# GOLDER RANCH FIRE DISTRICT
# GOVERNING BOARD MEETING
# PUBLIC NOTICE AND AGENDA
# REGULAR SESSION

**Tuesday, April 20, 2021 9:00 a.m.**
**3885 East Golder Ranch Drive, Tucson, Arizona**

**DUE TO COVID-19 AND RELATED PRECAUTIONS IN-PERSON ATTENDANCE IS PROHIBITED**
**VIRTUAL MEETING- PLEASE SEE DETAILS BELOW**

*Pursuant to ARS § 38-431.02, ARS § 38-431.03 and ARS § 38-431.05, the Golder Ranch Fire District Governing Board will meet in Regular Session that begins at approximately **9:00 a.m. on Tuesday, April 20, 2021**. The meeting will originate at the Fire District Administration Board Room, which is located at **3885 East Golder Ranch Drive, Tucson, Arizona**. The order of the Agenda may be altered or changed by direction of the Board. The Board may vote to go into Executive Session, which are not open to the public, on any agenda item pursuant to ARS § 38-431.03(A )(3) for discussion and consultation for legal advice with the Fire District Attorney on the matter(s) as set forth in the agenda item. The following topics and any reasonable variables related thereto will be subject to discussion and possible action.*

1. **CALL TO ORDER/ROLL CALL**

2. **SALUTE AND PLEDGE OF ALLEGIANCE**

3. **FIRE BOARD REPORTS**

4. **CALL TO THE PUBLIC**
   *This is the time for the public to comment. Members of the Board are not permitted to discuss or take action on any item raised in the Call to the Public, which are not on the agenda due to restrictions of the Open Meeting Law; however, individual members of the Board are permitted to respond to criticism directed to them. Otherwise, the Board may direct staff to review the matter or that the matter be placed on a future agenda.*

   ***** Please see revised instructions to speakers at the bottom of this agenda.***

5. **PRESENTATIONS**

   A. PRESENTATION OF PERSONNEL

   - FIREFIGHTER BRETT HOUSER – PROMOTION TO ENGINEER
   - DEPUTY CHIEF SCOTT ROBB – PROMOTION TO ASSISTANT CHIEF

## 6. CONSENT AGENDA

*The consent portion of the agenda is a means of expediting routine matters, such as minutes or previously discussed or budgeted items that must be acted upon by the Board. Any item may be moved to Regular Business for discussion and possible action by any member of the Board.*

A. APPROVE MINUTES – MARCH 16, 2021 REGULAR SESSION
B. APPROVE MINUTES – MARCH 16, 2021 EXECUTIVE SESSION
C. APPROVE MINUTES – APRIL 6, 2021 BUDGET STUDY SESSION
D. APPROVE MINUTES – APRIL 8, 2021 STRATEGIC PLANNING STUDY SESSION

## 7. REPORTS AND CORRESPONDENCE

A. FIRE CHIEF'S REPORT – CHIEF KARRER
- UPDATES ON THE FOLLOWING AREAS:
  - MEETINGS, TRAININGS, AND EVENTS ATTENDED
  - POLITICAL & PUBLIC SAFETY INTERACTIONS/UPDATES
  - DISTRICT ACTIVITIES
  - PERSONNEL
  - COMMENDATIONS/THANK YOU CARDS RECEIVED
- BOARD SERVICES REPORT – MANAGER PAINTER
- COMMUNITY RELATIONS REPORT – MANAGER BRASWELL
- LEADERSHIP TEAM REPORT – PRESIDENT JONES

B. LOGISTICS/PLANNING ASSISTANT CHIEF'S REPORT – CHIEF ABEL
- UPDATES ON THE FOLLOWING AREAS:
  - ASSISTANT CHIEF’S ACTIVITIES FOR THE MONTH
  - LOGISTICS

C. BUSINESS/GOVERNMENTAL/PERSONNEL ASSISTANT CHIEF’S REPORT – CHIEF BRANDHUBER
- UPDATES ON THE FOLLOWING AREAS
  - ASSISTANT CHIEF’S ACTIVITIES FOR THE MONTH
  - HUMAN RESOURCES
  - FINANCE
  - INFORMATION TECHNOLOGY

D. OPERATIONS ASSISTANT CHIEF'S REPORT – CHIEF ROBB
- UPDATES ON THE FOLLOWING AREAS:
  - DEPUTY CHIEF’S ACTIVITIES FOR THE MONTH
  - EMS
  - FIRE AND LIFE SAFETY SERVICES
  - HEALTH AND SAFETY
  - HONOR GUARD/PIPES AND DRUMS
  - OPERATIONS
  - SPECIAL OPERATIONS
  - TRAINING
  - WILDLAND

## 8. REGULAR BUSINESS

A. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF THE PROPOSED TENTATIVE BUDGET FOR GOLDER RANCH FIRE DISTRICT FOR FISCAL YEAR 2021 – 2022

B. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF A PUBLIC HEARING DATE FOR THE FORMAL ADOPTION OF THE GOLDER RANCH FIRE DISTRICT BUDGET FOR FISCAL YEAR 2021 – 2022

C. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF RESOLUTION NUMBER 2021-0002 A RESOLUTION OF THE GOVERNING BOARD OF THE GOLDER RANCH FIRE DISTRICT APPROVING THE SALE AND EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE AGREEMENT TO PROVIDE THE NECESSARY FINANCING FOR THE PURPOSES OF FUNDING ALL OR A PORTION OF THE DISTRICT'S UNFUNDED LIABILITIES WITH RESPECT TO THE ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM AND AUTHORIZING ALL ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE RESOLUTION

D. DISCUSSION AND POSSIBLE ACTION REGARDING THE GOLDER RANCH FIRE DISTRICT RECONCILIATION AND MONTHLY FINANCIAL REPORT

E. EXECUTIVE SESSION: THE BOARD MAY VOTE TO GO INTO EXECUTIVE SESSION PURSUANT TO A.R.S. §38-431.03.A(3) FOR THE PURPOSE OF CONSULTATION OR LEGAL ADVICE REGARDING AN UPDATE ON EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) COMPLAINTS RECEIVED, NOTICE OF CLAIM RECEIVED, AND POSSIBLE PENDING LITIGATION ****Note – executive sessions are confidential pursuant to Arizona law.***

## 9. FUTURE AGENDA ITEMS

*This provides an opportunity for the Board to direct staff to include items on future agendas for further consideration and decision at a later date or to further study the matter.*

- Regularly scheduled meeting – May 18, 2021

## 10. CALL TO THE PUBLIC

*This is the final opportunity, on this agenda, for a member of the public to address the Governing Board. Please refer to agenda item four (4) for additional clarification and direction.*

## 11. ADJOURNMENT

***In-person attendance by members of the public will be prohibited due to the current COVID-19 social distancing restrictions.***

*Members of the public can watch public meetings online or join the meeting via a teleconference (details on how to watch or listen are listed below) and, where appropriate, participate by the following electronic means: if a member would like to submit a comment or question, also known as a speaker card, please email the Board Services Manager at bpainter@grfdaz.gov no later than 30 minutes to prior to the start of the public meeting. If the sender wants it to be read at the meeting (which may or may not occur, in part or in its entirety, as appropriate under the circumstances), comments shall be limited to no more than 500 words or three minutes as read aloud. Such emails shall also identify the name and address of speaker, and whether the sender wants the email read during the Call to the Public section or a specific agenda item.*

*To view the meeting online please visit our website at grfdaz.gov/grfd-agenda-minutes, there is an agenda posted, with background information linked to each agenda item. To view the meeting online, please use this link: https://grfdaz.zoom.us/j/95979057384. If you would like to call and listen to the meeting via telephone please dial 1.877.853.5247 (Toll Free) or 1.346.248.7799*
*Webinar ID: 959 7905 7384*

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Wally Vette, Clerk of the Board
Golder Ranch Fire District

If any disabled person needs any type of accommodation, please notify the Golder Ranch Fire District Administration at (520) 825-9001 prior to the scheduled meeting. A copy of the agenda background material provided to Board members (with the exception of material relating to possible executive sessions) is available for public inspection at the administration office, 3885 E Golder Ranch Drive, Tucson, Arizona 85739.

Posted By: Brooke Painter 4/13/2021 at 2:00 p.m.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Brooke Painter, Board Services Manager

DATE: April 20, 2021

SUBJECT: Fire Board Reports

ITEM #: 3

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☒ Discussion Only | ☐ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☐ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

This item allows for the Fire Board Members to report to the public and/or staff any events, meetings, conferences, etc. they may have attended and/or points of interest that took place throughout the month.

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: Call to the Public

ITEM #: 4

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☒ Discussion Only | ☐ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☐ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

This is the time for the public to comment. Members of the Board may not discuss items that are not on the agenda. The Board is not permitted to discuss or take action on any item raised in the Call to the Public, which are not on the agenda due to restrictions of the Open Meeting Law; however, individual members of the Board are permitted to respond to criticism directed to them. Otherwise, the Board may direct staff to review the matter or that the matter be placed on a future agenda. ** Please see revised instructions to speakers at the bottom of the agenda.

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: PRESENTATION OF PERSONNEL

ITEM #: 5A

REQUIRED ACTION: ☒ Discussion Only ☐ Formal Motion ☐ Resolution

RECOMMENDED ACTION: ☐ Approve ☐ Conditional Approval ☐ Deny

SUPPORTED BY: ☒ Staff ☒ Fire Chief ☐ Legal Review

## BACKGROUND

This is the time for recognizing personnel who have achieved employment milestones or have achieved other distinctions.

- Firefighter Brett Houser – Promotion to Engineer
- Deputy Chief Scott Robb – Promotion to Assistant Chief

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Brooke Painter, Board Services Manager

DATE: April 20, 2021

SUBJECT: APPROVE MINUTES – MARCH 16, 2021 REGULAR SESSION
APPROVE MINUTES – MARCH 16, 2021 EXECUTIVE SESSION
APPROVE MINUTES – APRIL 6, 2021 BUDGET STUDY SESSION
APPROVE MINUTES – APRIL 8, 2021 STRATEGIC PLANNING STUDY SESSION

ITEM #: 6A – 6D

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☐ Discussion Only | ☒ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☒ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☒ Legal Review |

## BACKGROUND

In compliance with A.R.S. §38-431.01, approval of:

A. APPROVE MINUTES – MARCH 16, 2021 REGULAR SESSION
B. APPROVE MINUTES – MARCH 16, 2021 EXECUTIVE SESSION
C. APPROVE MINUTES – APRIL 6, 2021 BUDGET STUDY SESSION
D. APPROVE MINUTES – APRIL 8, 2021 STRATEGIC PLANNING STUDY SESSION

## RECOMMENDED MOTION

Motion to approve the April 20, 2021 consent agenda.

# GOLDER RANCH FIRE DISTRICT
# GOVERNING BOARD MEETING
# REGULAR SESSION MINUTES
**March 16, 2021 9:00 a.m.**
**3885 East Golder Ranch Drive, Tucson, Arizona**

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## 1. CALL TO ORDER/ROLL CALL

Fire Board Chairperson Cox Golder called the meeting to order on Tuesday, March 16, 2021, at 9:00 a.m.

| | |
|---|---|
| Members Present: | Board Chairperson Vicki Cox Golder, Board Vice-Chair Richard Hudgins, Clerk Wally Vette, and Board Member Steve Brady |
| Excused Absence: | Board Member Albert Pesqueira |
| Staff Present: | Fire Chief Randy Karrer, Assistant Chief Patrick Abel, Assistant Chief Brandhuber, Community Relations Manager Anne-Marie Braswell (via Zoom), Finance Manager Dave Christian, IT Manager Herman Rascon (via Zoom), Board Services Manager Brooke Painter, and Legal Counsel Donna Aversa (via Zoom) |

## 2. SALUTE AND PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

## 3. FIRE BOARD REPORTS

Clerk Vette reported that he attended the Union's annual archery event. He stated that, although it was not as well attended as previous years, it was a very nice event.

## 4. CALL TO THE PUBLIC

There were no public issues presented.

## 5. PRESENTATIONS

A. PRESENTATION BY PINAL COUNTY SUPERVISOR JEFFREY MC CLURE PROVIDING AN INTRODUCTION AND AN UPDATE OF CURRENT EVENTS IN PINAL COUNTY

Pinal County Supervisor McClure introduced himself as the District 4 representative. He provided the Governing Board an update on redistricting goals in Pinal County stating that Pinal County is hoping to break 500,000 in population; therefore, districts would be relined based upon population. He provided an update regarding the current and potential justice of the peace in Pinal County. He answered questions from the Governing Board about the makeup of the current board of supervisors. He also provided the Board an update on the economic development opportunities in Pinal County.

B. PRESENTATION FROM MARK READER (STIFEL) ON AN UPDATE ON THE CERTIFICATE OF PARTICIPATION CONCEPT TO FUND THE GOLDER RANCH FIRE DISTRICT'S PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS) UNFUNDED LIABILITY USING BOND ISSUANCE AT A LOW INTEREST RATE

Mark Reader of Stifel provided an update to the Governing Board on the concept to pay the unfunded liability utilizing bond issuance at a low interest rate. Chief Karrer stated that this would require no increase to our tax rate, in response to a question from Vice-Chair Hudgins. Chief Karrer noted that the proposed bills to allow fire districts to participate in the COP has passed both the House and the Senate. He explained the projected timeline. The presentation is included with the meeting minutes.

C. PRESENTATION BY HERMAN RASCON ON THE USDD SYSTEM

Manager Rascon provided a presentation on the USDD system, as requested by the Governing Board last month. Manager Rascon and Chief Karrer answered questions from the Board.

*Board Member Brady excused himself from the meeting at 10:03 a.m.*

## 6. CONSENT AGENDA

A. APPROVE MINUTES – FEBRUARY 16, 2021 REGULAR SESSION

B. APPROVE MINUTES – FEBRUARY 16, 2021 EXECUTIVE SESSION

**MOTION** by Vice-Chair Hudgins to approve the March 16, 2021 Consent Agenda
**MOTION SECONDED** by Clerk Vette
**MOTION CARRIED 3/0**

## 7. REPORTS AND CORRESPONDENCE

A. FIRE CHIEF'S REPORT – Chief Karrer presented the fire chief's report to the Governing Board. He noted that the current healthcare insurance provider is proposing a 6% increase. He continued that staff is looking at other options. Chief Karrer asked Manager Christian to provide an update to the Governing Board on the possible sale of the property adjacent to 379; Manager Christian provided the update. There were no further questions or comments from the Governing Board.

- BOARD SERVICES REPORT – Board Services Manager Painter stated that her report was included in the board packet. Chairperson Cox Golder complimented Manager Painter and her staff on the new furniture in the administration lobby. There were no further questions or comments from the Governing Board.

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- COMMUNITY RELATIONS REPORT – Community Relations Manager Braswell stated that her report was included in the board packet. There were no further questions or comments from the Governing Board.

- LEADERSHIP TEAM REPORT – Vice-President Ward reported that the Samaniego archery event was very successful; they were able to raise about $5,000 for foster children in the area, a cause for which Firefighter Samaniego was very passionate about. There were no further questions or comments from the Governing Board.

B. BUSINESS/GOVERNMENTAL/PERSONNEL ASSISTANT CHIEF'S REPORT – Chief Brandhuber presented the Business/Governmental/Personnel Assistant Chief's report to the Governing Board. There were no further questions or comments from the Governing Board.

C. LOGISTICS/PLANNING ASSISTANT CHIEF'S REPORT – Chief Abel presented the Logistics/Planning Assistant Chief's report to the Governing Board. He noted that he and Chief Miller have submitted conceptual plans for Station 378; Robson is evaluating an appropriate site that would meet the needs. He has walked through with the architects and contractors for the Station 374 remodel project. This should lower the costs from the previous quote. There were no further questions or comments from the Governing Board.

D. EMERGENCY/LIFE SAFETY SERVICES DEPUTY CHIEF'S REPORT - Chief Robb presented the Deputy Chief's Report to the Governing Board. Chief Robb answered a question from Clerk Vette regarding the number of code compliance inspections. There were no further questions or comments from the Governing Board.

## 8. REGULAR BUSINESS

A. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL AND ADOPTION OF THE UPDATED AND REDESIGNED SALARY SCHEDULE FOR NON-UNIFORM PERSONNEL

HR Manager Delong introduced Igor Shegolev and his team from HR Knows, who presented to the Governing Board the updated and redesigned salary schedule for non-uniform personnel. The new schedule would address compression issues and adjustments for market changes; it would address inconsistency in steps for journey level versus professional level positions, and would help to control labor costs. Mr. Shegolev, Manager Delong, and Chief Brandhuber answered questions from the Governing Board. Manager Christian answered a question from Clerk Vette about the impact to the budget.

**MOTION** by Clerk Vette to approve and adopt the updated and redesigned salary schedule for non-uniform personnel
**MOTION SECONDED** by Vice Chair Hudgins
**MOTION CARRIED 3/0**

B. DISCUSSION AND POSSIBLE ACTION REGARDING SCHEDULING OF A BUDGET STUDY SESSION FOR THE UPCOMING FISCAL YEAR 2021-2022 BUDGET

Chief Karrer stated that Finance Manager Christian would have the first draft of the budget finalized by the end of March; staff would like to set up a budget study session with the Governing Board.

**MOTION** by Vice Chair Hudgins to set the first budget study session for April 6, 2021 at 9:00 a.m.
**MOTION SECONDED** by Clerk Vette
**MOTION CARRIED 3/0**

C. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF RESOLUTION NUMBER 2021-0001 DECLARING THE LISTED DISTRICT ITEMS AS SURPLUS AND DIRECTION TO STAFF TO DISPOSE OF THE DECLARED SURPLUS ITEMS IN A WAY THAT BEST MEETS THE NEEDS OF THE DISTRICT

Chief Hilderbrand explained that the District has accumulated items that we no longer use or need. The Board was provided documentation that listed the items the District is seeking to surplus. Staff is looking to receive approval to classify the listed items as surplus and to place the items on a public surplus auction website. This operation would be directed by Chief Hilderbrand and by Carol Espinoza in Fleet Maintenance.

**MOTION** by Clerk Vette to approve Resolution #2021-0001 declaring the list of items presented as surplus to the needs of the District and direction for staff to dispose of declared surplus items in a way that best meets the needs of the District
**MOTION SECONDED** by Vice-Chair Hudgins
**MOTION CARRIED 3/0**

D. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF THE RECLASSIFICATION OF A CHIEF OFFICER POSITION

Chief Karrer explained that at the direction of the Governing Board, succession planning has been a high priority for him. Chief Karrer explained that he is requesting the Board to authorize the reclassification of a deputy or a division chief position to an assistant chief position. He noted that this allows for mentoring, so there are options to the Governing Board when he and Chief Abel retire in two years. He continued that this would be a small impact to the budget, which could be covered with contingency funds. Chief Karrer answered questions from the Governing Board.

**MOTION** by Vice Chair Hudgins to authorize the fire chief to reclassify a division chief position to an assistant chief position utilizing contingency funds
**MOTION SECONDED** by Clerk Vette
**MOTION CARRIED 3/0**

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E. DISCUSSION AND POSSIBLE ACTION REGARDING THE GOLDER RANCH FIRE DISTRICT RECONCILIATION AND MONTHLY FINANCIAL REPORT

Finance Manager Christian presented the monthly financials and reconciliation for Golder Ranch Fire District to the Governing Board. There were no further questions or comments from the Governing Board.

**MOTION** by Clerk Vette to approve and accept the Golder Ranch Fire District reconciliation and monthly financial reports as presented
**MOTION SECONDED** by Vice-Chair Hudgins
**MOTION CARRIED 3/0**

F. EXECUTIVE SESSION: THE BOARD MAY VOTE TO GO INTO EXECUTIVE SESSION PURSUANT TO A.R.S. §38-431.03.A(3) FOR THE PURPOSE OF CONSULTATION OR LEGAL ADVICE REGARDING AN UPDATE ON EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) COMPLAINTS RECEIVED, NOTICE OF CLAIM RECEIVED, AND POSSIBLE PENDING LITIGATION **Note – executive sessions are confidential pursuant to Arizona law.

**MOTION** by Vice-Chair Hudgins to enter into executive session pursuant to A.R.S. §§38-431.03.A(3) for the purpose of legal advice with the attorney at 11:11 a.m.
**MOTION SECONDED** by Clerk Vette
**MOTION CARRIED 3/0**

Those present in the executive session were the Board Members, Chief Karrer, Attorney Aversa (via telephone), and Manager Painter.

*The Board reconvened into regular session at 11:25 a.m.*

*Chairperson Cox Golder reminded those in attendance Executive Sessions are confidential pursuant to ARS §38-431.03(C).*

**9. FUTURE AGENDA ITEMS**

*This provides an opportunity for the Board to direct staff to include items on future agendas for further consideration and decision at a later date, or to study the matter further.*

- Regularly Scheduled Meeting – April 20, 2021
- Budget Study Session – April 6, 2021

**10. CALL TO THE PUBLIC**

There were no public issues presented.

**11. ADJOURNMENT**

**MOTION** by Vice-Chair Hudgins to adjourn the meeting at 11:28 a.m.
**MOTION SECONDED** by Clerk Vette
**MOTION CARRIED 3/0**

DRAFT

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Wally Vette, Clerk of the Board
Golder Ranch Fire District
b/p

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# GOLDER RANCH FIRE DISTRICT
# GOVERNING BOARD
# BUDGET STUDY SESSION MINUTES
**April 6, 2021 9:00 a.m.**
**3885 East Golder Ranch Drive, Tucson, Arizona**

DRAFT

## 1. CALL TO ORDER/ROLL CALL

Fire Board Chairperson Cox Golder called the meeting to order on Tuesday, April 6, 2021, at 9:00 a.m.

| | |
|---|---|
| Members Present: | Board Chairperson Vicki Cox Golder, Board Vice-Chair Richard Hudgins, Clerk Wally Vette, and Board Member Albert Pesqueira |
| Excused Absence: | Board Member Steve Brady |
| Staff Present: | Fire Chief Randy Karrer, Assistant Chief Patrick Abel, Assistant Chief Brandhuber, Community Relations Manager Anne-Marie Braswell (via Zoom), Finance Manager Dave Christian, IT Manager Herman Rascon (via Zoom), Board Services Manager Brooke Painter, and Legal Counsel Donna Aversa (via Zoom) |

## 2. SALUTE AND PLEDGE OF ALLEGIANCE

All in attendance recited the Pledge of Allegiance.

## 3. CALL TO THE PUBLIC

There were no public issues presented.

## 4. REGULAR BUSINESS

A. BUDGET STUDY SESSION

Chief Karrer opened the meeting and welcomed everyone. Chief Karrer stated that before the meeting, he presented Chairperson Cox Golder with a special recognition award for all she has done for our fire district family, as voted on by the employees. He also stated that Chief Robb would not be in attendance, as his mother passed away the night before, after a long battle with cancer. Chief Karrer then provided an overview of the study session and what would be covered.

Finance Manager Christian presented version #1 of the proposed budget to the Governing Board. He first discussed the total costs for the budget. He stated the proposed budget has an increase of approximately 6%.

He stated that the labor costs consist of approximately 78% of the overall budget. He broke down the labor costs by category for the Governing Board, along with the other

categories of the budget costs. He also listed the major revenue sources, with the biggest portion coming from property tax revenue.

Manager Christian stated that the proposed mil rate is currently set at $2.37 with a total budget of $38,923,005. He noted that the mil rate has been steady at $2.35 since 2017.

Manager Christian explained the total labor cost in more detail. The total number of employees for this budget will be 278, which includes three new positions and an academy to fill vacancies created by retirements and other potential separations from the district.

*The Governing Board took a brief break at 9:57 a.m. They reconvened at 10:11 a.m.*

Manager Christian next discussed the Capital Improvement Plan (CIP). He stated that the CIP contained the next highest costs in the budget; the total five-year CIP is being funded at $3,042,893. The Board was provided with a list of the CIP requests.

Next, there were discussions on the cost roll up for each department. Department heads answered questions from the Governing Board regarding their individual department budgets.

Vice-Chair Hudgins motioned to approve the tentative budget. Clerk Vette seconded the motion. Chief Karrer stated that this was just a study session and there were no action item on the agenda. Vice-Chair withdrew his motion.

Manager Christian explained the general fund leases and general obligations bonds for the upcoming budget year.

Manager Christian discussed the 2021-2022 revenues and proposed mil rate. The District increased in net assessed value to $1.363 billion. The proposed tax rate is $2.37 to levy the proposed budget. The proposed mil rate is $.14 for the debt service.

*The Board recessed for lunch at 11:22 p.m. They reconvened at 12:00 p.m.*

Chief Karrer stated that he would like to get direction from the Governing Board on future plans for the District in regards to potential bond projects. The direction of the Board was to support Fleet and Fire Supply needs in form of expanding the fleet building or possibly adding a building in between the fleet and administration building, where the sheds are currently located. They also directed staff to look at expansion of the current administration building, and to look at current properties for purchase, as possibilities for a new administration building.

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## 5. ADJOURNMENT

**MOTION** by Vice-Chair Hudgins to adjourn the meeting at 12:48 p.m.
**MOTION SECONDED** by Clerk Vette
**MOTION CARRIED 4/0**

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Wally Vette, Clerk of the Board
Golder Ranch Fire District
b/p

DRAFT

# GOLDER RANCH FIRE DISTRICT
# GOVERNING BOARD
# STRATEGIC PLANNING STUDY SESSION MINUTES
**April 8, 2021 1:00 p.m.**
**3885 East Golder Ranch Drive, Tucson, Arizona**

## 1. CALL TO ORDER/ROLL CALL

The strategic planning session began on Tuesday, April 8, 2021, at 1:00 p.m.

Members Present: Board Chairperson Vicki Cox Golder, Board Vice-Chair Richard Hudgins, and Clerk Wally Vette

Excused Absences: Board Member Steve Brady and Board Member Albert Pesqueira

Staff Present: Board Services Manager Brooke Painter

## 2. REGULAR BUSINESS

A. STRATEGIC PLANNING STUDY SESSION

Scott Ferguson, David Lantzer, and David Ferguson from Lincoln Public Safety Management led the strategic planning session. The goal is to create a three-year strategic planning guide for 2021- 2024. Scott Ferguson provided an overview of the strategic planning process.

He stated that the plan contains an executive summary, an overview of the organization and management, the project scope and methodology, the stakeholder surveys that were conducted prior to the meeting today, strategic initiatives, goals and objectives, and the annexes.

Mr. Ferguson explained that the focus for the strategic plan was customer service, both internally and externally, succession planning, benchmarking, employee inclusion, and accountability.

Mr. Ferguson reviewed the trends, observations, and opportunities that were revealed in the surveys. He asked the Board follow-up questions to the questions they were asked in the survey. He also answered questions from the Governing Board regarding the process.

## 3. ADJOURNMENT

The strategic planning study session adjourned at 1:55 p.m.

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Wally Vette, Clerk of the Board
Golder Ranch Fire District
b/p

DRAFT

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: FIRE CHIEF'S REPORT

ITEM #: 7A

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|---|---|---|---|
| REQUIRED ACTION: | ☒ Discussion Only | ☐ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☐ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

This allows for the fire chief to provide updates to the governing board on the following areas:

- Meetings/Trainings and Events Attended
- Political & Public Safety Interactions
- District Activities
- Personnel
- Commendations/Thank You Cards Received

Also, under this agenda item the Board Services Manager, Community Relations Manager and the Local 3832 President will present their reports to the governing board.

- Board Services Report – Manager Painter
- Community Relations Report – Manager Braswell
- Leadership Team Report – President Jones

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# CHIEF'S REPORT

Fire Chief – Randy Karrer

*March 2021*

## Meetings, Trainings & Events Attended for the Month

I conducted command weekly staff briefings and direct reports meetings.

I conducted the monthly Fire Chief's status meeting with all managers and chief officers within the District.

We conducted the monthly governing board meeting via Zoom. Pinal County Supervisor Jeff McClure attended and spoke at the meeting to give us an update on Pinal County happenings at the invitation of Vice Chairman Hudgins. We welcome Jeff to his new position and will be inviting Pima County Supervisor Rex Scott to join us in the future.

I attended our Operations team meeting.

I attended the Leadership team meeting.

I participated in a Zoom call regarding the Public Safety Personnel Retirement System (PSPRS) Certificates of Participation (COP).

I had several meetings related to automatic aid and the desire from other agencies to expand it to be more inclusive.

I attended the Arizona Fire Mutual Aid Committee meeting.

I attended the Arizona Fire Chiefs Association (AFCA) Fire Chiefs Academy Curriculum Review meeting via Zoom.

I attended and facilitated the Arizona Fire Services Institute (AFSI) meeting.

I attended the State Training Committee meeting as well as the State Training Committee e-board meeting.

I attended the Pima Fire Chiefs breakfast meeting at Northwest Fire District (NWFD). We continued to discuss regionalization, including standardized turnout gear specifications and self-contained breathing apparatuses (SCBA).

I attended the State Mutual Aid Executive Committee meeting via Zoom and conference call.

I met with Oro Valley Police Department (OVPD) Chief Riley over lunch.

I attended the Oro Valley Executive Leadership Team (ELT) meeting.

I attended the Oro Valley Zoom meeting. It was another long meeting with discussion regarding the property adjacent to station 377 at 355 E. Linda Vista. The property has been slated to be residential luxury rentals and office space. I will continue to watch this closely.

Manager Braswell and I met with Kelly from the 100 Club to review programs and services they have available to the District.

I attended my annual physical evaluation with our new provider, 1582. I was extremely impressed with the very extensive and detailed process. It was a much-needed improvement from our previous process and I have heard that our suppression employees have been equally as impressed.

## Political & Public Safety Interactions & Updates

Attached please find the Arizona Fire Districts Association (AFDA) legislative update and political report.

- I attended and participated in the AFDA monthly board meeting. Several legislative issues that are still in the works were discussed.
- I participated in a Zoom call with Representative Fillmore and participated in another call with Representative Roberts (our local representative).
- I testified in the House Government and Elections Committee for the COP SB1298 bill. Representative Roberts was not supportive and I have reached out to him specifically to answer his questions and help with his comprehension of the intent of the bill.
- I participated in a Zoom call with the AFDA E-Board to discuss continued strategy regarding COP bill SB1298.
- The previously mentioned COP bill SB1298 has continued to progress appropriately. We hope to have a better understanding of a timeline in the near future.

I attended a Zoom meeting with the AFCA Executive Board and the Arizona Department of Corrections (DOC) director and staff to discuss the possibility of a training program for non-violent inmates in fire inspection and wildland firefighting. There will be more to come on this topic, but in short, this was a directive from the governor and this group was assembled to determine the viability of this type of a program.

I attended a Zoom meeting with leadership from AFDA and AFCA to discuss the some of the Arizona Department of Health Services (AZ DHS) Certificate of Necessity (CON) Article 9 rules. Automatic aid agencies have been experiencing difficulties with the CON rules and the interpretation by DHS. This has been a long standing issue and we anticipate challenges as our auto aid system in the Tucson region expands to EMS. Clearly, this has been influenced by private providers, but in the end we are striving for the closest, most appropriate provider to respond.

I met with President Jones from the Local 3832, Fire Chief Wunder from Green Valley Fire District, and their union president, Tom. We discussed a variety of issues to include the local political environment.

NWFD Chief Bradley and I conducted an informational session on the Securis workers' compensation plan to other fire chiefs who currently are not in the plan.

Chief Brandhuber, IT Manager Rascon and I met with Chief Bradley and the NWFD command staff regarding the communication consortium and the current agreement with the City of Tucson communications center. We have continued to address issues that have not been resolved at the communications center.

Our dear friend, OVPD Chief Riley, was awarded "Best Community Leader" in the Northwest by the Tucson Local Media. Congratulations Chief Riley! Very well deserved!

## District Activities for the Month

Working collectively as a team, the Operations staff and I have made adjustments regarding how we fill overtime. We will not staff ancillary support vehicles if it requires overtime. We will maintain minimum staffing of four on engines/ladders and two on ambulances. We have been watching the usage very closely and will make adjustments as necessary. Operations, Logistics, EMS, and Finance staff met to evaluate three and four quarter expenditures to identify any that can be delayed while we make adjustments.

Members of Operations, Health & Safety, and Logistics participated in a meeting to discuss our personal protective equipment (PPE) policy and the needed revisions. We have been working together to develop procedures and policies to be compliant with the current National Fire Protection Association (NFPA) standard. The standard is quite extensive and will require a very focused effort to comply, especially by those wearing the PPE in Operations.

HR staff, Chief Brandhuber, Labor representative Shan Pettit, and I attended the second benefits committee meeting. Unfortunately, there will be an increase in our health insurance rates due to the amount and type of claims we have seen in the past year. The initial increase was greater than 12% but that has been negotiated down to 6%. That is still a substantial increase that the District cannot absorb alone.

HR staff, Chief Brandhuber, and I attended a presentation on healthcare benefit options from another provider. We have continued to look at all options available that will not diminish our plan structure but will reduce our costs. The most current estimate we have found is still an increase of 5-6%. I had a conference call with our health insurance broker about health insurance pool options. We pay our broker separately and he is not tied to any company. Therefore, evaluating other options may motivate our current provider to be more competitive, which may lower the bid. Later in the month we continued working on our health insurance renewal with our broker. We have worked through some of the issues that have caused the financial increase in the administration charges. But the real issue is that we have had many new large claims. Being self-funded, these claims were the primary reason for our increase in costs. We have continued to work on strategies to assist the users of our health insurance to better control these costs. Those who use our insurance can make a difference simply by being more aware of costs. We will likely be making minor plan adjustments to ensure our robust health plan can meet the needs of our people while still being affordable.

I met with Paul Granstrom from 1582 to discuss progress on our process in our medical physicals, our satisfaction, and also to introduce him to Tucson Fire Department (TFD) Chief Ryan.

All administrative staff attended training on Tele-staff, our new scheduling program. We formally made the switch the following pay period.

I had a conference call with Lincoln Public Safety regarding our strategic planning process. Our consultants for the strategic plan will be conducting an in-person review with members of

the organization on April 8th (with COVID precautions in place). All divisions, Labor, board members, and the Town of Oro Valley Town Management have been invited to participate.

Attached is the conceptual site plan for station 378. We will be making minor adjustments to the plan in the coming weeks but, essentially, this is the idea. I have directed staff to work closely with Robson Communities and "stand on the gas" with this project!

We received a draft Memorandum of Understanding (MOU) from the North Tucson Firefighters Local 3832. It was formatted very differently from the previous MOU and contained multiple items that will have significant budgetary impact. As such, we will review, negotiate, and discuss the MOU with the Union. We have a very collaborative relationship so I am confident we can work through the document.

I reviewed and worked on the proposed budget to prepare for the budget study session on April 6th. The budget study packet went out which contained the entire proposed budget. Of course, there were many requests that were not included in the proposed requests in the draft MOU. We have taken into account the combination of the two positions, fire medic and paramedic, which fell under our current MOU.

Chief Lunde (Wildland) and I met with Ian Morgan from the Coronado National Forest to continue preparations for the upcoming wildland season. This has continued to be a very important collaborative relationship!

We were notified from our insurance company of probable litigation related to the vehicle accident involving Medic 373 on December 27, 2020.

The Culture Committee went over the annual employee recognition awards submissions. These awards were submitted and voted on by their peers. We had more submissions this year than ever before. In lieu of an in-person ceremony, we decided to do something different this year by utilizing a virtual format and videoing each recipient upon receiving their award. I have begun to distribute them to the recipients in this format. The video will be provided to the entire organization.

GRFD was awarded the "Best First Responder Agency" in the Northwest by the Tucson Local Media. See attached picture.

Please see the attached thank you letter which speaks for itself! The culture of service of OVPD and Golder Ranch Fire District (GRFD) are identical, as the author points out.

EN374, PM377, and EC377 ran a cardiac arrest call for assistance. PM377 (Rhodes and Hansen) had just cleared Oro Valley Hospital (OVH) when they were dispatched and beat 374 to the scene by a couple of minutes. Upon arrival, they found the patient with bystander CPR in progress. They began advanced life support protocols and quickly transported the patient to OVH. It was later heard that the patient recovered. This emphasizes the importance of effective and immediate bystander CPR. If you do not know CPR, please attend a class and learn! You could save the life of a loved one.

We responded to a resident having a medical emergency while the patient was out walking their dogs. We took care of the resident and then one of the crew members, Firefighter Lainson, made sure to walk the dogs home to ensure their safety! Now that is putting "community first!"

We responded to and were first on the scene of a working attic fire at an assisted living facility in NWFD (NWFD Engine 330 was committed to an EMS call). Upon arrival, there was significant smoke from the roof of the first floor up the side of the mansard to the second floor with strong 40 mph winds. Occupants and staff were evacuated. Ladder 380 was first in and made the initial stop on the fire. Battalion Chief 380 Perry took command and initiated a second alarm. This was automatic aid at its finest. The wind conditions, type of facility, and type of fire were a recipe for disaster, but by working together, the situation was quickly brought under control!

Engine 378 was dispatched for a fast-moving brush fire in high wind conditions. The incident was just west of SaddleBrooke Ranch. Additional resources were called for, but the crew from Engine 378 and local land owners were able to quickly contain the fire.

I continued to have meetings with crews and individuals. It has been very informative and fun to get out and interact with the crews. I had several meetings throughout the month.

- I met with two firefighters aspiring to take the captain's test. This was a great opportunity to mentor, coach, and provide perspective. It was an awesome meeting.
- I addressed Academy Class 21-1.
- I attended "Chats with the Chief" at stations 376 and 379.

## Personnel Updates

The academy class went through the EMT practical evaluation with the Arizona Department of Health Services (ADHS) present! The EMS and Training staff did a fantastic job with makeup, creating very realistic scenarios.

## Commendations and Thank You Letters Received for the Month

- Thank you letter for Captain Adam Hastings, Engineer Shan Pettit, Fire Medic Jaclyn Frazier, Firefighter Anthony Citro, Fire Medic Dominic Rhodes, and Firefighter Shawn Foster
- Thank you card for Captain Rene Sanchez, Fire Medic Dominic Rhodes, Fire Medic Kyle Campbell, Engineer Chad Buda, Paramedic Ryan Ward, and Firefighter Anthony Rios
- Thank you note for Captain Lucas Giampa, Engineer Dan Gordon, Fire Medic Michael Selsor, Firefighter Sabas Cruz-Miranda, Captain Ben Jones, and Fire Medic Brian Rinder
- Thank you letter for Paramedic Justin Jansen

**Hernandez, Maggie**

**From:** John Flynn <johnflynn@azfireadvisor.com>
**Sent:** Monday, March 22, 2021 6:17 AM
**To:** AFDA Admin
**Subject:** AFDA Weekly Legislative & Political Report - 3/22/21
**Attachments:** Fire Service Bill Tracking Report - March 22, 2021.pdf

**Importance:** High

Today is the 71st day of the legislative session. This is the final week to hear bills in committee (*notwithstanding Appropriations and Rules*). To date 143 bills have passed out of both the Senate and House. The Governor has signed 70 bills into law. There have been no vetoes. Floor calendars for COW, Third Read and Final Read post daily: House & Senate Floor Calendars. Here are the top legislative issues fire service leaders should be aware of this week:

1. The Firefighters cancer bills will both be heard in committee this week. S1451se: **WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER** will be heard today in House Military and Public Safety at 2:00 PM and H2506he: **WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER** will be heard in Senate Commerce on Wednesday afternoon at 2:00 PM. Watch the hearings at Az Legislative Livestream.

