finance and Budget Department
11465 W. Civic Center Drive, Suite 250
Avondale, Arizona 85323-6807
Phone: (623) 333-2029
Fax: (623) 333-0200
Website: www.avondale.org

April 1, 2010

Mr. John Bjorklund, AZ Sales Director
National Meter & Automation Inc.
777 East Paradise Lane
Scottsdale, AZ 85260

Subject: Notice of Intent Multiple Award IFB WR 10-045.2 Radio Read Water Meters

Dear Mr. John Bjorklund:

This letter is to notify National Meter of the City's intent to issue a Multiple Award contract to provide the bid item materials of above referenced IFB and as detailed in Attachment 1, herein. The Multiple Award(s) are based upon Grouped Line Item per the General Terms and Conditions Item 2.16 A. - B., of the Invitation for Bids Document. Although selected, the contract awards are pending. Vendor Offer becomes a contract when the agreement is signed by both the City and your firm and accepted by the City Council.

This item is scheduled to go before council during the April 19, 2010, Council Meeting. If you have questions or require additional information, please do not hesitate to contact me at 623.333.2029 or lbrowning@avondale.org . We look forward to working with you.

Sincerely,

L. Browning

Loretta Browning
Procurement Officer

cc: File
Tony Ayala

Attachment

Finance and Budget Department
11465 W. Civic Center Drive, Suite 250
Avondale, Arizona 85323-6807
Phone: (623) 333-2029
Fax: (623) 333-0200
Website: www.avondale.org

Notice of Intent to Award
Attachment 1 of 1
WR 10-045.2
Radio Read Water Meters

Awarded to NATIONAL METER & AUTOMATION INC.

Bid Item Description:

Positive Displacement Water Meters w/ Encoder Type Register Only Itron ILC 5' with ERT

Electromagnetic Mag Meter Turbine Application w/ERT

Electromagnetic Mag Meter Compound Application w/ERT

Compound Water Meters w/ by-pass for Pit Mount Application and ERT:

Water Meter Strainers for Turbine & Compound Meters 2.0 to 6.0

Awarded to MOUNTAIN STATES PIPE & SUPPLY CO.

Bid Item Description:

Positive Displacement Water Meters for Integral Set w/ERT: No Wire Exposed

Fire Hydrant Meter Application

RPZ DEVICE

Turbo/Turbine Water Meters for Pit Mount Application w/ERT

Compound Water Meters Single Body Pit Mount Application w/ERT:

Equipment – Encoder Register & ERT only: