



JPMORGAN CHASE BANK, N.A.
Mail Code OH1-1085
1111 Polaris Parkway, Suite 3-A
Columbus, OH 43240-2050

September 11, 2015

LAKE HAVASU CITY
Attn: Stephanie Morris
2330 McCULLOCH BLVD NORTH
LAKE HAVASU, AZ 86403

Dear Stephanie Morris,

Enclosed you will find the documents necessary to complete your transaction with JPMORGAN CHASE BANK, N.A. ("JPM"). These documents have been completed as of 09/11/2015 and reflect the pricing, terms and conditions of the transaction as of this date. **Please be advised that JPM reserves the right to adjust pricing in order to maintain JPM's anticipated economic return as a result of material adverse changes in money markets and capital markets up to the date of final funding.**

- **Lease Schedule, Schedule A-1, and Payment Schedule** - These are specific documents for the current financing and detail the Schedule terms and conditions, describe the equipment and state the repayment terms. Please have your Authorized Signer sign and record his/her title on each form.
- **Prepayment Schedule Addendum and Software Schedule Addendum** – This is specific for the current financing and details any additional terms and conditions related to the Schedule. Please have your Authorized Signer sign and record his/her title on the form.
- **Resolution and Declaration of Official Intent** – Your governing board will need to review and approve the financing and the Authorized Signer(s). Please have the Secretary/Clerk of the board certify that the board has met and approved the financing, and that the titles of the Authorized Signer(s) are correct.
- **Certificate of Incumbency** – Please have the Secretary/Clerk of the board certify that the titles and specimen signature(s) of the Authorized Signer(s) are correct.
- **Opinion of Counsel** – Please have your counsel review the documents as soon as possible, and prepare an Opinion of Counsel letter on their letterhead addressed to JPMORGAN CHASE BANK, N.A. A sample of an Opinion of Counsel letter that will satisfy JPMORGAN CHASE BANK, N.A. is enclosed.
- **Proceeds Disbursement Authorization** - Please review the payment information, sign and date, and provide the signer's title where indicated.
- **IRS Form 8038/G** – This form is required for IRS reporting of a tax-exempt financing. You will find the most up to date version of the document at www.irs.gov. Please refer to the instructions when completing the information on the form and have an Authorized Signer sign

and date at the bottom.

- **Insurance Request Letter** – Prior to paying the vendor(s), we will need proof of insurance on the equipment, and JPMORGAN CHASE BANK, N.A., its Parent, Affiliates, Successors and Assigns, will need to be listed as both loss payee and additional insured on your policy. Please have an Authorized Signer sign the bottom of the form. Also, please instruct your Insurance Agent to provide a Certificate of Insurance as required on the form.
- **Escrow Agreement, Amendment to Escrow Agreement, Receipt Certificate/Payment Request Forms (with Instructions), and Escrow Funding Schedule Addendum and Arbitrage Certificate**-These documents establish an agreement with an Escrow Agent if you are acquiring the equipment over a defined and allowable period of time. Please review the Schedule 1 Investment Authorization form and select an investment for the escrowed funds. This will instruct the Escrow Agent where you want the escrowed funds to be invested. The authorized Signer will need to sign and insert his/her title on the Escrow Agreement, and the Escrow Funding Schedule Addendum.

If you have any questions regarding your Escrow Investment selection please contact: Mike Weber Tel. (704) 333-5744 Fax (704) 333-5850 Mobile (704) 661-0932
Email michael-r.weber@db.com

For funding, please return your lease documents to JPMORGAN CHASE BANK, N.A., Mail Code OH1-1085, 1111 Polaris Parkway, Suite A3, Columbus, OH 43240.

We would like to thank you for choosing JPMORGAN CHASE BANK, N.A. to assist with your equipment financing. We appreciate your business and welcome the opportunity to work with you.

PLEASE MAKE A COPY OF THE DOCUMENTS FOR YOUR RECORDS. If you would like to receive a copy of the signature pages post closing, please notify your Documentation Specialist of your request. Your payments will be due **semi-annually** as set forth in the Lease Schedule. You will be receiving an invoice for the above referenced account at:

2330 McCulloch Blvd. North
Lake Havasu, AZ 86403

If you have any questions, concerns, or if I can be of assistance, please feel free to call me. I can be reached at 1-800-678-2601 or (614) 213-1146 from 8:00 a.m. through 5:00 p.m. ET Monday through Friday. I'll be happy to help you.

Sincerely,

Lory King
Senior Documentation Specialist



LEASE SCHEDULE

Dated as of: SEPTEMBER 25, 2015

Lease No.: 1000140527

This Lease Schedule, together with its Payment Schedule, is attached and made a part of the Master Lease-Purchase Agreement described below ("Master Lease") between the Lessee and Lessor named below. All terms and conditions of the Master Lease are incorporated herein by reference. Unless otherwise defined herein, capitalized terms defined in the Master Lease will have the same meaning when used herein.

Master Lease-Purchase Agreement dated October 30, 2012.

- A. EQUIPMENT DESCRIBED:** The Equipment includes all of the property described on Schedule A-1 attached hereto and made a part hereof.
- B. EQUIPMENT LOCATION:** See Attached Schedule A-1
- C. ACCEPTANCE OF EQUIPMENT:** AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.
- D. ESSENTIAL USE; CURRENT INTENT OF LESSEE:** Lessee represents and agrees that the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens and the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and to make Rental Payments if funds are appropriated in each fiscal year by its governing body.
- E. RENTAL PAYMENTS; LEASE TERM:** The Rental Payments to be paid by Lessee to Lessor, the interest rate at which the interest portion of the Rental Payments is calculated, the Taxable Rate, the commencement date and the Lease Term of this Lease Schedule are each set forth on the Payment Schedule attached to this Lease Schedule.
- F. RE-AFFIRMATION OF THE MASTER LEASE:** Lessee hereby re-affirms all of its representations, warranties and obligations under the Master Lease (including, without limitation, its obligation to pay all Rental Payments, its disclaimers in Section 7 thereof and its representations in Sections 6.1 and 16 thereof).
- G. GOVERNMENT REGULATION. ANTI-CORRUPTION.**
- (a) Representations and Warranties Regarding Anti-Corruption Laws and Sanctions.** Lessee has implemented and maintains in effect policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Lessee and its officers and employees and to the knowledge of Lessee its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Lessee or to the knowledge of Lessee any of its respective officers or employees, or (b) to the knowledge of Lessee, any agent of Lessee that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No advance, letter of credit, use of proceeds or other transaction contemplated by this Lease will violate Anti-Corruption Laws or applicable Sanctions.
- (b) Compliance with Anti-Corruption Laws and Sanctions.** Lessee shall maintain in effect and enforce policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(c) Use of Proceeds. Lessee shall not use, or permit any proceeds of the Lease to be used, directly or indirectly, by Lessee or its officers, employees and agents: (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws; (2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(d) Definitions. For the purposes of this Section G, the following terms shall have the following meanings: "Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Lessee or its subsidiaries from time to time concerning or relating to bribery or corruption. "Person" means any individual, corporation, partnership, limited liability company, joint venture, joint stock association, association, bank, business trust, trust, unincorporated organization, any foreign governmental authority, the United States of America, any state of the United States and any political subdivision of any of the foregoing or any other form of entity. "Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State. "Sanctioned Country" means, at any time, a country, region or territory which is the subject or target of any Sanctions (as at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria). "Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

Equipment/Escrow Acceptance Date: _____, 20__

LAKE HAVASU CITY
(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.
(Lessor)

By: _____

Title: Authorized Officer



SCHEDULE A-1
(Equipment List)

Expected Equipment Purchase Price \$3,046,010.00

Net Amount Financed \$3,046,010.00

Equipment Location: 2330 McCulloch Blvd. N.
Lake Havasu, AZ 86403

Equipment Description:

Motorola and Creative Communications Equipment
Includes: System Hardware, Integration Services and Subscribers

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS, REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.

This Schedule A-1 is attached to the Lease Schedule **1000140527** or a Receipt Certificate/Payment Request relating to the Lease Schedule.

LAKE HAVASU CITY
(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A
(Lessor)

By: _____

Title: Authorized Officer



Payment Schedule

This Payment Schedule is attached and made a part of the Lease Schedule identified below which is part of the Master Lease-Purchase Agreement identified therein, all of which are between the Lessee and Lessor named below.

Lease Schedule No. **1000140527**

Lease Schedule Dated: **SEPTEMBER 25, 2015**

Accrual Date **SEPTEMBER 25, 2015**

Amount Financed **\$3,046,010.00**

Interest Rate **1.8900% per annum**

Taxable Rate **2.9773% per annum**

Rent Number	Rent Date	Rent Payment	Interest Portion	Principal Portion	Principal Balance	Termination Value
1	3/25/2016	\$233,306.73	\$28,784.80	\$204,521.93	\$2,841,488.07	\$2,926,732.71
2	9/25/2016	\$233,306.73	\$26,852.06	\$206,454.67	\$2,635,033.40	\$2,714,084.40
3	3/25/2017	\$233,306.73	\$24,901.07	\$208,405.66	\$2,426,627.74	\$2,499,426.57
4	9/25/2017	\$233,306.73	\$22,931.63	\$210,375.10	\$2,216,252.64	\$2,282,740.22
5	3/25/2018	\$233,306.73	\$20,943.59	\$212,363.14	\$2,003,889.50	\$2,064,006.19
6	9/25/2018	\$233,306.73	\$18,936.76	\$214,369.97	\$1,789,519.53	\$1,843,205.12
7	3/25/2019	\$233,306.73	\$16,910.96	\$216,395.77	\$1,573,123.76	\$1,620,317.47
8	9/25/2019	\$233,306.73	\$14,866.02	\$218,440.71	\$1,354,683.05	\$1,395,323.54
9	3/25/2020	\$233,306.73	\$12,801.76	\$220,504.97	\$1,134,178.08	\$1,168,203.42
10	9/25/2020	\$233,306.73	\$10,717.98	\$222,588.75	\$911,589.33	\$938,937.01
11	3/25/2021	\$233,306.73	\$8,614.52	\$224,692.21	\$686,897.12	\$707,504.03
12	9/25/2021	\$233,306.73	\$6,491.18	\$226,815.55	\$460,081.57	\$473,884.02
13	3/25/2022	\$233,306.73	\$4,347.77	\$228,958.96	\$231,122.61	\$238,056.29
14	9/25/2022	\$233,306.73	\$2,184.12	\$231,122.61	(\$0.00)	(\$0.00)
		\$3,266,294.22	\$220,284.22	\$3,046,010.00		