2. The AFDA fire districts administrative bill S1351se: **FIRE DISTRICTS; AMENDMENTS** passed House Third Read 57-3 last Thursday and is ready for the Governor.

3. The Congressional American Rescue Plan Act allocated $2.6 billion to Arizona local governments. Fire districts are eligible for transfers of funding from the state, counties, and cities for COVID-19 pandemic response cost recovery. Here are the details from JLBC: American Rescue Plan - AZ JLBC Summary

   *(details for the above listed bills are included below in the Fire Service Primary Bills of Interest)*

The week's detailed Fire Service Bill Tracking Report is attached, which now details 89 fire service bills of interest (*54 DEAD bills have been removed from the report post crossover week*). Primary fire service bills of interest are listed below with the last and next action noted. Committee hearings are closed to in-person attendance but can be livestreamed here: Az Legislative Livestream. Details for all bills filed in the legislative session can be found at: https://www.azleg.gov/bills/.

**Fire Service Primary Bills of Interest**

Primary fire service bills of interest with action pending / recent action are listed below (complete bill details can be found in the attached bill tracking report).

- H2077he: **STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS** (Sen. Biasuicci, LD-5, Lake Havasu) LAST ACTION: 3/17 PASSED Senate Appropriations 9-1. NEXT: awaiting Rules hearing (*H2077 makes changes to SLIF administration and authorizes funding eligibility for search and rescue watercraft*)

- H2381ch: **PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION** (Rep. Blackman, R-6 Snowflake) LAST ACTION: **signed by Governor, chapter #34, Laws 2021** *(H2381 is the PSPRS agency bill amending local board requirements. H2381 is the mirror bill to S1214)*

- ~~2455i: **FIRE DISTRICTS; PENSION LIABILITY; FINANCING**~~ (Rep. Cobb, R-5 Kingman) LAST ACTION: 3/4 Repurposed as STRIKER by sponsor. NEXT: **DEAD** *(the H2455 mirror bill S1298 remains in the legislative process)*

- H2506he: **WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER** (Rep. Payne, R-21 Peoria) LAST ACTION: 2/23 PASSED House Third Read 59-0. NEXT: HEARING: Senate Commerce Wednesday 3/24/21 at 2:00 PM, Senate Rm 1 *(H2506 amends cancer presumption laws for firefighters. H2506 is the mirror bill to S1451)*

- ~~H2802i: **AMBULANCE SERVICES; SERVICE AREAS**~~ (Rep. Burges, R-1 Skull Valley) LAST ACTON: 2/15 informational hearing only House Health and Human Services - HELD. NEXT: **DEAD** *(H2802 amends various ambulance service CON requirements specific to the needs of cities, towns, and fire districts)*

- S1120se: **STRIKER – FIRE DISTRICTS; REIMBURSEMENT** (Sen. Gowan, R-14 Sierra Vista) LAST ACTION: 3/16 PASSED House Natural Resources, Energy, and Water 10-0. NEXT: awaiting Rules hearing (*S/E S1120 establishes a reimbursement fund for small agencies EMS response on federal govt. lands*)

- S1298se: **FIRE DISTRICTS; PENSION LIABILITY; FINANCING** (Sen. Shope, R-8 Casa Grande) LAST ACTION: 3/10 PASSED House Government & Elections 10-3. NEXT: awaiting Rules Hearing *(S1298 authorizes fire districts to refinance PSPRS unfunded liabilities. Emergency clause)*

- ~~S1334i: **FIREWORKS; AERIAL DEVICES**~~ (Sen. Gowan, R-14 Sierra Vista) LAST ACTION: 2/10 Senate Commerce – HELD. NEXT: **DEAD** (*S1334 expands consumer fireworks to include consumer "aerial" devices*)

- S1351se: **FIRE DISTRICTS; AMENDMENTS** (Sen. Borrelli, R-5 Lake Havasu) LAST ACTION: 3/18 PASSED House Third Read 57-3. NEXT: ready for the Governor *(S1351 makes various changes to fire district administrative and governance statutes)*

- S1373se: **HEALTH FACILITIES; DUTY OF CARE** (Sen. Barto, R-15 Phoenix) LAST ACTION: 2/23 PASSED Senate Third Read 25-5. NEXT: HEARING: House Health and Human Services – Monday 3/22/21 at 10:00 AM in House Rm 4 *(S1373 requires SNF and care homes to provide pre-arrival CPR and other care)*

- S1442se: **HAZARDOUS VEGETATION REMOVAL; STATE FORESTER** (Sen. Kerr, R-13 Buckeye) LAST ACTION: **3/9 signed by the Governor**, **Chapter 44, Laws 2021** *(S1442 is the Governor's Healthy Forest Initiative slated for $24M appropriation to fund inmate fire crews for HVR. S1442 is the mirror bill to H2440)*

- ~~S1450i: **WORKERS' COMPENSATION; SPECIAL FUND; FIREFIGHTERS**~~ (Sen. Boyer, R-20 Glendale) LAST ACTION: 2/3 Senate Commerce – HELD. NEXT: **DEAD** *(S1450 creates a special fund to reimburse cities for best practices in firefighter cancer prevention)*

- S1451se: **WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER** (Sen. Boyer, R-20 Glendale) LAST ACTION: 2/18 PASSED Senate Third Read 22-8. NEXT: HEARING: House Military and Public Safety – Monday 3/22/21 at 2:00 PM in House Rm 1 *(S1451 amends cancer presumption laws for firefighters. S1451 is the mirror bill to H2506)*

- S1605i: **WORKERS COMPENSATION; PHYSICIANS; PUBLIC SAFETY** (Sen. Gowan, R-14 Sierra Vista) LAST ACTION: 3/2 from Senate Rules OK. NEXT: awaiting COW Calendar *(S1605 addresses issues with workers comp physician selection and assignment in public safety cases)*

- S1659se: **FIRE DISTRICT ANNUAL BUDGET; SUMMARY** (Sen. Leach, R-11 Oro Valley) LAST ACTION: 3/18 House COW approved with amend #4806 and PASSED House Third Read 59-0. NEXT: returned to Senate for concurrence with House amendments *(S1659 is an ATRA sponsored measure to make fire district budget reporting consistent with city and county requirements)*

**Legislative / Regulatory / Elections / Political Calendar**

- **March 26, 2021** – Bill Hearing Deadline – Opposite Legislative Body

- **April 16, 2021** – Last day for Conference Committees

- **April 24, 2021** – 100th Day of Session

**Upcoming at AFDA**

- **March 26, 2021 –** Fire District Elected Official Statutory Training – **PHOENIX – MARICOPA COUNTY -** Friday, March 26, 2021 at 8:30 a.m.
- **April 1, 2021** – AFDA Board Meeting – Thursday, March 4, 2021 at 10:00 a.m. **NOTE: ZOOM TELECONFERENCE ONLY** (*on site meetings cancelled until further notice)*
- **April 9, 2021 –** Fire District Elected Official Required Statutory Training – **TUCSON – PIMA COUNTY**, Friday, April 9, 2021 at 8:30 a.m.
- **April 23, 2021 –** Fire District Elected Official Required Statutory Training – **MOHAVE COUNTY**, Friday, April 23, 2021 at 8:30 a.m.
- **May 7, 2021 –** Fire District Elected Official Required Statutory Training – **COCONINO COUNTY**, Friday, May 7, 2021 at 8:30 a.m.
- **May 21, 2021 –** Fire District Elected Official Required Statutory Training – **NAVAJO COUNTY,** Friday, May 21, 2021 at 8:30 a.m.



# Fire Service Bill Tracking Report

## Week of March 22, 2021

55th Legislature - 1st Regular Session, 2021 Saturday, Mar 20 2021 1:52 PM

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# Fire Services / EMS / Ambulance

## Posted Calendars and Committee Hearings

H2294: YIELDING TO EMERGENCY VEHICLES; PENALTIES
*Hearing:* Senate Rules (Monday 03/22/21 at 1:00 PM, Senate Rm. 09)

H2455: FIRE DISTRICTS; PENSION LIABILITY; FINANCING
*Hearing:* Senate Finance (Wednesday 03/24/21 at 9:00 AM, Senate Rm. 109)

H2506: WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER
*Hearing:* Senate Commerce (Wednesday 03/24/21 at 2:00 PM, Senate Rm. 1)

H2523: FOUR-YEAR DEGREES; COMMUNITY COLLEGES
*Hearing:* Senate Education (Tuesday 03/23/21 at 2:00 PM, Senate Rm. 1)

S1373: HEALTH FACILITIES; DUTY OF CARE
*Hearing:* House Health & Human Services (Monday 03/22/21 at 10:00 AM, House Rm. 4)

S1451: WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER
*Hearing:* House Military Affairs & Public Safety (Monday 03/22/21 at 2:00 PM, House Rm. 1)

## Bill Summaries

### H2077: STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS

Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system. Appropriates $3 million from the general fund and $2 million from the SPRF in FY2020-21 to the Arizona State Parks Board for operating costs.

First sponsor: Rep. Biasiucci (R - Dist 5)
Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)

| H2077 Daily History | Date | Action |
|---|---|---|
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *3/17* | from Senate appro do pass. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *3/16* | Senate appro do pass; report awaited. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *2/18* | referred to Senate appro. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *1/28* | passed House 51-8; ready for Senate. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *1/25* | from House rules okay. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *1/21* | from House appro do pass. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *1/20* | House appro do pass; report awaited. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *1/20* | from House nat res-energy-water do pass. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *1/19* | House nat res-energy-water do pass; report awaited. |
| STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS | *1/14* | referred to House nat res-energy-water, appro. |

### H2294: YIELDING TO EMERGENCY VEHICLES; PENALTIES

A person who violates the requirement to move over to slow down when approaching a stationary vehicle displaying flashing lights or warning lights is subject to a civil penalty of $275 for a first violation, $500 for a second violation, and $1,000 for a third or subsequent violation, and is liable for any injury and any property damage that results from the violation. The Arizona Department of Transportation (ADOT) is required to educate the public about the requirement to move over or slow down periodically throughout the year and maintain information about the requirement on the ADOT website. AS PASSED HOUSE.

First sponsor: Rep. Payne (R - Dist 21)
Others: Rep. Pingerelli (R - Dist 21)

| H2294 Daily History | Date | Action |
|---|---|---|
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *3/16* | from Senate trans-tech with amend #4840. |
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *3/15* | Senate trans-tech do pass; report awaited. |
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *2/18* | referred to Senate trans-tech. |
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *2/4* | House COW approved with amend #4015 and flr amend #4107. Passed House 50-9; ready for Senate. |
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *2/2* | from House rules okay. |
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *1/25* | from House mil-pub safety with amend #4015. |
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *1/25* | House mil-pub safety do pass; report awaited. |
| YIELDING TO EMERGENCY VEHICLES; PENALTIES | *1/20* | referred to House mil-pub safety. |

## H2304: APPROPRIATIONS; FIRE DISTRICTS; VERNON; SPRINGERVILLE

Appropriates $100,000 from the general fund in FY2021-22 to The Arizona Department of Forestry and Fire Management to distribute to the Vernon fire district for equipment and training. Appropriates $100,000 from the general fund in FY2021-22 to The Arizona Department of Forestry and Fire Management to distribute to the Springerville fire district for equipment and training.

First sponsor: Rep. Teller (D - Dist 7)

| H2304 Daily History | Date | Action |
|---|---|---|
| APPROPRIATIONS; FIRE DISTRICTS; VERNON; SPRINGERVILLE | *2/1* | House land-agri-rural affairs amended; report awaited. 2/2 from House land-agri-rural affairs with amend #4058. |
| APPROPRIATIONS; FIRE DISTRICTS; VERNON; SPRINGERVILLE | *1/26* | referred to House land-agri-rural affairs, appro. |

## H2440: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER

To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a public agency to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property.

First sponsor: Rep. Griffin (R - Dist 14)

| H2440 Daily History | Date | Action |
|---|---|---|
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/11* | House COW approved with flr amend #4220. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/8* | from House rules okay. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/3* | from House nat res-energy-water do pass. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/2* | House nat res-energy-water do pass; report awaited. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *1/27* | referred to House nat res-energy-water. |

## H2455: FIRE DISTRICTS; PENSION LIABILITY; FINANCING

A fire district, through the district board, is authorized to lease, lease-purchase or grant a lien on any or all of its present or future property to pay amounts to the Public Safety Personnel Retirement System, pension prefunding plan investment accounts, and the Arizona Employers' Pension Prefunding Plan, and to create reserves to supplement those payments as deemed necessary by the board. Emergency clause. AS PASSED HOUSE

First sponsor: Rep. Cobb (R - Dist 5)

| H2455 Daily History | Date | Action |
|---|---|---|
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/2* | referred to Senate fin. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/23* | passed House 58-1; ready for Senate. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/23* | House COW approved with amend #4324. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/22* | from House rules okay. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/18* | from House gov-elect with amend #4324. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/17* | House gov-elect amended; report awaited. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/10* | House gov-elect held. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *1/27* | referred to House gov-elect. |

## H2506: WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER

Fire investigators are added to the presumption that specified types of cancer and related diseases that result in disability or death are an occupational disease and are deemed to arise out of employment if specified conditions are met. All insurance carriers, self-insuring employers and workers' compensation pools that secure workers' compensation for firefighters and fire investigators are required to compile and report to the Industrial Commission claim and claim reserve information for all cancer-related claims filed by or on behalf of firefighters and fire investigators. The Commission is required to compile and make available to insurance carriers, rating organizations, employers, public safety workers and workers' compensation pools the claim-related information collected to assist with the setting of workers' compensation insurance rates. In addition to the six uniform percentage deviations already authorized by statute, insurers covering firefighters and fire investigators are permitted to file one uniform percentage deviation that increases the statewide rates under the rating organization's rate filing for the class codes associated with firefighters and fire investigators to address the anticipated increase in losses and expenses for claims that are compensable due to the workers' compensation presumption. The deviation filing must be accompanied by analysis from an actuary that substantively illustrates the basis for the rate increase. Contains a legislative intent section. AS PASSED HOUSE

First sponsor: Rep. Payne (R - Dist 21)

| H2506 Daily History | Date | Action |
|---|---|---|
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *3/8* | referred to Senate com. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *3/4* | House COW approved with flr amend #4737. Passed House 59-0; ready for Senate. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/23* | from House rules okay. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/22* | from House mil-pub safety do pass. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/19* | House mil-pub safety do pass; report awaited. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/10* | referred to House mil-pub safety. |

## H2523: FOUR-YEAR DEGREES; COMMUNITY COLLEGES

Community colleges in counties with a population of 750,000 or less (all but Maricopa and Pima) are authorized to offer four-year baccalaureate degrees that are accredited by a regional accreditation agency approved by the U.S. Department of Education. Community colleges in counties with a population of more than 750,000 (Maricopa and Pima) are authorized to offer four-year baccalaureate degrees that are accredited by a regional accreditation agency approved by the U.S. Department of Education, except that for the first four years baccalaureate degrees are offered those degrees cannot exceed 10 percent of the total number of degrees offered by the college, and for the fifth and subsequent years baccalaureate degrees cannot exceed 15 percent of the total number of degrees offered. In counties with a population of more than 750,000 (Maricopa and Pima), tuition per credit hour for the third and fourth years of a four-year baccalaureate program cannot exceed 150 percent of the tuition per credit hour of any other community college district program. Establishes criteria that a community college district must consider when determining whether to offer baccalaureate degree programs. Each community college offering a baccalaureate degree program is required to submit a report to the Joint Legislative Audit Committee by October 1 of the fifth year after offering baccalaureate degree programs, and information that must be included in the report is specified. Contains legislative findings.

First sponsor: Rep. Nutt (R - Dist 14)
Others: Rep. Biasiucci (R - Dist 5), Rep. Bowers (R - Dist 25), Rep. Cobb (R - Dist 5), Rep. Grantham (R - Dist 12), Rep. Kavanagh (R - Dist 23), Rep. Shah (D - Dist 24), Rep. Toma (R - Dist 22)

| H2523 Daily History | Date | Action |
|---|---|---|
| FOUR-YEAR DEGREES; COMMUNITY COLLEGES | *3/18* | withdrawn from Senate educ and Senate fin and further referred to Senate appro. |
| FOUR-YEAR DEGREES; COMMUNITY COLLEGES | *3/16* | Senate educ held. |
| FOUR-YEAR DEGREES; COMMUNITY COLLEGES | *2/22* | passed House 57-3; ready for Senate. 2/23 referred to Senate educ, fin. |
| FOUR-YEAR DEGREES; COMMUNITY COLLEGES | *2/18* | House COW approved. |
| FOUR-YEAR DEGREES; COMMUNITY COLLEGES | *2/16* | from House rules okay. |
| FOUR-YEAR DEGREES; COMMUNITY COLLEGES | *2/10* | from House educ do pass. |
| FOUR-YEAR DEGREES; COMMUNITY COLLEGES | *2/9* | House educ do pass; report awaited. |

## H2615: EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY

Pursuant to a standing order issued by a licensed physician, naturopathic physician, physician assistant, or nurse practitioner, a "first responder" (defined) who is trained in administering epinephrine injections is authorized to administer an epinephrine injection to a person who the first responder believes in good faith is experiencing anaphylaxis. Licensed physicians and nurse practitioners who issue a standing order and first responders who administer epinephrine injections are immune from professional liability and criminal prosecution for any decision made, act or omission or injury that results from that act if the person acts with reasonable care and in good faith, except in cases of wanton or willful neglect.

First sponsor: Rep. Osborne (R - Dist 13)
Others: Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Cobb (R - Dist 5)

| H2615 Daily History | Date | Action |
|---|---|---|
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *3/9* | from Senate rules okay. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *3/4* | from Senate hel-hu ser do pass. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *3/3* | Senate hel-hu ser do pass; report awaited. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *2/18* | referred to Senate hel-hu ser. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *2/11* | passed House 60-0; ready for Senate. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *2/8* | from House rules okay. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *2/2* | from House hel-hu ser do pass. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *2/1* | House hel-hu ser do pass; report awaited. |
| EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY | *1/27* | referred to House hel-hu ser. |

## H2620: HEALTH CARE WORKERS; ASSAULT; PREVENTION

The list of victims of assault that cause an assault to be classified as aggravated assault if the defendant knows of their profession is expanded to include a "health care worker" (defined) while engaged in the health care worker's work duties. Aggravated assault committed on a health care worker is a class 5 (second lowest) felony if the assault involves physical injury and a class 6 (lowest) felony otherwise. By July 1, 2022, "health care employers" (defined as licensed health care institutions with more than 50 employees) are required to develop, implement and maintain a written workplace violence prevention plan that includes specified provisions. As soon as practicable after a workplace violence incident is reported to a health care employer, the employer is required to investigate the incident and to document the findings, recommendations and corrective measures taken for each investigation conducted. AS PASSED HOUSE

First sponsor: Rep. Shah (D - Dist 24)
Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Cobb (R - Dist 5), Rep. Lieberman (D - Dist 28), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Osborne (R - Dist 13), Rep. Teller (D - Dist 7), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17)

| H2620 Daily History | Date | Action |
|---|---|---|
| HEALTH CARE WORKERS; ASSAULT; PREVENTION | *2/18* | referred to Senate jud. |
| HEALTH CARE WORKERS; ASSAULT; PREVENTION | *2/11* | passed House 42-17; ready for Senate. |
| HEALTH CARE WORKERS; ASSAULT; PREVENTION | *2/11* | House COW approved with amend #4057 and flr amend #4233. |
| HEALTH CARE WORKERS; ASSAULT; PREVENTION | *2/8* | from House rules okay. |
| HEALTH CARE WORKERS; ASSAULT; PREVENTION | *2/2* | from House hel-hu ser with amend #4057. |
| HEALTH CARE WORKERS; ASSAULT; PREVENTION | *2/1* | House hel-hu ser amended; report awaited. |
| HEALTH CARE WORKERS; ASSAULT; PREVENTION | *1/27* | referred to House hel-hu ser. |

## H2623: FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION

Counties and municipalities are authorized to prohibit the use of permissible consumer fireworks between the hours of 10PM and 8AM.

First sponsor: Rep. Shah (D - Dist 24)
Others: Rep. Bowers (R - Dist 25), Rep. Lieberman (D - Dist 28), Rep. Longdon (D - Dist 24), Rep. Nguyen (R - Dist 1), Rep. Osborne (R - Dist 13), Rep. Payne (R - Dist 21)

| H2623 Daily History | Date | Action |
|---|---|---|
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *3/11* | from Senate com with amend #4821. Further referred to Senate appro. |
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *3/10* | Senate com amended; report awaited. |
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *3/2* | referred to Senate com. |
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *2/24* | passed House 35-24; ready for Senate. |
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *2/22* | from House rules okay. |
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *2/16* | from House mil-pub safety do pass. |
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *2/15* | House mil-pub safety do pass; report awaited. |
| FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION | *1/27* | referred to House mil-pub safety. |

## H2817: APPROPRIATION; HAZARDOUS VEGETATION REMOVAL

Appropriates $3 million from the general fund in FY2021-22 to the Arizona Department of Forestry and Fire Management for hazardous vegetation removal. AS PASSED HOUSE

First sponsor: Rep. Lieberman (D - Dist 28)

| H2817 Daily History | Date | Action |
|---|---|---|
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *3/8* | referred to Senate appro. |
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *3/4* | passed House 44-16; ready for Senate. |
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *3/4* | House COW approved with amend #4316. |
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *2/22* | from House rules okay. |
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *2/18* | from House appro with amend #4316. |
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *2/17* | House appro amended; report awaited. |

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|---|---|---|
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *2/16* | from House land-agri-rural affairs do pass. |
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *2/15* | House land-agri-rural affairs do pass; report awaited. |
| APPROPRIATION; HAZARDOUS VEGETATION REMOVAL | *2/8* | referred to House land-agri-rural affairs, appro. |

## S1120: FIRE DISTRICTS; REIMBURSEMENT (~~TECH CORRECTION; COUNTY FISCAL PROVISIONS~~)

Minor change in Title 11 (Counties) related to county fiscal provisions.
Apparent striker bus.

First sponsor: Sen. Gowan (R - Dist 14)

| S1120 Daily History | Date | Action |
|---|---|---|
| FIRE DISTRICTS; REIMBURSEMENT | *3/16* | from House nat res-energy-water with amend #4846. |
| FIRE DISTRICTS; REIMBURSEMENT | *3/16* | House nat res-energy-water amended; report awaited. |
| FIRE DISTRICTS; REIMBURSEMENT | *3/2* | referred to House nat res-energy-water, appro. |
| **FIRE DISTRICTS; REIMBURSEMENT** | *2/25* | Senate COW approved with amend #4461. NOTE SHORT TITLE CHANGE. Passed Senate 25-2; ready for House. |
| TECH CORRECTION; COUNTY FISCAL PROVISIONS | *2/24* | from Senate appro with amend #4461. From Senate rules okay. |
| TECH CORRECTION; COUNTY FISCAL PROVISIONS | *2/23* | Senate appro amended; report awaited. |
| TECH CORRECTION; COUNTY FISCAL PROVISIONS | *2/16* | further referred to Senate appro. |
| TECH CORRECTION; COUNTY FISCAL PROVISIONS | *1/12* | referred to Senate rules only. |

## S1220: MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING

For the purpose of programs to provide peace officers and firefighters with traumatic event counseling, the definition of "licensed mental health professional" is expanded to include mental health professionals who are licensed by the Board of Behavioral Health Examiners and who hold either a master's or doctoral degree related to the mental health profession, and licensed mental health nurse practitioners or psychiatric clinical nurse specialists. AS PASSED SENATE.

First sponsor: Sen. Gray (R - Dist 21)

| S1220 Daily History | Date | Action |
|---|---|---|
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *3/16* | from House rules okay. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *3/9* | from House hel-hu ser do pass. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *3/8* | House hel-hu ser do pass; report awaited. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *2/25* | referred to House hel-hu ser. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *2/4* | passed Senate 29-0; ready for House. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *2/3* | Senate COW approved with amend #4034. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *2/2* | from Senate rules okay. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *1/28* | from Senate hel-hu ser with amend #4034. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *1/27* | Senate hel-hu ser amended; report awaited. |
| MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING | *1/20* | referred to Senate hel-hu ser. |

## S1298: FIRE DISTRICTS; PENSION LIABILITY; FINANCING

A fire district, through the district board, is authorized to lease, lease-purchase or grant a lien on any or all of its present or future property to pay amounts to the Public Safety Personnel Retirement System, pension prefunding plan investment accounts, and the Arizona Employers' Pension Prefunding Plan, and to create reserves to supplement those payments as deemed necessary by the board. Emergency clause. AS PASSED SENATE

First sponsor: Sen. Shope (R - Dist 8)

| S1298 Daily History | Date | Action |
|---|---|---|

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|---|---|---|
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/10* | from House gov-elect do pass. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/10* | House gov-elect do pass; report awaited. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/3* | referred to House gov-elect. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/1* | passed Senate 22-7; ready for House. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/24* | Senate COW approved with amend #4173. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/23* | from Senate rules okay. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/11* | from Senate fin with amend #4173. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/10* | Senate fin amended; report awaited. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *1/25* | referred to Senate fin. |

## S1351: FIRE DISTRICTS; AMENDMENTS

Various changes to statues relating to fire districts. A fire district that contracts for fire and emergency medical services is authorized to designate the fire chief of the service provider as the fire chief of the fire district. On expiration of a fire district board member's term of office, the position is declared vacant unless otherwise filled at a general election. A vacancy that occurs on expiration of a term of office must be filled by appointment by a quorum of the district board within 90 days after the first day of the beginning of the new term of office. If the district board is unable to establish a quorum, the vacancy must be filled by the county board of supervisors. Fire district boards are required to obtain from a licensed or certified appraiser an appraisal of real property owned by the district to determine market value, and are prohibited from accepting a bid for the sale of that property that is less than 75 percent of the appraised market value. If the property has no market value or a net value of $10,000 or less, the board is authorized to value the property by using a market analysis based on comparable sales. The board is allowed to sell or lease fire district property to any other governmental entity on any terms deemed to be advantageous to the fire district. The board is authorized to grant by unanimous consent an easement on district property for public purposes to a utility. AS PASSED SENATE

First sponsor: Sen. Borrelli (R - Dist 5)

| S1351 Daily History | Date | Action |
|---|---|---|
| FIRE DISTRICTS; AMENDMENTS | *3/18* | passed House 57-3; ready for governor. |
| FIRE DISTRICTS; AMENDMENTS | *3/16* | from House rules okay. |
| FIRE DISTRICTS; AMENDMENTS | *3/10* | from House gov-elect do pass. |
| FIRE DISTRICTS; AMENDMENTS | *3/10* | House gov-elect do pass; report awaited. |
| FIRE DISTRICTS; AMENDMENTS | *3/3* | referred to House gov-elect. |
| FIRE DISTRICTS; AMENDMENTS | *3/1* | passed Senate 28-1; ready for House. |
| FIRE DISTRICTS; AMENDMENTS | *2/24* | Senate COW approved with amend #4272. |
| FIRE DISTRICTS; AMENDMENTS | *2/23* | from Senate rules okay. |
| FIRE DISTRICTS; AMENDMENTS | *2/17* | from Senate gov with amend #4272. |
| FIRE DISTRICTS; AMENDMENTS | *2/15* | Senate gov amended; report awaited. Senate gov amended; report awaited. |
| FIRE DISTRICTS; AMENDMENTS | *2/9* | Senate gov held. |
| FIRE DISTRICTS; AMENDMENTS | *1/26* | referred to Senate gov. |

## S1373: HEALTH FACILITIES; DUTY OF CARE

Licensed health care institutions that provide residential care and the institution's employees and agents have an affirmative duty of care for their residents. These institutions are required to provide basic life support and first aid, in accordance with that resident's advance directives and do-not-resuscitate order, including initiating immediate cardiopulmonary resuscitation (CPR) before the arrival of emergency medical services, to a resident who experiences symptoms of cardiac arrest or cessation of respiration. Staff who are certified in CPR and first aid must be available at the health care institution at all times. These institutions are prohibited from implementing policies that prevent employees from providing immediate CPR, first aid or emergency care to the institution's residents. Health care institutions and staff members who render CPR or first aid according to these requirements are not liable for civil damages as a result of any act or omission by the person rendering care, if the care is rendered in good faith and consistent with CPR or first aid certification standards. This liability exclusion does not

apply to a person who acts with gross negligence while rendering care. AS PASSED SENATE

First sponsor: Sen. Barto (R - Dist 15)

| S1373 Daily History | Date | Action |
|---|---|---|
| HEALTH FACILITIES; DUTY OF CARE | *3/1* | referred to House hel-hu ser. |
| HEALTH FACILITIES; DUTY OF CARE | *2/23* | passed Senate 25-5; ready for House. |
| HEALTH FACILITIES; DUTY OF CARE | *2/22* | Senate COW approved with amend #4183 and flr amend #4416. |
| HEALTH FACILITIES; DUTY OF CARE | *2/16* | from Senate rules okay. |
| HEALTH FACILITIES; DUTY OF CARE | *2/11* | from Senate hel-hu ser with amend #4183. |
| HEALTH FACILITIES; DUTY OF CARE | *2/10* | Senate hel-hu ser amended; report awaited. |
| HEALTH FACILITIES; DUTY OF CARE | *1/26* | referred to Senate hel-hu ser. |

## S1374: CRISIS STANDARDS OF CARE; REQUIREMENTS

If the Department of Health Services (DHS) adopts or establishes a crisis standards of care plan or crisis guidelines or standards to address resource allocation when the demand for certain health care services exceeds the supply of necessary resources, a list of specified provisions must be included in the plan, guidelines, or standards, including that decisions on the allocation of health care resources cannot be discriminatory on the basis of specified factors, that each patient has the right to an individualized assessment on the basis of the best available objective medical evidence, and that a patient or the patient's family or health care decision maker has the right to appeal any triage decision. A health care provider or health care institution staff member is prohibited from requiring a patient or the patient's health care decision maker to sign a do-not-resuscitate order or make a particular health care treatment decision. DHS is required to modify any existing crisis standards of care plan or crisis guidelines or standards within 60 days after the effective date of this legislation to comply with these requirements. AS PASSED SENATE

First sponsor: Sen. Barto (R - Dist 15)
Others: Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Roberts (R - Dist 11), Rep. Wilmeth (R - Dist 15)

| S1374 Daily History | Date | Action |
|---|---|---|
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *3/11* | referred to House hel-hu ser. |
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *3/9* | passed Senate 16-12; ready for House. |
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *3/8* | Senate COW approved with amend #4180 and flr amend #4785. |
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *2/22* | retained on Senate COW calendar. |
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *2/16* | from Senate rules okay. |
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *2/11* | from Senate hel-hu ser with amend #4180. |
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *2/10* | Senate hel-hu ser amended; report awaited. |
| CRISIS STANDARDS OF CARE; REQUIREMENTS | *1/26* | referred to Senate hel-hu ser. |

## S1442: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER

To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a "public agency" (defined elsewhere in statute) to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property, and the consent of the Tribe is required to remove hazardous vegetation on tribal land. AS SIGNED BY GOVERNOR. In his signing statement, the Governor stated that this legislation is a key component of the Arizona Healthy Forest Initiative to reduce wildfire risk to Arizona communities.

First sponsor: Sen. Kerr (R - Dist 13)

Others: Sen. Engel (D - Dist 10), Sen. Fann (R - Dist 1), Sen. Gabaldon (D - Dist 2), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Otondo (D - Dist 4), Sen. Peshlakai (D - Dist 7), Sen. Shope (R - Dist 8)

| S1442 Daily History | Date | Action |
|---|---|---|
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *3/9* | signed by governor. Chap. 44, Laws 2021. message |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *3/3* | substituted in House for identical bill 2440. Passed House 59-0; ready for governor. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/17* | passed Senate 27-3; ready for House. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/11* | Senate COW approved with amend #4080. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/9* | from Senate rules okay. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/4* | from Senate nat res-energy-water with amend #4123. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *2/3* | Senate nat res-energy-water amended; report awaited. |
| HAZARDOUS VEGETATION REMOVAL; STATE FORESTER | *1/27* | referred to Senate nat res-energy-water. |

## S1451: WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER

Fire investigators are added to the presumption that specified types of cancer and related diseases that result in disability or death are an occupational disease and are deemed to arise out of employment if specified conditions are met. All insurance carriers, self-insuring employers and workers' compensation pools that secure workers' compensation for firefighters and fire investigators are required to compile and report to the Industrial Commission claim and claim reserve information for all cancer-related claims filed by or on behalf of firefighters and fire investigators. The Commission is required to compile and make available to insurance carriers, rating organizations, employers, public safety workers and workers' compensation pools the claim-related information collected to assist with the setting of workers' compensation insurance rates. In addition to the six uniform percentage deviations already authorized by statute, insurers covering firefighters and fire investigators are permitted to file one uniform percentage deviation that increases the statewide rates under the rating organization's rate filing for the class codes associated with firefighters and fire investigators to address the anticipated increase in losses and expenses for claims that are compensable due to the workers' compensation presumption. The deviation filing must be accompanied by analysis from an actuary that substantively illustrates the basis for the rate increase. Contains a legislative intent section. AS PASSED SENATE

First sponsor: Sen. Boyer (R - Dist 20)

| S1451 Daily History | Date | Action |
|---|---|---|
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *3/2* | referred to House mil-pub safety. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/18* | passed Senate 22-8; ready for House. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/11* | Senate COW approved with flr amend #4230. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/9* | from Senate rules okay. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/4* | from Senate com do pass. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *2/3* | Senate com do pass; report awaited. |
| WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER | *1/27* | referred to Senate com. |

## S1605: WORKERS COMPENSATION; PHYSICIANS; PUBLIC SAFETY

The Industrial Commission is required to develop and annually update a list of approved physicians to conduct initial examinations "public safety employees" (defined elsewhere in statute) or periodic medical examinations of public safety employees. If an accident occurs to a public safety employee, the Industrial Commission is required to randomly select from the list a physician who shall be allowed by the public safety employee, or any person in charge of the public safety employee, to make one examination of the injured public safety employee in order to ascertain the character and extent of the injury occasioned by the accident.

First sponsor: Sen. Gowan (R - Dist 14)
Others: Sen. Borrelli (R - Dist 5), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Ugenti-Rita (R - Dist 23)

| S1605 Daily History | Date | Action |
|---|---|---|

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|---|---|---|
| WORKERS COMPENSATION; PHYSICIANS; PUBLIC SAFETY | *3/2* | from Senate rules okay. |
| WORKERS COMPENSATION; PHYSICIANS; PUBLIC SAFETY | *2/18* | from Senate com do pass. |
| WORKERS COMPENSATION; PHYSICIANS; PUBLIC SAFETY | *2/17* | Senate com do pass; report awaited. |
| WORKERS COMPENSATION; PHYSICIANS; PUBLIC SAFETY | *2/1* | referred to Senate com. |

## S1659: FIRE DISTRICT ANNUAL BUDGET; SUMMARY

Every budget adopted by a fire district is required to include the annual estimate of revenues and expenses of the fire district for the preceding and current fiscal year fully itemized on forms provided by the Auditor General. The information that must be included in a fire district budget is expanded to include information about employee compensation, bond interest and principal, secondary property tax levies, and other specified information. Fire districts are required to post audits or reviews of the district online. AS PASSED SENATE

First sponsor: Sen. Leach (R - Dist 11)

| S1659 Daily History | Date | Action |
|---|---|---|
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *3/18* | House COW approved with amend #4806. Passed House 59-0; returned to Senate for concurrence in House amendments. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *3/16* | from House rules okay. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *3/10* | from House ways-means with amend #4806. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *3/10* | House ways-means amended; report awaited. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *3/2* | referred to House ways-means. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *2/18* | passed Senate 30-0; ready for House. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *2/17* | Senate COW approved with amend #4179. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *2/16* | from Senate rules okay. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *2/11* | from Senate fin with amend #4179. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *2/10* | Senate fin amended; report awaited. |
| FIRE DISTRICT ANNUAL BUDGET; SUMMARY | *2/3* | referred to Senate fin. |

# Governance & Regulatory

## Posted Calendars and Committee Hearings

H2014: GRRC; PETITION TO REQUEST REVIEW
*Hearing:* Senate Government (Monday 03/22/21 at 2:00 PM, Senate Rm. 1)

H2759: RULEMAKING; PETITIONS; GRRC
*Hearing:* Senate Government (Monday 03/22/21 at 2:00 PM, Senate Rm. 1)

S1042: WORKERS' COMPENSATION; SETTINGS; DEFINITION
*Hearing:* House Rules (Monday 03/22/21 at 1:00 PM, House Rm. 4)

S1074: LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING
*Hearing:* House Rules (Monday 03/22/21 at 1:00 PM, House Rm. 4)

S1645: PUBLICATION OF NOTICE
*Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1)
*Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1)

S1651: WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION
*Hearing:* House Rules (Monday 03/22/21 at 1:00 PM, House Rm. 4)

## Bill Summaries

### H2014: GRRC; PETITION TO REQUEST REVIEW

A person is permitted to petition the Governor's Regulatory Review Council (GRRC) to request a review of an existing agency practice that involves interpreting a rule adopted by the agency, substantive policy statement, or final rule of an agency established under statute governing campaign finance, including the Citizens Clean Elections Act, based on the person's belief that the practice, policy, or rule does not meet the requirements of the Administrative Procedures Act, exceeds the agency's statutory authority or violates the state Constitution or the U.S. Constitution. If, after a public hearing, GRRC determines that the practice, policy, action or rule does not meet these requirements, GRRC is authorized to modify, revise or declare void any practice, policy, or rule.

First sponsor: Rep. Biasiucci (R - Dist 5)

| H2014 Daily History | Date | Action |
|---|---|---|
| GRRC; PETITION TO REQUEST REVIEW | *2/18* | referred to Senate gov. |
| GRRC; PETITION TO REQUEST REVIEW | *2/4* | House COW approved. Passed House 31-28; ready for Senate. |
| GRRC; PETITION TO REQUEST REVIEW | *1/25* | from House rules okay. |
| GRRC; PETITION TO REQUEST REVIEW | *1/13* | from House gov-elect do pass. |
| GRRC; PETITION TO REQUEST REVIEW | *1/13* | House gov-elect do pass; report awaited. |
| GRRC; PETITION TO REQUEST REVIEW | *1/11* | referred to House gov-elect. |

### H2030: HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS

Condominium associations and homeowners' associations cannot prohibit the display of a "first responder flag" (defined). AS PASSED HOUSE

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2030 Daily History | Date | Action |
|---|---|---|
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *3/9* | from Senate rules okay. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *3/2* | from Senate gov do pass. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *3/1* | Senate gov do pass; report awaited. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *2/18* | referred to Senate gov. |

| | | |
|---|---|---|
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *2/11* | passed House 35-24; ready for Senate. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *2/11* | House COW approved with amend #4094. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *2/8* | from House rules okay. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *2/4* | from House gov-elect with amend #4094. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *2/3* | House gov-elect amended; report awaited. |
| HOMEOWNERS' ASSOCIATIONS; FIRST RESPONDER FLAGS | *1/12* | referred to House gov-elect. |

## H2243: OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE

A regulating entity under Title 32 (Professions and Occupations) is required to prominently print a specified notice regarding reciprocity on all license and certificate applications and regulating entity websites.

First sponsor: Rep. Grantham (R - Dist 12)

| H2243 Daily History | Date | Action |
|---|---|---|
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *2/2* | from House rules okay. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/27* | from House com do pass. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/26* | House com do pass; report awaited. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/20* | referred to House com. |

## H2265: RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION

A state agency that seeks to expire a rule or rules is authorized to file a notice of intent to expire with the Governor's Regulatory Review Council (GRRC). GRRC is required to place the notice on the agenda for the next scheduled meeting for consideration. If a quorum of GRRC approves the notice, GRRC is required to cause a notice of rule expiration to be prepared and provide the notice of rule expiration to the agency for filing with the Secretary of State.

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2265 Daily History | Date | Action |
|---|---|---|
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *3/9* | from Senate rules okay. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *3/2* | from Senate gov do pass. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *3/2* | Senate gov do pass; report awaited. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *2/18* | referred to Senate gov. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *2/11* | passed House 60-0; ready for Senate. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *2/8* | from House rules okay. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *2/4* | from House gov-elect do pass. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *2/3* | House gov-elect do pass; report awaited. |
| RULEMAKING; EXPEDITED PROCESS; RULE EXPIRATION | *1/25* | referred to House gov-elect. |

## H2526: INCORPORATION; URBANIZED AREAS

Modifies requirements for a community to incorporate as a city or town to require the map and petition to be file simultaneously or within 24 hours of each other. Before obtaining any signatures on a petition for incorporation, the petitioners are required to publish a copy of the petition in a newspaper of general circulation in the area to be affected for two consecutive weeks. Makes other changes to the process of filing a petition for incorporation.

First sponsor: Rep. Pratt (R - Dist 8)

| H2526 Daily History | Date | Action |
|---|---|---|
| INCORPORATION; URBANIZED AREAS | *2/23* | House COW approved with amend #4097. |
| INCORPORATION; URBANIZED AREAS | *2/8* | from House rules okay. |
| INCORPORATION; URBANIZED AREAS | *2/4* | from House gov-elect with amend #4097. |

| | | |
|---|---|---|
| INCORPORATION; URBANIZED AREAS | *1/28* | referred to House gov-elect. |

## H2759: RULEMAKING; PETITIONS; GRRC

On receipt of a petition to review an existing agency practice, substantive policy statement, final rule, or regulatory licensing requirement that the petitioner alleges violates state law, is not authorized by statute, is unduly burdensome or is not demonstrated to be necessary to fulfill a public health, safety or welfare concern, the Governor's Regulatory Review Council (GRRC) is required to review the practice, policy, rule, or requirement. Previously, GRRC was required to review the petition only if the practice, policy, rule or requirement applied to a profession for which the average wage in that profession in Arizona does not exceed 200 percent of the federal poverty guidelines for a family of four. AS PASSED HOUSE

First sponsor: Rep. Grantham (R - Dist 12)

| H2759 Daily History | Date | Action |
|---|---|---|
| RULEMAKING; PETITIONS; GRRC | *3/4* | referred to Senate gov. |
| RULEMAKING; PETITIONS; GRRC | *3/3* | House COW approved with amend #4408. Passed House 31-29; ready for Senate. |
| RULEMAKING; PETITIONS; GRRC | *2/23* | from House rules okay. |
| RULEMAKING; PETITIONS; GRRC | *2/22* | from House gov-elect with amend #4408. |
| RULEMAKING; PETITIONS; GRRC | *2/18* | House gov-elect amended; report awaited. |
| RULEMAKING; PETITIONS; GRRC | *2/18* | House gov-elect held. |
| RULEMAKING; PETITIONS; GRRC | *2/2* | referred to House gov-elect. |

## H2804: PUBLIC MEETINGS; EXECUTIVE SESSIONS

A public body is authorized to hold an executive session for legal advice solely for advice in the other areas for which an executive session may be held. Discussion of the objectives on which an officer or employee of a public body will be evaluated must be conducted in a public meeting.

First sponsor: Rep. Pingerelli (R - Dist 21)
Others: Rep. Biasiucci (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Cobb (R - Dist 5), Rep. Finchem (R - Dist 11), Rep. Hoffman (R - Dist 12), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17)

| H2804 Daily History | Date | Action |
|---|---|---|
| PUBLIC MEETINGS; EXECUTIVE SESSIONS | *3/8* | referred to Senate gov. |
| PUBLIC MEETINGS; EXECUTIVE SESSIONS | *3/4* | House COW approved. Passed House 31-29; ready for Senate. |
| PUBLIC MEETINGS; EXECUTIVE SESSIONS | *2/23* | from House rules okay. |
| PUBLIC MEETINGS; EXECUTIVE SESSIONS | *2/22* | from House gov-elect do pass. |
| PUBLIC MEETINGS; EXECUTIVE SESSIONS | *2/18* | House gov-elect do pass; report awaited. |
| PUBLIC MEETINGS; EXECUTIVE SESSIONS | *2/18* | House gov-elect held. |
| PUBLIC MEETINGS; EXECUTIVE SESSIONS | *2/10* | referred to House gov-elect. |

## H2821: BONDS; CHANGE OF PURPOSE; ELECTION

The governing body or board of a political subdivision is authorized to call an election to change the purposes for which the monies derived from the sale of bonds authorized at a prior bond election may be spent. An election called to change the purposes for which bond monies may be spent may be held only on the first Tuesday following the first Monday in November. This authorization self-repeals January 1, 2025.

First sponsor: Rep. Bolick (R - Dist 20)
Others: Rep. Toma (R - Dist 22)

| H2821 Daily History | Date | Action |
|---|---|---|
| BONDS; CHANGE OF PURPOSE; ELECTION | *3/2* | referred to Senate fin. |
| BONDS; CHANGE OF PURPOSE; ELECTION | *2/24* | passed House 57-2; ready for Senate. |

| | | |
|---|---|---|
| BONDS; CHANGE OF PURPOSE; ELECTION | *2/22* | from House rules okay. |
| BONDS; CHANGE OF PURPOSE; ELECTION | *2/17* | from House ways-means do pass. |
| BONDS; CHANGE OF PURPOSE; ELECTION | *2/17* | House ways-means do pass; report awaited. |
| BONDS; CHANGE OF PURPOSE; ELECTION | *2/10* | referred to House ways-means. |

## S1042: WORKERS' COMPENSATION; SETTINGS; DEFINITION (~~WORKERS' COMPENSATION; FEE SCHEDULE; SETTINGS~~)

For the purpose of statute allowing the Industrial Commission to include separate reimbursement guidelines for medications dispensed in settings that are not accessible to the general public, "settings that are not accessible to the general public does not include mail order pharmacies delivering pharmaceutical services to workers' compensation claimants, if specified conditions are met. Emergency clause. AS PASSED SENATE.

First sponsor: Sen. Livingston (R - Dist 22)
Others: Sen. Fann (R - Dist 1)

| S1042 Daily History | Date | Action |
|---|---|---|
| WORKERS' COMPENSATION; SETTINGS; DEFINITION | *3/16* | from House com with amend #4845. |
| WORKERS' COMPENSATION; SETTINGS; DEFINITION | *3/16* | House com amended; report awaited. |
| **WORKERS' COMPENSATION; SETTINGS; DEFINITION** | *2/24* | referred to House com. |
| **WORKERS' COMPENSATION; FEE SCHEDULE; SETTINGS** | *2/9* | passed Senate 29-0; ready for House. |
| WORKERS' COMPENSATION; SETTINGS; DEFINITION | *2/4* | Senate COW approved with amend #4018. Note short title change. |
| WORKERS' COMPENSATION; SETTINGS; DEFINITION | *2/2* | from Senate rules okay. |
| WORKERS' COMPENSATION; SETTINGS; DEFINITION | *1/28* | from Senate fin with amend #4018. |
| WORKERS' COMPENSATION; SETTINGS; DEFINITION | *1/27* | Senate fin amended; report awaited. |
| WORKERS' COMPENSATION; SETTINGS; DEFINITION | *1/11* | referred to Senate fin. |

## S1074: LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING

Within 90 days after completing a financial audit, county board of supervisors, municipal governing bodies, and community college districts boards must require the certified public accountant or auditor who performed the audit to present the audit results and any findings to the board or governing body in a regular meeting without the use of a consent agenda. AS PASSED SENATE

First sponsor: Sen. Livingston (R - Dist 22)

| S1074 Daily History | Date | Action |
|---|---|---|
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *3/10* | from House gov-elect do pass. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *3/10* | House gov-elect do pass; report awaited. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *3/2* | referred to House gov-elect. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *2/24* | passed Senate 18-12; ready for House. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *2/22* | Senate COW approved with amend #4141. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *2/16* | from Senate rules okay. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *2/9* | from Senate gov with amend #4141. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *2/8* | Senate gov do pass; report awaited. |
| LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING | *1/20* | referred to Senate gov. |

## S1089: BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE

A person who is not licensed and who practices or attempts to practice or who holds himself out as trained and authorized to practice behavioral health, including diagnosing or treating any mental ailment, disease, disorder or other mental condition of any person, without being authorized by law to perform the act, is engaging in the unauthorized practice of behavioral health, is guilty of a class 2 (mid-level) misdemeanor and is subject to a civil penalty of up to $500 for each offense. A person who conspires with or aids and abets another to commit any act constituting the unauthorized practice of

behavioral health is guilty of a class 6 (lowest) felony and is subject to a civil penalty of up to $500 for each offense. The Board of Behavioral Health Examiners is required to notify the Department of Health Services if a licensed health care institution employs or contracts with a person who is investigated for the unauthorized practice of behavioral health. Also modifies the post-master's degree experience or post-bachelor's degree experience requirements for licensed clinical social workers, licensed professional counselors, licensed marriage and family therapists, and licensed substance abuse counselors. AS PASSED SENATE

First sponsor: Sen. Pace (R - Dist 25)

| S1089 Daily History | Date | Action |
|---|---|---|
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *3/18* | signed by governor. Chap. no. awaited. message |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *3/16* | Senate concurred in House amendments and passed on final reading 29-1; ready for governor. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *3/15* | passed House 56-4; returned to Senate for concurrence in House amends. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *3/11* | House COW approved with amend #4653. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *3/2* | from House hel-hu ser with amend #4653. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *3/2* | House hel-hu ser do pass; report awaited. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *2/23* | referred to House hel-hu ser. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *2/18* | passed Senate 21-9; ready for House. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *2/11* | FAILED Senate 14-15. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *2/10* | Senate COW approved with amend #4088 and flr amend #4170. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *2/9* | from Senate rules okay. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *2/4* | from Senate hel-hu ser with amend #4088. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *2/3* | Senate hel-hu ser amended; report awaited. |
| BEHAVIORAL HEALTH PROFESSIONALS; UNAUTHORIZED PRACTICE | *1/20* | referred to Senate hel-hu ser. |

## S1149: OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE

A regulating entity under Title 32 (Professions and Occupations) is required to prominently print a specified notice regarding reciprocity on all license and certificate applications and regulating entity websites. AS SIGNED BY GOVERNOR

First sponsor: Sen. Petersen (R - Dist 12)

| S1149 Daily History | Date | Action |
|---|---|---|
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *2/12* | signed by governor. Chap. 16, Laws 2021. message |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *2/4* | substituted in House for identical bill 2243. Passed House 46-13; ready for governor. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/28* | passed Senate 29-0; ready for House. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/26* | from Senate rules okay. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/21* | from Senate com do pass. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/20* | Senate com do pass; report awaited. |
| OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE | *1/13* | referred to Senate com. |

## S1267: RECORD OF PROCEEDING; ELECTRONIC RECORDING

The state, state agencies, political subdivisions, the judiciary and courts of law are authorized to use for any purpose electronic devices in lieu of court reporters or stenographers. If requested by either party in writing at least five court days before a trial or hearing, a court reporter or stenographer must be used if available on the day of the trial or hearing. Some exceptions. Either party is permitted to provide a certified reporter or stenographer in addition to the electronic devices used by a court to record the proceedings. The official record of the proceedings is the record prepared by the court reporter or prepared by the court pursuant to rules adopted by the Supreme Court. AS PASSED SENATE

First sponsor: Sen. Petersen (R - Dist 12)

| S1267 Daily History | Date | Action |
|---|---|---|
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *3/18* | retained on House COW calendar. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *3/16* | from House rules okay. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *3/10* | from House jud do pass. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *3/10* | House jud do pass; report awaited. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *3/1* | referred to House jud. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *2/23* | passed Senate 18-12; ready for House. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *2/22* | Senate COW approved with flr amend #4413. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *2/18* | retained on Senate COW calendar. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *2/10* | retained on Senate COW calendar. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *2/9* | from Senate rules okay. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *2/8* | from Senate jud do pass. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *2/4* | Senate jud do pass; report awaited. |
| RECORD OF PROCEEDING; ELECTRONIC RECORDING | *1/21* | referred to Senate jud. |

## S1299: INCORPORATION; URBANIZED AREAS

Modifies requirements for a community to incorporate as a city or town to require the map and petition to be file simultaneously or within 24 hours of each other. Before obtaining any signatures on a petition for incorporation, the petitioners are required to publish a copy of the petition in a newspaper of general circulation in the area to be affected for two consecutive weeks. Makes other changes to the process of filing a petition for incorporation. AS SIGNED BY GOVERNOR

First sponsor: Sen. Shope (R - Dist 8)

| S1299 Daily History | Date | Action |
|---|---|---|
| INCORPORATION; URBANIZED AREAS | *3/3* | signed by governor. Chap. 41, Laws 2021. message |
| INCORPORATION; URBANIZED AREAS | *2/23* | substituted in House for identical bill 2526. Passed House 59-0; ready for governor. |
| INCORPORATION; URBANIZED AREAS | *2/18* | passed Senate 30-0; ready for House. |
| INCORPORATION; URBANIZED AREAS | *2/17* | Senate COW approved with amend #4138. |
| INCORPORATION; URBANIZED AREAS | *2/16* | from Senate rules okay. |
| INCORPORATION; URBANIZED AREAS | *2/9* | from Senate gov with amend #4138. |
| INCORPORATION; URBANIZED AREAS | *2/8* | Senate gov amended; report awaited. |
| INCORPORATION; URBANIZED AREAS | *1/25* | referred to Senate gov. |

## S1645: PUBLICATION OF NOTICE

Modifies the publication of notice requirement for a district, municipal officer, board or commission to require publication in a newspaper that is printed and published within the county in which the district or municipality is located and that is circulated to residents of the district or municipality. Notices of elections, invitations for bids, laws and ordinances, and other public notices issued by a municipal governing body are required to be published in a newspaper that is printed and published within the municipality or that is printed and published within the county in which the municipality is located within a greater circulation to residents of the municipality. AS PASSED SENATE

First sponsor: Sen. Shope (R - Dist 8)

| S1645 Daily History | Date | Action |
|---|---|---|
| PUBLICATION OF NOTICE | *3/15* | referred to House gov-elect. |
| PUBLICATION OF NOTICE | *3/1* | passed Senate 26-3; ready for House. |
| PUBLICATION OF NOTICE | *2/25* | Senate COW approved with amend #4273. |
| PUBLICATION OF NOTICE | *2/23* | from Senate rules okay. |
| PUBLICATION OF NOTICE | *2/17* | from Senate gov with amend #4273. |
| PUBLICATION OF NOTICE | *2/15* | Senate gov do pass; report awaited. |

| | | |
|---|---|---|
| PUBLICATION OF NOTICE | *2/3* | referred to Senate gov. |

## S1651: WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION

Various notices of workers' compensation hearings and decisions may be transmitted to interested parties by means other than mailing to the last known address, including by electronic transmission, with the written consent of the receiving party.

First sponsor: Sen. Livingston (R - Dist 22)

| S1651 Daily History | Date | Action |
|---|---|---|
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *3/10* | from House com do pass. |
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *3/9* | House com do pass; report awaited. |
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *3/2* | referred to House com. |
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *2/18* | passed Senate 30-0; ready for House. |
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *2/16* | from Senate rules okay. |
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *2/11* | from Senate com do pass. |
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *2/10* | Senate com do pass; report awaited. |
| WORKERS; COMPENSATION; SERVICE; ELECTRONIC TRANSMISSION | *2/3* | referred to Senate com. |

## S1752: COMMUNITY FACILITIES DISTRICTS

Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional members are permanently advisory nonvoting members. Emergency clause.

First sponsor: Sen. Leach (R - Dist 11)

| S1752 Daily History | Date | Action |
|---|---|---|
| COMMUNITY FACILITIES DISTRICTS | *3/9* | passed Senate 28-0; ready for House. |
| COMMUNITY FACILITIES DISTRICTS | *3/4* | Senate COW approved. |
| COMMUNITY FACILITIES DISTRICTS | *2/23* | from Senate rules okay. |
| COMMUNITY FACILITIES DISTRICTS | *2/18* | from Senate fin do pass. |
| COMMUNITY FACILITIES DISTRICTS | *2/3* | referred to Senate fin. |

# Pension Systems

## Posted Calendars and Committee Hearings

H2455: FIRE DISTRICTS; PENSION LIABILITY; FINANCING
*Hearing:* Senate Finance (Wednesday 03/24/21 at 9:00 AM, Senate Rm. 109)

S1052: ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS
*Hearing:* House Rules (Monday 03/22/21 at 1:00 PM, House Rm. 4)

S1396: PSPRS; SURVIVOR BENEFITS
*Hearing:* House Military Affairs & Public Safety (Monday 03/22/21 at 2:00 PM, House Rm. 1)

## Bill Summaries

### H2008: ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS

The Arizona State Retirement System (ASRS) is prohibited from paying an employer earnings attributable to excess contributions but is required to reduce the amount returned to an employer by the amount of losses attributable to the excess contributions. On receipt of an employer credit or return of contributions, the employer is required to return any member portion of the returned contributions to the member. If an employer pays less than the correct amount of employer or member contributions into ASRS, the correct amount of member contributions is prohibited from being paid to ASRS after the death of the member. AS SIGNED BY GOVERNOR

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2008 Daily History | Date | Action |
|---|---|---|
| ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS | *2/26* | signed by governor. Chap. 36, Laws 2021. message |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS | *2/18* | substituted in Senate for identical bill 1352. Passed Senate 30-0; ready for governor. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS | *1/28* | passed House 58-0; ready for Senate. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS | *1/25* | from House rules okay. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS | *1/13* | from House gov-elect do pass. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS | *1/13* | House gov-elect do pass; report awaited. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS | *1/11* | referred to House gov-elect. |

### H2059: RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK

In the computation of average monthly benefit compensation for the Public Safety Personnel Retirement System, a period of nonpaid or partially paid industrial leave must be considered based on the compensation the employee would have received in the employee's job classification if the employee was not on industrial leave. Payment of benefits to a Public Safety Personnel Retirement System, Corrections Officer Retirement Plan or Elected Officials' Retirement Plan member are required to commence no later than April 1 of the calendar year following the later of the date the member terminates employment or the calendar year in which the member attains 72 years of age, increased from 70.5 years of age. AS SIGNED BY GOVERNOR

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2059 Daily History | Date | Action |
|---|---|---|
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *2/18* | signed by governmor. Chap. 23, Laws 2021. message |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *2/11* | substituted in Senate for identical bill 1136. Passed Senate 29-0; ready for governor. |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *1/28* | passed House 59-0; ready for Senate. |

| | | |
|---|---|---|
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *1/25* | from House rules okay. |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *1/20* | from House gov-elect do pass. |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *1/20* | House gov-elect do pass; report awaited. |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *1/14* | referred to House gov-elect. |

## H2139: ASRS; SELF-INSURANCE PRGGRAM

If the Arizona State Retirement System Board determines that a self-insurance program should no longer be offered, the monies in the self-insurance program account must be used to provide any remaining benefits and to pay administration costs for the program or health insurance premium payments. If those liabilities are satisfied, the Board is required to return any remaining monies to the employer. Previously, the monies were required to be transferred to another account of ASRS as determined by the Board.

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2139 Daily History | Date | Action |
|---|---|---|
| ASRS; SELF-INSURANCE PRGGRAM | *2/2* | from House rules okay. |
| ASRS; SELF-INSURANCE PRGGRAM | *1/27* | from House gov-elect do pass. |
| ASRS; SELF-INSURANCE PRGGRAM | *1/27* | House gov-elect do pass; report awaited. |
| ASRS; SELF-INSURANCE PRGGRAM | *1/20* | referred to House gov-elect. |

## H2356: ASRS; NONPARTICIPATORY EMPLOYER LIABILITY

The list of Arizona State Retirement System (ASRS) nonparticipating employers is modified to remove an employer that is no longer contributing to ASRS on behalf of current employees due to a reduction in the number of actively contributing employees by 30 percent or more over a 3-year period or a reduction in the number of actively contributing employees by 50 percent or more over any period of time, based on the number of contributing employees as of August 3, 2018. [Capitol Reports Note: This type of nonparticipating employer was added by Laws 2018, Chapter 210.]

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2356 Daily History | Date | Action |
|---|---|---|
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *2/8* | from House rules okay. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *2/4* | from House gov-elect do pass. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *2/3* | House gov-elect do pass; report awaited. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *1/26* | referred to House gov-elect. |

## H2381: PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION

Various changes to statues governing the Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP). The powers and duties of PSPRS local boards and CORP local boards are expanded to include deciding all questions of eligibility for membership and disability and in the line of duty death benefits, and a uniform process for reviewing applications for these benefits is established. Each PSPRS local board and CORP local board is required to hire an independent legal counsel, and requirements and prohibitions for the legal counsel are specified. PSPRS and CORP local board members are required to complete local board training within 180 days after appointment or election. PSPRS and CORP employers and local boards are required to submit any materials requested by the PSPRS Board of Trustees for any reason. If the PSPRS Board of Trustees finds through an audit or investigation that a local board is not in compliance with statute or rule, the local board has 60 days to take corrective action, and failure to take adequate correction action authorizes the Board of Trustees to act on behalf of that local board until the matter is resolved. PSPRS and CORP local boards are authorized to enter into an intergovernmental agreement with other local boards to consolidate the boards. Effective January 1, 2022. AS SIGNED BY GOVERNOR

First sponsor: Rep. Blackman (R - Dist 6)

| H2381 Daily History | Date | Action |
|---|---|---|
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/24* | signed by governor. Chap. 34, Laws 2021. message |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/16* | substituted in Senate for identical bill 1214. Passed Senate 30-0; ready for governor. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/11* | passed House 60-0; ready for Senate. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/11* | House COW approved with amend #4096 and flr amend #4237. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/8* | from House rules okay. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/4* | from House gov-elect with amend #4096. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/3* | House gov-elect do pass; report awaited. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *1/27* | referred to House gov-elect. |

## H2455: FIRE DISTRICTS; PENSION LIABILITY; FINANCING

A fire district, through the district board, is authorized to lease, lease-purchase or grant a lien on any or all of its present or future property to pay amounts to the Public Safety Personnel Retirement System, pension prefunding plan investment accounts, and the Arizona Employers' Pension Prefunding Plan, and to create reserves to supplement those payments as deemed necessary by the board. Emergency clause. AS PASSED HOUSE

First sponsor: Rep. Cobb (R - Dist 5)

| H2455 Daily History | Date | Action |
|---|---|---|
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/2* | referred to Senate fin. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/23* | passed House 58-1; ready for Senate. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/23* | House COW approved with amend #4324. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/22* | from House rules okay. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/18* | from House gov-elect with amend #4324. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/17* | House gov-elect amended; report awaited. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/10* | House gov-elect held. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *1/27* | referred to House gov-elect. |

## S1043: PUBLIC SAFETY; CANCER INSURANCE; ELIGIBILITY

The Board of Trustees of the Public Safety Personnel Retirement System is required to annually review the premiums required under the Public Safety Cancer Insurance Policy Program to ensure the financial security of the Program. Persons eligible for coverage under the Program remain eligible upon retirement for the statutorily specified time periods, regardless of whether the person has a cancer diagnosis.

First sponsor: Sen. Livingston (R - Dist 22)

| S1043 Daily History | Date | Action |
|---|---|---|
| PUBLIC SAFETY; CANCER INSURANCE; ELIGIBILITY | *1/26* | from Senate rules okay. |
| PUBLIC SAFETY; CANCER INSURANCE; ELIGIBILITY | *1/14* | from Senate fin do pass. |
| PUBLIC SAFETY; CANCER INSURANCE; ELIGIBILITY | *1/13* | Senate fin do pass; report awaited. |
| PUBLIC SAFETY; CANCER INSURANCE; ELIGIBILITY | *1/11* | referred to Senate fin. |

## S1045: DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY

Retired members of the Public Safety Personnel Defined Contribution Retirement System (PSPDCRS) are no longer required to pay the premium for coverage in the group health and accident coverage and are no longer excluded from eligibility for benefits under the health insurance premium assistance program for members with disabilities. The accidental disability pension for a member of the Public Safety Personnel Retirement System (PSPRS) must be at least 50 percent of the member's average monthly benefit compensation. The PSPRS Board is required to establish and administer a group health benefits plan for retired participants who elect to participate. For 90 days after the effective date of this legislation, existing PSPDCRS participants must have an opportunity

to opt in to the group health benefits plan through an irrevocable election to pay the required costs through payroll deduction. Each participant in the group health benefits plan and the participant's employer are required to pay an equal amount for costs, as actuarially determined, for the plan. Other than provisions relating to accidental disability pension, this legislation becomes effective July 1, 2022. AS PASSED SENATE

First sponsor: Sen. Livingston (R - Dist 22)

| S1045 Daily History | Date | Action |
|---|---|---|
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *3/10* | from House gov-elect do pass. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *3/10* | House gov-elect do pass; report awaited. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *3/3* | referred to House gov-elect. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *3/1* | passed Senate 28-1; ready for House. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *2/24* | Senate COW approved with flr amend #4531. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *2/10* | retained on Senate COW calendar. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *1/26* | from Senate rules okay. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *1/14* | from Senate fin do pass. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *1/13* | Senate fin do pass; report awaited. |
| DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY | *1/11* | referred to Senate fin. |

## S1046: MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS

For the purpose of Public Safety Personnel Retirement System (PSPRS) rollover distributions, the definition of "eligible retirement plan" is expanded to include a Roth individual retirement account that satisfies the requirements of section 408A of the federal Internal Revenue Code. A PSPRS member or the member's surviving spouse who is entitled to receive an eligible rollover distribution is authorized to elect to directly roll over all or part of that distribution to an eligible retirement plan, and a member's beneficiary other than the spouse is authorized, on the death of the member, to elect to directly roll over all or part of an eligible rollover distribution from the system. Requirements for eligible rollover distributions are specified. Retroactive to January 1, 2020.

First sponsor: Sen. Livingston (R - Dist 22)

| S1046 Daily History | Date | Action |
|---|---|---|
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *3/18* | passed House 59-0; ready for governor. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *3/16* | from House rules okay. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *3/3* | from House gov-elect do pass. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *3/3* | House gov-elect do pass; report awaited. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *2/23* | referred to House gov-elect. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *1/28* | passed Senate 29-0; ready for House. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *1/26* | from Senate rules okay. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *1/20* | from Senate fin do pass. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *1/20* | Senate fin do pass; report awaited. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *1/13* | Senate fin held. |
| MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS | *1/11* | referred to Senate fin. |

## S1051: ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS

In statutes governing employer payments for ineligible contributions to the Arizona State Retirement System, the term "shall" provide a benefit or credit replaces the term "is legally obligated to" provide a benefit or credit.

First sponsor: Sen. Livingston (R - Dist 22)

| S1051 Daily History | Date | Action |
|---|---|---|
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *3/18* | House COW approved. Passed House 60-0; ready for governor. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *3/16* | from House rules okay. |

| | | |
|---|---|---|
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *3/3* | from House gov-elect do pass. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *3/3* | House gov-elect do pass; report awaited. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *2/23* | referred to House gov-elect. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *1/28* | passed Senate 29-0; ready for House. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *1/26* | from Senate rules okay. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *1/20* | from Senate fin do pass. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *1/20* | Senate fin do pass; report awaited. |
| ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS | *1/11* | referred to Senate fin. |

## S1052: ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS

For the purpose of the requirement that payment of an Arizona State Retirement System member's deferred benefits begin by the member's "required beginning date," the definition of "required beginning date" is modified to refer to the federal Internal Revenue Code, instead of April 1 following the calendar year in which the member attains 70.5 years of age. If a member dies after the member's required beginning date and the member had not commenced distribution of retirement benefits, ASRS is required to treat the member as having commenced distribution of retirement benefits on the required beginning date.

First sponsor: Sen. Livingston (R - Dist 22)

| S1052 Daily History | Date | Action |
|---|---|---|
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *3/18* | from House gov-elect do pass. |
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *3/17* | House gov-elect do pass; report awaited. |
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *3/9* | referred to House gov-elect. |
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *1/28* | passed Senate 29-0; ready for House. |
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *1/26* | from Senate rules okay. |
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *1/20* | from Senate fin do pass. |
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *1/20* | Senate fin do pass; report awaited. |
| ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS | *1/11* | referred to Senate fin. |

## S1053: ASRS; NONPARTICIPATORY EMPLOYER LIABILITY

The list of Arizona State Retirement System (ASRS) nonparticipating employers is modified to remove an employer that is no longer contributing to ASRS on behalf of current employees due to a reduction in the number of actively contributing employees by 30 percent or more over a 3-year period or a reduction in the number of actively contributing employees by 50 percent or more over any period of time, based on the number of contributing employees as of August 3, 2018. [Capitol Reports Note: This type of nonparticipating employer was added by Laws 2018, Chapter 210.] AS SIGNED BY GOVERNOR

First sponsor: Sen. Livingston (R - Dist 22)

| S1053 Daily History | Date | Action |
|---|---|---|
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *2/18* | signed by governmor. Chap. 29, Laws 2021. message |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *2/15* | substituted in House for identical bill 2356. Passed House 60-0; ready for governor. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *1/28* | passed Senate 29-0; ready for House. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *1/26* | from Senate rules okay. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *1/20* | from Senate fin do pass. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *1/20* | Senate fin do pass; report awaited. |
| ASRS; NONPARTICIPATORY EMPLOYER LIABILITY | *1/11* | referred to Senate fin. |

## S1054: ASRS; SELF-INSURANCE PROGRAM

If the Arizona State Retirement System Board determines that a self-insurance program should no longer be offered, the monies in the self-insurance program account must be used to provide any remaining benefits and to pay administration costs for the program or health insurance premium payments. If those liabilities are satisfied, the Board is required to return any remaining monies to the employer. Previously, the monies were required to be transferred to another account of ASRS as determined by the Board. AS SIGNED BY GOVERNOR

First sponsor: Sen. Livingston (R - Dist 22)

| S1054 Daily History | Date | Action |
|---|---|---|
| ASRS; SELF-INSURANCE PROGRAM | *2/12* | signed by governor. Chap. 14, Laws 2021. message |
| ASRS; SELF-INSURANCE PROGRAM | *2/4* | substituted in House for identical bill 2139. Passed House 59-0; ready for governor. |
| ASRS; SELF-INSURANCE PROGRAM | *1/28* | passed Senate 29-0; ready for House. |
| ASRS; SELF-INSURANCE PROGRAM | *1/26* | from Senate rules okay. |
| ASRS; SELF-INSURANCE PROGRAM | *1/20* | from Senate fin do pass. |
| ASRS; SELF-INSURANCE PROGRAM | *1/20* | Senate fin do pass; report awaited. |
| ASRS; SELF-INSURANCE PROGRAM | *1/11* | referred to Senate fin. |

## S1136: RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK

In the computation of average monthly benefit compensation for the Public Safety Personnel Retirement System, a period of nonpaid or partially paid industrial leave must be considered based on the compensation the employee would have received in the employee's job classification if the employee was not on industrial leave. Payment of benefits to a Public Safety Personnel Retirement System, Corrections Officer Retirement Plan or Elected Officials' Retirement Plan member are required to commence no later than April 1 of the calendar year following the later of the date the member terminates employment or the calendar year in which the member attains 72 years of age, increased from 70.5 years of age.

First sponsor: Sen. Livingston (R - Dist 22)

| S1136 Daily History | Date | Action |
|---|---|---|
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *2/9* | from Senate rules okay. |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *2/4* | from Senate fin do pass. |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *2/3* | Senate fin do pass; report awaited. |
| RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK | *1/20* | referred to Senate fin. |

## S1214: PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION

Various changes to statues governing the Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP). The powers and duties of PSPRS local boards and CORP local boards are expanded to include deciding all questions of eligibility for membership and disability and in the line of duty death benefits, and a uniform process for reviewing applications for these benefits is established. Each PSPRS local board and CORP local board is required to hire an independent legal counsel. PSPRS and CORP local board members are required to complete local board training within 180 days after appointment or election. PSPRS and CORP employers and local boards are required to submit any materials requested by the PSPRS Board of Trustees for any reason. If the PSPRS Board of Trustees finds through an audit or investigation that a local board is not in compliance with statute or rule, the local board has 60 days to take corrective action, and failure to take adequate correction action authorizes the Board of Trustees to act on behalf of that local board until the matter is resolved. PSPRS and CORP local boards are authorized to enter into an intergovernmental agreement with other local boards to consolidate the boards. Effective January 1, 2022.

First sponsor: Sen. Livingston (R - Dist 22)

| S1214 Daily History | Date | Action |
|---|---|---|

| | | |
|---|---|---|
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/3* | Senate COW approved with amend #4019 and flr amend #4082. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *2/2* | from Senate rules okay. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *1/28* | from Senate fin with amend #4019. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *1/27* | Senate fin amended; report awaited. |
| PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION | *1/20* | referred to Senate fin. |

## S1298: FIRE DISTRICTS; PENSION LIABILITY; FINANCING

A fire district, through the district board, is authorized to lease, lease-purchase or grant a lien on any or all of its present or future property to pay amounts to the Public Safety Personnel Retirement System, pension prefunding plan investment accounts, and the Arizona Employers' Pension Prefunding Plan, and to create reserves to supplement those payments as deemed necessary by the board. Emergency clause. AS PASSED SENATE

First sponsor: Sen. Shope (R - Dist 8)

| S1298 Daily History | Date | Action |
|---|---|---|
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/10* | from House gov-elect do pass. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/10* | House gov-elect do pass; report awaited. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/3* | referred to House gov-elect. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *3/1* | passed Senate 22-7; ready for House. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/24* | Senate COW approved with amend #4173. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/23* | from Senate rules okay. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/11* | from Senate fin with amend #4173. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *2/10* | Senate fin amended; report awaited. |
| FIRE DISTRICTS; PENSION LIABILITY; FINANCING | *1/25* | referred to Senate fin. |

## S1348: ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS

The Arizona State Retirement System (ASRS) is authorized to establish one or more supplemental employee deferral plan to provide public employees an opportunity to save additional tax-deferred monies for retirement. On or after July 1, 2022, an employee of an ASRS employer is permitted to elect to participate in a supplemental employee deferral plan if the employee meets the eligibility requirements that are prescribed by ASRS. Repeals the article of statute governing ASRS deferred compensation plans.

First sponsor: Sen. Livingston (R - Dist 22)

| S1348 Daily History | Date | Action |
|---|---|---|
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *3/18* | from House gov-elect do pass. |
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *3/17* | House gov-elect do pass; report awaited. |
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *3/1* | referred to House gov-elect. |
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *2/22* | passed Senate 30-0; ready for House. |
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *2/16* | from Senate rules okay. |
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *2/11* | from Senate fin do pass. |
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *2/10* | Senate fin do pass; report awaited. |
| ASRS; SUPPLEMENTAL EMPLOYEE DEFERRAL PLANS | *1/26* | referred to Senate fin. |

## S1352: ASRS; EMPLOYER; MEMBER; CONTRIBUTION

The Arizona State Retirement System (ASRS) is prohibited from paying an employer earnings attributable to excess contributions but is required to reduce the amount returned to an employer by the amount of losses attributable to the excess contributions. On receipt of an employer credit or return of contributions, the employer is required to return any member portion of the returned contributions to the member. If an employer pays less than the correct amount of employer or member contributions into ASRS, the correct amount of member contributions is prohibited from being paid to ASRS after the death of the member.

First sponsor: Sen. Livingston (R - Dist 22)

| S1352 Daily History | Date | Action |
|---|---|---|
| ASRS; EMPLOYER; MEMBER; CONTRIBUTION | *2/16* | from Senate rules okay. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTION | *2/11* | from Senate fin do pass. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTION | *2/10* | Senate fin do pass; report awaited. |
| ASRS; EMPLOYER; MEMBER; CONTRIBUTION | *1/26* | referred to Senate fin. |

## S1396: PSPRS; SURVIVOR BENEFITS

The amount of a surviving spouse's pension from the Public Safety Personnel Retirement System is 40 percent of the deceased member's average monthly salary or 4/5 of what the deceased member's pension would have been on the date of death had the member been retired, whichever is greater. Previously, the surviving spouse's pension was 40 percent of the deceased member's average monthly salary.

First sponsor: Sen. Borrelli (R - Dist 5)

| S1396 Daily History | Date | Action |
|---|---|---|
| PSPRS; SURVIVOR BENEFITS | *3/16* | referred to House mil-pub safety. |
| PSPRS; SURVIVOR BENEFITS | *2/23* | passed Senate 30-0; ready for House. |
| PSPRS; SURVIVOR BENEFITS | *2/23* | from Senate rules okay. Senate COW approved. |
| PSPRS; SURVIVOR BENEFITS | *2/18* | from Senate fin do pass. |
| PSPRS; SURVIVOR BENEFITS | *2/17* | Senate fin do pass; report awaited. |
| PSPRS; SURVIVOR BENEFITS | *1/27* | referred to Senate fin. |

## S1467: ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS

Appropriates the following amounts from the general fund in the following fiscal years to the Elected Officials' Retirement Plan Fund to supplement the normal cost plus an amount to amortize the unfunded accrued liability: $6 million in FY2021-22, $7 million in FY2022-23, $8 million in FY2023-24, $9 million in FY2024-25, and $10 million in FY2025-26 through FY2042-43.