LAKE HAVASU CITY
(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.
(Lessor)

By: _____

Title: Authorized Officer



PREPAYMENT SCHEDULE ADDENDUM
(Lockout Period)

Dated as of: **SEPTEMBER 25, 2015**

Lease Schedule No.: **1000140527**

Lessee: **LAKE HAVASU CITY**

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in the Schedule, which are by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein: "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Schedule Addendum amends and supplements the terms and conditions of the Lease. Unless otherwise defined herein, capitalized terms defined in the Lease shall have the same meaning when used herein. **Solely for purposes of the Schedule, Lessor and Lessee agree as follows:**

1. Notwithstanding anything to the contrary herein or the Lease, Lessee and Lessor agree that Lessee shall not exercise its prepayment or early purchase rights under the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule) or this Addendum prior to the end of the Lock-Out Period specified below.

Lock-Out Period: the first **12 months** of the Lease Term of the Schedule

2. Notwithstanding anything to the contrary in the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule), Lessee and Lessor agree that so long as no Event of Default has occurred and continues under the Lease **and** so long as Lessee gives Lessor at least 30 days prior written notice (the "Notice Period") **and** so long as the above Lock-Out Period has expired, Lessee may elect to prepay its obligations under the Schedule by paying to Lessor on the Rent Payment due date (a "Prepayment Date") following the Notice Period the total of the following (the "Prepayment Amount"): (a) all accrued Rent Payments, interest, taxes, late charges and other amounts then due and payable under the Lease; plus (b) the remaining principal balance payable by Lessee under the Schedule as of said Prepayment Date.
3. The parties acknowledge that the Termination Value column of the Payment Schedule to the Schedule is included solely for purposes of the calculations required by Section 13.3 of the Master Lease (casualty loss of Equipment), Section 14.1 of the Master Lease (required amount of casualty loss insurance) and Subsection 20(c) of the Master Lease (post-default remedies of Lessor) and said Termination Value column does not negate the restrictions on purchase options or voluntary prepayment in paragraphs 1 and 2 of this Addendum.
4. The prepayment or early purchase option rights granted herein shall control in the event of any conflict between the provisions of this Addendum and the Master Lease as it relates to the Schedule. Except as expressly amended or supplemented by this Addendum and other instruments signed by Lessor and Lessee, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first written above.

LAKE HAVASU CITY
(Lessee)

JPMORGAN CHASE BANK, N.A.
(Lessor)

By: _____

By: _____

Title: _____

Title: Authorized Officer



SOFTWARE ACQUISITION SCHEDULE ADDENDUM

Lease Schedule No: 1000140527

Lessee: LAKE HAVASU CITY

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in the Schedule, which are by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein: "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Schedule Addendum amends and supplements the terms and conditions of the Lease. Unless otherwise defined herein, capitalized terms defined in the Lease shall have the same meaning when used herein.

1. In order to induce Lessor to enter into the Lease, Lessee represents and warrants to Lessor as follows:

(a) the Equipment includes a substantial amount of software, technology applications, other proprietary information and installation services associated with the acquisition of such property ("Software");

(b) useful economic life of the Software exceeds the Lease Term by at least 12 months;

(c) the term of the agreements (collectively, "License Agreements") pursuant to which Lessee receives the licenses or other rights to use the Software from the Supplier(s) of the Software (hereinafter, each such Supplier referred to as a "Licensor") exceeds the useful economic life of the Software; and

(d) all of the costs of acquiring, licensing and installing the Software which are payable under the License Agreements and which are included in the amount financed under the Lease are properly chargeable to the capital account of Lessee and properly identified as capital expenditures by Lessee.

2. In order to induce Lessor to enter into the Lease, Lessee covenants and agrees as follows:

(a) Upon Lessor's request from time to time, Lessee will provide to Lessor complete and accurate copies of all License Agreements and documentation related thereto with respect to any Software;

(b) All License Agreements shall remain in full force and effect during the Term of the Lease and Lessee shall not suffer or permit the termination or cancellation any License Agreement;

(c) Lessee is solely responsible for the performance of all obligations of Lessee under the License Agreements, including, but not limited to, providing any applicable financing notice to Licensor;

(d) each Licensor remains solely responsible for the performance of all obligations of the Licensor under the applicable License Agreements;

(e) Lessor has no obligations of any kind to Lessee or to any Licensor under any License Agreement or in connection with any Software;

(f) If an Event of Default or a Non-Appropriation Event occurs under the Lease, then in addition to all other rights and remedies available to Lessor under the Master Lease, Lessee shall cease to use or operate any Software and Lessee shall remove all Software from any equipment used or operated by Lessee; and

(g) NO DEFECT IN OR UNFITNESS OF ANY SOFTWARE AND NO FAILURE TO DELIVER OR INSTALL ANY SOFTWARE AND NO FAILURE IN THE PERFORMANCE OF ANY SOFTWARE SHALL RELIEVE LESSEE OF ANY OBLIGATION UNDER THE LEASE OR ANY OBLIGATION TO PAY RENT PAYMENTS WHEN DUE.

3. Except as expressly amended or supplemented by this Addendum and other instruments signed by Lessor and Lessee, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date of the Schedule first referenced above.

LAKE HAVASU CITY

(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.

(Lessor)

By: _____

Title: Authorized Officer



RESOLUTION AND DECLARATION OF OFFICIAL INTENT

Lessee: LAKE HAVASU CITY

Principal Amount Expected To Be Financed: \$3,046,010.00

WHEREAS, the above Lessee is a political subdivision of the State in which Lessee is located (the "State") and is duly organized and existing pursuant to the constitution and laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interests in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more lease-purchase agreements ("Equipment Leases") in the principal amount not exceeding the amount stated above ("Principal Amount") for the purpose of acquiring the property generally described below ("Property") and to be described more specifically in the Equipment Leases is appropriate and necessary to the functions and operations of the Lessee.

Brief Description Of Property: See Attached Schedule A-1

WHEREAS, JPMorgan Chase Bank, N.A. ("Lessor") is expected to act as the lessor under the Equipment Leases.

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Equipment Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

NOW, THEREFORE, Be It Resolved by the Governing Body of the Lessee:

SECTION 1. Either one of the (insert title) _____ **OR** the (insert title) _____ (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

SECTION 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Leases on behalf of the Lessee.

SECTION 3. The aggregate original principal amount of the Equipment Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Leases and the Equipment Leases shall contain such options to purchase by the Lessee as set forth therein.

SECTION 4. The Lessee's obligations under the Equipment Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease and the Lessee's obligations under the Equipment Leases shall not constitute a general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

SECTION 5. The Governing Body of Lessee anticipates that the Lessee may pay certain capital expenditures in connection with the Property prior to the receipt of the Lease Purchase Proceeds for the Property. The Governing Body of Lessee hereby declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for Property expenditures. This section of the Resolution is adopted by the Governing Body of Lessee for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Resolution does not bind the Lessee to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

SECTION 6. This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on this _____, 20__.

The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

Signature of Secretary/Clerk of Lessee

Print Name: _____

Official Title: _____

Date: _____



FORM OF OPINION OF COUNSEL
(To Be Typed on Attorney's Letterhead Stationery)

Date: SEPTEMBER 25, 2015

Lessee: LAKE HAVASU CITY

Lessor: JPMORGAN CHASE BANK, N.A.

Re: Lease Schedule No. **1000140527** dated **SEPTEMBER 25, 2015** together with its Master Lease-Purchase Agreement dated as of **October 30, 2012** by and between the above-named Lessee and the above-named Lessor and the Escrow Agreement dated **SEPTEMBER 25, 2015** relating to the foregoing.

Sir/Madam:

I have acted as counsel to Lessee with respect to the Lease Schedule and its Addenda, the Master Lease-Purchase Agreement and its Addenda, and all other agreements described above or related thereto (collectively, the "Agreements") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Agreements and such other documents as I have deemed necessary for the purposes of this opinion.

Based upon the examination of such documents, it is my opinion that:

1. Lessee is a political subdivision of the State of AZ (the "State") duly organized, existing and operating under the Constitution and laws of the State.
2. Lessee is authorized and has power under State law to enter into all of the Agreements, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Agreements and all other documents related thereto have been duly authorized, approved and executed by and on behalf of Lessee, and each of the Agreements is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting creditor's remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
4. The authorization, approval and execution of the Agreements and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable Local, State and Federal laws (including open meeting laws and public bidding and property acquisition laws).
5. To the best of my knowledge, there is no litigation or proceeding pending before any court, administrative agency or governmental body, that challenges: the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of any of the Agreements or any documents relating thereto; the appropriation of monies to make payments under the Agreements for the current fiscal year; or the ability of Lessee otherwise to perform its obligations under the Agreements and the transactions contemplated thereby.
6. Lessee is a political subdivision of the State as referred to in Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder.

Lessor, its Assignee and any of their assigns may rely upon this opinion.

Very truly yours,

Attorney



PROCEEDS DISBURSEMENT AUTHORIZATION

JPMORGAN CHASE BANK, N.A.
1111 Polaris Parkway, Suite A3 (OH1-1085)
Columbus, OH 43240

Date: **SEPTEMBER 25, 2015**

Re: Disbursements Of Proceeds Under The MASTER LEASE PURCHASE AGREEMENT Referred To Below

Reference is made to that certain Master Lease Purchase Agreement dated **October 30, 2012** between **LAKE HAVASU CITY**, ("Lessee") and **JPMORGAN CHASE BANK, N.A.** (the "Lessor") and the Lease Schedule #**1000140527** dated **SEPTEMBER 25, 2015** and the related Escrow Agreement dated **SEPTEMBER 25, 2015**.

I hereby instruct you and authorize you to disburse **\$3,046,010.00** to the account payee(s) as specified below:

Payee
DEUTSCHE BANK TRUST COMPANY AMERICAS
60 WALL STREET
NEW YORK, NY 10005
Attn: Kyshawn White

By signing below, Lessee authorizes Lessor to issue checks or direct fund transfers to the payees, in the amounts, and per the instructions (if applicable) set forth above. Lessee also acknowledges that it may be responsible for paying other fees directly to third parties, such as Lessor's counsel, and making other disbursements in connection with the lease transaction per the terms of the lease documents. Lessor may rely and act on the instructions set forth herein and shall not be responsible for the use or application of the funds, and Lessee shall indemnify, defend and hold harmless Lessor from and against any and all losses, costs, expenses, fees, claims, damages, liabilities, and causes of action in any way relating to or arising from acting in accordance therewith. In the event of any conflict with any other instruction set forth herein, the ABA # and Account # shall control.

IN WITNESS WHEREOF, the Lessee has caused this Proceeds Disbursement Authorization to be executed as of the day and year first above written.

LAKE HAVASU CITY
(Lessee)

By: _____

Title: _____

Instructions for Form 8038-G (Rev. September 2012)



Department of the Treasury
Internal Revenue Service

(Use with the September 2011 revision of Form 8038-G.)

Information Return for Tax-Exempt Governmental Obligations

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form

Form 8038-G is used by issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt obligations issued after December 31, 1986, issuers must file...
\$100,000 or more	A separate Form 8038-G for each issue
Less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales



For all build America bonds and recovery zone economic development bonds use Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds. For tax credit bonds and specified tax credit bonds use Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under Section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file timely is not due to willful neglect. Type or print at the top of the form "Request for Relief under section 3 of Rev. Proc. 2002-48" and attach a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not

submit copies of the trust indenture or other bond documents. See *Where To File* next.

Where To File

File Form 8038-G, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate.

For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For build America bonds (Direct Pay), build America bonds (Tax Credit), and recovery zone economic development bonds, complete Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.

For qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, qualified school construction bonds, clean renewable energy bonds, and all other qualified tax credit bonds (except build America bonds), file Form 8038-TC,

Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

Rounding to Whole Dollars

You may show amounts on this return as whole dollars. To do so, drop amounts less than 50 cents and increase amounts from 50 cents through 99 cents to the next higher dollar.

Questions on Filing Form 8038-G

For specific questions on how to file Form 8038-G send an email to the IRS at TaxExemptBondQuestions@irs.gov and put "Form 8038-G Question" in the subject line. In the email include a description of your question, a return email address, the name of a contact person, and a telephone number.

Definitions

Tax-exempt obligation. This is any obligation, including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation.

A tax-exempt obligation that is not a private activity bond (see next) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, **and**
- More than 10% of the payment of principal or interest of the issue is **either (a)** secured by an interest in property to be used for a private business use (or payments for such property) **or (b)** to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which **(a)** are to be used directly or indirectly to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and **(b)** exceeds the lesser of 5% of the proceeds **or** \$5 million.

Issue price. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus,

when issued for cash, the issue price is the first price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, obligations are treated as part of the same issue if they are issued by the same issuer, on the same date, and in a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a “draw-down loan”) or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meet the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds are to be used for construction expenditures with respect to property to be owned by a governmental unit or a section 501(c)(3) organization, and
2. All the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a section 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make

an irrevocable election to pay a penalty. The penalty is equal to 1¹/₂% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Pooled financing issue. This is an issue of tax-exempt bonds, the proceeds of which are to be used to finance purpose investments representing conduit loans to two or more conduit borrowers, unless those conduit loans are to be used to finance a single capital project.

Specific Instructions

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the *Amended Return* box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new or corrected information. Attach an explanation of the reason for the amended return and write across the top, “Amended Return Explanation.” Failure to attach an explanation may result in a delay in processing the form.

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. For a lease or installment sale, the issuer is the lessee or the purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Line 3a. If the issuer wishes to authorize a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) to communicate with the IRS and whom the IRS may contact about this return (including in writing or by telephone), enter the name of such person here. The person listed in line 3a must be an individual. Do not enter the name and title of an officer or other employee of the issuer here (use line 10a for that purpose).

Note. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to

communicate directly with the individual entered on line 3a and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer's number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for all written communications regarding the processing of this return, including any notices.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Line 7. The date of issue is generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue in an MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write “None.”

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) whom the IRS may call for more information about the return, enter the name, title, and telephone number of such person on lines 3a and 3b.



Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II—Type of Issue



Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of obligations issued by entering the corresponding issue price (see *Issue price* under *Definitions* earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these obligations, if different from those

of the issuer, include a brief summary of the use and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the obligations are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the obligations are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check box 19b. Do not check both boxes.

Line 20. Check this box if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the obligation are received in the form of cash, even if the term "lease" is used in the title of the issue.

Part III—Description of Obligations

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see *Issue price* under *Definitions* earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to compute the present value of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to compute the yield on an issue. If the issue is a variable rate issue, write "VR" as the yield of the issue. For other

than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV—Uses of Proceeds of Bond Issue

For a lease or installment sale, write "N/A" in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used to pay interest from the date the bonds are dated to the date of issue.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds within 90 days of the date of issue.

Line 28. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds after 90 days of the date of issue, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds. For a lease or installment sale, write "N/A" in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined in the same manner as on line 21, column (d).

Line 34. If more than a single issue of bonds will be refunded, enter the date of issue of each issue. Enter the date in an MM/DD/YYYY format.

Part VI—Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not

more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be invested in a guaranteed investment contract (GIC), as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. If the issue is a pooled financing issue (as defined under *Pooled financing issue* in *Definitions*), enter the amount of the proceeds used to make loans to other governmental units, the interest on which is tax-exempt.

Line 38. If the issue is a loan of proceeds from a pooled financing issue (as defined under *Pooled financing issue* in *Definitions*), check the box and where asked for the date of issue, EIN, and name of the issuer of the master pool obligation, enter the date of issue, EIN, and name of the issuer of the pooled financing issue.

Line 40. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736 for rules regarding the "election document."

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for computing arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a "deliberate action" after the issue date that causes the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action. Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to

Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified purpose prior to the issuance of the bonds. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless excepted by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-G and any applicable certification. Also print the name and title of the person signing Form 8038-G. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that have been designated in Form 8038-G.

Note. If the issuer in Part 1, lines 3a and 3b authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized officer of the issuer filled in this return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature (a facsimile signature is acceptable),
- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form	2 hr., 41 min.
Preparing, copying, assembling, and sending the form to the IRS	3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Do not** send the form to this office. Instead, see *Where To File*.

Information Return for Tax-Exempt Governmental Obligations

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

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>	
If obligations are BANs, check only box 19b		<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

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

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

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b Enter the final maturity date of the GIC ▶ _____		
c Enter the name of the GIC provider ▶ _____		
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input type="checkbox"/> and enter the following information:		
b Enter the date of the master pool obligation ▶ _____		
c Enter the EIN of the issuer of the master pool obligation ▶ _____		
d Enter the name of the issuer of the master pool obligation ▶ _____		
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/>		
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>		
41a If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information:		
b Name of hedge provider ▶ _____		
c Type of hedge ▶ _____		
d Term of hedge ▶ _____		
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>		
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/>		
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/>		
45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative	▶ _____ Date	▶ _____ Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		



**LEASE-PURCHASE (NON TITLE VEHICLE) INSURANCE REQUEST LETTER
PUBLIC SECTOR**

September 11, 2015

WILLIS OF ARIZONA INC

C/O LAKE HAVASU CITY RISK MANAGEMENT

2330 McCULLOCH BLVD N

LAKE HAVASU CITY, AZ 86403

Phone #: 877-945-7378

Email: _____

Dear Agent:

JPMORGAN CHASE BANK, N.A. (the "Bank") requires proof of acceptable insurance coverage before the transaction can close. The requirements identified below must be provided to us on a Certificate of Insurance and stay in full effect throughout the term of the transaction.

1. The certificate of insurance must be issued directly to JPMorgan Chase Bank, N.A. and shall be issued by a company having an A.M. Best Rating of at least A- with a Financial Size Category of at least VIII.
2. The certificate of insurance must be executed.
3. The insurance must be primary and without right of contribution and any insurance maintained by the Bank or any other additional insured or loss payee will be in excess and non-contributory.
4. Policies must include a Waiver of Subrogation in favor of "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns".
5. Policies must include a Severability of Interest and Cross-Liability clause.
6. Policies must include written Notice of Cancellation to the Certificate Holder/Additional Insured pursuant to the terms of the policy. Such notice must be directed by certified mail to: JPMorgan Chase Bank, N.A., 1111 Polaris Parkway, Suite A3, Columbus, Ohio 43240, Attn: Insurance Dept.
7. **PHYSICAL DAMAGE**
 - a. Replacement cost coverage for the equipment identified on the attached Schedule A-1, which is estimated to be **\$3,046,010.00**.
 - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Loss Payee.
8. **LIABILITY**
 - a. General liability coverage must be provided in the amount of **\$1,000,000.00**.
 - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Additional Insured.

Please immediately send proof of the above insurance requirements **VIA EMAIL TO: lory.r.king@chase.com**.