First sponsor: Sen. Livingston (R - Dist 22)

| S1467 Daily History | Date | Action |
|---|---|---|
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *3/18* | from House gov-elect do pass. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *3/17* | House gov-elect do pass; report awaited. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *3/9* | referred to House gov-elect, appro. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *3/3* | passed Senate 30-0; ready for House. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *3/1* | Senate COW approved. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *2/24* | from Senate appro do pass. From Senate rules okay. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *2/23* | Senate appro do pass; report awaited. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *2/11* | from Senate fin do pass. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *2/10* | Senate fin do pass; report awaited. |
| ELECTED OFFICIALS' RETIREMENT PLAN; APPROPRIATIONS | *1/28* | referred to Senate fin, appro. |

## S1468: DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION

Makes a supplemental appropriation of $300 million from the general fund in FY2021-22 to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Department of Public Safety PSPRS group to reduce the unfunded accrued liability.

First sponsor: Sen. Livingston (R - Dist 22)

| S1468 Daily History | Date | Action |
|---|---|---|
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *3/18* | from House gov-elect do pass. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *3/17* | House gov-elect do pass; report awaited. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *3/9* | referred to House gov-elect, appro. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *3/3* | passed Senate 28-2; ready for House. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *2/25* | retained on Senate COW calendar. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *2/24* | from Senate appro do pass. From Senate rules okay. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *2/23* | Senate appro do pass; report awaited. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *2/11* | from Senate fin do pass. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *2/10* | Senate fin do pass; report awaited. |
| DPS; PENSION LIABILITY; SUPPLEMENTAL APPROPRIATION | *1/28* | referred to Senate fin, appro. |

## S1649: PSPRS; INVESTMENT REPORTING

Expands the information that the Public Safety Personnel Retirement System Board of Trustees is required to include in the PSPRS annual report to the Governor and the Legislature to include an estimate of the aggregate fees paid for alternative investments, in addition to private equity investments, including carried interest.

First sponsor: Sen. Livingston (R - Dist 22)

| S1649 Daily History | Date | Action |
|---|---|---|
| PSPRS; INVESTMENT REPORTING | *3/18* | from House gov-elect do pass. |
| PSPRS; INVESTMENT REPORTING | *3/17* | House gov-elect do pass; report awaited. |
| PSPRS; INVESTMENT REPORTING | *3/2* | referred to House gov-elect. |
| PSPRS; INVESTMENT REPORTING | *2/24* | Senate COW approved with flr amend #4536. 2/25 Passed Senate 28-0; ready for House. |
| PSPRS; INVESTMENT REPORTING | *2/16* | from Senate rules okay. |
| PSPRS; INVESTMENT REPORTING | *2/11* | from Senate fin do pass. |
| PSPRS; INVESTMENT REPORTING | *2/10* | Senate fin do pass; report awaited. |
| PSPRS; INVESTMENT REPORTING | *2/3* | referred to Senate fin. |

# Revenue & Taxation

## Posted Calendars and Committee Hearings

| | |
|---|---|
| H2025: | DELINQUENT PROPERTY TAX; INTEREST; WAIVER |
| | *Calendar:* 3/22 Senate Third Reading |
| H2376: | CLASS 2 PROPERTY; GUEST RANCHES |
| | *Hearing:* Senate Rules (Monday 03/22/21 at 1:00 PM, Senate Rm. 09) |
| SCR1019: | CONSTITUTIONAL PROPERTY TAX EXEMPTIONS |
| | *Hearing:* House Rules (Monday 03/22/21 at 1:00 PM, House Rm. 4) |

## Bill Summaries

### H2025: DELINQUENT PROPERTY TAX; INTEREST; WAIVER

Subject to the approval of the county board of supervisors, the county treasurer is authorized to waive the interest that accrues on delinquent property taxes, and any other penalties, for a delinquency that occurs during the one-year period after a mortgage or deed of trust is satisfied or otherwise released on the property. A taxpayer may receive this waiver only once per property. AS PASSED HOUSE.

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2025 Daily History | Date | Action |
|---|---|---|
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *3/9* | from Senate rules okay. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *3/3* | from Senate fin do pass. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *3/3* | Senate fin do pass; report awaited. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *2/18* | referred to Senate fin. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *2/4* | House COW approved with flr amend #4108. Passed House 59-0; ready for Senate. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *1/25* | from House rules okay. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *1/20* | from House ways-means do pass. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *1/20* | House ways-means do pass; report awaited. |
| DELINQUENT PROPERTY TAX; INTEREST; WAIVER | *1/12* | referred to House ways-means. |

### H2153: RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION

For property tax purposes, the reduced valuation of renewable energy equipment of 20 percent of the depreciated cost of the equipment is expanded to include renewable "energy storage" (defined) equipment. For the purpose of the valuation of energy storage equipment, all energy storage equipment, both colocated with renewable energy and stand-alone energy storage equipment, qualifies for the valuation. The list of deductions from the retail classification of transaction privilege and use taxes is expanded to include “machinery and equipment used directly” (defined) for "energy storage" (defined) for later electrical use. The list of items that municipalities and special taxing districts are prohibited from levying a transaction privilege or other similar tax on is expanded to include the gross proceeds from sales or gross income derived from sales of machinery and equipment used directly for energy storage for later electrical use. County or municipal renewable energy incentive districts are expanded to include renewable energy storage equipment. AS PASSED HOUSE

First sponsor: Rep. Dunn (R - Dist 13)
Others: Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8)

| H2153 Daily History | Date | Action |
|---|---|---|
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *3/18* | from Senate fin do pass. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *3/17* | Senate fin do pass; report awaited. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *2/23* | referred to Senate fin. |

| | | |
|---|---|---|
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *2/22* | passed House 51-7; ready for Senate. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *2/18* | House COW approved with amend #4165. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *2/16* | from House rules okay. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *2/10* | from House ways-means with amend #4165. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *2/10* | House ways-means amended; report awaited. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *2/3* | House ways-means held. |
| RENEWABLE ENERGY STORAGE EQUIPMENT; VALUATION | *1/20* | referred to House ways-means. |

## H2316: CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES

The "base value" (defined), which is part of the calculation for determining property taxes on pipeline property, is required to be adjusted if one of a list of specified circumstances applies, including a final ruling by a court of competent jurisdiction in Arizona that the full cash value of a pipeline in Arizona is more than the market value using standard appraisal methods, and specified agreements between a pipeline company and the Department of Revenue to adjust the base value as a result of a pending tax appeal or to correct an error in the calculation of full cash value of the system plant in service. Retroactive to tax years beginning with 2016. AS SIGNED BY GOVERNOR

First sponsor: Rep. Toma (R - Dist 22)

| H2316 Daily History | Date | Action |
|---|---|---|
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *2/18* | signed by governmor. Chap. 26, Laws 2021. message |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *2/11* | substituted in Senate for identical bill 1111. Passed Senate 27-2; ready for governor. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *2/4* | passed House 59-0; ready for Senate. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *2/2* | from House rules okay. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *1/27* | from House ways-means do pass. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *1/27* | House ways-means do pass; report awaited. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *1/21* | referred to House ways-means. |

## H2331: PROPERTY TAX; MOBILE HOMES; DELINQUENCY

For a mobile home for which an affidavit of affixture has not been recorded, that is not placed on the real property roll and that is used as the owner's primary residence, delinquent taxes may be collected only after the tax is delinquent for one year and the person liable for paying the tax has not redeemed the property within six months after the end of the one-year period. AS SIGNED BY GOVERNOR

First sponsor: Rep. Griffin (R - Dist 14)

| H2331 Daily History | Date | Action |
|---|---|---|
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *2/18* | signed by governmor. Chap. 28, Laws 2021. message |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *2/11* | substituted in Senate for identical bill 1326. Passed Senate 29-0; ready for governor. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *2/4* | passed House 59-0; ready for Senate. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *2/2* | from House rules okay. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *1/27* | from House ways-means do pass. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *1/27* | House ways-means do pass; report awaited. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *1/21* | referred to House ways-means. |

## H2376: CLASS 2 PROPERTY; GUEST RANCHES

The list of property classified as class 2 property for property tax purposes is expanded to include real property, improvements to property, and personal property of a "guest ranch" (defined). As a condition for class 2 property tax valuation, the owner of a guest ranch is required to record a deed restriction with the county recorder that restricts the property to use as a guest ranch for at least ten years. The valuation of a guest ranch as class 2 property constitutes a covenant between the county assessor and the owner of the guest ranch that the use of the property will remain unchanged for the duration of the deed restriction. If the property is converted to a different use in violation of the covenant, the county assessor is required to add to the tax levied against the property on the next tax roll a penalty equal to the difference between the total amount of property taxes that would have been levied on the property for the preceding ten years or the period of time the property was valued as class 2 property, whichever period is shorter, if the property had not been valued as class 2 property and the property taxes that were actually paid for the same period. The penalty must be paid before completion of the next property tax roll and is enforceable and subject to the same penalties and interest as if the penalty were a tax levied against the property.

First sponsor: Rep. Dunn (R - Dist 13)
Others: Rep. Barton (R - Dist 6), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Pratt (R - Dist 8), Rep. Toma (R - Dist 22)

| H2376 Daily History | Date | Action |
|---|---|---|
| CLASS 2 PROPERTY; GUEST RANCHES | *3/18* | from Senate fin do pass. |
| CLASS 2 PROPERTY; GUEST RANCHES | *3/17* | Senate fin do pass; report awaited. |
| CLASS 2 PROPERTY; GUEST RANCHES | *3/2* | referred to Senate fin. |
| CLASS 2 PROPERTY; GUEST RANCHES | *2/23* | passed House 45-13; ready for Senate. |
| CLASS 2 PROPERTY; GUEST RANCHES | *2/23* | House COW approved. |
| CLASS 2 PROPERTY; GUEST RANCHES | *2/22* | from House rules okay. |
| CLASS 2 PROPERTY; GUEST RANCHES | *2/17* | from House ways-means do pass. |
| CLASS 2 PROPERTY; GUEST RANCHES | *2/17* | House ways-means do pass; report awaited. |
| CLASS 2 PROPERTY; GUEST RANCHES | *1/26* | referred to House ways-means. |

## H2391: COUNTY PROPERTY TAX INFORMATION; WORKSHEET

Within seven days after adopting the property tax rates and levies, the county board of supervisors is required to compile and make available to the public the adopted property tax rates, levies and valuations for all taxing jurisdictions in the county on a worksheet prescribed by the Department of Revenue. County boards of supervisors are required to post a complete copy of the worksheet in a prominent location on the county's official website. AS PASSED HOUSE

First sponsor: Rep. Kaiser (R - Dist 15)
Others: Rep. Bolick (R - Dist 20)

| H2391 Daily History | Date | Action |
|---|---|---|
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *3/18* | passed Senate 27-0; ready for governor. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *3/9* | from Senate rules okay. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *3/3* | from Senate fin do pass. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *3/3* | Senate fin do pass; report awaited. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *2/18* | referred to Senate fin. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *2/11* | House COW approved with flr amend #4222. Passed House 60-0; ready for Senate. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *2/8* | from House rules okay. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *2/3* | from House ways-means do pass. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *2/3* | House ways-means do pass; report awaited. |
| COUNTY PROPERTY TAX INFORMATION; WORKSHEET | *1/27* | referred to House ways-means. |

## S1108: TAX OMNIBUS

Various changes to statutes relating to taxes. The list of additions to Arizona gross income for the purpose of computing Arizona adjusted gross income for individual and corporate income tax purposes is modified to remove the amount of any depreciation allowed by specified federal code. The list of subtractions from Arizona gross income for the purpose of computing Arizona adjusted gross income for income tax purposes is modified to include 50 percent of the net long-term capital gain included in federal adjusted gross income for the tax year that is derived from an investment in an asset acquired after December 31, 2020. Increases the dependent tax credit to $120 for each dependent who is under 17 years of age, from $100, and to $30 for each dependent who is at least 17 years of age, from $25. Lowers the state equalization assistance property tax rate to $0.4263 in tax year 2021, $0.3430 in tax year 2022, and $0.2745 in tax year 2023, from $0.4426 in tax year 2020. Lowers the tax rate for class one property taxes to 17.5 percent for tax year 2022 and 17 percent for tax years beginning with 2023, from 18 percent in 2021. The maximum additional tax rate that a county fire district board may levy is increased to $3.375 per $100 of assessed valuation for tax year 2022 and $3.50 per $100 of assessed valuation for tax year 2023 and each tax year after, from $3.25 per $100 of assessed valuation. Retroactive to July 1, 2021, establishes a tax on vehicles propelled only by electricity, natural gas or propane of $110 per year, and a tax on hybrid vehicles of $44 per year. Income tax revisions are retroactive to tax years beginning January 1, 2021. AS PASSED SENATE

First sponsor: Sen. Mesnard (R - Dist 17)

| S1108 Daily History | Date | Action |
|---|---|---|
| TAX OMNIBUS | *3/9* | referred to House ways-means. |
| TAX OMNIBUS | *3/3* | passed Senate 17-13; ready for House. |
| TAX OMNIBUS | *2/24* | Senate COW approved with flr amend #4523. |
| TAX OMNIBUS | *2/9* | from Senate rules okay. |
| TAX OMNIBUS | *2/4* | from Senate fin do pass. |
| TAX OMNIBUS | *2/3* | Senate fin do pass; report awaited. |
| TAX OMNIBUS | *1/20* | referred to Senate fin. |

## S1111: CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES

The "base value" (defined), which is part of the calculation for determining property taxes on pipeline property, is required to be adjusted if one of a list of specified circumstances applies, including a final ruling by a court of competent jurisdiction in Arizona that the full cash value of a pipeline in Arizona is more than the market value using standard appraisal methods, and specified agreements between a pipeline company and the Department of Revenue to adjust the base value as a result of a pending tax appeal or to correct an error in the calculation of full cash value of the system plant in service. Retroactive to tax years beginning with 2016.

First sponsor: Sen. Mesnard (R - Dist 17)

| S1111 Daily History | Date | Action |
|---|---|---|
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *2/2* | from Senate rules okay. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *1/27* | from Senate fin do pass. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *1/27* | Senate fin do pass; report awaited. |
| CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES | *1/20* | referred to Senate fin. |

## S1260: PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY

Exempts the property of veterans with service or nonservice connected disabilities who are Arizona residents from taxation, with an allowed exemption amount of $4,117 multiplied by the percentage of the veteran's disability, as rated by the U.S. Department of Veterans Affairs, if the person's total assessment does not exceed $27,970. The exemption limit for property of widows, widowers and persons with total and permanent disabilities is increased to $4,117, from $3,000, if the person's' total assessment does not exceed $27,970, increased from $20,000. Also makes various changes to property tax statutes in order to conform to proposed changes to property tax exemptions contained in the state Constitution. Conditionally enacted on the state Constitution being amended by

a vote of the people at the next general election by the passage of Senate Concurrent Resolution 1019 to consolidate and reorganize provisions relating to exemptions from property taxation. AS PASSED SENATE

First sponsor: Sen. Mesnard (R - Dist 17)

| S1260 Daily History | Date | Action |
|---|---|---|
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *3/17* | from House ways-means do pass. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *3/17* | House ways-means do pass; report awaited. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *3/9* | referred to House ways-means. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *3/4* | passed Senate on reconsideration 16-14; ready for House. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *3/1* | FAILED Senate 14-15. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *2/24* | Senate COW approved with amend #4086 and flr amend #4527. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *2/9* | from Senate rules okay. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *2/4* | from Senate fin with amend #4086. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *2/3* | Senate fin amended; report awaited. |
| PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY | *1/21* | referred to Senate fin. |

## S1326: PROPERTY TAX; MOBILE HOMES; DELINQUENCY

For a mobile home for which an affidavit of affixture has not been recorded, that is not placed on the real property roll and that is used as the owner's primary residence, the delinquent taxes may be collected only after the tax is delinquent for one year and the person liable for paying the tax has not redeemed the property within six months after the end of the one-year period.

First sponsor: Sen. Gowan (R - Dist 14)

| S1326 Daily History | Date | Action |
|---|---|---|
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *2/9* | from Senate rules okay. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *2/4* | from Senate fin do pass. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *2/3* | Senate fin do pass; report awaited. |
| PROPERTY TAX; MOBILE HOMES; DELINQUENCY | *1/25* | referred to Senate fin. |

## S1721: TPT; PRIME CONTRACTING CLASSIFICATION

The gross proceeds of sales or gross income derived from a construction contract with an owner of real property or the improvements to real property that does not exceed $100,000 per unit for a "residential project" (defined) or $1 million for a nonresidential project is not subject to tax under the prime contracting classification of transaction privilege taxes, and is required to be exempt from municipal transaction privilege and use taxes. Only the contract price is used to determine whether a contract exceeds the threshold amount described in this paragraph with no subtractions for amounts paid to subcontractors or any deductions or exemptions allowed. Project elements cannot be artificially separated from a contract to cause a project to qualify for this exemption. The Department of Revenue has the burden of proving that project elements have been artificially separated from a contract. A contract that primarily involves construction of any electricity generating facility or system installed on any commercial, residential or governmental property, including the maintenance, repair, replacement or alteration of existing improvements of an electricity generating or distribution facility, is not subject to tax under the prime contracting classification of transaction privilege taxes. Retroactive to contracts entered into beginning July 1, 2021. Establishes provisions for application to contracts that were bid or entered into from January 1, 2015 through July 1, 2021.

First sponsor: Sen. Fann (R - Dist 1)

| S1721 Daily History | Date | Action |
|---|---|---|
| TPT; PRIME CONTRACTING CLASSIFICATION | *3/2* | from Senate rules okay. |
| TPT; PRIME CONTRACTING CLASSIFICATION | *2/18* | from Senate fin do pass. |
| TPT; PRIME CONTRACTING CLASSIFICATION | *2/17* | Senate fin do pass; report awaited. |

| | | |
|---|---|---|
| TPT; PRIME CONTRACTING CLASSIFICATION | *2/3* | referred to Senate fin. |

## SCR1019: CONSTITUTIONAL PROPERTY TAX EXEMPTIONS

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to consolidate and reorganize provisions relating to exemptions from property taxation. Sections of the state Constitution relating to property tax exemptions are repealed and replaced. Impossible to determine new provisions without a line by line comparison.

First sponsor: Sen. Mesnard (R - Dist 17)

| SCR1019 Daily History | Date | Action |
|---|---|---|
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/17* | from House ways-means do pass. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/17* | House ways-means do pass; report awaited. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/8* | passed Senate 18-12; ready for House. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/4* | Senate COW approved. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *2/9* | from Senate rules okay. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *2/4* | from Senate fin do pass. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *2/3* | Senate fin do pass; report awaited. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *1/21* | referred to Senate fin. |

# State & Local Elections

## Posted Calendars and Committee Hearings

| | |
|---|---|
| H2181: | WRITE-INS; RESIDENCY; FILING DEADLINE |
| | *Hearing:* Senate Government (Monday 03/22/21 at 2:00 PM, Senate Rm. 1) |
| H2308: | RECALL PETITIONS AND ELECTIONS; REVISIONS |
| | *Hearing:* Senate Government (Monday 03/22/21 at 2:00 PM, Senate Rm. 1) |
| H2431: | DOR; BOND ELECTION PAMPHLETS; STORAGE |
| | *Calendar:* 3/22 Senate Third Reading |
| H2569: | ELECTIONS; PRIVATE FUNDING; PROHIBITION |
| | *Hearing:* Senate Rules (Monday 03/22/21 at 1:00 PM, Senate Rm. 09) |
| H2792: | EARLY BALLOTS; REQUEST REQUIRED |
| | *Hearing:* Senate Judiciary (Thursday 03/25/21 at 9:00 AM, Senate Rm. 1) |
| HCR2001: | INITIATIVES; SINGLE SUBJECT; TITLE |
| | *Hearing:* Senate Government (Monday 03/22/21 at 2:00 PM, Senate Rm. 1) |
| HCR2016: | INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT |
| | *Hearing:* Senate Government (Monday 03/22/21 at 2:00 PM, Senate Rm. 1) |
| S1010: | RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE |
| | *Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1) |
| | *Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1) |
| S1068: | ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC |
| | *Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1) |
| | *Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1) |
| S1105: | BALLOT MEASURES; 200-WORD DESCRIPTION |
| | *Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1) |
| | *Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1) |
| S1241: | VOTING EQUIPMENT; BALLOTS; RECEIPT |
| | *Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1) |
| | *Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1) |
| S1492: | ELECTION LAW AMENDMENTS |
| | *Hearing:* House Rules (Monday 03/22/21 at 1:00 PM, House Rm. 4) |
| S1531: | PETITION SIGNATURES; DESCRIPTION; INVALIDITY |
| | *Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1) |
| | *Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1) |
| S1613: | ELECTION DATA; RESULTS; ELECTION EQUIPMENT |
| | *Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1) |
| | *Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1) |
| SCR1019: | CONSTITUTIONAL PROPERTY TAX EXEMPTIONS |
| | *Hearing:* House Rules (Monday 03/22/21 at 1:00 PM, House Rm. 4) |
| SCR1034: | VOTER PROTECTION ACT; COURT DETERMINATIONS |

*Hearing:* House Government & Elections (Thursday 03/25/21 at 9:00 AM, House Rm. 1)

*Hearing:* House Government & Elections (Wednesday 03/24/21 at 9:00 AM, House Rm. 1)

## Bill Summaries

### H2181: WRITE-INS; RESIDENCY; FILING DEADLINE

Any person desiring to become a write-in candidate for an elective office in any election is required to be at the time of filing a qualified elector of the county, city, town or district the person proposes to represent and must have been a resident of that county, city, town or district for 120 days before the date of the election. The deadline for filing a nomination paper to be a write-in candidate is moved to 5PM on the 76th day before the election, from 5PM on the 40th day before the election. Also, tallying of early ballots may begin immediately after the envelope and completed affidavit are processed and delivered to the early election board, instead of being prohibited from beginning any earlier than 14 days before election day. AS PASSED HOUSE

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2181 Daily History | Date | Action |
|---|---|---|
| WRITE-INS; RESIDENCY; FILING DEADLINE | *3/2* | referred to Senate gov. |
| WRITE-INS; RESIDENCY; FILING DEADLINE | *2/24* | passed House 57-0; ready for Senate. |
| WRITE-INS; RESIDENCY; FILING DEADLINE | *2/24* | House COW approved with amend #4025 and flr amend #4529. |
| WRITE-INS; RESIDENCY; FILING DEADLINE | *1/27* | from House gov-elect with amend #4025. |
| WRITE-INS; RESIDENCY; FILING DEADLINE | *1/27* | House gov-elect amended; report awaited. |
| WRITE-INS; RESIDENCY; FILING DEADLINE | *1/20* | referred to House gov-elect. |

### H2308: RECALL PETITIONS AND ELECTIONS; REVISIONS

Various changes to statutes relating to recall petitions and elections. Establishes a standard form for recall petitions. Requires the validity of signatures on each sheet to be sworn to by the circulator before a notary public on a specified form on the back of the sheet. The Secretary of State is required to make available a sample recall petition that strictly complies with the standard form. All nonresident circulators and paid circulators are required to register as circulators with the Secretary of State before circulating recall petitions, and any signatures collected by a circulator who fails to register as required are disqualified. Establishes requirements for circulator registration. If a registered circulator is properly served with a subpoena to provide evidence in an action regarding circulation of petitions and fails to appear or produce documents as provided for in the subpoena, all signatures collected by that circulator are deemed invalid. Any person may challenge the lawful registration of circulators in the superior court of the county in which the circulator is registered, and deadlines for challenges are specified. Establishes a process for a person who has signed a recall petition to withdraw the person's signature. Specifies that various unlawful acts relating to recall petitions are a class 1 (highest) misdemeanor. Establishes a list of acts that constitute recall petition signature fraud and classifies recall petition signature fraud as a class 1 (highest) misdemeanor, except that a person who engages or participates in a "pattern of recall petition fraud" (defined) is guilty of a class 4 (lower mid-level) felony. Establishes a process for verification of recall petition signatures. More. AS PASSED HOUSE

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2308 Daily History | Date | Action |
|---|---|---|
| RECALL PETITIONS AND ELECTIONS; REVISIONS | *3/8* | referred to Senate gov. |
| RECALL PETITIONS AND ELECTIONS; REVISIONS | *3/4* | passed House 31-28; ready for Senate. |
| RECALL PETITIONS AND ELECTIONS; REVISIONS | *2/24* | House COW approved with amend #4323. |
| RECALL PETITIONS AND ELECTIONS; REVISIONS | *2/18* | from House gov-elect with amend #4323. |
| RECALL PETITIONS AND ELECTIONS; REVISIONS | *2/17* | House gov-elect amended; report awaited. |
| RECALL PETITIONS AND ELECTIONS; REVISIONS | *2/10* | House gov-elect held. |
| RECALL PETITIONS AND ELECTIONS; REVISIONS | *1/26* | referred to House gov-elect. |

## H2361: WRITE-INS; EARLY BALLOTS; PROCESSING

The deadline for filing a nomination paper to be a write-in candidate is moved to 5PM on the 76th day before the election, from 5PM on the 40th day before the election. Tallying of early ballots is permitted to begin immediately after the envelope and completed affidavit are processed and delivered to the early election board, and the prohibition on early ballots being tallied any early than 14 days before election day is deleted.

First sponsor: Rep. Kavanagh (R - Dist 23)
Others: Rep. Cook (R - Dist 8), Rep. Nutt (R - Dist 14)

| H2361 Daily History | Date | Action |
|---|---|---|
| WRITE-INS; EARLY BALLOTS; PROCESSING | *1/27* | House gov-elect held. |
| WRITE-INS; EARLY BALLOTS; PROCESSING | *1/21* | referred to House gov-elect. |

## H2362: ELECTIONS; BALLOT PRIVACY FOLDERS

The poll worker serving as judge is required to give each voter a ballot privacy folder in addition to the ballot. Voters are not required to accept or use a ballot privacy folder. AS PASSED HOUSE

First sponsor: Rep. Kavanagh (R - Dist 23)
Others: Rep. Bolick (R - Dist 20), Rep. Cook (R - Dist 8), Rep. Griffin (R - Dist 14), Rep. Nutt (R - Dist 14)

| H2362 Daily History | Date | Action |
|---|---|---|
| ELECTIONS; BALLOT PRIVACY FOLDERS | *3/16* | from Senate rules okay. |
| ELECTIONS; BALLOT PRIVACY FOLDERS | *3/9* | from Senate gov do pass. |
| ELECTIONS; BALLOT PRIVACY FOLDERS | *3/8* | Senate gov do pass; report awaited. |
| ELECTIONS; BALLOT PRIVACY FOLDERS | *3/2* | referred to Senate gov. |
| ELECTIONS; BALLOT PRIVACY FOLDERS | *2/24* | House COW approved with amend #4093. Passed House 47-11; ready for Senate. |
| ELECTIONS; BALLOT PRIVACY FOLDERS | *2/4* | from House gov-elect with amend #4093. |
| ELECTIONS; BALLOT PRIVACY FOLDERS | *2/3* | House gov-elect amended; report awaited. |
| ELECTIONS; BALLOT PRIVACY FOLDERS | *1/26* | referred to House gov-elect. |

## H2364: ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED

Arguments in favor of or against a ballot measure, which are printed in the informational pamphlet, must contain a sworn, notarized statement of the person submitting it. If the argument is submitted by an organization, it must contain the sworn statement of two executive officers of the organization. The names of persons and entities submitting written arguments is required to be included in the informational pamphlet. Persons signing the argument must identify themselves by giving their residence address and telephone number, which cannot appear in the pamphlet. Any argument submitted that does not comply with these requirements cannot be included in the pamphlet.

First sponsor: Rep. Kavanagh (R - Dist 23)
Others: Rep. Bolick (R - Dist 20), Rep. Chaplik (R - Dist 23), Rep. Nutt (R - Dist 14)

| H2364 Daily History | Date | Action |
|---|---|---|
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *3/18* | Senate COW approved. |
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *3/16* | from Senate rules okay. |
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *3/9* | from Senate gov do pass. |
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *3/8* | Senate gov do pass; report awaited. |
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *3/2* | referred to Senate gov. |
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *2/24* | House COW approved. Passed House 54-4; ready for Senate. |
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *2/4* | from House gov-elect do pass. |
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *2/3* | House gov-elect do pass; report awaited. |

| | | |
|---|---|---|
| ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED | *1/26* | referred to House gov-elect. |

## H2373: VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS

Any person or group who submits 25 or more voter registration forms to be processed in a rolling calendar year is required to obtain a unique identifier from the county in which they are soliciting voter registrations, and to place that unique identifier on each voter registration form distributed or collected by that person or group regardless of where the form was obtained. AS PASSED HOUSE

First sponsor: Rep. Dunn (R - Dist 13)

| H2373 Daily History | Date | Action |
|---|---|---|
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *3/4* | referred to Senate gov. |
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *3/3* | passed House 31-28; ready for Senate. |
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *2/24* | House COW approved with amend #4322. |
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *2/18* | from House gov-elect with amend #4322. |
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *2/17* | House gov-elect amended; report awaited. |
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *2/10* | FAILED House Gov-elec 6-6. |
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *2/3* | House gov-elect held. |
| VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS | *1/26* | referred to House gov-elect. |

## H2431: DOR; BOND ELECTION PAMPHLETS; STORAGE

The governing body of a political subdivision is no longer required to submit a copy of the informational pamphlet for a bond election to the Department of Revenue (DOR) within 30 days after the bond election. DOR is no longer required to maintain copies of the pamphlets.

First sponsor: Rep. Bolick (R - Dist 20)
Others: Rep. Toma (R - Dist 22)

| H2431 Daily History | Date | Action |
|---|---|---|
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *3/16* | from Senate rules okay. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *3/10* | from Senate fin do pass. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *3/10* | Senate fin do pass; report awaited. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *2/18* | referred to Senate fin. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *2/4* | passed House 59-0; ready for Senate. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *2/2* | from House rules okay. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *1/27* | from House ways-means do pass. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *1/27* | House ways-means do pass; report awaited. |
| DOR; BOND ELECTION PAMPHLETS; STORAGE | *1/21* | referred to House ways-means. |

## H2569: ELECTIONS; PRIVATE FUNDING; PROHIBITION

The state, counties, municipalities, school districts or other public bodies that conduct or administer elections are prohibited from receiving or expending private monies for preparing for, administering or conducting an election, including registering voters.

First sponsor: Rep. Hoffman (R - Dist 12)
Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Kerr (R - Dist 13), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Osborne (R - Dist 13), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Sen. Petersen (R - Dist 12), Rep. Pingerelli (R - Dist 21), Rep. Pratt (R - Dist 8), Rep. Roberts (R - Dist 11), Sen. Rogers (R - Dist 6), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)

| H2569 Daily History | Date | Action |
|---|---|---|
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *3/16* | from Senate gov do pass. |

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|---|---|---|
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *3/15* | Senate gov do pass; report awaited. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *3/4* | referred to Senate gov. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *3/3* | House COW approved. Passed House 31-29; ready for Senate. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *2/25* | retained on House COW calendar. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *2/22* | from House gov-elect do pass. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *2/18* | House gov-elect do pass; report awaited. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *2/18* | House gov-elect held. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *2/10* | House gov-elect held. |
| ELECTIONS; PRIVATE FUNDING; PROHIBITION | *1/28* | referred to House gov-elect. |

## H2720: BALLOTS; ELECTION CONTESTS; CERTIFICATES

Various changes relating to elections. The Legislature retains its legislative authority regarding the office of presidential elector and by majority vote at any time before the presidential inauguration is authorized to revoke the Secretary of State's issuance or certification of a presidential elector's certificate of election. The Legislature is permitted to take this action without regard to whether the Legislature is in regular or special session or has held committee or other hearings on the matter. Any party to an election contest may request a jury trial, which must be granted and tried as other jury trials in a civil action, except that the statutory provisions for election contests prevail over any conflicting rules of procedure for jury trials. In an election contest jury trial, a court is prohibited from granting a motion to dismiss or a motion for summary judgment that would result in dismissal until after the jury has issued its verdict. Without regard to the system or method used to produce or tabulate ballots, the county recorder or officer in charge of elections is required to maintain a count of the number of physical ballots printed and the number of ballots otherwise generated in the following categories: early ballots, regular ballots, provisional ballots, federal-only ballots, and ballots generated in an electronic form. The county recorder or officer in charge of elections is required to post that information on the county's website within one day after election day. The county recorder or officer in charge of elections is required to create digitized images of ballots and to keep the digitized images and the physical ballots as public records. At least ten persons from the general public who are registered voters in the county are allowed to observe the proceedings at the counting center at any time throughout the day. All observers must be allowed to observe each essential part of the proceedings at the counting center. When ballots are damaged or defective and cannot be counted by the automatic tabulating equipment, the images that are made of a duplicate of those ballots must be posted to the county's website within 24 hours after duplication along with the determination by the election board as to that voter's intent for each contest adjudicated. Any disruption in live video coverage of the custody of all ballots while the ballots are present in a tabulation room in the counting center will result in the members of the board of supervisors and the county recorder being deemed ineligible for reelection and barred from holding any public office in Arizona for ten years after the expiration of the term of office in which the disruption in video coverage occurred. More.

First sponsor: Rep. Bolick (R - Dist 20)

| H2720 Daily History | Date | Action |
|---|---|---|
| No actions posted for this bill within the requested time frame. | | |

## H2723: CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT

The maximum amount an individual may contribute to a campaign committee in one election cycle without being individually identified on campaign finance reports is increased to $100, from $50. Contributions from lobbyists are required to be listed separately. AS PASSED HOUSE

First sponsor: Rep. Kavanagh (R - Dist 23)

| H2723 Daily History | Date | Action |
|---|---|---|
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *3/4* | referred to Senate gov. |
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *3/3* | House add'l COW approved with flr amend #4677. Passed House 31-27; ready for Senate. |

| | | |
|---|---|---|
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *2/25* | House COW approved. |
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *2/22* | from House gov-elect do pass. |
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *2/18* | House gov-elect do pass; report awaited. |
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *2/18* | House gov-elect held. |
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *2/10* | House gov-elect held. |
| CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT | *2/1* | referred to House gov-elect. |

## H2792: EARLY BALLOTS; REQUEST REQUIRED

Except for a voter who is on the permanent early voting list, a voter who requests a one-time early ballot, or for an all mail-ballot election, a county recorder, municipal clerk or other election officer is prohibited from delivering or mailing an early ballot to a person who has not requested an early ballot for that election. An election officer who knowingly violates this prohibition is guilty of a class 5 (second lowest) felony. AS PASSED HOUSE

First sponsor: Rep. Hoffman (R - Dist 12)
Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Pratt (R - Dist 8), Rep. Roberts (R - Dist 11), Rep. Wilmeth (R - Dist 15)

| H2792 Daily History | Date | Action |
|---|---|---|
| EARLY BALLOTS; REQUEST REQUIRED | *3/8* | referred to Senate gov. |
| EARLY BALLOTS; REQUEST REQUIRED | *3/4* | passed House 31-28; ready for Senate. |
| EARLY BALLOTS; REQUEST REQUIRED | *2/25* | House COW approved with amend #4326. |
| EARLY BALLOTS; REQUEST REQUIRED | *2/18* | from House gov-elect with amend #4326. |
| EARLY BALLOTS; REQUEST REQUIRED | *2/17* | House gov-elect amended; report awaited. |
| EARLY BALLOTS; REQUEST REQUIRED | *2/10* | House gov-elect held. |

## H2793: VOTER REGISTRATION; REQUEST REQUIRED

An agency, department or division of Arizona or any person acting on its behalf and any political subdivision of Arizona or any person acting on its behalf are prohibited from registering a person to vote unless the person affirmatively requests to register to vote.

First sponsor: Rep. Hoffman (R - Dist 12)
Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Pratt (R - Dist 8), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)

| H2793 Daily History | Date | Action |
|---|---|---|
| VOTER REGISTRATION; REQUEST REQUIRED | *3/8* | referred to Senate gov. |
| VOTER REGISTRATION; REQUEST REQUIRED | *3/4* | passed House 31-28; ready for Senate. |
| VOTER REGISTRATION; REQUEST REQUIRED | *2/25* | House COW approved. |
| VOTER REGISTRATION; REQUEST REQUIRED | *2/22* | from House gov-elect do pass. |
| VOTER REGISTRATION; REQUEST REQUIRED | *2/18* | House gov-elect do pass; report awaited. |
| VOTER REGISTRATION; REQUEST REQUIRED | *2/10* | House gov-elect held. |

## H2794: ELECTION DEADLINES; MODIFICATIONS PROHIBITED

Except when prescribed by a court of competent jurisdiction, an officer or agent of Arizona, a political subdivision, or any other governmental entity in Arizona is prohibited from modifying or agreeing to modify any deadline, filing date, submittal date or other election-related date that is provided for in statute. A person who violates this prohibition is guilty of a class 6 (lowest) felony. AS PASSED HOUSE

First sponsor: Rep. Hoffman (R - Dist 12)

Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Roberts (R - Dist 11)

| H2794 Daily History | Date | Action |
|---|---|---|
| ELECTION DEADLINES; MODIFICATIONS PROHIBITED | *3/8* | referred to Senate gov. |
| ELECTION DEADLINES; MODIFICATIONS PROHIBITED | *3/4* | passed House 31-29; ready for Senate. |
| ELECTION DEADLINES; MODIFICATIONS PROHIBITED | *3/4* | House COW approved with flr amend #4744. |
| ELECTION DEADLINES; MODIFICATIONS PROHIBITED | *2/22* | from House gov-elect do pass. |
| ELECTION DEADLINES; MODIFICATIONS PROHIBITED | *2/18* | House gov-elect do pass; report awaited. |

## HCR2001: INITIATIVES; SINGLE SUBJECT; TITLE

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require every initiative measure to cover only a single subject that is expressed in the title.

First sponsor: Rep. Kavanagh (R - Dist 23)

| HCR2001 Daily History | Date | Action |
|---|---|---|
| INITIATIVES; SINGLE SUBJECT; TITLE | *3/8* | referred to Senate gov. |
| INITIATIVES; SINGLE SUBJECT; TITLE | *3/4* | passed House 31-28; ready for Senate. |
| INITIATIVES; SINGLE SUBJECT; TITLE | *2/23* | House COW approved. |
| INITIATIVES; SINGLE SUBJECT; TITLE | *1/25* | from House rules okay. |
| INITIATIVES; SINGLE SUBJECT; TITLE | *1/20* | from House gov-elect do pass. |
| INITIATIVES; SINGLE SUBJECT; TITLE | *1/20* | House gov-elect do pass; report awaited. |
| INITIATIVES; SINGLE SUBJECT; TITLE | *1/12* | referred to House gov-elect. |

## HCR2016: INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require approval by 55 percent of the votes cast on the measure for an initiative or referendum measure to become law, instead of a majority of the votes cast. AS PASSED HOUSE

First sponsor: Rep. Dunn (R - Dist 13)
Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Grantham (R - Dist 12), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Nutt (R - Dist 14), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11)

| HCR2016 Daily History | Date | Action |
|---|---|---|
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *3/8* | referred to Senate gov. |
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *3/4* | passed House 31-29; ready for Senate. |
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *3/4* | House COW approved with flr amend #4745. |
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *2/24* | retained on House COW calendar. |
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *2/18* | from House gov-elect do pass. |
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *2/17* | House gov-elect do pass; report awaited. |
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *2/10* | House gov-elect held. |
| INITIATIVES; SUPERMAJORITY VOTE REQUIREMENT | *2/3* | referred to House gov-elect. |

## S1002: EARLY VOTING ENVELOPES; PARTY AFFILIATION

Early ballot return envelopes are required to be of a type that does not reveal the voter's political party affiliation.