Sincerely,

LAKE HAVASU CITY

By: _____



ESCROW AGREEMENT
(Gross Fund-Earnings to Lessee)

Dated as of: SEPTEMBER 25, 2015

This Escrow Agreement together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented ("Agreement") is made and entered as of the date set forth above by and among the Escrow Agent identified below ("Escrow Agent"), the Lessee identified below ("Lessee") and JPMorgan Chase Bank, N.A. ("Lessor"). As used herein, "Party" shall mean any of Lessee, Lessor or Escrow Agent, and "Parties" shall mean all of Lessee, Lessor and Escrow Agent. The Parties hereby authorize the Escrow Agent to act as escrow agent hereunder. All references to Escrow Agent shall mean Deutsche Bank Trust Company Americas in its capacity as escrow agent only, and all references to Lessor shall mean JPMorgan Chase Bank, N.A. in its capacity as lessor only.

Escrow Agent: Deutsche Bank Trust Company Americas

Lessee: LAKE HAVASU CITY

For good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS.

1.01 Lessor and Lessee have entered into the Lease identified below whereby Lessor has agreed to lease and sell certain property described therein (the "Equipment") to Lessee, and Lessee has agreed to lease and purchase the Equipment from Lessor, in the manner and on the terms set forth in the Lease.

1.02 "Lease" means, collectively, the Lease Schedule identified below and the Master Lease-Purchase Agreement identified in said Lease Schedule (to the extent that it relates to said Lease Schedule) together with all exhibits, schedules, addenda, riders and attachments thereto. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between Lessee and Lessor, in connection herewith, if any, including without limitation the Lease, nor shall the Escrow Agent be required to determine if any person or entity has complied with any such agreements, nor shall any such obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. In the event of any conflict between the terms and provisions of this Agreement, those of the Lease, any schedule or exhibit attached to the Agreement, or any other agreement among the Parties, the terms and conditions of this Agreement shall control.

Lease Schedule No. 1000140527

1.03 **LESSOR'S DEPOSIT: \$3,046,010.00.** Lessor shall pay or cause to be paid to the Escrow Agent the amount of the Lessor's Deposit. The date that the Lessor's Deposit is paid to the Escrow Agent shall be referred to as the "Lessor's Deposit Date". Escrow Agent shall credit the Lessor's Deposit to the Equipment Acquisition Fund established in Section 2 hereof on the Lessor's Deposit Date. To the extent that the purchase price of the Equipment exceeds the Lessor's Deposit, Lessee shall either notify Escrow Agent and then deposit with Escrow Agent funds which will be credited to the Equipment Acquisition Fund and used to pay the balance of the purchase price of the Equipment or Lessee shall pay such balance directly to the suppliers.

1.04 **FUNDING EXPIRATION DATE: 03/25/2017** ("Funding Expiration Date"). Lessee and Lessor agree that all Equipment should be delivered and installed, and all funds disbursed from the Equipment Acquisition Fund, no later than the above Funding Expiration Date.

1.05 Under the Lease, Lessee will cause each item of Equipment to be ordered from the applicable suppliers. Lessee shall furnish to Lessor as soon as available, a copy of the purchase orders or purchase contracts for all Equipment ordered pursuant to the Lease, showing the supplier, the purchase price and the estimated delivery dates.

1.06 Subject to such control by Lessee and Lessor as is provided herein, Lessor and Lessee agree to appoint the Escrow Agent and the Escrow Agent accepts such appointment to receive, hold, invest and disburse the moneys deposited with the Escrow

Agent as described in this Agreement. The Escrow Agent shall not be obligated to assume or perform any obligation of Lessee or Lessor under the Lease or of any supplier with respect to any Equipment by reason of anything contained in this Agreement. Escrow Agent shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties shall be implied. Any funds in the Equipment Acquisition Fund not needed to pay the purchase price of Equipment will be paid to Lessor or Lessee, all as hereinafter provided.

1.07 This Agreement is not intended to alter or change in any way the rights and obligations of Lessor and Lessee under the Lease, but is entirely supplemental thereto. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all Parties.

1.08 Each of the Parties hereto has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the Parties hereto to the fullest extent permitted by law, to the end that this Agreement shall be enforced as written.

SECTION 2. EQUIPMENT ACQUISITION FUND.

2.01 The Escrow Agent's sole responsibility prior to the Lessor's Deposit Date shall be to establish an escrow account designated as the Equipment Acquisition Fund (the "Equipment Acquisition Fund"). Escrow Agent shall keep such funds deposited into the escrow account separate and apart from all other funds and money held by it, and shall administer such funds as provided in this Agreement. Escrow Agent's rights and responsibilities under this Agreement, other than establishment of the Equipment Acquisition Fund, shall begin on the Lessor's Deposit Date, which may be on or after the date of this Agreement.

2.02 The Lessor's Deposit and any funds deposited by Lessee under Section 1.03 hereof shall be credited to the Equipment Acquisition Fund on the Lessor's Deposit Date and shall be used to pay the balance of the purchase price of each item of Equipment subject to the Lease. The Escrow Agent shall pay to the suppliers of the Equipment the payment amounts then due and payable with respect thereto upon receipt of a written request executed by an Authorized Representative (as defined in Section 7) of the Lessor, delivered to the Escrow Agent in accordance with Section 9.02, and after the Escrow Agent has satisfied any applicable security procedures as required by Section 7. The written request will specify the supplier/beneficiary, its address or wire instructions and the applicable portion of the Equipment Acquisition Fund to be paid (the "Receipt Certificate/Payment Request"). As between Lessee and Lessor only, Lessee agrees that it will submit to Lessor for Lessor's signature a Receipt Certificate/Payment Request that has been executed by Lessee together with (a) the suppliers' invoices specifying the applicable portion of the purchase price of the items of Equipment described in said Receipt Certificate, (b) if the item of Equipment is a titled vehicle, a copy of the Manufacturer's Statement of Origin (MSO) covering such item showing Lessor as first and sole lienholder, and (c) any other documents required by the Lease, and Lessee agrees that Lessor shall not be obligated to execute any such Receipt Certificate until all of the foregoing have been submitted to Lessor.

2.03 If an Authorized Representative of the Lessor delivers to the Escrow Agent written notice of the occurrence of an event of default under the Lease or of a termination of the Lease due to a non-appropriation event or non-renewal event under the Lease, then the Escrow Agent shall immediately remit to Lessor the remaining balance of the Equipment Acquisition Fund. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall comply with all written instructions from an Authorized Representative of Lessor without further consent from Lessee or any other person. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall not accept or act upon any instruction from Lessee nor shall it permit any distribution or release of any part of the Equipment Acquisition Fund without written authorization from an Authorized Representative of the Lessor.

2.04 Upon the Escrow Agent's receipt of a Full Funding Notice (as defined below), the Escrow Agent shall apply the balance remaining in the Equipment Acquisition Fund:

first, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

second, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal and interest portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.

"Full Funding Notice" means written notification by an Authorized Representative of the Lessor to the Escrow Agent of the Lessor's receipt of the Final Receipt Certificate/Payment Request which confirms that all Equipment covered by the Lease has been delivered to and accepted by Lessee under the Lease and that the full amount of the Lessor's Deposit has been paid to the applicable suppliers.

2.05 Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the remaining balance in the Equipment Acquisition Fund:

first, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

second, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.

Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the interest earnings on the Equipment Acquisition Fund as set forth in Section 2.04 above.

2.06 The Escrow Agent shall not be responsible for the sufficiency of the moneys credited to the Equipment Acquisition Fund to make the payments herein required.

2.07 This Agreement shall terminate upon disbursement by the Escrow Agent of all money held by it hereunder, subject to the provisions of Section 4.

SECTION 3. MONEY IN EQUIPMENT ACQUISITIONS FUND; INVESTMENT.

3.01 The money and investments held by the Escrow Agent under this Agreement are irrevocably held in escrow for the benefit of Lessee and Lessor, and such money, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to any security interest or lien, by or for the benefit of any creditor of either Lessee or Lessor; provided, that the money and investments held by the Escrow Agent under this Agreement shall be subject to the security interests provided in Sections 3.07 and 4.03 hereof and further shall be subject to Section 12.04.

3.02 Money held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent at the written direction executed by an Authorized Representative of Lessee in Qualified Investments (as defined below). Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent. The Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving consideration for the time at which funds are required to be available. No investment instruction shall be given that would cause the Agreement to be deemed an "arbitrage bond" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

3.03 The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Equipment Acquisition Fund. Lessee acknowledges and agrees that all investments made pursuant to this section shall be for the account and risk of Lessee and any losses associated with investments shall be borne solely by Lessee. Escrow Agent shall from time to time invest and reinvest the funds held in the Equipment Acquisition Fund account, as and when instructed by an Authorized Representative of Lessee, in writing, in any one or more of the following (hereinafter, "Qualified Investments"): (a) obligations of the United States of America or any agency created thereby; (b) general obligations of any State of the United States of America; (c) general obligations of any political subdivision of a State of the United States of America, if such obligations are rated by at least two recognized rating services as at least AA; (d) certificates of deposit of any national bank or banks (including, if applicable, Escrow Agent or an affiliate of Escrow Agent) insured by the Federal Deposit Insurance Corporation (FDIC) with a net worth in excess of \$100,000,000.00 ("Acceptable Bank"); (e) obligations of State or Municipal Public Housing Authorities chartered by the United States of America and guaranteed by the United States of America; (f) demand interest bearing accounts of Escrow Agent or an affiliate of Escrow Agent if Escrow Agent or an affiliate of Escrow Agent is an Acceptable Bank; (g) money market funds whose assets are solely invested in obligations listed in (a) through (f) above, including repurchase agreements secured by such obligations and which money market funds are rated in either of the two highest categories of any Rating Agency at the time of purchase, including, without limitation, the Deutsche Bank Trust Company Americas Funds, or any other mutual fund for which the Escrow Agent or an affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (2) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are, separate from the fees received from such funds and (3) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates; and (h) any other obligations approved in writing by Lessor. Unless otherwise directed in writing by an Authorized Representative of the Lessee, the Escrow Agent shall invest the Equipment Acquisition Fund, including all income earnings, as selected by the Lessee on schedule 1 hereto ("Schedule 1") upon the execution of this Agreement. In the event that no election is made by an Authorized Representative of Lessee by the Lessor's Deposit Date, Escrow Agent shall invest the Equipment Acquisition Fund in an investment available through the Escrow Agent's Trust Platform or in an interest bearing account that the Escrow Agent has agreed to and upon written direction to the Escrow Agent.

3.04 If any of the above-described Qualified Investments are **not** legal investments of Lessee, then an Authorized Representative of the Lessee shall immediately notify Escrow Agent which of said Qualified Investments are not legal investments of Lessee, and shall provide Escrow Agent with direction to invest funds in accordance with Section 3.03. It is the sole responsibility of the Lessee to ascertain that all investments comply with all applicable federal, state, and local laws, statues, and policies.

3.05 The Escrow Agent shall, without further direction, sell such investments as and when required to make any payment from the Equipment Acquisition Fund. Any income received on such investments shall be credited to the Equipment Acquisition Fund.

3.06 The Escrow Agent shall furnish a monthly statement listing all investments to Lessor and to Lessee. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with this Section. Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any Qualified Investment furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Parties. The Escrow Agent has no responsibility whatsoever to determine the market or other value of any Qualified Investment and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of a Qualified Investment.

3.07 Lessee hereby grants Lessor a security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the payment and performance of all of Lessee's obligations under the Lease, this Agreement and any agreement, contract or instrument related to the Lease or this Agreement. Lessee represents and warrants to Lessor that the money and investments held by the Escrow Agent under this Agreement are free and clear of any liens, security interests or encumbrances other than the security interests created under this Agreement. Escrow Agent hereby acknowledges that it holds the money and investments held by the Escrow Agent under this Agreement subject to such security interest created by Lessee as bailee for Lessor; provided, that Escrow Agent's security interest in such money and investments as created under Section 4.03 hereof shall be superior to Lessor's security interest therein. It is understood that Escrow Agent has no responsibility with respect to the validity or perfection of the security interest other than to act in accordance with the terms of this Agreement.

SECTION 4. ESCROW AGENT'S AUTHORITY; INDEMNIFICATION.

4.01 The Escrow Agent may: act in reliance upon any writing, notice, certificate, instruction, instrument or signature which it, in good faith, believes to be genuine and to have been signed by an Authorized Representative of the applicable Party or Parties; assume the validity and accuracy of any statement or assertion contained in such a writing, notice, certificate, instruction or instrument; and assume that any person purporting to give any such writing, notice, certificate, instruction or instrument in connection with the provisions hereof has been duly authorized to do so. Except as expressly provided otherwise in this Agreement, the Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form of, the manner of execution of, or the validity, accuracy or authenticity of any writing, notice, certificate, instruction or instrument deposited with it, nor as to the identity, authority or right of any person executing the same. The Escrow Agent shall not be liable for any action taken, suffered or omitted to be taken by it except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to either Party. The Escrow Agent's duties hereunder (including, without limitation, its duties as to the safekeeping, investment and disbursement of moneys in the Equipment Acquisition Fund) shall be limited to those specifically provided herein.

4.02 Lessee and Lessor jointly and severally shall indemnify, defend and save harmless the Escrow Agent from any and all claims, liabilities, losses, damages, fines, penalties and expenses (including out-of pocket and incidental expenses and fees and expenses of in house or outside counsel) ("Losses") arising out of or in connection with (i) its execution and performance of this Agreement, except to the extent and that such Losses are determined by a court of competent jurisdiction through a final order to have been caused by the gross negligence or willful misconduct of the Escrow Agent, or (ii) its following any instructions or other directions from Lessee or the Lessor, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The provisions of this Section 4.02 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent for any reason. The indemnifications set forth herein are intended to and shall include the indemnification of all affected agents, directors, officers and employees of the Escrow Agent. In no event shall the Escrow Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

4.03 Lessee and Lessor hereby grant Escrow Agent a first priority security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the costs and expenses of the foregoing of Section 4.02 and for any other expenses, costs, fees or charges of any character or nature which may be incurred by the Escrow Agent (including reasonable attorneys' fees and court costs) relating to any suit (interpleader or otherwise) or other dispute arising between Lessee and Lessor as to the correct interpretation of the Lease, this Agreement or any instructions given to the Escrow Agent hereunder, with the right of the Escrow Agent, regardless of the instructions aforesaid, to hold the said property until and unless said expenses, costs, fees and charges shall be fully paid.

4.04 Except as otherwise provided in accordance with Section 2.03 above, if Lessee or Lessor disagree about the interpretation of the Lease or this Agreement, about their rights and obligations under the Lease or this Agreement, or about the propriety of any action contemplated by the Escrow Agent hereunder, then the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Lessee and Lessor shall pay all costs, including reasonable attorneys' fees, in connection with such action. Unless the Escrow Agent has received a notice of an event of default under the Lease in accordance with Section 2.03 above, if Escrow Agent receives conflicting instructions from the Parties, the Escrow Agent shall be entitled and fully protected in (a) suspending all or any part of its activities under this Agreement until it shall be given a joint written direction executed by Authorized Representatives of the Parties which eliminates such conflict or by a final court order or (b) file an action in interpleader. Lessor and Lessee agree to pursue any redress or recourse in connection with any dispute without making the Escrow Agent a party to the same.

4.05 Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through affiliates or agents.

4.06 The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by the Escrow Agent's gross negligence or willful misconduct. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

SECTION 5. CHANGE OF ESCROW AGENT.

5.01 Upon agreement of the parties hereto, a national banking association or a state bank having capital (exclusive of borrowed capital) and surplus of at least \$10,000,000.00, qualified as a depository of public funds, may be substituted to act as Escrow Agent under this Agreement. Such substitution shall not be deemed to affect the rights or obligations of the parties hereto. Upon any such substitution, the Escrow Agent agrees to assign to such substitute Escrow Agent all of its rights under this Agreement.

5.02 The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving thirty (30) calendar days' prior written notice of such resignation to the Lessee and Lessor. The Lessee and Lessor may remove the Escrow Agent at any time by giving thirty (30) calendar days' prior written notice to the Escrow Agent. Upon such notice, a successor escrow agent shall be appointed by the Lessor and Lessee, who shall provide written notice of such to the resigning Escrow Agent. Such successor escrow agent shall become the escrow agent hereunder upon the resignation or removal date specified in such notice. If the Lessor and Lessee are unable to agree upon a successor escrow agent within thirty (30) days after such notice, the Escrow Agent may, in its sole discretion, deliver the Equipment Acquisition Fund to the Lessor at the address provided herein or may apply to a court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief. The costs and expenses (including its attorneys' fees and expenses) incurred by the Escrow Agent in connection with such proceeding shall be paid by the Lessee and Lessor. Upon receipt of the identity of the successor escrow agent, the Escrow Agent shall either deliver the Escrow Property then held hereunder to the successor Escrow Agent, less the Escrow Agent's fees, costs and expenses or other obligations owed to the Escrow Agent to be paid from any interest earned in respect of the Escrow Property, or hold any interest earned in respect of the Escrow Property (or any portion thereof), pending distribution, until all such fees, costs and expenses or other obligations are paid. Upon its resignation and delivery of the Escrow Property as set forth in this Section, the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with the Escrow Property or this Agreement.

5.03 The Escrow Agent may appoint an agent to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Agreement, to hold title to property or to take any other action which may be desirable or necessary hereunder.

5.04 Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business to any corporation, association or other entity resulting from any such conversion, sale, merger consolidation or other transfer to which it is a party, ipso facto, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

SECTION 6. ADMINISTRATIVE PROVISIONS.

6.01 The Escrow Agent shall keep complete and accurate records of all money received and disbursed under this Agreement, which shall be available for inspection by Lessee or Lessor, or the agent of either of them, at any time during regular business hours.

6.02 This Agreement shall be construed and governed in accordance with the laws of the State of where Lessee is located. Each Party irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of where the Lessee is located. To the extent that in any jurisdiction either Party may now or hereafter be entitled to claim for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, such Party shall not claim, and hereby irrevocably waives, such immunity.

6.03 The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to Escrow Agent shall comply with applicable laws and regulations. Any provision of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

6.04 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Any entity into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any entity to which all or substantially all the escrow business may be transferred, shall be the Escrow Agent under this Agreement without further act. Specifically, the term "Lessor" as used herein means any person or entity to whom Lessor has assigned its right to receive Rent Payments under the Lease and any other payments due to Lessor hereunder from and after the date when a written notice of such assignment is filed with the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned by any Party without the prior consent of Escrow Agent and the other Party; unless the assignment is to JPMorgan Chase & Co., then consent will not be required.

6.05 This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement. Except as expressly provided in Section 4 above, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of the Equipment Acquisition Fund or this Agreement.

6.06 All signatures of the Parties to this Agreement may be transmitted by a Portable Document Format ("PDF"), and PDF will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party.

SECTION 7. SECURITY PROCEDURES.

In the event funds transfer instructions are given (whether in writing or by PDF, executed by the appropriate Party or Parties as evidenced by the signatures of the person or persons signing this Agreement or one of their designated persons as set forth in Schedule 2 (each an "Authorized Representative"), and delivered to the Escrow Agent in accordance with Section 9.02, the undersigned is authorized to certify that the signatories on Schedule 2 are specimen signatures of each of their respective Authorized Representatives. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Lessee or Lessor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The Lessor and Lessee acknowledge that these security procedures are commercially reasonable.