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| S1002 Daily History | Date | Action |
|---|---|---|

| | | |
|---|---|---|
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *3/18* | signed by governor. Chap. no. awaited. message |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *3/11* | passed House 41-18; ready for governor. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *3/3* | from House gov-elect do pass. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *3/3* | House gov-elect do pass; report awaited. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *2/23* | referred to House gov-elect. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *2/11* | passed Senate 29-0; ready for House. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *2/9* | from Senate rules okay. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *2/2* | from Senate gov do pass. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *2/1* | Senate gov do pass; report awaited. |
| EARLY VOTING ENVELOPES; PARTY AFFILIATION | *1/11* | referred to Senate gov. |

## S1003: EARLY VOTING; SIGNATURE REQUIRED; NOTICE

If a signature is missing from an early ballot envelope, the county recorder or other officer in charge of elections is required to make reasonable efforts to contact the voter, advise the voter of the missing signature and allow the voter to add the signature no later than 7:00 PM on election day. The information that must be printed in the instructions to early voters must include a statement that the ballot will not be counted without the voter's signature on the envelope. Session law states that the Legislature intends that these are clarifying changes only and do not provide for any substantive change in the law.

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| S1003 Daily History | Date | Action |
|---|---|---|
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *3/18* | from House gov-elect do pass. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *3/17* | House gov-elect do pass; report awaited. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *3/9* | referred to House gov-elect. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *3/3* | passed Senate 16-14; ready for House. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *2/24* | Senate COW approved. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *2/9* | from Senate rules okay. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *2/2* | from Senate gov do pass. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *2/1* | Senate gov do pass; report awaited. |
| EARLY VOTING; SIGNATURE REQUIRED; NOTICE | *1/11* | referred to Senate gov. |

## S1010: RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE

The number of precincts in each county that must be randomly selected for a hand count after each election is changed to five percent of the precincts in the county or the number of precincts as determined by the vote count verification committee that is required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 1 percent based on the total number of ballots cast in that county on election day, whichever is greater, from two percent or two precincts. Voting centers are deemed to be a precinct for the purposes of the hand counts. For a county with a population of 800,000 persons or more (Maricopa and Pima), the chairmen of the political parties entitled to continued representation on the ballot or the chairmen's designees are required to randomly select for a manual audit either 10,000 early ballots or the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 2 percent based on the total number of early ballots cast in that county, whichever is greater. For other counties, the chairmen or the designee's are required to randomly select for a manual audit the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 2 percent based on the total number of early ballots cast in that county. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, the Attorney General, the Secretary of State, or the Legislative Council is authorized to request a recount of the total number of votes cast in the election or at any precinct, voting center, jurisdiction, or any combination of those portions of an election. The expenses of the requested recount will be a state charge. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, any person is authorized to file an action for a recount in any election that is not subject to an automatic recount if the person files a bond with the superior court in an amount determined by the court to be sufficient to fully reimburse the costs of conducting the

recount. Recount request or filing provisions do not apply to elections for precinct committeemen, school boards, fire district boards or other special district boards. AS PASSED SENATE

First sponsor: Sen. Mesnard (R - Dist 17)

| S1010 Daily History | Date | Action |
|---|---|---|
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *3/17* | House gov-elect held. |
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *3/9* | referred to House gov-elect. |
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *3/3* | passed Senate 16-14; ready for House. |
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *3/2* | Senate COW approved with amend #4013 and flr amend #4663. |
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *2/2* | from Senate rules okay. |
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *1/25* | from Senate gov with amend #4013. |
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *1/21* | Senate gov amended; report awaited. |
| RECOUNT REQUESTS; AMOUNT; BOND; PROCEDURE | *1/11* | referred to Senate gov. |

## S1020: VOTING LOCATIONS; ELECTIONEERING

Any facility used as a polling place or voting center is required to allow persons to electioneer and engage in other political activity outside of the 75 foot limit in public areas and parking lots used by voters, and counties are no longer allowed to prohibit political activity near polling places or voting centers in the case of an emergency.

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| S1020 Daily History | Date | Action |
|---|---|---|
| VOTING LOCATIONS; ELECTIONEERING | *2/22* | retained on Senate COW calendar. |
| VOTING LOCATIONS; ELECTIONEERING | *2/9* | from Senate rules okay. |
| VOTING LOCATIONS; ELECTIONEERING | *2/2* | from Senate gov do pass. |
| VOTING LOCATIONS; ELECTIONEERING | *2/1* | Senate gov do pass; report awaited. |
| VOTING LOCATIONS; ELECTIONEERING | *1/11* | referred to Senate gov. |

## S1068: ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC

The official election instructions and procedures manual prepared by the Secretary of State is required to be approved by the Attorney General and the Legislative Council, instead of the Governor and the Attorney General. AS PASSED SENATE

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| S1068 Daily History | Date | Action |
|---|---|---|
| ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC | *3/9* | referred to House gov-elect. |
| ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC | *3/3* | passed Senate 16-14; ready for House. |
| ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC | *2/24* | Senate COW approved with flr amend #4532. |
| ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC | *2/9* | from Senate rules okay. |
| ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC | *2/2* | from Senate gov do pass. |
| ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC | *2/1* | Senate gov do pass; report awaited. |
| ELECTIONS MANUAL; LEGISLATIVE COUNCIL; GRRC | *1/11* | referred to Senate gov. |

## S1083: ELECTIONS; RECOUNT MARGIN

Modifies the criteria that triggers an automatic election recount to require a recount when the margin between the two candidates receiving the greatest number of votes for a particular office, or between the number of votes cast for and against a measure or proposition, is less than or equal to 0.5 percent of the number of votes cast for both candidates or on the measure or proposition. Previously, the difference in votes that triggered an automatic recount was the lesser of 0.1 percent or either a specified number of votes based on the office to be filled or 200 votes for a measure or proposition. For

special district elections, the officer in charge of elections is required to determine the method of recount, conduct the recount, and report the results in the same manner as for the original count. AS PASSED SENATE

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| S1083 Daily History | Date | Action |
|---|---|---|
| ELECTIONS; RECOUNT MARGIN | *3/18* | from House gov-elect do pass. |
| ELECTIONS; RECOUNT MARGIN | *3/17* | House gov-elect do pass; report awaited. |
| ELECTIONS; RECOUNT MARGIN | *3/9* | referred to House gov-elect. |
| ELECTIONS; RECOUNT MARGIN | *3/3* | passed Senate 16-14; ready for House. |
| ELECTIONS; RECOUNT MARGIN | *2/24* | Senate COW approved with flr amend #4533. |
| ELECTIONS; RECOUNT MARGIN | *2/2* | from Senate rules okay. |
| ELECTIONS; RECOUNT MARGIN | *1/25* | from Senate gov do pass. |
| ELECTIONS; RECOUNT MARGIN | *1/20* | referred to Senate gov. |

## S1105: BALLOT MEASURES; 200-WORD DESCRIPTION

The description of an initiative or referendum measure that is printed on the petition circulated to the voters may be up to 200 words, increased from 100 words.

First sponsor: Sen. Mesnard (R - Dist 17)

| S1105 Daily History | Date | Action |
|---|---|---|
| BALLOT MEASURES; 200-WORD DESCRIPTION | *3/17* | House gov-elect held. |
| BALLOT MEASURES; 200-WORD DESCRIPTION | *3/1* | referred to House gov-elect. |
| BALLOT MEASURES; 200-WORD DESCRIPTION | *2/23* | passed Senate 17-13; ready for House. |
| BALLOT MEASURES; 200-WORD DESCRIPTION | *2/22* | Senate COW approved. |
| BALLOT MEASURES; 200-WORD DESCRIPTION | *2/9* | from Senate rules okay. |
| BALLOT MEASURES; 200-WORD DESCRIPTION | *2/2* | from Senate gov do pass. |
| BALLOT MEASURES; 200-WORD DESCRIPTION | *2/1* | Senate gov do pass; report awaited. |
| BALLOT MEASURES; 200-WORD DESCRIPTION | *1/20* | referred to Senate gov. |

## S1240: HAND COUNTS; PRECINCTS; PROCEDURES MANUAL

For a county that uses voting centers, the ballots from each voting center are required to be separated by precinct before the random selection of precincts for a hand count occurs, and every ballot from a precinct must be grouped with the other ballots from that precinct. A voting center cannot be deemed a precinct for purposes of randomly selecting precincts for a hand count from a pool of precincts. States that if a provision in the elections instructions and procedures manual conflicts with state statute, the state statute prevails.

First sponsor: Sen. Townsend (R - Dist 16)

| S1240 Daily History | Date | Action |
|---|---|---|
| HAND COUNTS; PRECINCTS; PROCEDURES MANUAL | *3/3* | passed Senate 16-14; ready for House. |
| HAND COUNTS; PRECINCTS; PROCEDURES MANUAL | *2/24* | Senate COW approved. |
| HAND COUNTS; PRECINCTS; PROCEDURES MANUAL | *2/9* | from Senate rules okay. |
| HAND COUNTS; PRECINCTS; PROCEDURES MANUAL | *2/2* | from Senate gov do pass. |
| HAND COUNTS; PRECINCTS; PROCEDURES MANUAL | *2/1* | Senate gov do pass; report awaited. |
| HAND COUNTS; PRECINCTS; PROCEDURES MANUAL | *1/21* | referred to Senate gov. |

## S1241: VOTING EQUIPMENT; BALLOTS; RECEIPT

Electronic voting systems are required to provide a paper receipt to the voter at the time the voter's ballot is received for tabulation. The paper receipt is required to state whether the voter's ballot was tabulated or rejected and, if rejected, the reason for the rejection. Does not apply to a voter who votes with an early or provisional ballot.

First sponsor: Sen. Townsend (R - Dist 16)

| S1241 Daily History | Date | Action |
|---|---|---|
| VOTING EQUIPMENT; BALLOTS; RECEIPT | *3/9* | referred to House gov-elect. |
| VOTING EQUIPMENT; BALLOTS; RECEIPT | *3/3* | passed Senate 16-14; ready for House. |
| VOTING EQUIPMENT; BALLOTS; RECEIPT | *3/2* | Senate COW approved. |
| VOTING EQUIPMENT; BALLOTS; RECEIPT | *2/16* | from Senate rules okay. |
| VOTING EQUIPMENT; BALLOTS; RECEIPT | *2/9* | from Senate gov do pass. |
| VOTING EQUIPMENT; BALLOTS; RECEIPT | *1/21* | referred to Senate gov. |

## S1485: EARLY VOTING LIST; ELIGIBILITY (~~ELECTIONS; VOTING CENTER TABULATION~~)

Renames the "permanent early voting list" as the "early voting list." If a voter fails to vote an early ballot in both the primary election and the general election for two consecutive primary and general elections for which there was a federal, statewide or legislative race on the ballot, the county recorder is required to remove the voter from the early voting list and the voter will no longer be sent an early ballot by mail automatically. By December 1 of each even-numbered year, the county recorder or other officer in charge of elections is required to send a notice to each voter who is removed under this provision informing the voter that if the voter wishes to remain on the early voting list, the voter must confirm that in writing, sign the notice, and return the completed notice within 30 days after the notice is sent. AS PASSED SENATE

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| S1485 Daily History | Date | Action |
|---|---|---|
| EARLY VOTING LIST; ELIGIBILITY | *3/16* | from House rules okay. |
| EARLY VOTING LIST; ELIGIBILITY | *3/10* | from House gov-elect do pass. |
| EARLY VOTING LIST; ELIGIBILITY | *3/3* | referred to House gov-elect. |
| **EARLY VOTING LIST; ELIGIBILITY** | *3/2* | passed Senate 16-14; ready for House. |
| ELECTIONS; VOTING CENTER TABULATION | *3/2* | Senate COW approved with amend #4469. NOTE SHORT TITLE CHANGE. |
| ELECTIONS; VOTING CENTER TABULATION | *3/1* | retained on Senate COW calendar. |
| ELECTIONS; VOTING CENTER TABULATION | *2/24* | from Senate appro with amend #4469. From Senate rules okay. |
| ELECTIONS; VOTING CENTER TABULATION | *2/23* | Senate appro amended; report awaited. |
| ELECTIONS; VOTING CENTER TABULATION | *1/28* | referred to Senate gov. |

## S1492: ELECTION LAW AMENDMENTS

Various changes relating to election law. Modifies various filing deadlines. A nomination petition for the office of presidential elector is required to be filed 80 to 100 days before the general election, instead of 60 to 90 days before. A candidate's name printed on the ballot is prohibited from including a slogan, promotional word or phrase, or any word that does not actually constitute a nickname. The maximum number of days before an election that a county board of supervisors is permitted to cancel the election if only one person files a nominating petition to fill certain offices is increased to 105 days, from 75 days. The county recorder or the city or town clerk is required to review petitions for a new political party to be represented by an official party ballot, select a random sample of 20 percent of the total signatures, individually verify and certify those signatures, and calculate and project the total number of valid signatures to determine whether the party will be recognized. If there is not a sufficient number of persons available to appoint precinct workers who are qualified voters of that precinct, the inspector, marshal, judges and clerks must be qualified voters of Arizona. The deadline for Legislative Council to prepare and file an impartial analysis of the provisions of each ballot proposal is changed to 10 days preceding the regular primary election, instead of 60 days. County boards of supervisors are required to deliver the canvass to the Secretary of State within 14 days

after the primary election, increased from 10 days, and the Secretary of State is required to canvass the return by the third Monday following the primary election, instead of the second Monday following. AS PASSED SENATE

First sponsor: Sen. Shope (R - Dist 8)

| S1492 Daily History | Date | Action |
|---|---|---|
| ELECTION LAW AMENDMENTS | *3/18* | from House gov-elect do pass. |
| ELECTION LAW AMENDMENTS | *3/17* | House gov-elect do pass; report awaited. |
| ELECTION LAW AMENDMENTS | *3/3* | referred to House gov-elect. |
| ELECTION LAW AMENDMENTS | *3/1* | passed Senate 29-0; ready for House. |
| ELECTION LAW AMENDMENTS | *2/24* | Senate COW approved with amend #4142 and flr amend #4534. |
| ELECTION LAW AMENDMENTS | *2/23* | from Senate rules okay. |
| ELECTION LAW AMENDMENTS | *2/9* | from Senate gov with amend #4142 |
| ELECTION LAW AMENDMENTS | *2/8* | Senate gov amended; report awaited. |
| ELECTION LAW AMENDMENTS | *2/1* | referred to Senate gov. |

## S1497: BALLOT MEASURES; PROPOSITION 105; DISCLOSURE

For ballot propositions that make statutory changes, a statement that the measure "cannot be changed in the future if approved on the ballot except by a 3/4 vote of the members of each house of the Legislature and if the change furthers the purpose of the original ballot measure, by an initiative petition or by referring the change to the ballot" must be printed on the ballot and included in the publicity pamphlet printed by the Secretary of State. Severability clause. AS PASSED SENATE

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| S1497 Daily History | Date | Action |
|---|---|---|
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *3/18* | from House gov-elect do pass. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *3/17* | House gov-elect do pass; report awaited. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *3/10* | referred to House gov-elect. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *3/3* | passed Senate 16-14; ready for House. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *3/2* | Senate COW approved with flr amend #4658. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *3/1* | retained on Senate COW calendar. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *2/16* | from Senate rules okay. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *2/9* | from Senate gov do pass. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *2/8* | Senate gov do pass; report awaited. |
| BALLOT MEASURES; PROPOSITION 105; DISCLOSURE | *2/1* | referred to Senate gov. |

## S1531: PETITION SIGNATURES; DESCRIPTION; INVALIDITY (~~PETITION SIGNATURES; DESCRIPTION; INVALILDITY~~)

A circulator of an initiative or referendum petition is required to either read the initiative or referendum description aloud to each person signing before that person signs or to allow the person sufficient time to read the description before the person signs. The circulator must inform the person that reading the description is required so that the person can understand the petition. Each person signing must affirm that the person has heard and understood or read and understood the description before signing the petition. For any person who signs without either hearing or reading the description, the circulator is required to draw a line through the person's signature and the signature is void and cannot be counted.

First sponsor: Sen. Mesnard (R - Dist 17)
Others: Sen. Leach (R - Dist 11)

| S1531 Daily History | Date | Action |
|---|---|---|
| PETITION SIGNATURES; DESCRIPTION; INVALIDITY | *3/17* | House gov-elect held. |
| PETITION SIGNATURES; DESCRIPTION; INVALIDITY | *3/10* | referred to House gov-elect. |
| **PETITION SIGNATURES; DESCRIPTION; INVALIDITY** | *3/8* | passed Senate 16-14; ready for House. |
| PETITION SIGNATURES; DESCRIPTION; INVALILDITY | *3/4* | Senate COW approved. |

| | | |
|---|---|---|
| PETITION SIGNATURES; DESCRIPTION; INVALILDITY | *2/16* | from Senate rules okay. |
| PETITION SIGNATURES; DESCRIPTION; INVALILDITY | *2/9* | from Senate gov do pass. |
| PETITION SIGNATURES; DESCRIPTION; INVALILDITY | *2/8* | Senate gov do pass; report awaited. |
| PETITION SIGNATURES; DESCRIPTION; INVALILDITY | *2/1* | referred to Senate gov. |

## S1593: EARLY VOTING; TIME LIMITS; ENVELOPE

Early ballot distribution cannot begin more than 22 days, decreased from 27 days, before the election, and early ballots must be mailed no later than the 19th day, instead of the 24th day, before the election. The officer charged by law with the duty of preparing ballots is required to provide a second internal envelope that bears the ballot affidavit and that is designed to contain the voted ballot and be placed inside the ballot return envelope. If a voter mails the voted ballot and affidavit to the county recorder or other officer in charge of elections, the ballot is valid only if it is postmarked on or before the Thursday before election day and received no later than 7PM on election day.

First sponsor: Sen. Gowan (R - Dist 14)

| S1593 Daily History | Date | Action |
|---|---|---|
| EARLY VOTING; TIME LIMITS; ENVELOPE | *3/8* | retained on Senate COW calendar. |
| EARLY VOTING; TIME LIMITS; ENVELOPE | *3/1* | retained on Senate COW calendar. |
| EARLY VOTING; TIME LIMITS; ENVELOPE | *2/24* | from Senate appro with amend #4457. From Senate rules okay. |
| EARLY VOTING; TIME LIMITS; ENVELOPE | *2/23* | Senate appro amended; report awaited. |
| EARLY VOTING; TIME LIMITS; ENVELOPE | *2/15* | withdrawn from Senate gov and further referred to Senate appro. |
| EARLY VOTING; TIME LIMITS; ENVELOPE | *2/1* | referred to Senate gov. |

## S1613: ELECTION DATA; RESULTS; ELECTION EQUIPMENT

All election data and results are required to remain in this country and cannot be transferred, transmitted or stored in any other country. All election equipment, including computers, paper and other supplies, is required to be made in America.

First sponsor: Sen. Townsend (R - Dist 16)

| S1613 Daily History | Date | Action |
|---|---|---|
| ELECTION DATA; RESULTS; ELECTION EQUIPMENT | *3/3* | passed Senate 16-14; ready for House. |
| ELECTION DATA; RESULTS; ELECTION EQUIPMENT | *3/2* | Senate COW approved. |
| ELECTION DATA; RESULTS; ELECTION EQUIPMENT | *2/23* | from Senate rules okay. |
| ELECTION DATA; RESULTS; ELECTION EQUIPMENT | *2/16* | from Senate gov do pass. |
| ELECTION DATA; RESULTS; ELECTION EQUIPMENT | *2/15* | Senate gov do pass; report awaited. |
| ELECTION DATA; RESULTS; ELECTION EQUIPMENT | *2/1* | referred to Senate gov. |

## SCR1001: STATE OF EMERGENCY DECLARATION; TERMINATION

The Legislature declares that the Declaration of Emergency issued by the Governor on March 11, 2020 due to the COVID-19 outbreak is terminated. The Secretary of State is directed to transmit a copy of this resolution to the Governor.

First sponsor: Sen. Ugenti-Rita (R - Dist 23)

| SCR1001 Daily History | Date | Action |
|---|---|---|
| STATE OF EMERGENCY DECLARATION; TERMINATION | *3/4* | Senate COW approved. |
| STATE OF EMERGENCY DECLARATION; TERMINATION | *2/16* | from Senate rules okay. |
| STATE OF EMERGENCY DECLARATION; TERMINATION | *2/10* | from Senate appro do pass. |
| STATE OF EMERGENCY DECLARATION; TERMINATION | *2/9* | Senate appro do pass; report awaited. |
| STATE OF EMERGENCY DECLARATION; TERMINATION | *1/26* | from Senate gov do pass. |
| STATE OF EMERGENCY DECLARATION; TERMINATION | *1/25* | Senate gov do pass; report awaited. |
| STATE OF EMERGENCY DECLARATION; TERMINATION | *1/11* | referred to Senate gov, appro. |

## SCR1010: LEGISLATIVE SPECIAL SESSION; EMERGENCIES

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require the Governor, when declaring a state of emergency, to call a special session of the Legislature to address matters relating to the state of emergency. The call to special session must be issued at the same time the Governor declares the state of emergency, and the special session must be held for the duration of the state of emergency. During the special session, each house of the Legislature is permitted to recess or adjourn for any period of time it deems necessary. AS PASSED SENATE

First sponsor: Sen. Townsend (R - Dist 16)
Others: Sen. Borrelli (R - Dist 5), Sen. Rogers (R - Dist 6)

| SCR1010 Daily History | Date | Action |
|---|---|---|
| LEGISLATIVE SPECIAL SESSION; EMERGENCIES | *3/8* | passed Senate 16-14; ready for House. |
| LEGISLATIVE SPECIAL SESSION; EMERGENCIES | *3/4* | Senate COW approved with flr amend #4751. |
| LEGISLATIVE SPECIAL SESSION; EMERGENCIES | *2/2* | from Senate rules okay. |
| LEGISLATIVE SPECIAL SESSION; EMERGENCIES | *1/26* | from Senate gov do pass. |
| LEGISLATIVE SPECIAL SESSION; EMERGENCIES | *1/25* | Senate gov do pass; report awaited. |
| LEGISLATIVE SPECIAL SESSION; EMERGENCIES | *1/14* | referred to Senate gov. |

## SCR1019: CONSTITUTIONAL PROPERTY TAX EXEMPTIONS

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to consolidate and reorganize provisions relating to exemptions from property taxation. Sections of the state Constitution relating to property tax exemptions are repealed and replaced. Impossible to determine new provisions without a line by line comparison.

First sponsor: Sen. Mesnard (R - Dist 17)

| SCR1019 Daily History | Date | Action |
|---|---|---|
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/17* | from House ways-means do pass. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/17* | House ways-means do pass; report awaited. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/8* | passed Senate 18-12; ready for House. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *3/4* | Senate COW approved. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *2/9* | from Senate rules okay. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *2/4* | from Senate fin do pass. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *2/3* | Senate fin do pass; report awaited. |
| CONSTITUTIONAL PROPERTY TAX EXEMPTIONS | *1/21* | referred to Senate fin. |

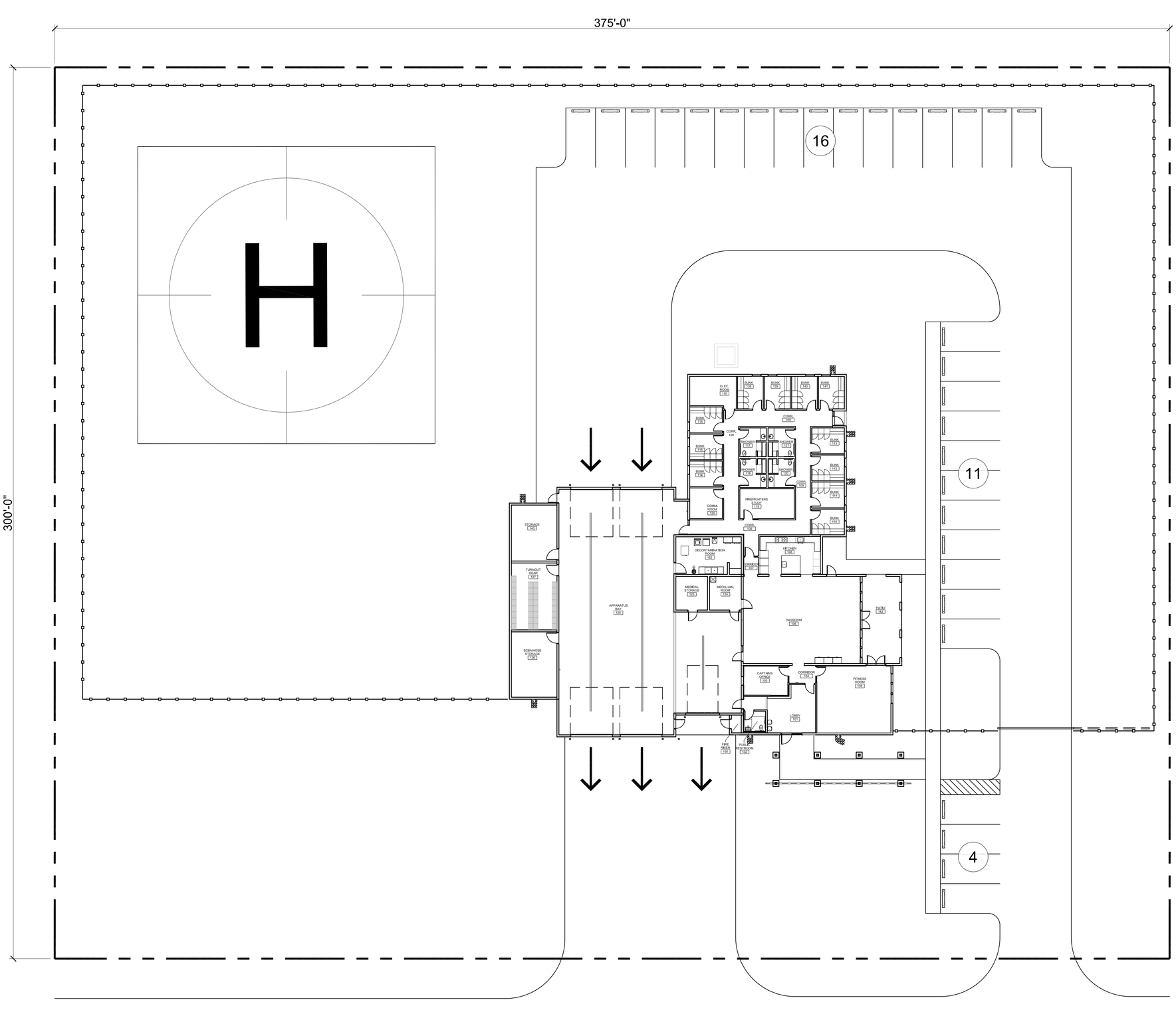
## SCR1034: VOTER PROTECTION ACT; COURT DETERMINATIONS

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to exempt a measure that is found to contain illegal or unconstitutional language by the Arizona Supreme Court or the U.S. Supreme Court from the requirements of the Voter Protection Act, where any amendments to voter passed initiative or referendum measures require the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage and must further the purpose of the original measure.

First sponsor: Sen. Leach (R - Dist 11)

| SCR1034 Daily History | Date | Action |
|---|---|---|
| VOTER PROTECTION ACT; COURT DETERMINATIONS | *3/11* | referred to House gov-elect. |
| VOTER PROTECTION ACT; COURT DETERMINATIONS | *3/10* | passed Senate 16-14; ready for House. |
| VOTER PROTECTION ACT; COURT DETERMINATIONS | *3/8* | Senate COW approved. |
| VOTER PROTECTION ACT; COURT DETERMINATIONS | *2/16* | from Senate rules okay. |
| VOTER PROTECTION ACT; COURT DETERMINATIONS | *2/9* | from Senate gov do pass. |

| | | |
|---|---|---|
| VOTER PROTECTION ACT; COURT DETERMINATIONS | *2/8* | Senate gov do pass; report awaited. |
| VOTER PROTECTION ACT; COURT DETERMINATIONS | *2/1* | referred to Senate gov. |




SITE:

- 2.6 ACRES
- 31 PARKING SPACES
- 1 HELIPAD

FIRE STATION:

- LOBBY W/ PUBLIC RESTROOM
- CAPTAINS OFFICE
- DAYROOM W/ DINING AREA
- EXTERIOR PATIO
- FITNESS ROOM
- KITCHEN
- FIRE FIGHTERS STUDY
- COMM. ROOM
- JANITOR ROOM
- 11 BUNKS
- 4 SHOWERS
- 2 DRIVE-THRU BAYS
- 1 BACK-IN BAY
- MEDICAL STORAGE ROOM
- DECONTAMINATION ROOM
- SCBA/HOSE STORAGE ROOM
- TURNOUT GEAR ROOM
- STORAGE
- MECH./ELEC. ROOMS

# CONCEPTUAL SITE PLAN

0 16'-0" 32'-0"

MARCH 03, 2021

GOLDER RANCH FIRE STATION 378 STUDY

PROJECT NO:M20-042

WSM ARCHITECTS




# BEST FIRST RESPONDER AGENCY

## Golder Ranch Fire District

Jim Nintzel, *Executive Editor*

Tucsonlocalmedia
YOUR COMMUNITY DELIVERED

Jason Joseph, Publisher

March 2, 2021

GOLDER RANCH FIRE CHIEF

355 E. LINDA VISTA BLVD.
ORO VALLEY, AZ 85704

In this day and age of all information being driven by the media and most of the time that information not always being accurate about our fine men and women of the fire and police department, I wanted to let you know how AMAZING your fire, police and paramedics are!

This past Friday we had an emergency at our home. Oro Valley police department responded in less than a minute and Golder Ranch Paramedics and Fire Department were a minute behind them. WoW! They were all extremely professional, patient focused and worked liked a well oiled machine. They all went to great lengths to take care of the patient, find an interpreter and make sure the patient was well taken care of. They did their job! But as you can see in the enclosed picture, they all went above and beyond! The finished the wall the patient was working! Who does that?? Amazing! Amazing! Amazing!

I don't remember names, but I wanted to make sure everyone who came out on that call was recognized for his/her well executed job!

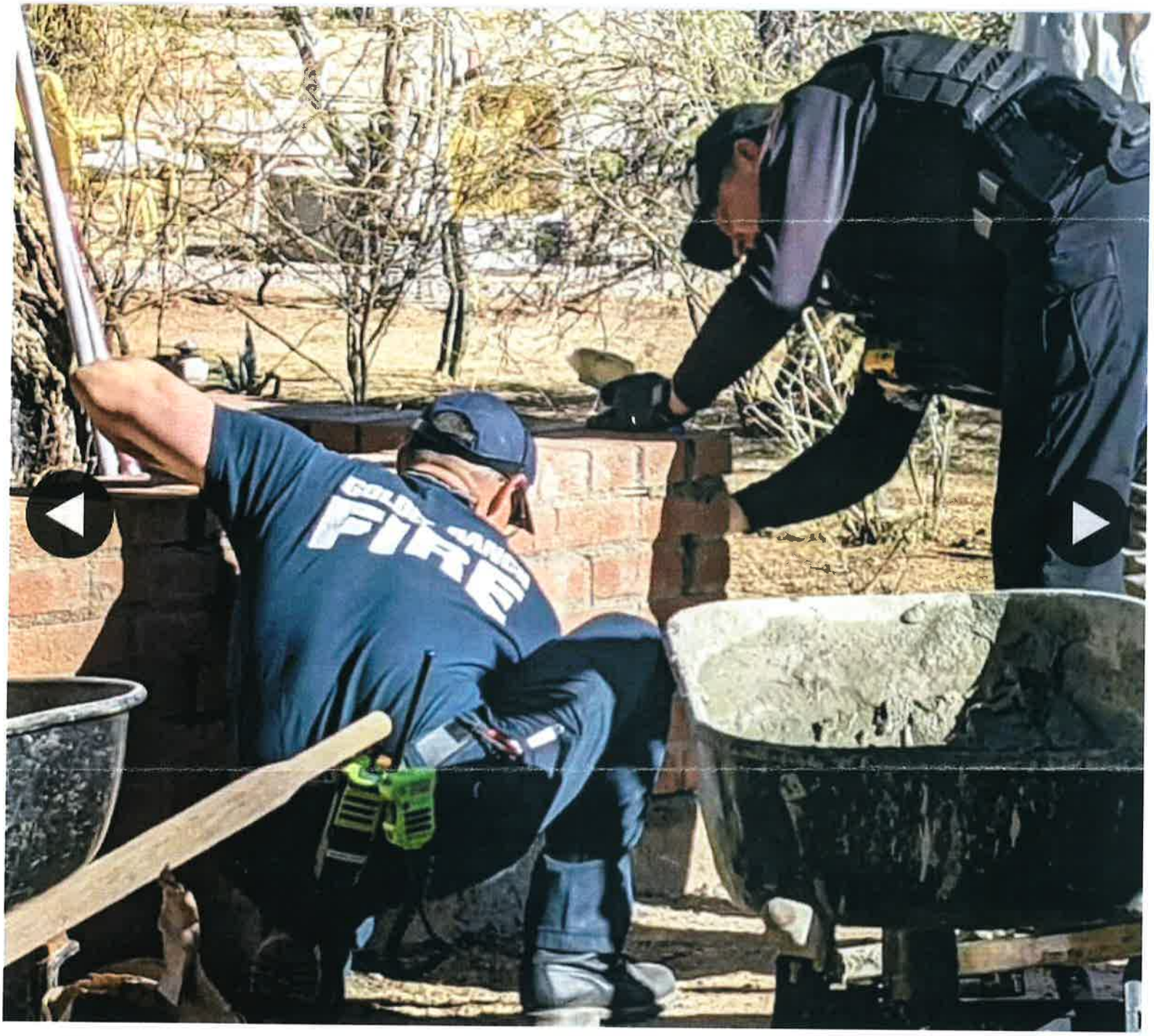
I want to say thank you from the bottom of my heart. Because of men and women like you, we feel safe in our homes and sleep well at night.

Thank you!

Sincerely,

KEN AND AMY MCGLAMERY

[redacted]




**Oro Valley Police Department**

# THANK YOU





Randy,

I want to let you know that I had a great experience, after a horrible mishap, with the crew from station 377. I believe it was the "B Shift," who attended [redacted]

Kudos all to all of them! Professional, caring, informative and efficient. You have a great team

Thanks

[redacted]

Dear GRFD,

Just wanted to say a big thank you to the paramedics [redacted] [redacted] They were kind, polite professional and to me being scared- [redacted] [redacted] well it meant the world to me- I hope with this run # and date you could pass ~~on~~ Thank you

along to them - They were wonderful!

Thank you for your service -

[redacted]



*I was thinking of the most wonderful person in the world...*

I just Wanted to Write you a note to tell You how thankful we have been for Your Community Integrated Healthcare Program. It has been a pleasure for Us to have Someone [redacted] We Were Checking on [redacted] glad to meet Justin Jonsen, "What a Truly Wonderful guy he has been to Us. Thanks Again for Your Kindness..!)

Beloved, if God so loved us,
we also ought to love one another.
-1 John 4:11

And I thought of You!

Love + Prayers

[redacted]

# BOARD SERVICES' REPORT

Board Services Manager – Brooke Painter

*March 2021*

## Meetings, Trainings & Events Attended for the Month

Manager Painter attended the weekly direct reports staff meetings with Chief Karrer and his direct reports, as well as, the Fire Chief's status meeting with all of the managers.

Manager Painter, Administrative (Admin) Assistant Hernandez, Administrative (Admin) Specialist Ramos and Records Specialist (RS) Ortiz attended the weekly Board Services meetings.

Admin Specialist Ramos attended meetings with vendors and chiefs regarding district projects.

The entire board services staff attending a training on the new timekeeping system, TeleStaff. The new system went into full effect as of March 22nd.

RS Ortiz and Manager Painter attended the culture club meeting to review all nominations and select the recipients of the annual awards. Nominations were submitted via a survey sent District-wide, and the committee collectively chose the well-deserved recipients. The awards were ordered and presented to the recipients individually. It was decided by the culture club committee to video the recipients receiving the award and a video would be put together to share with everyone. We are anxious to see it all put together.

Manager Painter attended several meetings for the Arizona Municipal Clerks Association (AMCA) this month including: the communications committee meeting, the AMCA board meeting, and served as co-chair of the education committee meeting.

Admin Specialist Ramos continued to train Admin Assistant Hernandez in the OPIQ software. She also began training her on the Chase Bank software system for credit cards and how to reconcile credit card purchases within the website. Admin Assistant Hernandez is a quick learner and eager to learn all aspects of the district. Cross training is a priority goal of Board Services Manager Painter to better serve the district.

## Records

This was a busy month for records requests. RS Ortiz responded to 29 records requests for the month of March.

The breakdown is as follows:

| | |
|---|---|
| Environmental Reports | 2 |
| Outstanding Code Violations/Inspection Report | 8/2 |
| Fire Reports | 3 |
| Incident Reports | - |
| Medical Records | 14 |
| Billing Records | - |

-

- We received a request for medical records for a municipal prosecutor's office. Law enforcement submits requests on a regular basis, however, this was the first request received from a municipal prosecutor. RS Ortiz worked with Attorney Aversa to determine which documentation would be legal in order to release unredacted medical records.
- Assured Document Destruction came on site to Administration North on March 15th. They shredded 57 boxes of records that have met their retention period. Per Arizona Revised Statute, RS Ortiz submitted their corresponding certificates of destruction to the Arizona State Library of Archives.
- RS Ortiz continued to review boxes of old documents. Documents that are permanent records have been filed in the new file cabinets.
- RS Ortiz continued to update the phone list as changes occur with personnel, assist in posting and distributing regular memos and administrative directives for the chiefs, conduct document searches, order office supplies for administrative staff, and send out copies of thank you notes/cards to the recipients and their supervisors.

## Administrative Assistants' Activities

Administrative Specialist Ramos continued with her daily duties by providing assistance to Board Services, IT and Facilities, and wherever else her assistance was requested. This included processing invoices for payment, reconciling credit cards, completing other clerical tasks as needed, and assisting the chiefs with any special projects as directed.

- She is happy to report that her portion of the station 375 assignments has been completed. She oversaw tinting of some windows and installation of a roller shade in the captain's office. She continued her work on district projects as directed. Ramos continued to coordinate the completion of office furniture and blinds and shades for the newly remodeled areas of Admin North and hopes to report completion in next month's board report.
- She continued to work with all stations and Facilities to order all kitchenware as well as other items requested by the stations.
- Admin Specialist Ramos provided a monthly birthday lunch for Admin North staff. Everyone really enjoyed the opportunity to eat, visit and enjoy each other's company. She believes that food brings people together and builds camaraderie.