SECTION 8. ESCROW AGENT FEES.

\$1,000.00 ("Acceptance Fee"). \$1,500 ("Administration Fee"). \$100 ("Each Disbursement Fee"). As compensation for Escrow Agent's services hereunder, Lessee agrees to pay Escrow Agent the above Acceptance Fee, Administration Fee, and Each Disbursement Fee; provided, that Escrow Agent will waive the Acceptance Fee, and Each Disbursement Fee, so long as the Qualified Investment for the Lessor's Deposit shall be an eligible deposit of any bank affiliate of the Escrow Agent. If the Acceptance Fee is payable by Lessee, then Lessee authorizes Escrow Agent either to deduct said Acceptance Fee, Administration Fee, and Each Disbursement Fee from the interest and earnings otherwise payable to Lessee under this Agreement or to bill and collect said Acceptance Fee, Administration Fee and Each Disbursement Fee at any time. In addition, Lessee agrees to reimburse Escrow Agent for its reasonable out-of-pocket costs and expenses and any extraordinary fees and expenses for performing its obligations hereunder (including, but not limited to, attorney's fees and expenses) and to pay all other amounts expressly due and payable to Escrow Agent hereunder. The Escrow Agent may impose, charge, pass-through and modify fees and/or charges for any account established and services provided by the Escrow Agent, including but not limited to, transactions, maintenance, balance-deficiency, and service fees, agency or trade execution fees, and other charges, including those levied by any governmental authority.

SECTION 9. NOTICES.

9.01 Notwithstanding anything to the contrary as set forth Section 9.02, any notices and demands under or related to this document shall be in writing and delivered to the intended Party at its address stated herein. Notice shall be deemed sufficiently given or made (a) upon receipt if delivered by hand, (b) on the Delivery Day after the day of deposit with a nationally recognized

courier service, (c) on the third Delivery Day after the day of deposit in the United States mail, sent certified, postage prepaid with return receipt requested, (d) only if to Lessee, on the third Delivery Day after the notice is deposited in the United States mail, postage prepaid, and (e) upon receipt if delivered by confirmed facsimile. "Delivery Day" means a day other than a Saturday, a Sunday, or any other day on which national banking associations are authorized to be closed. Any Party may change its address for the purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision.

9.02 Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of funds, including but not limited to any such funds transfer instructions that may otherwise be set forth in a written instruction permitted pursuant to Section 2 of this Agreement, shall be given to the Escrow Agent in writing, be executed by an Authorized Representative and sent as a PDF attached to an email only. No instruction for or related to the transfer or distribution of the Equipment Acquisition Fund shall be deemed delivered and effective unless Escrow Agent actually shall have received it on a Delivery Day as a PDF attached to an email only at the email address set forth in this Section 9.02 and as evidenced by a confirmed transmittal to the Party's or Parties email address and Escrow Agent has been able to satisfy any applicable security procedures as may be required hereunder. The Escrow Agent shall not be liable to any Party or other person for refraining from acting upon any instruction for or related to the transfer or distribution of the Equipment Acquisition Fund if delivered to any other fax number or email address, including but not limited to a valid email address of any employee of the Escrow Agent. The Lessor and Lessee acknowledge that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the internet and the Parties hereby expressly assume such risks.

Notices shall be addressed as follows:

- (i) If to the Lessee:
LAKE HAVASU CITY
TABITHA MILLER
2330 McCULLOCH BLVD NORTH
LAKE HAVASU CITY, AZ 86403
Telephone Number: (928)855-4230
Fax Number: (928)855-0551

- (ii) If to the Lessor:
JPMORGAN CHASE BANK, N.A.
1111 POLARIS PARKWAY, SUITE A-3
MAIL CODE OH1-1085
COLUMBUS, OHIO 43240
Attention: GNPH Operations Manager
Fax Number: 866-276-4068

- (iii) If to the Escrow Agent:
DEUTSCHE BANK TRUST COMPANY AMERICAS
60 WALL STREET, 16th Floor
NEW YORK, NY 10005
Attn: DBNY MP Escrow
Fax: 732 578-4593
Email: dbny-mpescrow@list.db.com

SECTION 10. FORCE MAJEURE.

Notwithstanding any other provision of this Agreement, no Party to this Agreement is liable to any other Party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control.

SECTION 11. JURY WAIVER.

ALL PARTIES TO THIS AGREEMENT WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTER CLAIM BROUGHT BY ANY PARTY AGAINST ANOTHER PARTY ON ANY MATTER WHATSOEVER ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS AGREEMENT.

SECTION 12. MISCELLANEOUS.

12.01 **Patriot Act Section 326 Customer Identification Program.** In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the

funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable Law"), the Escrow Agent are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Escrow Agent. Accordingly, each of the parties agree to provide to the Escrow Agent, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Escrow Agent to comply with Applicable Law.

12.02 **Taxpayer Identification Numbers ("TINs").** The other Parties have provided the Escrow Agent with their respective fully executed Internal Revenue Service ("IRS") Form W-8, or W-9 and/or other required documentation. The other Parties each represent that its correct TIN assigned by the IRS, or any other taxing authority, is set forth in the delivered forms.

12.03 **Tax Reporting.** All interest or other income earned under the Agreement shall be allocated to the Lessee and reported by the Escrow Agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned from the Equipment Acquisition Fund by the Lessee whether or not said income has been distributed during such year. The Lessor and Lessee hereby represent to the Escrow Agent that no other tax reporting of any kind is required given the underlying transaction giving rise to this Agreement. Escrow Agent shall withhold any taxes it deems appropriate, including but not limited to required withholding, in the absence of proper tax documentation or as required by law, and shall remit such taxes to the appropriate authorities.

12.04 **Court Orders.** In the event that any of the Equipment Acquisition Fund shall be attached, garnished, levied upon, or otherwise be subject to any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all such orders so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such order it shall not be liable to any of the Parties hereto or to any other person by reason of such compliance notwithstanding such order be subsequently reversed, modified, annulled, set aside or vacated.

IN WITNESS WHEREOF, the parties have executed this Agreement.

LAKE HAVASU CITY
(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.
(Lessor)

By: _____

Title: Authorized Officer

DEUTSCHE BANK TRUST COMPANY AMERICAS, as
escrow agent
(Escrow Agent)

By: _____

Title: _____

DEUTSCHE BANK TRUST COMPANY AMERICAS, as
escrow agent (Escrow Agent)

By: _____

Title: _____

Attachments: **Schedule 1 (Investment Authorization)**

Schedule 2 (Name/telephone # of call-back person(s) designated by Section 7 above)

Schedule 1

Investment Authorization
LAKE HAVASU CITY / Lease #1000140527

Investment: SELECT QUALIFIED INVESTMENT BELOW

During the term of this Agreement, the Equipment Acquisition Fund shall remain in a Non-Interest Bearing Account.

A money market mutual fund, including without limitation a JPMorgan Money Market Mutual Fund (collectively, " MMMF"), as selected by Lessee below,.

Check One (if the money market mutual fund option is selected above):

- JPMorgan Prime Money Market Fund Morgan Shares (283)
- JPMorgan U.S. Government Money Market Fund Morgan Shares (3916)
- JPMorgan U.S. Treasury Plus Money Market Fund Morgan Shares (3919)
- JPMorgan Federal Money Market Fund Morgan Shares (353)
- JPMorgan 100% U.S. Treasury Money Market Fund Morgan Shares (677)
- JPMorgan Tax Free Money Market Fund Morgan Shares (2)
- Federated U.S. Treasury Cash Reserves Money Market Fund Institutional Service Shares (632)
- Federated Government Obligations Tax-Managed Money Market Fund Institutional Service Shares (637)
- Federated Treasury Obligations Money Market Fund Institutional Service Shares (398)
- Federated Government Obligations Money Market Fund Institutional Service Shares (395)

Notes related to MMMFs:

- 1) An investment in any of the above investment options is subject to the availability of such money market mutual fund . If the selected investment is not available at the present time you will be contacted by a Deutsche Bank Trust Company Americas representative.
- 2) Each investment instrument above has a rating not lower than the highest rating category from both Standard & Poor's and Moody's.
- 3) Lessee acknowledges that an affiliate of Escrow Agent, Deutsche Bank Trust Company Americas, serves as investment manager for the selected MMMF and receives fees from the invested funds for services rendered separate from the fees for services rendered by Escrow Agent as further provided within this Agreement. MMMFs have rates of compensation that may vary from time to time based upon market conditions. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with Section 3 of the Agreement.
- 4) The Lessee, hereby acknowledges and confirms that it makes its own investment decisions and has not been offered any advice or recommendation on investing in any MMMF and if selected above, is based upon Lessee's independent review of prospectuses previously delivered to Lessee. The Lessee recognizes and agrees that the Escrow Agent has not and will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Equipment Acquisition Fund account or the purchase, sale, retention or other disposition of any Qualified Investment.
- (4) Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any MMMF furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Lessee and Lessor. Escrow Agent has no responsibility whatsoever to determine the market or other value of any MMMF or other non-cash Qualified Investments and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of an MMMF or such Qualified Investments.
- (5) SHAREHOLDER SERVICES FEES: Lessee acknowledges that the Fund is authorized to make payments from its management fee or any other source available to parties such as banks or broker-dealers ("Service Organizations") that

provide shareholder support services to the Fund and that Service Organizations currently are compensated at a rate of up to the Maximum Rate of .50% annually of the average net assets of each Fund with respect to which they provide or have provided shareholder support services. Lessee further acknowledges that Deutsche Bank Trust Company Americas is a Service Organization and is paid, and hereby consents to such payment, by the Fund up to the Maximum Rate annually of the average daily balance of the Account invested in the Fund for shareholder support services rendered to the Fund by Deutsche Bank Trust Company Americas, which services may include, without limitation, answering client's inquiries regarding the Fund, assistance to clients in changing dividend options, account designations and addresses, processing purchase and redemption transactions, providing periodic statements showing a client's account balance and the integration of such statement with other transactions, arranging for Deutsche Bank Trust Company Americas wires, and providing such other information and services as the Fund's distributor or Lessee reasonably may request. Lessee further acknowledges that the Fund may purchase securities from or through Deutsche Bank Trust Company Americas or its affiliates, may engage in repurchase transactions with Deutsche Bank Trust Company Americas or its affiliates, may place funds on deposit in accounts with Deutsche Bank Trust Company Americas or its affiliates and receive interest income thereon and may obtain other services from Deutsche Bank Trust Company Americas for which Deutsche Bank Trust Company Americas is paid a fee.

This investment authorization and direction will remain in effect until and unless expressly revoked or superseded in writing and shall specify the type and identity of the investments to be purchased and/or sold.

SCHEDULE 2

Telephone Number(s) and Signature(s) for Person(s) Designated to Give Funds Transfer Instructions

If from Lessee:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

If from Lessor:

	<u>Name</u>	<u>Telephone Number</u>	
1.	Britney Posey	(614) 217-8827	(Standing Signature on File)
2.	Timothy L. Ellerbrock	(614) 213-7645	(Standing Signature on File)
3.	Aric Camburn	(614) 213-1932	(Standing Signature on File)
4.	Mary Heubach	(614) 213-1557	(Standing Signature on File)
5.	Lory R. King	(614) 213-1146	(Standing Signature on File)
6.	Nate J. Ruhe	(614) 213-3859	(Standing Signature on File)
7.	Kelsey Bruck	(614) 213-9516	(Standing Signature on File)

All instructions, including but not limited to funds transfer instructions, whether transmitted by facsimile or set forth in a PDF attached to an email, must include the signature of the Authorized Representative authorizing said funds transfer on behalf of the Party.



AMENDMENT TO ESCROW AGREEMENT
(For Arizona Lessee and Deutsche Bank Trust Company Americas)

Dated as of: **SEPTEMBER 25, 2015**

Lessee: **LAKE HAVASU CITY**

Lessor: **JPMORGAN CHASE BANK, N.A.**

Escrow Agent: **DEUTSCHE BANK TRUST COMPANY AMERICAS**

Escrow Agreement dated as of: **SEPTEMBER 25, 2015**

Reference is made to the above Escrow Agreement by and among the above Lessor, the above Lessee and the above Escrow Agent. This Amendment amends and modifies the terms and conditions of the Escrow Agreement and is hereby made a part thereof. Unless otherwise defined herein, capitalized terms defined in the Escrow Agreement shall have the same meaning when used herein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree to amend the Escrow Agreement as follows:

- 1. RIGHT TO CANCEL ESCROW AGREEMENT UNDER A.R.S. SECTION 38-511.** Lessor and Escrow Agent acknowledge that, to the extent provided by A.R.S. section 38-511, Lessee may within three (3) years after its execution of the Escrow Agreement cancel the Escrow Agreement without penalty or further obligation of Lessee if any person significantly involved in initiating, negotiating, securing, drafting or creating the Escrow Agreement on behalf of Lessee is at any time while the Escrow Agreement or any extension thereof is in effect an employee or agent of the Escrow Agent in any capacity or a consultant to Escrow Agent with respect to the subject matter of the Escrow Agreement .

- 2. EQUIPMENT ACQUISITIONS FUND.** Lessor and Lessee acknowledge that the Equipment Acquisition Fund as established in Section 2.01 of the Escrow Agreement satisfies the requirements of A.R.S. section 6-834(A).

- 3. MONEY IN EQUIPMENT ACQUISITIONS FUND; INVESTMENT.** Lessor and Lessee acknowledge and agree that Escrow Agent has delivered sufficient information and otherwise fully disclosed to the Lessor and Lessee adequate notice of their right to earn interest on the money and investments in the Equipment Acquisition Fund pursuant to the Qualified Investments referenced in Section 3.02 of the Escrow Agreement in full satisfaction of and in compliance with the requirements of A.R.S. section 6-834(D). Further, Lessor and Lessee acknowledge and agree that the fees and revenue earned by Escrow Agent from the Qualified Investments as referenced and set forth in Section 3.03 of the Escrow Agreement are not prohibited by or within the definition, scope or type of "interest earned or other benefit" barred by A.R.S. section 6-834(E).

- 4. NO OTHER MODIFICATIONS.** Except as expressly amended hereby and other modifications signed by the parties hereto, the Escrow Agreement remains unchanged and in full force and effect.

[The next page is the signature page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first referenced above.

LAKE HAVASU CITY

(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.

(Lessor)

By: _____

Title: Authorized Officer

DEUTSCHE BANK TRUST COMPANY AMERICAS, as

escrow agent

(Escrow Agent)

By: _____

Title: _____

DEUTSCHE BANK TRUST COMPANY AMERICAS, as

escrow agent (Escrow Agent)

By: _____

Title: _____



**ESCROW FUNDING SCHEDULE ADDENDUM
AND ARBITRAGE CERTIFICATE**

Dated as of: SEPTEMBER 25, 2015

Lease Schedule No.: 1000140527

Lessee: LAKE HAVASU CITY

Escrow Agent: DEUTSCHE BANK TRUST COMPANY AMERICAS

Escrow Agreement dated as of: SEPTEMBER 25, 2015

Amount To Be Deposited Into Escrow: \$3,046,010.00 ("Lessor's Deposit")

Reference is made to the above Lease Schedule ("Schedule") to the Master Lease-Purchase Agreement identified in the Schedule ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein, "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Addendum amends and modifies the terms and conditions of the Lease and is hereby made a part of the Lease. Unless otherwise defined herein, capitalized terms defined in the Master Lease shall have the same meaning when used herein.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Lease, Lessor and Lessee hereby agree to amend the Lease as follows:

1. Lessee and Lessor together with the above Escrow Agent ("Escrow Agent") have entered into the above Escrow Agreement ("Escrow Agreement") establishing a fund ("Equipment Acquisition Fund") from which the Purchase Price of the Equipment will be paid.

2. Lessor shall deposit such amount into escrow as is required by the Escrow Agreement, which amount shall be credited to the Equipment Acquisition Fund. Lessee shall pay the balance of the Purchase Price of the Equipment, either by deposit in escrow to the Equipment Acquisition Fund or by direct payment to the Suppliers of the Equipment.

3. The Lease Term of the Lease shall commence on the earlier of the date specified in the Payment Schedule to the Schedule or the date of Lessor's deposit of funds into the Equipment Acquisition Fund. Notwithstanding the statements regarding delivery and acceptance of the Equipment in the Schedule, the parties acknowledge that the Equipment will be accepted as provided in the Escrow Agreement.

4. The delivery of documents and the satisfaction of any other conditions required by the Escrow Agreement or this Addendum shall be additional Funding Conditions for the Lease.

5. Upon Lessee's execution of the Escrow Agreement, Lessee hereby represents and warrants to Lessor that: (a) Lessee has full power, authority and legal right to execute and deliver the Escrow Agreement and to perform its obligations under the Escrow Agreement, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body; (b) the Escrow Agreement has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; and (c) the Escrow Agreement is authorized under, and the authorization, execution and delivery of the Escrow Agreement complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and public investment laws) and all applicable judgments and court orders.

6. The opinion of Lessee's legal counsel will include statements to the same effect as the representations of Lessee in paragraph 5 above.

7. It shall be an additional event of default under the Lease if Lessee fails to pay or perform any of its obligations under the Escrow Agreement or this Addendum or if any of the representations of Lessee in the Escrow Agreement or this Addendum prove to be false, misleading or erroneous in any material respect.

8. **ARBITRAGE CERTIFICATE.** The authorized representative of Lessee who executes this Addendum hereby certifies that he/she is the duly qualified and acting representative of Lessee with the title set forth below his/her signature hereon; that Lessee has executed and delivered the Schedule and the Master Lease (collectively, the "Lease"); that Lessee is a political subdivision of the State identified in the Lease; and that in his/her official capacity as such officer he/she is responsible for executing and delivering, on behalf of the Lessee, the Lease and this Addendum. This paragraph of this Addendum (hereinafter, this paragraph shall be identified as the "Arbitrage Certificate") is being issued by Lessee as a "no arbitrage certificate" pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, Sections 1.148-0 through 1.148.11 (the "Regulations"). Lessee represents and warrants to Lessor that the following facts, estimates and circumstances are in existence on the date of this Arbitrage Certificate or are reasonably expect to occur hereafter.

(a) The Lease provides for the lease of the Equipment described in the Lease by Lessor to Lessee. Under the Lease, Lessee is required to make Rent Payments with respect to the Equipment, comprising principal and interest, on the dates and in the amounts stated in the Payment Schedule to the Lease.

(b) Pursuant to the Lease and for the purpose of meeting its obligations thereunder and assuring the Lessee of the availability of monies needed to pay the cost of the Equipment when due, Lessee, Lessor and the Escrow Agent have executed the Escrow Agreement.

(c) Contracts or purchase orders providing for the acquisition and delivery of the Equipment have been issued by Lessee to Equipment Vendors therefor and the Equipment will be acquired and installed with due diligence. Based upon the provisions of the contracts or purchase orders, the Equipment will be acquired and installed no later than **eighteen (18) months** from the date of the Escrow Agreement ("Funding Expiration Date").

(d) The Escrow Agreement provides that Lessor shall deposit the Lessor's Deposit into escrow to be credited to the Equipment Acquisition Fund created by the Escrow Agreement and utilized to pay for the Equipment as provided therein. It is presently expected that all such funds initially credited to the Equipment Acquisition Fund shall be disbursed to pay for the Equipment, but any such amounts ultimately determined not to be needed for such purposes and the interest earnings on the amounts held in escrow shall be utilized on or after the Funding Expiration Date to pay part of the principal due under the Lease, as provided in the Escrow Agreement.