Administrative Assistant Hernandez continued to answer the phone and greet and assist members of the public, vendors, and delivery drivers, etc. upon their entrance to Admin North. She also continued to collect and distribute mail and packages as well as provide clerical assistance wherever needed.

- Appointments for digital fingerprinting continued. Admin Assistant Hernandez took 89 sets of electronic fingerprints in March.
- Lockboxes were sold online as of January 1st. A link to the Kidde website is provided on the GRFD website where the lockboxes can be purchased then shipped directly to the resident. Unfortunately, a nearby neighborhood group copied and sent out an old flyer of ours with information that directs residents to come to our building to purchase the lockboxes. Residents that came in to purchase a lockbox were politely directed to our website as we have very few left in stock to sell in person. Therefore, only 1 lockbox was sold in person for the month of March.
- She continued to complete clerical tasks for Chiefs Karrer and Abel at their direction.
- She continued to mail letters of acknowledgement to the senders of any gratitude correspondence and/or donations received for the district.
- She continued to enter purchase order amounts into the Administration, IT, and Facilities budget spreadsheets and file accordingly.
- She continued to work on the next edition of the newsletter, "Burning Issues," which will be released the beginning of April. Issues will be sent out quarterly so this is something that will continuously be worked on.

# COMMUNITY RELATION'S REPORT

Community Relations Manager – Anne Marie Braswell

*March 2021*

## Meetings, Trainings & Events Attended for the Month

- 3/1- PIO Jarrold attended the recruit academy to take photos.
- 3/2- CRM Braswell and Engine 381, lead by Captain Peru, attended a safety talk at Sunshine Pre-School. This was notable since this was the first in person school visit that GRFD has participated in since the pandemic shut down. It was a happy day for kids and firefighters.
- 3/2- PIO Jarrold attended a Zoom call with the SaddelBrooke Preparedness Club. He was asked to attend and answer questions related to GRFD's scope of practice and services.
- 3/3- CRM Braswell attended a Chat with the Chief visit at Station 379 with Chief Karrer.
- 3/3- PIO Jarrold attended the recruit academy to take photos.
- 3/3- PIO Jarrold met a local girl scout at 378 who was donated cookies to our firefighters.
- 3/4 – PIO Jarrold coordinated a blood drive with the Red Cross that took place at 1175 W. Magee with their BloodMobile.
- 3/5- PIO Jarrold attended a Zoom call with the SaddleBrooke Sunrise Rotary Club.
- 3/5- CRM Braswell attended a virtual Economic Outlook presentation that the Oro Valley Chamber hosted.
- 3/5- PIO Jarrold attended a Zoom call with the SaddleBrooke Wellness Integrated Network.
- 3/8- CRM Braswell attended a meeting with Chief Karrer to learn more about new services that the 100 Club is offering first responders. Our local representative is Kelly Meshirer and we maintain a great working relationship with her; she is also a GRFD resident.
- 3/9- CRM Jarrold and PIO Jarrold met with NWFD Community Affairs Manager Melissa Egan to discuss opportunities for collaboration.
- 3/9- CRM Braswell attended a Chat with the Chief at Station 376 with Chief Karrer.
- 3/15- CRM Braswell met with a Amphi School District middle school teacher who is going to help us develop curriculum that will meet the needs of our new remote learning and hybrid learning challenges.
- 3/16- CRM Braswell attended the monthly fire district board meeting.
- 3/16- CRM Braswell attended a Telestaff training.
- 3/17- PIO Jarrold assisted with EMS testing for recruit academy.
- 3/17- CRM Braswell attended Board of Trustee meeting with Oro Valley Hospital via teleconference.
- 3/17- CRM Braswell attended board meeting with the Oro Valley Chamber via Zoom.

- 3/22- PIO Jarrold met a reporter from KOLD 13 and FOX 11 to discuss this upcoming wildfire season.
- 3/24- CRM Braswell and PIO Jarrold met with Chief Karrer to begin filming video clips for the annual employee awards recognition that will be done in a video format this year.
- 3/25- PIO Jarrold attended the recruit academy to take photos.
- 3/25- CRM Braswell attended a virtual meeting with Pima County Supervisor Rex Scott hosted by the Oro Valley Chamber.
- 3/26- CRM Braswell and PIO Jarrold met with Chief Karrer to film another video clip for the annual employee awards recognition.
- 3/30- CRM Braswell and PIO Jarrold met with NWFD Community Affairs Manager Melissa Egan and TFD PIO Michael Coliani to discuss a joint wildland fire prevention PSA.
- 3/30- CRM Braswell and PIO Jarrold met with Chief Karrer to film another video clip for the annual employee awards recognition.
- 3/31- CRM Braswell and PIO Jarrold met Southern Arizona Arts and Cultural Alliance representative and photographer at 375 for a photo shoot. These photos are part of a larger community project to highlight Oro Valley.

## GRFD in the News and on Social Networking

Below are some of the highlights from March 1, 2021- March 31, 2021 regarding notable media and social media out reach.

- On March 2nd, we were proud to share photos and video from our very first in classroom visit to Sunshine Pre- School since the pandemic shutdown. The students were so excited to have Captain Peru and his crew there to teach them about fire safety and show them the truck.
- On March 9th, GRFD and NWFD responded to an attic fire at a home which was also being used as an assisted living facility in the 1000 block of West Orange Grove Road. Incident updates were shared via social media and local media channels covered the story.
- On March 15th, Rich and Scout from Pet Partners stopped by the office to provide a little mental health break for our hard working firefighters. They were a welcome addition at Station 380 and firefighters enjoyed engaging with Scout.
- On March 22nd, GRFD PIO Adam Jarrold was interviewed by a KOLD and FOX 11 reporter to discuss the upcoming wildfire outlook for the region. The story aired on local channels 11 and 13.
- On March 24th, we shared a certificate that we received in recognition of the "Best First Responder Agency" honor that the community awarded us through the Explorer Newspaper.

This is a humbling recognition since we work alongside talented community partners at our neighboring fire service agencies.

- On March 31st, a press release and photo were sent out announcing the appointment of Chief Scott Robb to the position of Assistant Chief. The press release is attached.

Golder Ranch Fire District
3885 E Golder Ranch Drive
Tucson, Arizona 85739

"Serving with Strong Hands and Caring Hearts"

March 31, 2021

**FOR IMMEDIATE RELEASE**

CONTACT:

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## GOLDER RANCH FIRE CHIEF APPOINTS ASSISTANT CHIEF

Tucson, AZ- Golder Ranch Fire Chief Randy Karrer has appointed Golder Ranch Deputy Chief Scott Robb to Assistant Chief. Chief Robb will be assigned to operations and this promotion is effective immediately.

Assistant Chief Scott Robb started his career as a reserve firefighter in 1999 with the City of South Tucson and Golder Ranch Fire District. In July of 2001, Robb was able to secure a full time position with Golder Ranch Fire District where he steadily moved up through the ranks from Firefighter to Paramedic, Captain, Battalion Chief and most recently Deputy Chief. He graduated from Grand Canyon University in October of 2013 and continually seeks conventional and unconventional ways to broaden his horizons.

"Chief Robb's leadership style is one of empowerment and innovation and that's what our growing organization needs," said Fire Chief Randy Karrer.

Chief Robb has a passion for family, physical fitness, mental wellness and self-improvement. One of his favorite aspects of serving in a leadership role is developing those around him so that they can realize their full potential.

###

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Pat Abel, Assistant Chief

DATE: April 20, 2021

SUBJECT: LOGISTICS/PLANNING ASSISTANT CHIEF'S REPORT

ITEM #: 7B

REQUIRED ACTION: ☒ Discussion Only ☐ Formal Motion ☐ Resolution

RECOMMENDED ACTION: ☐ Approve ☐ Conditional Approval ☐ Deny

SUPPORTED BY: ☒ Staff ☒ Fire Chief ☐ Legal Review

## BACKGROUND

This allows for the logistics/planning assistant chief to provide updates to the governing board on the following areas:

- Assistant chief's activities for the month
- Logistics

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# ASSISTANT CHIEF'S REPORT

Logistics & Special Projects – Patrick Abel

*March 2021*

## Assistant Chief's Activities for the Month

Meetings attended & general information

- I attended the Fire Chief's direct reports meetings on Mondays.
- I attended the monthly Chief's Status meeting with all managers and division heads.
- I conducted weekly Logistics meetings with direct reports.
- Zoom meetings and phone calls were conducted to coordinate with the Arizona Fire Chiefs Association (AFCA) on Statewide Mutual Aid, progress, issues, updates, and any needed changes.
- I continued to work with the Arizona State Local Assistance State Team (LAST). This past month the LAST Team did respond to Prescott Fire Department for a Firefighter Line of Duty Death (LODD). Tye Seets was a local firefighter, father, and army veteran. Golder Ranch Fire District (GRFD) Captain Mike Thomas, who is now the AZ State LAST Team leader, assisted Prescott Fire Department along with other team members to honor the fallen firefighter, his family, and the Prescott Fire Department. Two members from GRFD's honor guard, Johnny Miller and retired Captain Tom Helmandollar, assisted with honor guard responsibilities along with other honor guard members throughout the state. I heard that the services were professional and truly honored the firefighter, his family, and the department.



















- I continued to work with IMPACT of Southern Arizona.
- I worked with various chiefs, supervisors, and Division personnel on the fiscal year 2021-2022 budget process to prepare for the budget study session.
- I completed more training through Target Solutions as part of the ongoing process to meet my EMT state recertification requirements.
- Command staff, including myself, continued to work with senior leadership of the Robson Communities to determine the exact station site locations for station 378. We have been in communication with the Robson team and provided needed information to assist in the process. There are no significant updates as of this writing.
- I continued to work with Core Construction and WSM Architects in reference to the station 374 decontamination room, turnout room expansion, and other related modifications in the station bay. We did an onsite walk of the project with both the architect and contractor to gain a better understanding of the scope of the project, answer any questions, and discuss finer details related to the build.
- Our solar project has moved forward and has even gotten ahead of schedule. The solar system install at station 379 on Shannon and Overton Roads has been completed. The last step for that

location is for Tucson Electric Power (TEP) to make the final connection so the solar installed is used for supplemental power. Station 380 on Magee Road is currently under construction and has already progressed very quickly. Below is a photo of their progress as of this writing. The station 370 campus on Golder Ranch Drive (near Fleet and behind Administration) will be next to be addressed.

**Station 380**









**Station 379**





## Logistics

- The turnout room at station 374 design is with CORE Construction. We have also been coordinating on bond projects as well as concrete and security.
- Surplus of items was posted to the public third-party website.
- The Apparatus Committee will attend the final inspection of the 4x4 engine April 19-22 on site in Pennsylvania.

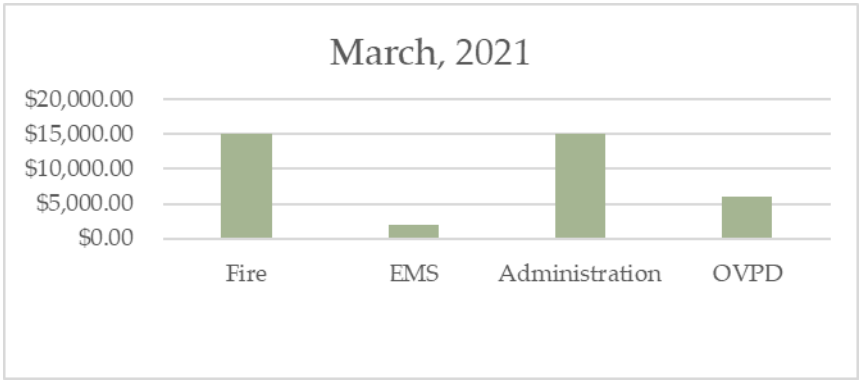


- In our monthly Operative IQ (OPIQ) meeting we reviewed adding new members and inventory and tracking of inventory from purchase to when it is issued. Division Chief Hilderbrand was contacted by other agencies on the recommendation from OPIQ to offer insight on how we utilize their programs.
- Service Desk (within OPIQ) was used for 176 service requests in March:
    - Fleet: 88 requests
    - Facilities: 67 requests
    - Supply: 21 requests

## Fleet

Monthly vehicle parts costs

- Administration - $472.19
- EMS - $1,979.15
- Fire – $15,032.39
- Wildland - $0.00
- OVPD hours- 53.66 hrs. $6,018



## Facilities Maintenance

- Repairs as a result of the fire alarm inspections at all fire stations and District facilities have been completed.
- Preparation of evaporative units at all District facilities has begun in preparation of the summer heat.
- Admin 170 – New furniture was installed in new offices, conference room, lobby, and Chief Karrer's office.
- Station 370 – Overhead door was repaired and electronic lock installed on communication room.
- Station 373 – Air conditioner replacement was completed.
- Station 375 – Window tint for door and three windows in the rear of the station was installed, roller shade in captain's office installed, and electronic lock was installed on communication room.
- Station 377 – Electronic lock installed in communications room.
- Station 380 – Electronic lock installed in communications room.
- Fleet 430 – New intercom system was installed.
- Facilities 440 – New tool shed and work bench was purchased.
- Daily repairs and maintenance requests continue in all GRFD facilities.

## Procurement/Communications Specialist

- Nothing to report for the month.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: BUSINESS/GOVERNMENTAL/PERSONNEL ASSISTANT CHIEF'S REPORT

ITEM #: 7C

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☒ Discussion Only | ☐ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☐ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

This allows for the business/personnel assistant chief to provide updates to the governing board on the following areas:

- Assistant chief's activities for the month
- Human Resources
- Finance
- Information Technology

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# ASSISTANT CHIEF'S REPORT

## Business/Governmental/Personnel – Tom Brandhuber

*March 2021*



## Assistant Chief's Activities for the Month

Attended the following:
District Board Meeting
Chief Karrer's direct report meeting
Arizona DHS Ground Transport rules re-write committee
SHRM (Society for Human Resource Management) employment law update

Participated in the following:
Arizona Ambulance Association monthly meeting
Pima County Emergency Mangers meeting
Benefits presentation meetings
Tele-Staff user training
Conference call with AZ Department of Health Services director, and small group of Arizona Fire Chiefs
Meeting with NWFD to discuss current and future plans for Communications Center performance

Held the following:
Direct Reports meeting
Pima Fire Chiefs COVID-19 Work Group Meetings
Weekly PEMS No Divert Subcommittee meeting

## IT Applications Group Activities/Projects

The GRFD IT Applications group has been working on the following projects:

- The new staffing program by Kronos, Workforce TeleStaff is now fully operational. TeleStaff optimizes the scheduling, communications, and deployment of public safety personnel. We are currently finalized several reports to further refine the system. We also wrote scripts and reports to help finance successfully process the first payroll cycle and to prevent any inconsistencies across Personal Time Off and Comp Timebanks that could cause problems down the road. Our first pay cycle is up for processing on April 5th. The new system has a much friendlier user interface and is compatible with newer browsers.
- To further enhance our company's cyber defenses, we want to highlight a common cyber-attack our organization should be aware of." Phishing" is the most common type of cyber-attack that affects organizations like ours. Phishing attacks can take many forms, but they all share a common goal of getting you to share sensitive information such as login credentials, credit card information, or bank account details. Although we maintain controls to help protect our networks and computers from cyber threats, we rely on our employees to be our first line of defense. Due to recent events of multiple Phishing attacks, we have been working on implementing mandatory training courses and testing for all our employees. We are currently testing out a company called Phishing Box. The Phishing Box system is simple to use, cost-effective, and helps our workers reduce risk and achieve cybersecurity objectives. By focusing on phishing, our employees can meet a significant need while using a highly automated method. Phishing Box checks for vulnerabilities irrespective of networks, systems, and applications. Their phishing test for employees helps keep them on alert for security threats that can compromise our organization. This is still in the testing phase as we explore and test all of its capabilities, and make sure that is something that will work for our organization.

## IT Systems Group Activities/Projects

IT Systems Group Activities/Projects

The GRFD IT Systems group has been working on the following projects:

- The systems group is currently upgrading admin desktops at station 380. The current aging desktop served us well, but they have passed the useful life cycle.
- We have also deployed test laptops for training to utilize with their recruits to practice their electronic patient care reporting. This was a difficult task as we had to create a new test environment. This will give our recruits real-world experience with our software applications.
- In the auditorium, we have deployed a new camera system along with audio equipment for conference capabilities.
- All email groups have been overhauled and organized groups have been organized into their respective positions. As we move people and position around keeping email UpToDate is a never-ending task.

## Finance

The Cure Process:

Title 48 Budget Approval Overview

Since we are now in the process of approving our Fiscal 2022 budget, I thought this might be a good opportunity to review some of the requirements (some new, some old) for getting the budget officially adopted and the levy set by the county.

First the budget. Once the Board has agreed on a budget for the fiscal year 2022, that budget gets 'hung' for 20 days. This means that we must post the budget in three conspicuous places and put it on our website... Here is the newly revised 48-805.02:

A fire district shall prepare an annual budget that contains detailed estimated expenditures for each fiscal year and that clearly shows salaries payable to employees of the district. The budget summary shall be posted in three public places and a complete copy of the budget shall be published on the district's official website for twenty days before a public hearing at a meeting called by the board to adopt the budget.

Once the budget has properly 'seasoned' by being 'hung' for the statutorily required time, then the Board can vote to formally adopt the new budget. The adopted budget bust be posted on our GRFD website for five years.

Additionally, The Board Chair must certify that:

(a) That the district has not incurred any debt or liability in excess of taxes levied and to be collected and the money actually available and unencumbered at that time in the district general fund.

and...

(b) That the district complies with subsection E of this section. (The district is solvent).

The board adopted budget along with the above certifications is then sent to the county board of supervisors (both Pima and Pinal) to be approved as a levy and the requisite mil rate set. Notice that the Fire Board does not set the levy nor the mil rate. The Fire Board only adopts the budget. The budget is an estimate of money needed to run the District and from this, the Board of Supervisors set the levy. Here is what 48-805.02 says:

C. Based on the budget submitted by the district, the board of supervisors shall levy the tax as prescribed in section 48-807, subsection E.

## Human Resources

HR participated in all regularly scheduled meetings, and completed all regular duties. Additionally, we were involved in the following:

Recruitments

- External/Internal:
  - HR Representative – job description and job announcement in review stages for posting
  - Billing Specialist – job description and job announcement in review stages for posting
- Internal:
  - Captains Process

Special Projects

- HR is planning Open Enrollment:
  - Open Enrollment Video – in beginning stages of production with Crest
  - Build out in ADP will begin next week, upon HR receipt of new plan documents from the broker
  - Dates for benefit enrollment will be mid-May, final dates to be determined

  Expectations:
  - BCBS has submitted a rate increase
    - Minor changes to plan costs and cost-share (premiums/deductibles/out-of-pocket maximums)
    - No changes to plan coverage design
  - Delta Dental, VSP Vision, and The Standard Life and Disability, are on rate freeze through 07/2022

- Changing from ID Watchdog to Allstate ID protection plan
    - Same costs, better coverage
- HR Know - compensation system restructure for non-uniform personnel:
    - HR is completing the final review of the updated compensation schedule and will publish the document on the intranet within the next few weeks

Special Recognitions

Employee and Volunteer Recognition

Congratulations on your Golder anniversary, and thank you for being such amazing team members!




| GRFD Employee Years of Service Recognition -April | | | |
|---|---|---|---|
| **Last Name** | **First Name** | **Date of Hire** | **Years Of Service** |
| Akins | Jennifer | 04/05/2010 | 11 |
| Avey | Ross | 04/05/2010 | 11 |
| De Masi | Adin | 04/05/2010 | 11 |
| Miller | John | 04/05/2010 | 11 |
| Rinder | Jeremy | 04/05/2010 | 11 |
| Loesche | William | 04/18/2011 | 10 |
| Hileman | Mary | 04/01/2013 | 8 |
| Barbeau | Lee | 04/07/2016 | 5 |
| Myers III | John | 04/13/2020 | 1 |

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Scott Robb, Assistant Chief

DATE: April 20, 2021

SUBJECT: OPERATIONS ASSISTANT CHIEF'S REPORT

ITEM #: 7D

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☒ Discussion Only | ☐ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☐ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

This allows for the operations assistant chief to provide updates to the governing board on the following areas:

- Assistant chief's activities for the month
- EMS
- Fire and Life Safety Services
- Health and Safety
- Honor Guard/Pipes and Drums
- Operations
- Special Operations
- Training
- Wildland

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# ASSISTANT CHIEF'S REPORT

## Emergency/Life Safety Services – Scott Robb

*March 2021*




Academy 21-01 stretching in the snow

## Assistant Chief of Operations Activities for the Month

- I got promoted! I am truly honored to be appointed to the Assistant Chief of Operations position. It has been a dream come true for me, and I am excited to continue learning from all the great people around me that have contributed to my professional success. My commitment to the organization and our district residents is to provide clear, transparent communication, develop our officers to solve problems at the highest level, and then empower them to do so.
- Crew fitness meetings have been going well, and we have had a lot of deep philosophical discussion about who we want to be and where we want to go as a fire district. Now that our Oro Valley Community Center has lifted some restrictions, I plan on expanding fitness meetings to that location as well, to interact with chief officers and administrative staff that may want to take part. It may sound like a lot, but some advanced planning on something that we all need to do more often, like exercise, has made it all run smoothly so far.
- We continue to make progress on the ROC Committee with Northwest and Tucson Fire. We are going through draft policies line by line to ensure we are all on board with adopting some universal fireground SOPs.

- I hope to have News From the Ranch and a new podcast out before next board meeting. Budgets, strategic planning and my kids being in town last week did not leave much room to fire up the studio!

## EMS

Community Integrated Healthcare Program

- Patient census for the CIHP program remains low, 6 patients during the month
- Paramedic Jansen integrating into the EMS division during skills training needs associated to the EMT program for academy 21-01

Covid-19 Response

- The EMS Division continues to focus on our transport numbers and hospital wait times, no issues to report
- Continued to assist Pima County Health Department with vaccination point of distribution related conference calls and set up of clinics in our district
- The vaccination process is working well, the county set up multiple clinics to continue vaccinating the 55 and older population during the month
- COVID responses are on the decline in the patients we have cared for

EMS Training

- Registered Nurse Prince and Chief Cesarek completed the lecture and skills portion of the EMT training in the academy
- We had a 100% pass rate on the National Registry of EMT exam
    - This was a great accomplishment for the students and instructors since it was our first time teaching the program

Other Items of Interest

- After completing the EMT program, we moved right into planning the next set of quarterly skills labs for all of our providers
- Skills labs start April 5th, 15 sessions are on the calendar to get everyone the training
- Completed the EMS budget requests for next fiscal year

**Month of March Details**

| | Transports | +/- From Last Year | Interfacility | +/- From Last Year |
|---|---|---|---|---|
| MD372 | 0 | 0 | 0 | 0 |
| MD376 | 0 | -60 | 0 | -1 |
| MD379 | 0 | 0 | 0 | 0 |
| PM370 | 65 | 10 | 0 | -1 |
| PM371 | 0 | 0 | 0 | 0 |
| PM372 | 0 | 0 | 0 | 0 |
| PM373 | 86 | 6 | 1 | 1 |
| PM374 | 0 | 0 | 0 | 0 |
| PM375 | 116 | 26 | 6 | 3 |
| PM376 | 69 | 52 | 1 | 1 |
| PM377 | 94 | 7 | 1 | 1 |
| PM379 | 0 | 0 | 0 | 0 |
| PM380 | 105 | -4 | 0 | 0 |

| | | | |
|---|---|---|---|
| Total Transports for the Month to Date: | 535 | Total Interfacilities for the Month to Date: | 9 |
| +/- From Last March | 37 | +/- From Last March | 4 |
| Total Responses | 548 | | |
| Transport % | 98% | | |

## Training

Courses

- Building Construction class is running from February 8- May 11, 2021

Academy

- Recruits have completed the EMT portion of the Academy and are now working through the firefighter portion
  - Some of the topics already covered include Confined Space, Personal Protective Equipment, Ropes and Knots, Fire Behavior, and Water Supply
  - Topics being covered over the next few weeks include Forcible Entry, Building Construction, Ventilation, and Wildland
- Graduation is tentatively scheduled for June 25, 2021



Confined Space Drill

Miscellaneous

- Ran monthly Office of Inspector General report on all Golder Ranch Fire District employees and volunteers
- Working on reviewing and updating all Task books

Car Seat Program

- 0 car seat installs were done in the month of March due to the staff working with the Academy
- Preparing to resume car seat checks again in April

## Health and Safety/Crew Scheduler

Health and Safety

- Assisting the peer support team in various issues
- Implementing Telestaff
- Updating Personal Protective Equipment (PPE) program
- Annual physicals for current employees
- Mental Health and Wellness training with Regional partners
- Updating policies

Health and Safety Administrative Captain

- Assisting Health and Safety with various issues
- Implementing Telestaff to administration and suppression

## Wildland

Assignment

- No personnel currently on assignment

Training

- Completing Red Card certification for District

Projects

- The new tender is being outfitted with boxes for additional equipment and firefighter gear

New Wildland Team Members

- Alec Cameron
- Giorgi Flagello
- Ryan Kreitner
- Kyle Milligan
- Kyle Rhein

PCWT Rotation

- Type 1- Unavailable
- Type 1 Support Tender- Unavailable
- Type 2 Support Tender- Unavailable
- Type 3-Unavailable
- Type 6- Unavailable

## Honor Guard/Pipes and Drums

Expenditures

- Honor Guard
  - 6 expenditures in March: Monthly Total: $1,624.23
  - Submitted Honor Guard/Pipes &Drum's budget narrative for upcoming fiscal year
  - District credit card and Honor Guard budget is all squared up
- Pipes and Drums
  - No expenses in the month of March
  - Submitted Honor Guard/Pipes &Drum's budget narrative for upcoming fiscal year

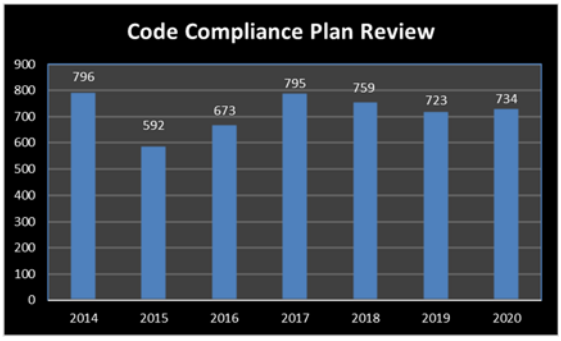
Events

- Honor Guard
  - Honor Guard Meeting – March 8, 2021 at 380
  - Prescott LODD funeral- March 27, 2021 – 1 on-duty (Miller) and 1 retiree member (Helmandollar)
- Pipes and Drums
  - March 8, 2021 at 380- Attended Honor Guard meeting and held practice afterwards
  - No events in the month of March

## Special Operations

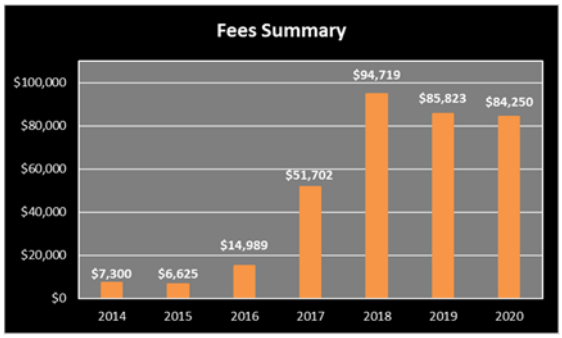
Special Operations

- 2 members attended a Ropes class that ended on April 2, 2021
- A few hiker rescues and Hazmat calls occurred over the last month
  - Calls were with our Automatic Aid partners
- Stations 377 C shift assisted the Academy with setting up a belay system while the recruits climbed 040



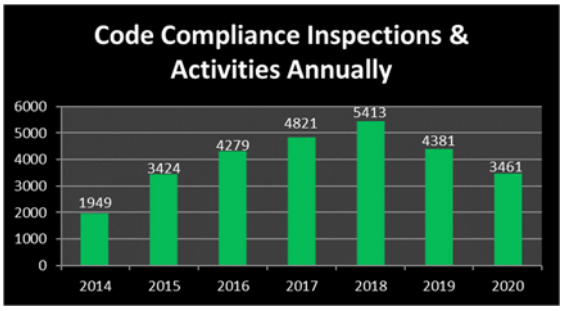


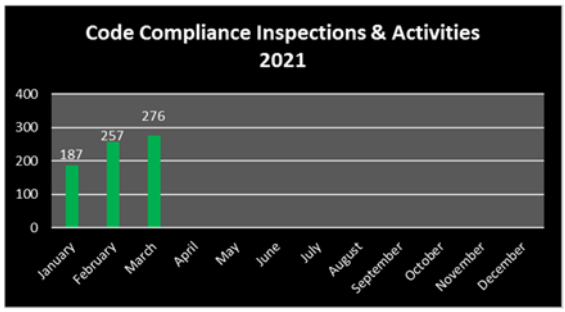











| Top 3 Inspections | Quantity |
|---|---|
| Prevention | 87 |
| Residential | 60 |
| Commercial | 42 |

Inspections & Activities include public education/outreach, weed abatement/debris burning, certificate of occupancy, code complaint inspection, code consultations, compliance letter, development review committee, fire alarm system inspection, fire flow/hydrant inspection, fire investigation, food truck inspection, gate inspection, general construction inspection, home safety assessment, investigative inspection, kitchen hood suppression system inspection, pre-application, preconstruction meeting, prevention inspection, records request, reinspection, special use permit inspection, suppression system inspection (commercial & residential), tent inspection, and underground fire supply line.

Commercial Projects Summary

Assigned Inspector: Horbarenko=Red Hurley= Green B. White=Blue Druke=Black

| Oro Valley | Oro Valley | Pinal County | Marana |
|---|---|---|---|
| Denny's T.I.<br>11107 N Oracle | Five Down T.I.<br>10571 N Oracle | Chirreon Energy 1.5 Miles<br>West of Oracle/Edwin | |
| Seis Kitchen T.I.<br>9740 N Oracle St105 | Design Center T.I.<br>8454 N Oracle | SB Golf Maintenance T.I.<br>38614 S Bobcat Canyon | |
| Flex Gymnastics T.I.<br>11085 N Oracle | KFC T.I.<br>7901 N Oracle | SB The Preserve Fire Alarm<br>66567 E Catalina Hills | |
| Episcopal Church<br>12111 N La Cholla | Wow Wow Lemonade T.I.<br>7705 N Oracle Ste 133 | SBHOA2 Theater Fire Alarm<br>39900 S Clubhouse | |
| Ashley Furniture T.I.<br>11935 N Oracle | Shell Building L.I.<br>7315 N Oracle | SBHOA2 Mesquite Fire Alarm<br>38691 S Mountain View | |
| The Back Alley T.I.<br>2060 E Tangerine Ste182 | Jersey Mike's T.I.<br>7315 N Oracle Ste 108 | **Pima County** | |
| OVPD Generator<br>1920 E Tangerine | Saffron T.I.<br>7607 N Oracle Ste101 | Reilly's Craft Pizza T.I.<br>7262 N. Oracle | Thornwood Care Home<br>7480 N Thornwood |
| Ventana Building 4 T.I.<br>1910 E Innovation Park | Noodleholics T.I.<br>7850 N Oracle | The Landing T.I.<br>8195 N. Oracle Ste105 | Honeywell Fire Alarm<br>11100 N Oracle |
| PRCA MPR<br>9500 N Oracle | Poolwerx T.I.<br>7918 N Oracle | Vista de Montana T.I.<br>3001 E Mira Vista | Overton Self Storage<br>2925 W Overton |
| PRCA Modulars<br>9500 N Oracle | Sally Beauty T.I.<br>7854 N Oracle | **Subdivisions (Sprinklers Required)** | |
| Ventana Ammonia Plant<br>1910 E Innovation Park | S-Lab Holdings T.I.<br>7445 N. Oracle Ste255 | Tranquillo (del Webb and<br>R.V.) approx. 270 homes | Shannon 80 (Shannon and<br>Naranja) approx. 80 homes |
| OV Self Storage<br>9255 N Oracle | OV Council Chambers T.I.<br>11000 N La Canada | OV Town Centre (Oracle and<br>Pusch) approx. 77 homes | Capella M (Naranja and La<br>Cholla) approx. 48 homes |
| Linda Vista Luxury Rentals<br>375 E Linda Vista | Tuk Tuk Thai T.I.<br>12125 N Oracle Ste 169 | **Who Received Their Certificate of Occupancy in March** | |
| Naranja Park Archery<br>810 W Naranja | Splendido Remodel<br>13500 N Rancho Vistoso | Thrivent Financial T.I.<br>8740 N Thornydale Ste130 | Wise Choice PT T.I.<br>180 W Magee Ste164 |
| CVS T.I.<br>10650 N Oracle | Sun City Fire Alarm<br>1565 E Rancho Vistoso | Sunnyvale Pharmacy T.I.<br>8770 N Thornydale Ste190 | LuxSpace Studios T.I.<br>7315 N Oracle Ste 051 |
| Sol Physical Therapy T.I.<br>10445 N Oracle Ste101 | Rancho Vistoso Funeral<br>2285 E Rancho Vistoso | TMC One T.I.<br>10390 N La Canada Ste110 | F45 Fitness T.I<br>9740 N Oracle St104 |

Education/Training Activities

- Deputy Fire Marshal Akins, and Inspectors White, Druke, and Hurley attended the Joint Fire Investigator Meeting with Northwest Fire District and Oro Valley Police Department
- Inspector Druke taught three classes to the Pima Fire Academy recruits on March 22nd and 24th
  - The classes were Fire and Life Safety Initiatives, Fire Origin and Cause, and Fire Detection, Suppression and Smoke Control Systems

Fire Investigations

- On March 9th, a residential fire was reported in the Northwest Fire District
  - Golder Rand Fire District (GRFD) assisted with the fire investigation
- On March 13th, a mobile home fire was reported in the Northwest Fire District
  - GRFD assisted with the fire investigation
- On March 17th, a mobile home fire was reported in the Northwest Fire District
  - GRFD assisted with the fire investigation
- On March 23rd, a storage shed fire was reported in the Northwest Fire District
  - GRFD assisted with the fire investigation
- On March 23rd, a carport fire was reported in Golder Ranch Fire District
  - The cause of the fire was unintentional due to hot metal shards from a grinder on a sleeper sofa
  - The fire was contained to the carport



- On March 26, a recreational vehicle fire was reported in the Golder Ranch Fire District
  - The cause of the fire was undetermined



Can you spot the violations?



Answer to last Month:



**Answer:** Remove door stop from fire doors

**2018 IFC Section 705.2.4 Door operation:**
Swinging fire doors shall close from the full-open position and latch automatically

# Golder Ranch Fire District Call Load Breakdown

## March 2021

| CALL TYPE | 370 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Aircraft | | | | | | | | | | | 0 |
| Brush / Vegetation | | | | | 1 | | | 1 | | | 2 |
| Building | | | | | | | 1 | | | | 1 |
| Electrical / Motor | | | | | | | | | | | 0 |
| Fires - All Other | | | | | | | 1 | 1 | | 2 | 4 |
| Gas Leak | | | | | | | | | | | 0 |
| Hazmat | | | | | | | | | | | 0 |
| Trash / Rubbish | 1 | | | | | | | | | | 1 |
| Unauthorized Burning | | | | | | 1 | | | | | 1 |
| Vehicle | | | | | 1 | | | | | | 1 |
| | | | | | | | | | | | |
| **Total Fire** | **1** | **0** | **0** | **0** | **2** | **1** | **2** | **2** | **0** | **2** | **10** |
| | | | | | | | | | | | |
| Animal Problem | | | | | | | | | | | 0 |
| Animal Rescue | | | | | | | | | | | 0 |
| Assist -Other | 6 | 10 | 42 | 17 | 17 | 14 | 10 | 18 | 7 | 4 | 145 |
| Battery Change | | 4 | 34 | | 12 | 3 | | 3 | 1 | 1 | 58 |
| Bee Swarm | 1 | | | | | | | | | | 1 |
| Defective Appliance | | | | | 1 | | | | | | 1 |
| Invalid Assist | 4 | 2 | 21 | 9 | 11 | 1 | 11 | 1 | 3 | 8 | 71 |
| Snake | 3 | 1 | 5 | 7 | 13 | 15 | 7 | | 5 | 5 | 61 |
| Lockout | 2 | | 1 | | | | | | | | 3 |
| Fire Now Out | | | | | | | | | | 1 | 1 |
| | | | | | | | | | | | |
| **Total Service Calls** | **16** | **17** | **103** | **33** | **54** | **33** | **28** | **22** | **16** | **19** | **341** |
| | | | | | | | | | | | |
| Alarms (Fire, Smoke. CO) | 4 | 1 | 4 | 6 | 5 | 2 | 2 | 3 | 1 | 4 | 32 |
| Cancelled / Negative | 5 | | 6 | 6 | 5 | 5 | 6 | 2 | 8 | 8 | 51 |
| Smoke / Odor Invest. | | | | | 1 | | | | | | 1 |
| | | | | | | | | | | | |
| **Total Good Intent** | **9** | **1** | **10** | **12** | **11** | **7** | **8** | **5** | **9** | **12** | **84** |
| | | | | | | | | | | | |
| Motor Vehicle Accident | 2 | | 1 | 1 | 7 | 3 | 3 | 3 | 4 | 9 | 33 |
| Rescue-high, trench, water | | | | | | | | | | | 0 |
| Interfacility Transport | | | 1 | | 6 | 1 | 1 | | | | 9 |
| All Other EMS Incidents | 69 | 10 | 101 | 108 | 88 | 76 | 95 | 30 | 93 | 124 | 794 |
| | | | | | | | | | | | |
| **Total EMS Type** | **71** | **10** | **103** | **109** | **101** | **80** | **99** | **33** | **97** | **133** | **836** |
| | | | | | | | | | | | |
| **TOTAL ALL** | **97** | **28** | **216** | **154** | **168** | **121** | **137** | **62** | **122** | **166** | **1271** |
| | | | | | | | | | | | |
| Percentage of Call Load | 8% | 2% | 17% | 12% | 13% | 10% | 11% | 5% | 10% | 13% | 100% |
| Average Calls Per Day | 3.13 | 0.90 | 6.97 | 4.97 | 5.42 | 3.90 | 4.42 | 2.00 | 3.94 | 5.35 | 41.00 |
| | | | | | | | | | | | |
| **Patients Transported** | | | **535** | | | | | | | | |
| **Last 12 Month Call Load** | | | **16737** | | | | | | | | |
| **Last March Call Load** | | | **1286** | | | | | | | | |

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Dave Christian, Finance Manager

DATE: April 20, 2021

SUBJECT: DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF THE PROPOSED TENTATIVE BUDGET FOR GOLDER RANCH FIRE DISTRICT FOR FISCAL YEAR 2021 – 2022

ITEM #: 8A

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☐ Discussion Only | ☒ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☒ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

**BACKGROUND**

In accordance with A.R.S. §48-805.02 (as amended) the District is required to prepare a (tentative) budget summary for the upcoming two fiscal years and it shall be posted in three public places and published on the District's website for 20 days before a public hearing.