(e) All of the spendable proceeds of the Lease will be expended on the Equipment and related expenses on or before the Funding Expiration Date.

(f) The original proceeds of the Lease, and interest to be earned thereon, do not exceed the amount necessary for the purpose for which the Lease is issued.

(g) The interest of Lessee in the Equipment has not been and is not expected during the term of the Lease to be sold or disposed of by Lessee.

(h) No sinking fund is expected to be created by Lessee with respect to the Lease and Rental Payments.

(i) Lessee represents, warrants and covenants to one of the following statements of this clause (i) as is initialed by Lessee below [and if Lessee fails to initial its selection, then subclause (A) shall be deemed to have been selected by Lessee]:

_____ (A) 100% of the proceeds of the Lease shall be paid for the acquisition of the Equipment within 18 months of the date of the Escrow Agreement in accordance with the following schedule:

No less than 15% within 6 months of the date of the Escrow Agreement;
No less than 60% within 12 months of the date of the Escrow Agreement; and
No less than 100% within 18 months of the date of the Escrow Agreement.

_____ (B) 100% of the proceeds of the Lease shall be paid for the acquisition of the Equipment within 6 months of the date of the Escrow Agreement.

_____ (C) Lessee qualifies for the "small issuer" exemption in section 148(f)(4)(D) of the Code because all of the following are true: (1) Lessee is a governmental unit with general taxing powers, and (2) the Lease is not a "private activity bond" as defined in Section 141 of the Code, and (3) 95% or more of the proceeds of the Lease shall be used

for the governmental activities of Lessee, and (4) the aggregate face amount of all tax exempt bonds and other tax exempt obligations (other than "private activity bonds") issued by Lessee (and any subordinate entities of Lessee as contemplated by Section 148(f) of the Code) during the calendar year in which the Lease is issued is not reasonably expected to exceed \$5,000,000.00.

(j) Lessee hereby covenants that Lessee shall comply with all of the requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America (including, without limitation Section 148(f) of the Code) and will rebate to the United States of America all arbitrage profit required thereby.

(k) To the best of the knowledge and belief of the undersigned, the expectations of Lessee, as set forth above, are reasonable; and there are no present facts, estimates and circumstances which would change the foregoing expectations.

(l) Lessee has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

9. If there is a partial prepayment of principal pursuant to the terms of either clause (c) of Section 2.04 second of the Escrow Agreement or clause (c) of Section 2.05 second of the Escrow Agreement, then in addition to the payment of the Partial Principal Amount, a Break Funding Charge (as defined below) shall be due and payable if (i) exceeds (ii) where (i) equals the interest portion of each of the Rent Payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap including any forward rate swap, if any, which Lessor shall be deemed to have entered into on the earlier of (a) the date the Lease was originally funded or (b) the date a rate lock letter was signed, if any, and (ii) equals the interest portion of each of the Rent Payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap which Lessor shall be deemed to have entered into on the date of prepayment (the "Replacement Swap"). The "Break Funding Charge" equals the present value of the difference between (i) and (ii) for each interest period discounted to a net present value as of the date of prepayment using the fixed interest rate of the Replacement Swap. Lessee acknowledges that (i) Lessor might not fund or hedge its fixed-rate loan portfolio or any prepayment thereof on a loan-by-loan basis at all times, and agrees that the Break Funding Charge is a reasonable and appropriate method of calculating liquidated damages for any prepayment irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the Lease and (ii) all calculations and determinations by the Lessor of the Break Funding Charge or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

10. Except as expressly amended by this Addendum and other modifications signed by Lessor, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first referenced above.

LAKE HAVASU CITY

(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.

(Lessor)

By: _____

Title: Authorized Officer



RECEIPT CERTIFICATE/PAYMENT REQUEST

Dated: _____, 20____

Lease Schedule No: 1000140527 DATED: SEPTEMBER 25, 2015

Escrow Agreement Dated: SEPTEMBER 25, 2015

1. The undersigned Lessee of the above Lease Schedule and its Master Lease-Purchase Agreement (collectively, the "Lease") hereby acknowledges receipt in good condition of all of the Equipment described on Schedule A-1 to this Receipt Certificate/Payment Request as of the following Acceptance Date and hereby confirms that the Equipment has been installed at the following location:

Acceptance Date: _____

Equipment Location: _____

***** **FINAL REQUEST: Yes OR No (Please Circle Choice)** *****

If this is the **FINAL REQUEST** Lessee hereby confirms that said Equipment together with all other property covered by Receipt Certificates delivered prior to this Receipt Certificate represents **all** of the Equipment to be subject to the Lease.

2. Lessee agrees that (a) the undersigned Lessor has not selected, manufactured, sold or supplied any of the Equipment, (b) Lessee has selected all of the Equipment and its suppliers, and (c) Lessee has received a copy of, and approved, the purchase orders or purchase contracts for the Equipment.

3. **AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED, INSPECTED AND APPROVED ALL OF THE EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS OR CONTRACTS AND ALL APPLICABLE SPECIFICATIONS; (c) LESSEE IRREVOCABLY ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS" WITH ALL FAULTS; AND (d) LESSEE UNCONDITIONALLY WAIVES ANY RIGHT THAT IT MAY HAVE TO REVOKE ITS ACCEPTANCE OF THE EQUIPMENT.**

4. Lessee and Lessor hereby request that the Escrow Agent identified in the above Escrow Agreement pay from the Equipment Acquisition Fund established under the Escrow Agreement to each party designated below as Payee, the amount stated below in payment of all or part of the Purchase Price (as such term is used in the Escrow Agreement) as stated below. Lessee hereby confirms that said amount is due and payable under a purchase order or contract relating to the Equipment described herein and has not formed the basis of any prior request for payment.

Payee #1:

Name: _____

Address: _____

Invoice Number: _____ Date: _____

Amount: \$ _____

Payee #2:

Name: _____

Address: _____

Invoice Number: _____ Date: _____

Amount: \$ _____

Payee #3:

Name: _____

Address: _____

Invoice Number: _____ Date: _____

Amount: \$ _____

5. If this is a Final Request, then this Receipt Certificate/Payment Request shall constitute a Full Funding Notice and if any funds remain in the Equipment Acquisition Fund established pursuant to the Escrow Agreement (including any remaining amount of the Lessor's Deposit and/or any earnings thereon; collectively referred to as the "Escrow Balance"), then Lessee hereby directs Escrow Agent to pay the Escrow Balance as follows: (a) to Lessee if the Escrow Balance is less than \$500.01; and (b) otherwise to Lessor and Lessor is hereby authorized to apply the Escrow Balance as follows: (i) If Escrow Balance is less than interest paid on the Lease during the previous 18 months the Escrow Balance will be reimbursed to the Lessee (ii) if the Escrow Balance is equal to or less than the next Rent Payment due under the Lease, apply the Escrow Balance to said Rent Payment; or (iii) if the Escrow Balance is greater than the next Rent Payment due under the Lease, apply the Escrow Balance as a partial prepayment of principal under the Lease and Lessor is authorized to send a revised Payment Schedule for the Lease that reflects said prepayment.

LAKE HAVASU CITY

(Lessee)

By: _____

Title: _____

JPMORGAN CHASE BANK, N.A.

(Lessor)

By: _____

Title: Authorized Officer

SCHEDULE A-1

Equipment Description

(This Schedule A-1 is attached to a Receipt Certificate/Payment Request relating to the Lease Schedule.)

Lease Schedule No: 1000140527 **Dated:** 09/25/2015

The Equipment described below includes all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

Equipment Location: _____

Equipment Description: _____



INSTRUCTIONS FOR SUBMITTING ESCROW DISBURSEMENT REQUESTS

Thank you for choosing **JPMORGAN CHASE BANK, N.A.** to meet your equipment financing needs. To ensure that you receive the quality service you expect from JPMorgan Chase Bank, N.A., we ask that you refer to the following instructions when submitting escrow disbursement requests in the future:

- All Escrow Disbursement Requests should be sent to us at the following email address:

cefi.escrow.disbursement.request@jpmchase.com

or to

JPMorgan Chase Bank, N.A.
Attn: Escrow Specialist
1111 Polaris Parkway, Suite A-3
Mail Code OH1-1085
Columbus, OH 43240

- Our Escrow Specialists are prepared to answer your questions regarding anticipated or previous disbursement requests and can be reached at 1-800-678-2601.
- **A complete disbursement request should include the following information to ensure prompt processing:**
 1. Completed and signed Receipt Certificate/Payment Request Form. **PLEASE NOTE:** Escrow Disbursement Requests must bear the original signature by an individual who has been authorized to execute the lease documentation. If you have questions regarding who can sign escrow disbursements, please contact an Escrow Specialist.
 2. Vendor Invoice for the equipment being purchased. (Proof of Payment will also be required if we are reimbursing you)
 3. Insurance will be required on all delivered equipment at the time the disbursements are being processed.
 4. When the Equipment is Motor Vehicles, one of the following must be provided with items 1, 2 and 3 above: (A) the original, or a copy, of the Vehicle Title showing JPMorgan Chase Bank, N.A. as first lienholder or (B) if the original title has not yet been received, a copy (front and back) of the Manufacturer's Statement of Origin (MSO) or Title Application showing JPMorgan Chase Bank, N.A. as lienholder.
- Please clearly indicate on the vendor's invoice whether you wish to pay the vendor by check or by wire transfer. If a wire transfer is requested, please provide wire instructions for each vendor. Wire instructions must include the bank name, ABA routing number, account number and the payee contact name and phone number.

When the **FINAL** disbursement from the escrow account is requested, please complete, sign and send the Receipt Certificate/Payment Request form marked as Final so we can disburse funds and close the escrow account.