The budget that was presented at the April 6, 2021 budget study session included a proposed mil rate of $2.37 for O&M and $0.14 for the bond debt service, version two does not change those numbers. However, the 2021-2022 tentative budget contains provisions for the sale of $28,591,499 worth of Certificates of Participation bonds, of which the proceeds would be used to eliminate the District's unfunded Public Safety Personnel Retirement System (PSPRS) pension obligations. While this amount may or may not be utilized in full or in part, due to its dependence on the Governor's signature of SB1298, its inclusion is necessary if the Board chooses to sell COP bonds and payoff the District's pension obligations.

The total tentative budget for fiscal year 2021 - 2022 budget is proposed at $72,798,998 with a proposed O&M mil rate of $2.37 per $100 assessed value and a bond mil rate of $0.14 per $100 assessed value.

**RECOMMENDED MOTION**

Motion to approve the Golder Ranch Fire District tentative budget for fiscal year 2021-2022 in the amount of $72,798,998 with an O&M mil rate of $2.37 and a bond mil rate of $0.14 and to publish the tentative budget for public notice pursuant to A.R.S. §48-805.02.

# REVENUE (Gen, Ambulance, CIP funds)

| Major Revenue Category | 6 Month Actuals | FISCAL YEAR 2021 BUDGET | FISCAL YEAR 2022 Version#1 | CHANGE | % Change | FISCAL YEAR 2022 Version#2 | CHANGE (Vers #2) | | % Change |
|---|---|---|---|---|---|---|---|---|---|
| Property Tax Levy* | 14,696,970 | 30,306,935 | 32,319,165 | 2,012,231 | 6% | **32,319,165** | - | | **0%** |
| FDAT | 485,583 | 800,000 | 800,000 | - | 0% | **800,000** | - | | **0%** |
| Ambulance Transports | 1,930,948 | 4,100,000 | 4,100,000 | - | 0% | **4,100,000** | - | | **0%** |
| Fees for Service | 117,395 | 385,663 | 369,840 | (15,823) | -4% | **369,486** | **(354)** | | **0%** |
| EMS Membership | 52,040 | 60,000 | 60,000 | - | 0% | **60,000** | - | | **0%** |
| Interest income | 9,967 | 150,000 | 80,000 | (70,000) | -88% | **80,000** | - | | **0%** |
| Debt Financing | - | 747,000 | 1,194,000 | 447,000 | 37% | **4,285,102** | **3,091,102** | 1 | **72%** |
| Reserve Fund (CIP) | - | - | - | - | | **-** | - | | |
| Grants | - | 227,769 | - | (227,769) | | **-** | - | | |
| | **17,292,902** | **36,777,367** | 38,923,005 | 2,145,639 | 6% | **42,013,754** | **3,090,748** | | **7%** |

1 New Capital lease to cover the cost of 5 engine purchase

# TOTAL COSTS

| Major Expense Category | 6 Month Actuals | FISCAL YEAR 2021 BUDGET | FISCAL YEAR 2022 Version#1 | CHANGE | % Change | FISCAL YEAR 2022 Version#2 | CHANGE (Vers #2) | | % Change |
|---|---|---|---|---|---|---|---|---|---|
| Labor/Benefits/Employee Development | 14,964,631 | 28,825,989 | 30,322,096 | 1,496,106 | 5% | **28,735,780** | **(1,586,315)** | **1** | **-6%** |
| Contingency | - | 300,000 | 300,000 | - | 0% | **300,000** | - | | **0%** |
| Supplies/Software/Consumables | 502,244 | 1,257,869 | 1,118,790 | (139,079) | -11% | **1,118,790** | - | | **0%** |
| Vehicle / Equipment Expense | 282,004 | 695,744 | 861,176 | 165,432 | 24% | **861,176** | - | | **0%** |
| Utilities / Communications | 220,348 | 438,830 | 398,581 | (40,249) | -9% | **398,581** | - | | **0%** |
| Professional Services | 458,632 | 1,266,500 | 1,180,055 | (86,445) | -7% | **1,242,366** | **62,311** | **2** | **5%** |
| Memberships/Dues/License Renewals | 137,208 | 328,379 | 440,601 | 112,222 | 34% | **440,601** | - | | **0%** |
| Commercial Insurance | 91,191 | 128,424 | 175,592 | 47,168 | 37% | **175,592** | - | | **0%** |
| Repairs / Maintenance | 258,769 | 462,632 | 575,754 | 113,122 | 24% | **575,754** | - | | **0%** |
| Debt Service | 23,631 | 714,299 | 507,468 | (206,831) | -29% | **2,031,119** | **1,523,651** | **3** | **75%** |
| Capital Improvement Plan (CIP) | 600,300 | 2,379,905 | 3,042,893 | 662,988 | 28% | **6,133,995** | **3,091,102** | **4** | **50%** |
| | **17,538,958** | **36,798,571** | 38,923,005 | 2,124,434 | 6% | **42,013,754** | **3,090,749** | | **7%** |

| | |
|---|---|
| 1 | Decrease in PSPRS UAAL payments due to 100% funding level |
| 2 | Increaes in NWFD dispatch fee $45K. Increaes in Ladder testing $17K |
| 3 | Increase in debt service on COP Bonds |
| 4 | increase in CIP for 5 engine purchase |

# 2021/22 O&M CIP Revenue Sources

| Description | | Baseline Revenues | |
|---|---|---|---|
| CURRENT MIL RATE | | 32,046,430 | **2.3500** |
| Additional Mil rate needed to balance | | 272,736 | **$ 0.02** |
| Ambulance Transports | | 4,100,000 | |
| FDAT | | 800,000 | |
| Contracted Services | | | |
| Fleet Services (OVPD) | 50,000 | | |
| Contracted IT Services | 55,000 | | |
| Plan Reviews | 85,000 | | |
| Misc | 64,486 | | |
| Ambulance Billing services | 115,000 | | |
| Total Fees for Service | | 369,486 | |
| EMS Membership | | 60,000 | |
| Interest income | | 80,000 | |
| New Debt | | 4,285,102 | |
| Grants | | | |
| SAFER Grant | - | | |
| Community Risk Reduction Grant | - | | |
| **Total Baseline Revenue** | | **42,013,754** | |
| **TOTAL COST (budget version #2)** | | **42,013,754** | |
| **TOTAL GENERAL FUND MIL RATE NEEDED TO BALANCE** ..... | | | **2.3700** |

## Debt Service Revenue Sources

| | | | |
|---|---|---|---|
| Beginning Bal. in Debt Service Fund (projected) | | 230,141 | |
| GO Bond Debt Serice for 2015/17 bonds | $ | 1,030,780 | |
| GO Bond Debt Serice for 2020 bonds | $ | 266,000 | |
| GO Bond Debt Serice for 2021 bonds | $ | 536,400 | |
| TOTAL DEBT SERVICE ON BONDS | $ | 1,833,180 | |
| Total Levy at .14/100 on a NAV of $1,363,677,866 | $ | 1,909,149 | |
| Debt Service Fund balance ADDED SURPLUS | | 75,969 | |
| Ending Bal. in Debt Service Fund **Projected** | **$** | **306,110** | |
| **DEBT SERVICE MIL RATE NEEDED** | | | **$ 0.140** |

| | |
|---|---|
| **COMBINED MIL RATE** | **$ 2.51** |

# GOLDER RANCH FIRE DISTRICT

*www.grfdaz.gov*

## TENTATIVE FISCAL YEAR 2022-2023 BUDGET

| | BOND DEBT SERVICE | COP BOND DEBT SERVICE | WILD LAND FUND | AMBULANCE TRANSPORT FUND | CAPITAL PROJECTS FUND | GENERAL FUND | TOTAL FY 21/22 | TOTAL FY 22/23 (projected) |
|---|---|---|---|---|---|---|---|---|
| ***REVENUES*** | | | | | | | | |
| Property Tax | 1,909,149 | 1,523,651 | - | - | 1,848,893 | 28,946,622 | 34,228,315 | 34,229,000 |
| Fee for Service | - | - | 315,000 | 4,100,000 | - | 415,051 | 4,830,051 | 4,974,953 |
| Bond Fund Reserve | (75,969) | - | - | - | - | - | (75,969) | - |
| Fire District Assistance Tax | - | - | - | - | - | 800,000 | 800,000 | 800,000 |
| EMS Membership | - | - | - | 60,000 | - | - | 60,000 | 61,800 |
| Misc. Income | - | - | - | - | - | - | - | - |
| Interest Income | - | - | - | - | - | 80,000 | 80,000 | 82,400 |
| Grant Revenue | - | - | - | - | - | - | - | - |
| Captial Lease Financing | - | - | - | - | 4,285,102 | - | 4,285,102 | - |
| COP Bonds | - | 28,591,499 | - | - | - | - | 28,591,499 | - |
| | | | | | | | | |
| **TOTAL REVENUES** | **1,833,180** | **30,115,150** | **315,000** | **4,160,000** | **6,133,995** | **30,241,673** | **72,798,998** | **40,148,153** |
| | | | | | | | | |
| ***EXPENDITURES*** | | | | | | | | |
| Labor, Benefits & Employee Development | - | 28,591,499 | 300,000 | 3,806,376 | - | 24,974,969 | 57,672,844 | 28,875,963 |
| Supplies/Software/Consumables | - | - | - | 153,330 | - | 1,265,460 | 1,418,790 | 1,489,730 |
| Vehicle / Equipment | - | - | - | 51,150 | - | 810,026 | 861,176 | 869,788 |
| Utilities / Communications | - | - | - | 1,324 | - | 397,257 | 398,581 | 410,538 |
| Professional Services | - | - | - | 102,130 | - | 1,140,236 | 1,242,366 | 1,270,000 |
| Dues/Subscriptions | - | - | - | 4,010 | - | 436,591 | 440,601 | 462,631 |
| Insurance | - | - | - | - | - | 175,592 | 175,592 | 184,372 |
| Repairs / Maintenance | - | - | 15,000 | 41,680 | - | 534,074 | 590,754 | 620,292 |
| Bond and Lease Principle | 882,180 | 640,000 | - | - | - | 432,307 | 1,954,487 | 1,954,487 |
| Capital Outlay | - | - | - | - | 6,133,995 | - | 6,133,995 | 2,100,540 |
| Bond and Lease Interest | 951,000 | 883,651 | - | - | - | 75,161 | 1,909,812 | 1,909,812 |
| **TOTAL EXPENDITURES** | **1,833,180** | **30,115,150** | **315,000** | **4,160,000** | **6,133,995** | **30,241,673** | **72,798,998** | **40,148,153** |
| | | | | | | | | |
| | - | | | - | - | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| O&M Mil rate | $ - | $ 0.11 | $ - | $ - | $ 0.14 | $ 2.12 | $ 2.37 | 2.37 |
| Bond Mil Rate | $ 0.14 | $ - | $ - | $ - | $ - | $ - | $ 0.14 | 0.14 |

Wally Vette, Clerk
Golder Ranch Fire District

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF A PUBLIC HEARING DATE FOR THE FORMAL ADOPTION OF THE GOLDER RANCH FIRE DISTRICT BUDGET FOR FISCAL YEAR 2021 – 2022

ITEM #: 8B

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☐ Discussion Only | ☒ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☒ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

This agenda item is included for the purposes of determining a public hearing date for the approval of the Fiscal Year 2021 – 2022 Budget. An excerpt of A.R.S. §48-805.A(2) has been included for reference:

> *The budget shall be posted in three public places and published in a newspaper of general circulation in the district twenty days before a public hearing at a meeting called by the board or elected chief to adopt the budget and if the fire district maintains a publicly viewable website, the budget shall be posted for the public on the website for at least twenty days before the public hearing. Copies of the budget shall also be available to members of the public on written request to the district. Following the public hearing, the district board or elected chief and secretary-treasurer shall adopt a budget.*

## RECOMMENDED MOTION

Motion to schedule a public hearing date for the formal adoption of the Fiscal Year 2021 – 2022 Budget on May 18, 2021, at 9:00 a.m. in the Golder Ranch Fire District Administration Board Room.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF RESOLUTION NUMBER 2021-0002 A RESOLUTION OF THE GOVERNING BOARD OF THE GOLDER RANCH FIRE DISTRICT APPROVING THE SALE AND EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE AGREEMENT TO PROVIDE THE NECESSARY FINANCING FOR THE PURPOSES OF FUNDING ALL OR A PORTION OF THE DISTRICT'S UNFUNDED LIABILITIES WITH RESPECT TO THE ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM AND AUTHORIZING ALL ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE RESOLUTION

ITEM #: 8C

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☐ Discussion Only | ☒ Formal Motion | ☒ Resolution |
| RECOMMENDED ACTION: | ☒ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

As you know, reducing our unfunded PSPRS liability has been a financial goal of the District board for quite some time. In our last call with our bond rating agency, Standards and Poors, considerable dialog was had regarding how the District would address this long term PSPRS liability. The board has discussed many options throughout the years. Further, in 2018 a law in the Arizona Legislature was passed requiring fire districts to publicly state and post on their website, the strategy that would be used to address this unfunded liability. Working with our financial advisors at Stifel, we determined that fire districts had no other options to fund this process other than from our tax levy. Although municipal governments could utilize Certificate of Participation (COP) Bonds for this purpose, fire districts could not. The single source of revenue, property tax, has limited options for fire districts which in turn causes significant funding challenges for PSPRS unfunded liability.

In the spring Arizona Fire District Association (AFDA) sponsored Senate Bill 1298 that would allow fire districts to participate in the COP process for the SOLE purpose of addressing the unfunded liability in PSPRS. The bill has passed the House and is awaiting Governor Ducey's signature, which is anticipated this week or next week. We are preemptively requesting approval on COP's to be able to take action once it is signed. That would enable us to take advantage of the low interest bond rates, which are rising weekly.

Utilizing COP's essentially allows for the district to utilized current property as collateral in a lease purchase scenario and leasing the property back. This will then provide the needed revenue to be used to pay off the PSPRS unfunded liability. That is the ONLY approved use of these funds. This concept has been widely used across the State by the City of Flagstaff, City of Tucson, Pima County, Cochise County, Pinal County and a variety of others. We will be the first fire district to participate in this type of a program.

**RECOMMENDED MOTION**

Motion to approve Resolution #2021-0002 approving the sale and execution and delivery of certificates of participation in a lease-purchase agreement to provide the necessary financing for the purposes of funding all or a portion of the District's unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and authorizing all actions necessary to the consummation of the transactions contemplated by the resolution.

# GOLDER RANCH FIRE DISTRICT

Fire ~ Rescue ~ Ambulance
3885 E. Golder Ranch Drive
Tucson, Arizona 85739

Chief Randy Karrer

**RESOLUTION NO. 2021-0002**

**A RESOLUTION OF THE GOVERNING BOARD OF THE GOLDER RANCH FIRE DISTRICT APPROVING THE SALE AND EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE AGREEMENT TO PROVIDE THE NECESSARY FINANCING FOR THE PURPOSES DESCRIBED HEREIN; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE, EXECUTION AND DELIVERY OF THE CERTIFICATES; ADOPTING A CONTINGENCY RESERVE FUND POLICY; DELEGATING AUTHORITY TO THE FIRE CHIEF OF THE DISTRICT AND THE FINANCE MANAGER OF THE DISTRICT TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION**

The Golder Ranch Fire District Governing Board hereby adopts and sets forth the following Resolution:

**WHEREAS,** the District Board (this "Board") of Golder Ranch Fire District of Pima and Pinal Counties, Arizona (the "District"), has determined to fund all or a portion of the District's unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and one or more contingency reserve funds with respect to pension and related liabilities (collectively, the "Project"); and

**WHEREAS,** this Board has determined that in order to finance the costs of the Project it is desirable and necessary to lease-purchase certain property within the boundaries of the District, to be determined as provided herein (the "Property"); and

**WHEREAS,** in connection with the financing of the Project, it is necessary that the District enter into a ground lease (the "Ground Lease") with respect to the Property with a lessee that will lease the Property, together with all improvements now or hereafter constructed thereon, to the District pursuant to a separate lease-purchase agreement (the "Lease-Purchase Agreement"), which, among other things, provides for the financing of the Project, in each case as determined by this Board; and

**WHEREAS,** this Board has determined that financing for the Project be undertaken through the sale and delivery to the hereinafter defined Underwriter of a series of certificates of participation (the "Certificates"), evidencing and representing proportionate interests of the owners thereof in the Lease-Purchase Agreement, specifically the lease payments to be made by the District pursuant thereto; and

**WHEREAS,** a proposal in the form of the hereinafter defined Purchase Agreement will be received from Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), serving in the capacity of and designated as the underwriter and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission, and this Board has determined that the Certificates should be sold through negotiation to the Underwriter pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-005-1718; and

**WHEREAS,** (A) the Certificates will be executed, delivered and paid pursuant to the terms and provisions of a trust agreement (the "Trust Agreement") to be executed and delivered by the District; (B) the Certificates will be offered for sale pursuant to a preliminary official statement (the "Preliminary Official Statement") which, with conforming changes, will become the final official statement (the "Final Official Statement") therefor and sold pursuant to a certificate purchase agreement (the "Purchase Agreement") between the District and the Underwriter; and (C) in connection with the execution and delivery of the Certificates, Securities and Exchange Commission Rule 15c2-12 will require the District to make certain agreements for the benefit of the beneficial owners from time to time of the Certificates, as evidenced by a continuing disclosure undertaking of the District (the "Continuing Disclosure Undertaking"); and

**WHEREAS,** this Board has determined that the policy titled "Golder Ranch Fire District: Public Safety Personnel Retirement System Contingency Reserve Funds" (the "Policy") should be adopted in order to set forth procedures for managing the contingency reserve fund(s) to be established in connection with the execution and delivery of the Certificates; and

**WHEREAS,** the District has the general power and authority to enter into and deliver the Ground Lease, the Lease-Purchase Agreement, the Trust Agreement, the Purchase Agreement and the Continuing Disclosure Undertaking (collectively, the "District Documents") and to cause the sale and the execution and delivery of the Certificates, in order to finance the costs of the Project;

**NOW, THEREFORE, IT IS RESOLVED BY THE DISTRICT BOARD OF GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA, AS FOLLOWS:**

Section 1. The forms, terms and provisions of the District Documents in the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution was adopted are hereby approved with such insertions, omissions and changes as shall be approved by the Chairperson of this Board or, in the absence thereof, any other member of this Board, the Fire Chief of the District, or the Finance Manager of the District, the execution of such documents being conclusive evidence of such approval, and the Chairperson of this Board or, in the absence thereof, any other member of this Board, the Fire Chief of the District, the Finance Manager of the District and the Clerk of this Board are hereby authorized and directed, for and on behalf of the District, to sign and attest, as applicable, the District Documents as well as any and all other documents necessary in connection with the foregoing, including a financial guaranty or other agreement to provide for credit enhancement for the Certificates.

Section 2. From and after the execution and delivery of the District Documents in definitive form by the District and the other parties thereto, as required, the officers, agents and employees of the District are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary to carry out and comply with the provisions thereof.

Section 3. The Fire Chief of the District and the Finance Manager of the District are hereby authorized and directed to determine on behalf of the District: (1) the property which will comprise the Property for purposes hereof; (2) the entity to serve as "Trustee", "Lessor" and "Lessee", as applicable, for all purposes of the District Documents; (3) the dated date and total principal amount of the Lease-Purchase Agreement (but not to exceed $32,000,000 in principal amount); (4) the final principal and maturity date schedules of the Lease-Purchase Agreement; (5) the interest rate on each maturity of the principal components of the Lease-Purchase Agreement (but not to exceed 4% for any maturity) and the dates for payment of such interest; (6) the provisions for redemption in advance of maturity of the payment of the principal components of the Lease-Purchase Agreement; and (7) the sales price and terms of the Certificates (including for original issue discount, original issue premium and underwriter's compensation).

Section 4. The Fire Chief of the District and the Finance Manager of the District are further hereby authorized and directed to determine on behalf of the District whether the purchase of an insurance policy securing payment of the Certificates or a surety bond or other reserve fund guaranty would be advantageous to the District or the terms of the financing represented by the Certificates. Any officer, agent or employee of the District is hereby authorized to negotiate with and secure, with proceeds of the Certificates or otherwise, such an insurance policy or a reserve fund guaranty, or both, from one or more institutions, the claims-paying ability of which are then assigned one of the two highest rating categories by a nationally recognized credit rating agency. The Fire Chief of the District and the Finance Manager of the District are hereby further authorized and directed to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy and/or reserve fund guaranty, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy and/or reserve fund guaranty.

Section 5. (1) The preparation and distribution of the Preliminary Official Statement is hereby ratified and approved; (2) the Preliminary Official Statement in substantially the form presented at the meeting at which this Resolution was adopted is hereby approved; (3) the preparation of the Final Official Statement in substantially the form of the Preliminary Official Statement, with such changes or revisions therein from the form of the Preliminary Official Statement as may be approved by the Fire Chief of the District and the Finance Manager of the District, is hereby approved; and (4) the Chairperson of this Board or, in the absence thereof, any other member of this Board, the Fire Chief of the District or the Finance Manager of the District are hereby authorized, empowered and directed, in the name and on behalf of the District, to execute and deliver the same to the Underwriter, and to execute and deliver instruments confirming that the Preliminary Official Statement is "deemed final" in accordance with Securities and Exchange Commission Rule 15c2-12.

Section 6. The Fire Chief of the District and the Finance Manager of the District are hereby authorized to accept a proposal of the Underwriter for the purchase of the Certificates, and the Certificates are hereby ordered sold to the Underwriter in accordance with the terms of the Purchase Agreement. The Chairperson of this Board, any other member of this Board, the Fire Chief of the District or the Finance Manager of the District is hereby authorized to execute and deliver the Purchase Agreement, for and on behalf of the District, in substantially the form submitted to this Board at the meeting at which this Resolution was adopted and in a final form satisfactory to the Chairperson of this Board, such other member

of this Board, the Fire Chief of the District or the Finance Manager of the District, and such execution and delivery by the Chairperson of this Board, such member of this Board, the Fire Chief of the District or the Finance Manager of the District shall indicate the approval thereof on behalf of the District by the Fire Chief of the District or the Finance Manager of the District.

Section 7. The Fire Chief of the District and the Finance Manager of the District are hereby designated and appointed as "Lessee Representatives" as defined in the Lease-Purchase Agreement and are authorized to execute in the name of and on behalf of the District any closing documents, certificates or other instruments or documents necessary or appropriate in connection with the transactions described in or contemplated by the District Documents and to do all acts and things as may be necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to herein.

Section 8. The Policy is hereby adopted in substantially the form presented to this Board to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Policy as may be determined is hereby reserved. The right to change the Policy from time to time, without notice, is also reserved

Section 9. All actions of the officers and agents of the District including this Board which conform to the purposes and intent of this Resolution and which further the execution and delivery of the Certificates as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Resolution and to give effect to and consummate the transactions contemplated by this Resolution.

Section 10. After the Lease-Purchase Agreement is executed and delivered, this Resolution shall be and remain irrepealable until the principal and interest represented thereby shall have been fully paid, cancelled and discharged.

Section 11. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. This Board hereby declares that it would have adopted this Resolution and each and every

other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

**PASSED, ADOPTED, AND APPROVED** on this 20th day of April 2021, at a duly noticed public meeting of the Golder Ranch Fire District Governing Board of Pima and Pinal Counties, Arizona.

_____
Vicki Cox Golder
Chairperson of the Governing Board
of the Golder Ranch Fire District

ATTEST:

_____
Wally Vette
Clerk of the Governing Board
of the Golder Ranch Fire District

DRAFT
03/29/21

When recorded, please return to:

Paul M. Gales, Esq.
Greenberg Traurig, LLP
Suite 700
2375 East Camelback Road
Phoenix, Arizona 85016

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

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# GROUND LEASE

**by and between**

**GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA,**
**as Lessor**

**and**

**_____,**
**solely in its capacity as trustee, as Lessee**

**Dated as of _____ 1, 2021**

---

**GROUND LEASE**

THIS GROUND LEASE, dated as of _____ 1, 2021 (this "*Ground Lease*"), by and between GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA, as lessor (the "*Lessor*" or the "*District*"), and _____, solely in its capacity as trustee, as lessee (the "*Lessee*");

WITNESSETH:

WHEREAS, the Lessor owns the parcels of real property situated within the boundaries of the District, and more fully described in the Exhibit hereto (collectively, the "*Leased Land*"); and

WHEREAS, pursuant to the laws of the State of Arizona (the "*State*"), the Lessor may lease such property owned by the Lessor; and

WHEREAS, in connection with the funding of all or a portion of the District's unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and one or more contingency reserve funds with respect to pension and related liabilities, the District and the Lessee will execute and deliver a Lease-Purchase Agreement, dated as of even date herewith (the "*Lease Agreement*"), pursuant to which the Leased Land and the improvements thereon (collectively, the "*Leased Property*") will be leased by the Lessee, as lessor, to the District, as lessee, and the District has concurrently herewith entered into a Trust Agreement, dated as of even date herewith (the "*Trust Agreement*"), with the Lessee, pursuant to which the Lessee will execute and deliver $____,000 aggregate principal amount of "Certificates of Participation, Taxable Series 2021 Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be Made by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as Lessee of Certain Property Pursuant to a Lease-Purchase Agreement, dated as of _____ 1, 2021" (the "*Certificates*"), and cause payment of the proceeds of the sale thereof to be deposited into various funds established pursuant to the Trust Agreement; and

WHEREAS, in order to effect such financing it is necessary to set forth the terms and provisions to be in effect hereafter; and

WHEREAS, the Lessor and the Lessee have entered into the Lease Agreement, pursuant to which the Lessee, as lessor, has agreed to lease the Leased Property to the Lessor, as lessee, and the Lessor acknowledges that, as provided in the Lease Agreement, if an event of default or termination occurs under the Lease Agreement by the Lessor, the Lessee shall have the right to relet or otherwise dispose of its interest in the Leased Property or portions thereof as to which such event relates without affecting or terminating this Ground Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

**Section 1. Term.** The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the Leased Property for the period commencing as of the date hereof and

terminating on _____ 2, 20__. This Ground Lease shall be subject to earlier termination in accordance with Section 5 hereof.

**Section 2. Merger.** No merger of the leasehold estates of the Lessor shall occur by operation of law by reason of this Ground Lease and the Lease Agreement, and more particularly (i) the leasehold interest granted by the Lessor to the Lessee pursuant to this Ground Lease is and shall be independent of the Lease Agreement, (ii) the Lease Agreement shall not be deemed to be an assignment or surrender of the leasehold interest granted to the Lessee by this Ground Lease, and (iii) the Lease Agreement shall not operate as a merger or extinguishment of the leasehold interest granted to the Lessee by this Ground Lease.

**Section 3. Title to Leased Land.** Title to the Leased Land shall at all times remain with the Lessor.

**Section 4. Rent.** A one-time lease payment is being paid to the Lessor, in an amount equal to the proceeds of the sale of the Certificates, which represents fair market rental value for the Leased Land. The Lessee shall not be responsible for any additional payments hereunder, including any lease, insurance or real estate taxes levied with respect to this Ground Lease or the transactions contemplated hereby.

**Section 5. Early Rights of Termination by Lessor.** The Lessor shall have the right to terminate this Ground Lease upon written notice to the Lessee after the defeasance of both (i) the Lease Agreement in accordance with Article X thereof, and (ii) the Trust Agreement in accordance with Section 14.1 thereof.

**Section 6. Surrender.** Upon the expiration or termination of this Ground Lease, the Lessee shall surrender to the Lessor the Leased Land together with all improvements thereon. At the time of such surrender, the Leased Land shall be free and clear of all liens and encumbrances other than (i) those existing on the date hereof, and (ii) those placed upon the Leased Land by the Lessor.

**Section 7. Trustee's Disclaimer**. It is expressly understood and agreed that (i) this Ground Lease is executed by _____ solely in its capacity as Trustee under the Trust Agreement, and (ii) nothing herein shall be construed as creating any liability on _____ other than in its capacity as Trustee under the Trust Agreement. All financial obligations of the Trustee under this Ground Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate (as defined in the Trust Agreement).

**Section 8. Notices.** All notices to be given under this Ground Lease shall be made in writing and mailed by first class mail, postage prepaid, to the party at its address stated below or at such other address as the party may provide in writing from time to time:

If to Lessor:

Golder Ranch Fire District of Pima and Pinal Counties, Arizona
3885 East Golder Ranch Drive
Tucson, Arizona 85739
Attention: Finance Manager

If to Lessee:

_____
_____
_____
Attention: Corporate Trust Services

**Section 9. Incorporation of State Statutes.**

(a) This Ground Lease is subject to cancellation by the Lessor pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein. No basis exists for the Lessor to cancel this Ground Lease pursuant to Section 38-511, Arizona Revised Statutes, as amended, as of the date hereof. The Lessee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Ground Lease, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Ground Lease on behalf of the Lessor within three years from execution of this Ground Lease, unless a waiver of Section 38-511, Arizona Revised Statutes, as amended, is provided by the Lessor.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Lessee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Lessee of the foregoing shall be deemed a material breach of this Ground Lease. The Lessor retains the legal right to randomly inspect the papers and records of the Lessee to ensure that the Lessee is complying with the above-mentioned warranty. The Lessee shall keep such papers and records open for random inspection during normal business hours by the Lessee. The Lessee shall cooperate with the random inspections by the Lessor including granting the Lessor entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the Lessee hereby certifies that it is not currently engaged in, and for the duration of this Ground Lease shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the Lessor determines that the Lessee's certification above is false or that either has breached such agreement, the Lessor may impose remedies as provided by law.

**Section 10. Entire Agreement; Amendment; Headings; Severability.**

(a) This Ground Lease, together with attachments, exhibits and other documents or instruments executed by the Lessor and the Lessee in connection with this Ground Lease, constitutes the entire agreement between the parties with respect to the lease of the Leased Land.

(b) This Ground Lease may not be modified, amended, altered or changed except with the prior written consent of the Lessor and the Lessee.

(c) All section headings contained in this Ground Lease are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

(d) If any provision of, or any covenants, obligation or agreement contained in, this Ground Lease is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained in this Ground Lease. That invalidity or unenforceability shall not affect any valid or enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

**Section 11. Execution in Counterparts.** This Ground Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the Lessor has caused this Ground Lease to be executed in its name by its duly authorized officer, and the Lessee has caused this Ground Lease to be executed in its corporate name by its duly authorized officer, as of the date first above written.

GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA, as Lessor

By.....
Chairperson, District Board

ATTEST:

.....
Clerk, District Board

_____, solely in its capacity as trustee, as Lessee

By.....
Authorized Representative

STATE OF ARIZONA )
) ss:
COUNTY OF PIMA )

On this, the ..... day of ..... 2021, before me, the undersigned Notary Public, personally appeared ..... and ....., who acknowledged themselves to be the Chairperson and Clerk of the District Board, respectively, of Golder Ranch Fire District of Pima and Pinal Counties, Arizona, a fire district and political subdivision of the State of Arizona, and that they, as such officers, being authorized so to do, executed the foregoing Ground Lease for the purposes therein contained by signing the name of the fire district and political subdivision by themselves as such officers.

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

.....
Notary Public

My Commission Expires:

.....

STATE OF ARIZONA )
) ss:
COUNTY OF MARICOPA )

On this, the ..... day of ..... 2021, before me, the undersigned Notary Public, personally appeared ....., who acknowledged him/herself to be an Authorized Representative of _____, and that, as such officer, being authorized so to do, he/she executed the foregoing Ground Lease for the purposes therein contained by signing the name of such entity by him/herself as such officer.

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

.....
Notary Public

My Commission Expires:

.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Ground Lease, dated as of _____ 1, 2021, executed by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, a fire district and political subdivision of the State of Arizona, and _____, a national banking association (the "Notarized Document"). The Notarized Document contains a total of ..... pages.

**EXHIBIT**

**DESCRIPTION OF LEASED LAND**

DRAFT
03/29/21

When recorded, please return to:

Paul M. Gales, Esq.
Greenberg Traurig, LLP
Suite 700
2375 East Camelback Road
Phoenix, Arizona 85016

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

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# LEASE-PURCHASE AGREEMENT

**by and between**

**_____,**
**solely in its capacity as trustee, as Lessor**

**and**

**GOLDER RANCH FIRE DISTRICT**
**OF PIMA AND PINAL COUNTIES, ARIZONA,**
**as Lessee**

**Dated as of _____ 1, 2021**

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EXHIBIT A: Schedule of Lease Payments Evidenced by 2021 Certificates
EXHIBIT B: Description of Leased Land

**LEASE-PURCHASE AGREEMENT**

THIS LEASE-PURCHASE AGREEMENT, dated as of _____ 1, 2021 (this "*Lease Agreement*"), by and between _____, solely in its capacity as trustee, as lessor (the "*Lessor*"), and GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA, as lessee (the "*Lessee*" or the "*District*"), a fire district and political subdivision duly organized and existing pursuant to the laws of the State of Arizona;

WITNESSETH:

WHEREAS, pursuant to a Ground Lease, dated as of even date herewith (the *"Ground Lease"*), the Lessee has leased to the Lessor certain real property, as more fully set forth on Exhibit B hereto (the "*Leased Land*") and improvements thereon; and

WHEREAS, in order to facilitate the funding of all or a portion of the Lessee's unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and one or more contingency reserve funds with respect to pension and related liabilities (collectively, the "*Project*"), the Lessor has proposed to re-lease the Leased Land together with the improvements now or hereafter existing on the Leased Land (the "*Leased Property*") to the Lessee, and the Lessee is authorized pursuant to the laws of the State of Arizona to enter into leasehold agreements for such purposes;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS; EXHIBITS**

**Section 1.1 Definitions**. Unless the context otherwise requires, the terms used herein shall have the meanings given to them in the Recitals hereto as well as the following:

"*2021 Certificates*" means the $____,000 aggregate principal amount of Certificates of Participation, Taxable Series 2021 Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be made by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as Lessee of Certain Property Pursuant to a Lease-Purchase Agreement dated as of _____ 1, 2021, to be executed and delivered in denominations of $5,000 denominated as principal or integral multiples thereof payable as to interest semiannually as provided in Article II of the Trust Agreement.

"*2021 Underwriter*" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the 2021 Certificates.

"*Additional Certificates*" means any certificates executed and delivered pursuant to Section 2.11 of the Trust Agreement.

"*Additional Rent*" means any payments to be made pursuant to Section 4.7 of this Lease Agreement in addition to the Lease Payments.

"*Business Day*" means a day of the year other than (i) a Saturday or Sunday or (ii) a day on which banking institutions located in the city designated for the presentation and payment of Certificates are required or authorized to remain closed.

"*Certificates*" means, jointly, the 2021 Certificates and any Additional Certificates executed and delivered pursuant to the Trust Agreement.

"*Closing Date*" means _____, 2021.

"*Costs*" means the costs incurred in financing the Project.

"*Defeasance Obligations*" means (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the following clause), and (ii) obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, including (A) U.S. treasury obligations, (B) all direct or fully guaranteed obligations, (C) Farmers Home Administration, (D) General Services Administration, (E) Guaranteed Title XI financing, (F) Government National Mortgage Association (GNMA), and (G) State and Local Government Series. Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

"*Delivery Costs*" means all items of expense directly or indirectly payable by or reimbursable to the Lessee or the Lessor relating to the execution, sale and delivery, as applicable, of the Ground Lease, this Lease Agreement, the Trust Agreement or the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Lessor, legal fees and charges, accountants' verification fees, insurance fees and charges, costs of any title insurance policy, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates and any other costs, expenses, fees and charges in connection with the foregoing.

"*Delivery Costs Fund*" means the fund by that name established and held pursuant to Section 3.2 of the Trust Agreement.

"*Fiscal Period*" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period that may be established hereafter as the fiscal year of the Lessee for budgeting purposes.

"*Hazardous Substances*" means any substance or material at the level defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous or toxic chemical, a hazardous, toxic or radioactive substance, petroleum or other similar term, by any

federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time, including, but not limited to, the statutes listed below:

> Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq.
>
> Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq.
>
> Federal Emergency Planning and Community Right-to-Know Act of 19865 42 U.S.C. Sections 11001, et seq.
>
> Federal Clean Air Act, 42 U.S.C. Sections 7401-7642.
>
> Federal Water Pollution Control Act, Federal Clean Water Act of 1977, 33 U.S.C. Sections 1251, et seq.
>
> Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Sections 136, et seq.

"*Independent Counsel*" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Lessor or the Lessee.

"*Insurance and Condemnation Fund*" means the fund by that name established and held pursuant to Article VII of the Trust Agreement.

"*Lease Payments*" means the payments required to be paid by the Lessee in the amounts and on the dates as set forth in Exhibit A hereto.

"*Lease Payment Fund*" means the fund by that name established and held pursuant to Article V of the Trust Agreement.

"*Lessee Representative*" means the Fire Chief of the District or the Finance Manager of the District, or any other person designated by the Fire Chief of the District or the Finance Manager of the District to act on behalf of the Lessee pursuant to or with respect to the Trust Agreement and this Lease Agreement by a certificate filed with the Lessor containing the specimen signature of such person signed by the Fire Chief of the District or the Finance Manager of the District.

"*Lessor Representative*" means any officer properly designated in writing to act as such by an appropriate document of the governing body of the Lessor filed with the Lessee containing the specimen signature of such person.

"*Net Proceeds*" means any insurance proceeds (other than proceeds of any insurance policy maintained pursuant to Section 5.3 of this Lease Agreement) or condemnation award in excess of $25,000, paid with respect to the Leased Property, or any proceeds resulting

from the re-renting, re-leasing or sale of all or any portion of the Leased Property pursuant to Section 9.2(c) of this Lease Agreement, remaining after payment therefrom of all expenses incurred in the collection thereof.

"*Outstanding*," when used with reference to the Certificates, means, as of any date of determination, all Certificates theretofore executed and delivered except:

(i) Certificates theretofore canceled or delivered for cancellation;

(ii) Certificates that are deemed paid and no longer Outstanding as provided herein;

(iii) Certificates in lieu of which other Certificates of the same series shall have been executed and delivered pursuant to the provisions hereof relating to Certificates destroyed, stolen or lost, unless satisfactory evidence has been received that any such Certificate is held by a bona fide purchaser; and

(iv) For the purposes described in Section 10.3 of the Trust Agreement, the Certificates described in said Section 10.3.

"*Owner*" or "*Owner of a Certificate*," or any similar term, when used with respect to a Certificate, means the person in whose name such Certificate shall be registered.

"*Permitted Encumbrances*" mean, as of any particular time (i) liens for general ad valorem taxes and assessments, if any, not then delinquent, or that the Lessee may, pursuant to provisions of Article V of this Lease Agreement, permit to remain unpaid; (ii) this Lease Agreement; (iii) the Trust Agreement; (iv) the Ground Lease; (v) easements, leases, encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that exist as of the Closing Date and that the Lessee certifies in writing will not materially impair the use of the Leased Property; and (vi) easements, leases, encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Lessor and the Lessee consent in writing.

"*Prepayment*" means any payment made, in whole or in part, pursuant to Article X of this Lease Agreement as a prepayment of the Lease Payments.

"*Project Fund*" means the fund by that name established and held pursuant to Section 3.1 of the Trust Agreement.

"*Special Counsel*" means any law firm, acceptable to the Lessee Representative and the Lessor, having a national reputation in the field of law relating to municipal bonds whose opinions are generally accepted by purchasers of municipal obligations.

"*State*" means the State of Arizona.

"*Term*" or "*Term of this Lease Agreement*" means the time during which this Lease Agreement is in effect, as provided in Section 4.2 of this Lease Agreement.

"*Trust Agreement*" means the Trust Agreement, dated as of even date herewith, by and between the Lessor, in its separate capacity as trustee, and the District, together with any amendments or supplements thereto permitted to be made pursuant thereto.

**Section 1.2 Exhibits**. The following Exhibits are attached to, and by reference made a part of, this Lease Agreement:

Exhibit A: The schedule of the Lease Payments.

Exhibit B: The description of the Leased Land.

## ARTICLE II

## REPRESENTATIONS, COVENANTS AND WARRANTIES

**Section 2.1 Representations, Covenants and Warranties of the Lessee**. The Lessee represents, covenants and warrants, as applicable, to the Lessor as follows:

(a) The Lessee is a fire district and political subdivision duly organized and existing in accordance with the laws of the State.

(b) The Constitution and the laws of the State authorize the Lessee to enter into this Lease Agreement, the Ground Lease and the Trust Agreement and to enter into the transactions contemplated by, and to carry out its obligations pursuant to, all of the aforesaid agreements, and the Lessee has duly authorized and executed all of the aforesaid agreements.

(c) Neither the execution and delivery of this Lease Agreement, the Ground Lease or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any law, regulation, court order, restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitutes a default with respect to any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the Lessee, or upon the Leased Property, except Permitted Encumbrances.

(d) The Lessee has duly authorized, executed and delivered this Lease Agreement in accordance with the laws of the State and upon such execution and delivery this Lease Agreement will be a valid and binding agreement of the Lessee.

(e) The Lessee has an immediate need for, and expects to make immediate use of, all of the Leased Property, which need is not temporary or expected to diminish in the foreseeable future, and there are no circumstances presently affecting the Lessee that could alter its foreseeable need for the Leased Property or adversely affect its ability or willingness to budget funds for the payment of Lease Payments, Additional Rent and other payments due hereunder.

(f) The Leased Property shall be used during the Term of this Lease Agreement only by the Lessee to carry out the governmental purposes of the Lessee.

(g) The Lessee shall perform all obligations and duties imposed on it pursuant to this Lease Agreement, the Ground Lease and the Trust Agreement. Immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting its estates in the Leased Property, the Lessee will deliver the same, or a copy thereof, to the Lessor.

(h) The Lessee shall promptly, upon request of the Lessor or any assignee, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall, to the extent permitted by applicable law, indemnify and save the Lessor and every assignee harmless for, from and against all loss cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

(i) Except as disclosed in writing to the Lessor prior to the date hereof, the Lessee has not been informed of, nor does the Lessee have any knowledge of (A) the presence of any Hazardous Substances on any of the Leased Property, or (B) any spills, releases, threatened releases, discharges or disposal of Hazardous Substances that have occurred or are presently occurring on or onto any of the Leased Property or any properties adjacent to any of the Leased Property, or (C) any spills or disposal of Hazardous Substances that have occurred or are presently occurring on any other properties as a result of any construction on or operation and use of any such Leased Property.

(ii) In connection with the construction on or operation and use of any of the Leased Property, there has not been any failure to comply with any applicable local, state or federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, treatment, recycling, reuse, sale, storage, handling, transport and disposal of any Hazardous Substances.

(iii) The Lessee has not given any release or waiver of liability that would impair any claim based upon Hazardous Substances to a previous owner of any of the Leased Property or to any party who may be potentially responsible for the presence of Hazardous Substances thereon nor has it made promises of indemnification regarding Hazardous Substances on or associated with any of the Leased Property to any person other than the Lessor.

(iv) In the event that the Lessee becomes aware of the release of any Hazardous Substances on, or other environmental condition, problem or liability with respect to, any of the Leased Property, the Lessee shall promptly notify the Lessor in writing of such condition. The Lessee further agrees to take actions to investigate and clean up the release of any Hazardous Substances on, or

other environmental condition, problem or liability affecting, any of the Leased Property, promptly after the Lessee becomes aware of any such condition and to keep the Lessor advised of all such actions taken by the Lessee. If the presence of any Hazardous Substance on the Leased Property caused or permitted by the Lessee results in contamination of the Leased Property, or if contamination of the Leased Property by any Hazardous Substance otherwise occurs for which the Lessee is legally liable for damage resulting therefrom, then the Lessee shall include as an Additional Rent any amount necessary to reimburse the Lessor for legal expenses incurred to defend the Lessor from claims for damages, penalties, fines, costs, liabilities or losses.

(i) With respect to the execution and delivery of the 2021 Certificates, the Lessee shall, subject to annual appropriation to cover the costs of preparation and mailing thereof, comply with the applicable reporting requirements for obligated persons included in Rule 15c2-12 adopted pursuant to the Securities Exchange Act of 1934, as amended, or any successor provision, including entering into a continuing disclosure undertaking or agreement, if necessary, in form and substance satisfactory to the 2021 Underwriter for such purpose.

**Section 2.2 Representations, Covenants and Warranties of the Lessor**. The Lessor represents, covenants and warrants, as applicable, to the Lessee as follows:

(a) The Lessor is a national banking association with full power and authority to enter into and perform this Lease Agreement, the Ground Lease and the Trust Agreement and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) The Lessor shall not pledge the Lease Payments, Additional Rent or other amounts derived from the Leased Property or from its other rights pursuant to this Lease Agreement and will not transfer, mortgage or encumber its interest in the Leased Property, except as provided pursuant to the terms of this Lease Agreement and the Trust Agreement.

(c) To the knowledge of the Lessor, none of (i) the execution and delivery of this Lease Agreement, the Ground Lease or the Trust Agreement, (ii) the fulfillment of or compliance with the terms and conditions hereof or thereof, or (iii) the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitutes a default with respect to any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessor, or upon the Leased Property, except Permitted Encumbrances.

(d) Except as provided herein, the Lessor shall not assign this Lease Agreement, its right to receive Lease Payments, Additional Rent or other amounts derived from the Leased Property or from its other rights pursuant to this Lease Agreement or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

## ARTICLE III

## DEPOSIT OF MONEYS; ADDITIONAL CERTIFICATES

**Section 3.1 Deposit of Moneys**. On the Closing Date, the proceeds of sale of the 2021 Certificates shall be deposited as provided in Section 2.6 of the Trust Agreement for disbursement pursuant to the Trust Agreement.

**Section 3.2 [Reserved to preserve numbering scheme.]**

**Section 3.3 Payment of Delivery Costs**. Payment of the Delivery Costs relating to the 2021 Certificates shall be made from the moneys deposited in the Delivery Costs Fund as provided in Section 3.1 hereof, which moneys shall be disbursed for this purpose in accordance and upon compliance with Article III of the Trust Agreement.

**Section 3.4 Unexpended Proceeds and Other Moneys**. All excess moneys remaining in the Project Fund and the Delivery Costs Fund and not required for payment of Costs payable from such fund and Delivery Costs relating to the 2021 Certificates, respectively, shall be transferred to the Lease Payment Fund pursuant to Section 3.1 and Section 3.2 of the Trust Agreement and applied to pay the next-succeeding Lease Payments as the same become due and payable.

**Section 3.5 Additional Certificates**. The Lessor, in its separate capacity as Trustee, upon the request of the District, may, in its discretion, execute and deliver Additional Certificates upon the terms and conditions provided herein and in Section 2.11 of the Trust Agreement. Additional Certificates may be executed and delivered to the extent permitted by law and to provide funds to pay the costs of refunding Outstanding Certificates. In the event of the execution and delivery of Additional Certificates for such purpose, the amount of Additional Certificates executed and delivered may include all applicable Delivery Costs as shall be approved by Special Counsel. Before any Additional Certificates are executed and delivered (a) the District and the Lessor shall have entered into an amendment to this Lease Agreement, to provide, among other things, for additional Lease Payments in an amount at least sufficient to pay the principal and interest represented by the Additional Certificates when due, and (b) the District and the Lessor shall have otherwise complied with the provisions herein and in Section 2.11 of the Trust Agreement with respect to the execution and delivery of such Additional Certificates.

## ARTICLE IV

## AGREEMENT TO LEASE; TERMINATION OF LEASE AGREEMENT; LEASE PAYMENTS; TITLE TO THE LEASED PROPERTY

**Section 4.1 Lease**. The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the Leased Property upon the terms and conditions set forth in this Lease Agreement.

**Section 4.2 Term of Agreement; Termination.**

(a) The Term of this Lease Agreement shall commence on the date hereof, and continue until the end of the current Fiscal Period, and thereafter for such additional Fiscal Periods as are necessary to complete the Term, being the time through and including _____ 1, 20__, unless terminated prior thereto. If, before _____ 1, 20__, the Trust Agreement shall be discharged in accordance with its terms, the Term of this Lease Agreement shall thereupon terminate.

(b) If, on or before the third Business Day prior to the last date on which the Lessee is required or permitted to adopt its budget for a Fiscal Period, the Lessee fails to adopt a budget containing an annual budgetary appropriation sufficient to make all Lease Payments coming due during the Fiscal Period for which such budgeting and appropriation are made, the Lessee will immediately notify the Lessor in writing of that fact. If, on the last date on which the Lessee is required or permitted to adopt its budget for a Fiscal Period, no such proper budgeting and final appropriation by the District Board of the Lessee shall have been made, then all of the Lessee's right, title and interest in and future obligations pursuant to this Lease Agreement shall terminate (subject to reinstatement as provided in subsection (c)), effective as of the last day of the last Fiscal Period for which such budgetary appropriation was properly obtained, and the Lessee shall be relieved of any subsequent obligation pursuant to this Lease Agreement with respect thereto, other than to return to the Lessor possession of the Leased Property as provided in this Lease Agreement and to pay any accrued and unpaid obligations.

(c) If this Lease Agreement terminates pursuant to subsection (b) hereof and if, within 45 days following such date of termination, amounts described in subsection (b) are determined to be available that would have permitted this Lease Agreement to have continued in effect with respect to the Leased Property if such amounts had been determined to be available before the termination of the prior Fiscal Period, then this Lease Agreement shall be reinstated with respect thereto and deemed renewed as of the day following the date of such termination, and no such termination shall be deemed to have occurred.

**Section 4.3 Possession**. After execution and delivery of the Ground Lease, the Lessee shall take immediate possession of the Leased Property. The Lessee agrees to surrender possession of the Leased Property upon termination of this Lease Agreement for any reason (i) on the day following the 45 day reinstatement period provided in Section 4.2(c) hereof, or (ii) on the date set by the Lessor pursuant to Section 9.2(c) hereof. To the extent permitted by law, the Lessee agrees to hold the Lessor harmless for, from and against any costs, loss or damage whatsoever arising from or occasioned by any removal of property by the Lessor due to such termination.

**Section 4.4 Lease Payments; Additional Rent; Other Payments.**

(a) Subject to the provisions of Section 4.2 and Articles VI and X hereof, the Lessee shall pay to the Lessor, its successors and assigns, as rental for the use and occupancy of the Leased Property, the Lease Payments in the respective principal and interest amounts specified in Exhibit A, to be due and payable on the respective Lease Payment Dates specified in Exhibit A. Any amount held in the Lease Payment Fund on any Lease Payment

Date (other than (i) amounts resulting from the Prepayment of the Lease Payments in part but not in whole pursuant to Article X hereof, and (ii) amounts required for payment of past due principal or interest evidenced by any Certificates not presented for payment) shall be credited towards the Lease Payments then due and payable, and no Lease Payments need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund (other than (y) amounts resulting from the Prepayment of the Lease Payments in part but not in whole pursuant to Article X hereof, and (z) amounts required for payment of past due principal or interest evidenced by any Certificates not presented for payment) are at least equal to the Lease Payments then required to be paid. Lease Payments for each Fiscal Period shall be for the use of the Leased Property during such Fiscal Period.

The obligations of the Lessee to pay Lease Payments and Additional Rent as required in this Lease Agreement and the performance and observance of the other covenants and agreements on the Lessee's part contained herein shall be absolute and unconditional in all respects, except as specifically otherwise provided herein with respect to termination upon nonappropriation. During the Term hereof, the Lessee (A) shall not suspend or discontinue payment of the Lease Payments or Additional Rent, and (B) shall perform and observe all of its agreements contained herein and, other than pursuant to Section 4.2(b), will not terminate this Lease Agreement for any reason, including, without limitation, any acts or circumstances that may constitute destruction of or damage to the Leased Property, frustration of purpose, any failure of the Lessor to perform and observe any agreement whether express or implied or any duty, liability or obligation arising out of or connected with this Lease Agreement.

The Lessor acknowledges that, pursuant to State law, the Lessee's obligation to make Lease Payments is a current expense of the Lessee, payable exclusively from budgeted and appropriated funds during each Fiscal Period, and is not a general obligation or indebtedness of the Lessee or the State.

(b) In the event that the Lessee prepays all remaining Lease Payments and Additional Rent in full pursuant to Article X hereof, the obligations of the Lessee pursuant to this Lease Agreement shall thereupon cease and terminate, including but not limited to the obligation of the Lessee to pay Lease Payments pursuant to this Section. In the event the Lessee prepays less than all of the remaining Lease Payments and Additional Rent pursuant hereto, the principal and interest components of the remaining Lease Payments shall be reduced proportionately such that the remaining Lease Payments correspond to the remaining payments of principal and interest evidenced by the Outstanding Certificates (determined by reference to the Trust Agreement).

(c) In the event the Lessee should fail to pay any of the Lease Payments and Additional Rent required in this Section 4.4, the payment in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate of 10 percent per annum.

(d) The Lease Payments and Additional Rent for each rental payment period during the Term of this Lease Agreement shall constitute the total rental for the Leased Property for such rental payment period and shall be paid by the Lessee in each rental payment

period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The parties hereto have agreed and determined that the total Lease Payments and Additional Rent represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the appraised value of the Leased Property, other obligations of the parties pursuant to this Lease Agreement, the uses and purposes of which may be served by the Leased Property and the benefits therefrom that will accrue to the Lessee and the general public.

(e) All interest of the Lessor in and to this Lease Agreement and in and to the Lease Payments and Additional Rent to be paid pursuant hereto for the Leased Property are held in trust pursuant to the Trust Agreement for the benefit of the Owners from time to time of the Certificates. The Lessor hereby directs the Lessee, and the Lessee hereby agrees to pay at the designated corporate trust office, all Lease Payments and Additional Rent payable by the Lessee pursuant to this Lease Agreement.

**Section 4.5 Quiet Enjoyment**. During the Term of this Lease Agreement, the Lessee shall have quiet use and enjoyment of the Leased Property, and the Lessee shall during such Term peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Lessor, except as expressly set forth in this Lease Agreement. The Lessor will, at the request of the Lessee and at the Lessee's cost, join in any legal action in which the Lessee asserts its right to such possession and enjoyment to the extent the Lessor may lawfully do so. Notwithstanding the foregoing, the Lessor have the right to inspect the Leased Property as provided in Section 7.1 hereof.

**Section 4.6 Title**. Title to the Leased Land will remain with the Lessee pursuant to Section 3 of the Ground Lease.

If the Lessee prepays the Lease Payments and Additional Rent in full pursuant to Article X hereof or makes the advance deposit required by Section 10.1 hereof, or pays all Lease Payments and Additional Rent during the Term of this Lease Agreement as the same become due and payable, all right, title and interest of the Lessor in and to the Leased Property shall be transferred to and vested in the Lessee clear of this Lease Agreement. Such title shall be vested in the Lessee hereunder without the necessity of any additional payments or of any further instrument of transfer. The Lessor agrees, at the Lessee's expense, to take any and all steps and execute and record any and all documents reasonably required by the Lessee to confirm such vesting of title.

**Section 4.7 Additional Rent**. In addition to the Lease Payments described in Section 4.4 hereof, the Lessee shall pay when due (i) all costs and expenses incurred by the Lessor to comply with the provisions of the Trust Agreement, (ii) compensation, expenses and any other amounts payable pursuant to Section 9.9 of the Trust Agreement, (iii) all amounts payable by the Lessee pursuant to Section 7.2 hereof, (iv) all costs and expenses of auditors, engineers, accountants and legal counsel, if necessary, but excluding Delivery Costs (which shall be paid by the Lessor from moneys deposited in the Delivery Costs Fund), (v) all rent for any holdover period during which Lessee stays in possession of the Leased Property after termination of this Lease Agreement, which rent shall be calculated as: (A) number of days of holdover

divided by (B) 365 multiplied by (C) the Lease Payments for such Fiscal Period, (vi) amounts due from the Lessee to the Lessor in accordance with the final sentence of Section 2.1(h)(iv) hereof, and (viii) amounts required for compliance with the provisions of Section 2.1(i) hereof.

## ARTICLE V

## MAINTENANCE; TAXES; INSURANCE; OTHER MATTERS

**Section 5.1 Maintenance, Utilities, Taxes and Assessments**. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Leased Property, the Lessee shall keep in good repair and maintain the Leased Property, and the Lessee shall pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the Lessee or any assignee or sublessee thereof. In exchange for the Lease Payments and Additional Rent herein provided, the Lessor agrees to provide only the Leased Property, as herein provided.

The Lessee also shall pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Lessor or the Lessee affecting the Leased Property, the respective interests or estates therein or the taxability of any payments pursuant to this Lease Agreement; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

The Lessee or any sublessee may, at the Lessee's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee or such sublessee that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Lessor in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Lessee or such sublessee shall promptly pay such taxes, assessments or charges or provide the Lessor with full security against any loss that may result from nonpayment, in form satisfactory to the Lessor.

**Section 5.2 Modification of Leased Property**. The Lessee and any sublessee shall, at their own expense, have the right to remodel any portion of the Leased Property or to make additions, modifications and improvements to any portion of the Leased Property. All such additions, modifications and improvements which cannot be removed without damaging the Leased Property shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall not in any way damage the Leased Property or cause it to be used for purposes other than those authorized pursuant to the provisions of State and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto pursuant to this

Section, shall be of a value that is not substantially less than the value of such Leased Property immediately before the making of such additions, modifications and improvements. The Lessee shall not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Lessee or any sublessee or assignee pursuant to this Section; provided that if any such lien is established and the Lessee shall first notify or cause to be notified the Lessor of the Lessee's or any sublessee's intention to do so, the Lessee or any sublessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee or such sublessee that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Lessor in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Lessee or such sublessee shall promptly pay such lien or shall provide the Lessor with full security against any loss or forfeiture that might arise from the nonpayment of any such item, in form satisfactory to the Lessor. The Lessor shall cooperate fully in any such contest, upon the request and at the expense of the Lessee or such sublessee.

**Section 5.3 General Liability Insurance**. The Lessee shall maintain or cause to be maintained, throughout the Term of this Lease Agreement, a standard commercial general insurance policy or policies or Qualified Self-Insurance (as defined in the Trust Agreement), with a responsible insurance company or companies authorized pursuant to the laws of the State to assume such risks, of such types and in such amounts as are determined by the Lessee to be customary for similar institutions carrying on similar activities. Said policy or policies, or any Qualified Self-Insurance as discussed below, shall name the Lessor as an additional insured and loss payee and shall provide for coverage against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the construction or operation of the Leased Property. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Lessee and may be maintained in the form of Qualified Self-Insurance by the Lessee. The proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the proceeds of such insurance shall have been paid.

**Section 5.4 Fire and Extended Coverage Insurance**. The Lessee shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, insurance or Qualified Self-Insurance against loss or damage to any structures or equipment constituting any part of the Leased Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance then in existence. Such insurance shall be in an amount equal to 100 percent of the replacement cost of the Leased Property then in existence. Such insurance may be subject to deductible clauses of not to exceed $25,000 for any one loss. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee and may be maintained in the form of Qualified Self-Insurance by the Lessee.

Said policy or policies, or any Qualified Self-Insurance, shall provide for insuring the Lessor and the Lessee against such loss or damage and name the Lessor as the loss payee. The Net Proceeds of such insurance shall be applied as provided in Section 6.2(a) hereof.

**Section 5.5 Insurance Net Proceeds; Form of Policies**. Each policy of insurance required by Sections 5.3 and 5.4 hereof shall provide that all proceeds thereunder shall be payable to the Lessor and such proceeds shall be applied as provided in Section 6.2 hereof. The Lessee shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement. All such policies shall provide that the Lessor shall be given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Lessor shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Lessee. The Lessee shall cause to be delivered annually to the Lessor a certificate stating that the insurance policies required by this Lease Agreement are in full force and effect. In the event the Lessee maintains self-insurance for the insurance required by Sections 5.3 and 5.4 hereof, the Lessee shall cause to be delivered annually to the Lessor the documentation required for the determination that such self-insurance constitutes Qualified Self-Insurance.

**Section 5.6 Advances**. If the Lessee shall fail to perform any of its obligations pursuant to this Article, the Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Lessee shall be obligated to repay all such advances as Additional Rent as soon as possible, with interest at the rate of 10 percent per annum from the date of the advance to the date of repayment.

**Section 5.7 Installation of Lessee's Equipment**. The Lessee and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of such party, in which the Lessor shall not have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the Lessee and any sublessee from purchasing or leasing items to be installed in accordance with this Section pursuant to any lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Leased Property.

**Section 5.8 Liens**. The Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of the Lessor and the Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Lessee shall reimburse the Lessor for any

expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

**Section 5.9 Delivery of Leased Property Upon Termination**. The Lessee shall, (i) subject to Section 4.2(c) hereof, upon the early termination of the full Term of this Lease Agreement pursuant to Section 4.2(b) hereof, or (ii) on the date set by the Lessor pursuant to Section 9.2(c) hereof, deliver the Leased Property to the Lessor, or another person, as directed by the Lessor, in at least as good condition and repair as when delivered to Lessee, ordinary wear and tear excepted. The Leased Property shall be delivered to the Lessor, or another person, as directed by the Lessor, as herein required, free and clear of all liens, encumbrances and rights of others except Permitted Encumbrances (other than this Lease Agreement).

**Section 5.10 Disclaimer of Warranties**. THE LESSOR HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE LESSEE HEREBY ACKNOWLEDGES AND DECLARES THAT THE LESSEE IS SOLELY RESPONSIBLE FOR THE OPERATION OF THE LEASED PROPERTY, AND THAT THE LESSOR HAS NO RESPONSIBILITY THEREFOR. For the purpose of enabling the Lessee to discharge such responsibility, the Lessor constitutes and appoints the Lessee as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the Lessee, all manufacturer's warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the Lessor may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. Except as otherwise provided in this Lease Agreement, the Lessor shall not be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease Agreement or the existence, furnishing, functioning or use by the Lessee of any item, product or service provided for herein except that nothing shall relieve the Lessor's liability for any claims, damages, liability or court awards, including costs, expenses and attorney fees, directly caused by the Lessor's actions or omissions constituting negligence or willful misconduct of the Lessor or its employees.

## ARTICLE VI

## DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

**Section 6.1 Eminent Domain**. If all of the Leased Property shall be taken permanently pursuant to the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken and the Net Proceeds shall be deposited pursuant to Section 7.2 of the Trust Agreement. If less than all of the Leased Property shall be taken permanently, or if all of the Leased Property or any part thereof shall be taken temporarily, pursuant to the power of eminent domain, (i) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary,

and (ii) there shall be a partial reduction of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the Prepayment of the Lease Payments hereunder as provided in Section 6.3 hereof.

The Lessee agrees, to the extent permitted by law, that it shall use its best efforts to effect any condemnation award in an amount at least equal to the principal amount of the then Outstanding Certificates plus accrued interest thereon.

**Section 6.2 Application of Net Proceeds.**

(a) The Net Proceeds of any insurance award resulting from any damage to or destruction of any Leased Property by fire or other casualty shall be deposited in the Insurance and Condemnation Fund created pursuant to Article VII of the Trust Agreement promptly upon receipt thereof and, if the Lessee determines, within 45 days following such deposit, that the replacement, repair, restoration, modification or improvement of such Leased Property is not economically feasible (e.g., the Net Proceeds together with any additional funds from other available sources are insufficient therefor) or is not in the best interest of the Lessee, then, upon receipt of written notice of such determination by the Lessee Representative, such Net Proceeds shall be promptly transferred to the Lease Payment Fund and applied as provided in Section 10.3 hereof; provided, however, in the event of damage or destruction of the Leased Property in full, such Net Proceeds may be transferred to the Lease Payment Fund to be applied as provided in Section 10.3 hereof only if sufficient, together with other moneys available therefor, to cause the prepayment of all Outstanding Certificates; provided further, however, if the Net Proceeds are not sufficient to cause the prepayment of all Outstanding Certificates, the Lessee shall have an option to purchase the Leased Property for a price representing the difference between the amount of Net Proceeds received and available for transfer to the Lease Payment Fund and the amount required to redeem all Outstanding Certificates. If the Lessee exercises its option to purchase the Leased Property as described in the preceding sentence, the proceeds from said sale and the Net Proceeds shall then be deposited in the Lease Payment Fund and applied as provided in Section 10.3 hereof. Except in the event of damage or destruction of the Leased Property in full, all Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property by the Lessee, upon receipt of a requisition signed by the Lessee Representative stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid, and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Lessor may rely conclusively on any such requisition received and shall have no obligation to make an independent investigation in connection therewith. Any balance of the Net Proceeds remaining in the Insurance and Condemnation Fund because (A) the Leased Property was damaged or destroyed in full and the Net Proceeds, together with other available moneys, were insufficient to cause the prepayment of all Outstanding Certificates, or (B) after all work to replace, repair, restore, modify or improve the Leased Property has been completed, shall be deposited in the Lease Payment Fund and applied toward subsequent Lease Payments.

(b) The Net Proceeds of any eminent domain award resulting from any event described in Section 6.1 hereof shall be deposited in the Insurance and Condemnation Fund to be held and applied pursuant to Section 7.2 of the Trust Agreement.

(c) The parties hereto agree that the provisions of this Section 6.2 are not intended and shall not be construed in any way to apply to the proceeds of any insurance or condemnation award less than or equal to $25,000. Such proceeds shall be paid to the Lessee and applied by the Lessee in its sole discretion.

**Section 6.3 Reduction of Rental in the Event of Prepayment of Lease Payments**. In the event the Net Proceeds of any insurance or condemnation awards are deposited in the Lease Payment Fund and credited towards Prepayments pursuant to Section 10.3 hereof, the amount of remaining Lease Payments shall be reduced proportionately as to the principal and interest components thereof such that the resulting Lease Payments will correspond to the remaining payments of principal and interest evidenced by the Outstanding Certificates (after any prepayment of Certificates pursuant to Section 4.2 of the Trust Agreement resulting from such Prepayments), which resulting Lease Payments are hereby deemed to represent fair consideration for the use and occupancy of the portions of the Leased Property not taken, damaged or destroyed. In the event of any such reduction, this Lease Agreement shall continue in full force and effect and the Lessee waives any right to terminate this Lease Agreement by virtue of any damage or destruction of the Leased Property causing such reduction of Lease Payments.

## ARTICLE VII

## ACCESS TO LEASED PROPERTY

**Section 7.1 Access to the Leased Property**. The Lessor and any Lessor Representative shall have the right at all reasonable times to enter upon the Leased Land and to examine and inspect the Leased Property. The Lessee further agrees that the Lessor, any Lessor Representative and the Lessor's successors or assigns shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the Lessee to perform its obligations hereunder.

**Section 7.2 Release and Indemnification Covenants**. To the extent permitted by law, the Lessee shall indemnify and save the Lessor harmless for, from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the ownership, use, maintenance, condition or management of, or from any work or thing done on, the Leased Property, including any environmental condition relating to the Leased Property, (ii) any breach or default on the part of the Lessee in the performance of any of its obligations pursuant to this Lease Agreement or of any of its representations or warranties pursuant to this Lease Agreement, (iii) any act or negligence of the Lessee or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, (iv) any act or negligence of any sublessee of the Lessee with respect to the Leased Property, or (v) the financing of the Project, the execution and delivery of this Lease Agreement and the Trust Agreement, the acceptance and/or the administration of the Trust created by the Trust Agreement, and the execution, delivery and sale of the Certificates. No indemnification is provided pursuant to this

Section or elsewhere in this Lease Agreement for claims, suits and actions successfully brought against the Lessor for failure to perform and carry out the duties specifically imposed upon and to be performed by it pursuant to this Lease Agreement, or for claims, suits and actions successfully brought for willful misconduct, negligence, or breach of duty pursuant to this Lease Agreement by the Lessor or its respective officers or employees. The indemnification provided herein shall survive the termination or expiration of this Lease Agreement, the prepayment or defeasance of the Certificates and the resignation or removal of the Lessor.

## ARTICLE VIII

## ASSIGNMENT, SUBLEASING AND AMENDMENT

**Section 8.1 Assignment and Subleasing by the Lessee**. This Lease Agreement may not be assigned by the Lessee. The Leased Property may be subleased only with the written consent of the Lessor, which consent shall not be unreasonably withheld, and subject to all of the following conditions:

(i) This Lease Agreement and the obligation of the Lessee to make Lease Payments hereunder shall remain obligations of the Lessee;

(ii) The Lessee shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Lessor a true and complete copy of such sublease; and

(iii) No such sublease by the Lessee shall cause any of the Leased Property to be used for a purpose other than a governmental or proprietary function authorized pursuant to the provisions of the Constitution and laws of the State.

**Section 8.2 Amendment of this Lease Agreement**. Neither the Lessor nor the Lessee will alter, modify or (subject to Section 8.3 hereof) cancel, or agree or consent to alter, modify or (subject to Section 8.3 hereof) cancel this Lease Agreement, excepting only such alteration or modification as may be permitted by Article X of the Trust Agreement.

**Section 8.3 Release or Exchange of Property**. If, during the Term of this Lease Agreement, the Lessee desires to acquire legal title to any of the improvements on the Leased Land and the related portion of the Leased Land, unencumbered by the terms and conditions of this Lease Agreement, the Lessor shall sell to the Lessee any of such improvements on the Leased Land and portion of the Leased Land so desired by the Lessee, provided the following conditions are met, to wit:

(a) Contemporaneously with any such sale by the Lessor (i) the Lessee delivers to the Lessor the net proceeds from the sale of such improvements on the Leased Land and related portion of the Leased Land, or (ii) the Lessee sells to the Lessor substitute property ("substitute property") for the Leased Property which the Lessee wishes to acquire from the Lessor;

(b) The sale or exchange of property will not cause any decrease in the total Lease Payments required pursuant to this Lease Agreement or any change in the interest component or principal component thereof;

(c) The Lessee furnishes to the Lessor an opinion of Special Counsel acceptable to the Lessor that the sale or exchange of property will not adversely affect the exclusion of the interest payable on any Additional Certificates (sold on the basis of the interest thereon being excluded from gross income for federal income tax purposes) from the federal gross income of the owners thereof;

(d) Any substitute property shall be subject to all the terms and conditions of this Lease Agreement and shall be subjected to the lien of the Trust Agreement; and

(e) All costs and expenses incurred in connection with the sale or exchange of property contemplated by this Section shall be borne by the Lessee.

Any proceeds delivered pursuant to subsection (a)(i) above shall be applied to acquire, construct or improve additional Leased Property, or be applied to Lease Payments as directed by the Lessee, subject to any restrictions contained in the opinion of Special Counsel delivered pursuant to subsection (c) above.

## ARTICLE IX

## EVENTS OF DEFAULT AND REMEDIES

**Section 9.1 Events of Default Defined**. The following shall be "events of default" for the purposes of this Lease Agreement and the terms "events of default" and "default" means, whenever they are used in this Lease Agreement, with respect to the Leased Property, any one or more of the following events:

(i) Except when not paid due to the Lessee not having lawfully available funds budgeted therefor, failure by the Lessee to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein, and the continuation of such failure for a period of five days.

(ii) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed pursuant to the Trust Agreement or this Lease Agreement, other than as referred to in clause (i) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Lessor, the Owners of not less than five percent in aggregate principal amount evidenced by Certificates then Outstanding; provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, none of the Lessor or such Owners shall unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to lift any execution, garnishment or attachment, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceedings instituted pursuant to the provisions of the federal bankruptcy statute, as amended, or pursuant to any similar acts that may hereafter be enacted.

Notwithstanding the foregoing, if, by reason of force majeure, the Lessee is unable to perform or observe any agreement, term or condition of this Lease Agreement, other than any obligation to make Lease Payments or Additional Rent required pursuant to this Lease Agreement, the Lessee shall not be deemed in default during the continuance of such inability. However, the Lessee shall promptly give notice to the Lessor of the existence of any event of force majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strike or labor disturbances shall be entirely within the Lessee's discretion.

**Section 9.2 Remedies on Default and Failure to Budget.**

(a) Whenever any event of default described in Section 9.1 hereof or a termination pursuant to Section 4.2(b) hereof shall have occurred and be continuing, the Lessor may exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement; provided, however, that notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or Additional Rent or otherwise declare any Lease Payments or Additional Rent not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the Lessee is expressly made a condition and upon the breach thereof the Lessor may terminate this Lease Agreement; provided, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided.

(b) If, upon the occurrence and continuation of an event of default described in Section 9.1 hereof or a termination pursuant to Section 4.2(b) hereof, the Lessor does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subsection (c) of this Section, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the Lessee to enter upon the Leased Land and relet the Lessee's interests in the Leased Property and to remove all personal property not constituting Leased Property whatsoever situated upon the Leased Land and the Leased Property and to place such property in storage or other suitable place in Pima County, Arizona, for the account of and at the expense of the Lessee, and, to the extent permitted by law, the Lessee hereby exempts and agrees to save harmless the Lessor for, from and against any costs, loss or damage whatsoever arising or occasioned by any such entry upon and reletting of the Leased Property and the removal and storage of personal property by the Lessor or its duly authorized agents in accordance with the provisions herein contained. The Lessee hereby waives any and all claims for damages caused or that may be caused by the Lessor in reentering and taking possession of the Leased Property as herein provided and all claims for damages that may result from the destruction of or injury to

the Leased Property and all claims for damages to or loss of any property belonging to the Lessee that may be in or upon the Leased Property.

The Lessee agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Lessor to re-rent the Leased Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Lessor in effecting such re-renting or re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing or re-renting is made or the terms and conditions of such re-leasing or re-renting, or otherwise, but that, on the contrary, in the event of such default by the Lessee the right to terminate this Lease Agreement shall vest in the Lessor to be effected in the sole and exclusive manner hereinafter provided for in subsection (c) of this Section.

(c) Upon the occurrence and continuation of an event of default described in Section 9.1 hereof or a termination pursuant to Section 4.2(b) hereof, the Lessor at its option may terminate this Lease Agreement and re-rent or re-lease all or any portion of its interests in the Leased Property. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Lessor shall of itself operate to terminate this Lease Agreement and no termination of this Lease Agreement on account of default by the Lessee shall be or become effective by operation of law, or otherwise, unless and until the Lessor shall have given written notice to the Lessee of the election on the part of the Lessor to terminate this Lease Agreement. The Lessee covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Lessor by such written notice. Additionally, to the extent permitted by law, the Lessee hereby exempts and agrees to save harmless the Lessor for, from and against any costs, loss or damage whatsoever arising or occasioned by any removal of the Leased Property by the Lessor or its duly authorized agents in accordance with the provisions contained in this Lease Agreement.

**Section 9.3 No Remedy Exclusive**. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

**Section 9.4 Agreement to Pay Attorneys' Fees and Expenses**. In the event either party to this Lease Agreement should default in the performance of any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it

will on demand therefor pay to the nondefaulting party, to the extent permitted by law, the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

**Section 9.5 No Additional Waiver Implied by One Waiver**. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 9.6 Application of Proceeds**. All Net Proceeds received from the sale, re-lease or other disposition of the Leased Property pursuant to this Article IX, and all other amounts derived by the Lessor as a result of an event of default hereunder, shall be applied as provided in the Trust Agreement.

**Section 9.7 Lessor to Exercise Rights**. Such rights and remedies as are given to the Lessor pursuant to this Article IX shall be exercised by the Lessor and the Owners of the Certificates as provided in the Trust Agreement.

## ARTICLE X

## PREPAYMENT OF LEASE PAYMENTS

**Section 10.1 Security Deposit**. Notwithstanding any other provision of this Lease Agreement, the Lessee may on any date secure the payment of Lease Payments by a deposit of (i) an amount of cash that, as required by the Trust Agreement, together with amounts on deposit in the Lease Payment Fund and the Insurance and Condemnation Fund, is sufficient to pay all unpaid Lease Payments and Additional Rent, including the principal and interest components thereof, in accordance with the Lease Payment Schedule set forth in Exhibit A hereto, or (ii) Defeasance Obligations, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant pursuant to the terms of the Trust Agreement, together with interest to accrue thereon but without reinvestment thereof and, if required, all or a portion of moneys or Defeasance Obligations then on deposit in the Lease Payment Fund and the Insurance and Condemnation Fund, be fully sufficient to pay all unpaid Lease Payments and Additional Rent on their respective Lease Payment Dates, as the Lessee shall instruct at the time of said deposit. In the event of a deposit pursuant to this Section and upon the defeasance of all the Certificates pursuant to Section 14.1 of the Trust Agreement, all obligations of the Lessee pursuant to this Lease Agreement (except those that survive termination of this Lease Agreement), and all security provided by this Lease Agreement for said obligations, shall cease and terminate, excepting only the obligations of the Lessee to make, or cause to be made, Lease Payments and Additional Rent from the deposit made by the Lessee pursuant to this Section, and title to the Leased Property shall vest in the Lessee on the date of said deposit automatically and without further action by the Lessee or the Lessor. Said deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments and Additional Rent in accordance with the provisions of this Lease Agreement.

**Section 10.2 Optional Prepayment**. The Lessee may prepay the Lease Payments, in whole or in part, at any time. Such Prepayments shall be deposited in the Lease Payment Fund and applied to the payment or prepayment of Certificates as provided in Articles

II and IV of the Trust Agreement or, if the Certificates are not subject to prepayment at the time of such deposit, shall be applied as provided in Section 14.1 of the Trust Agreement to provide for the payment of Certificates as directed by the Lessee.

**Section 10.3 Mandatory Prepayment From Net Proceeds**. The Lessee shall be obligated to prepay the Lease Payments allocable to the Leased Property, in whole or in part, on any January 15 or July 15 with respect to the Lease Payments specified on Exhibit A or the next succeeding Business Day if such date is not a Business Day, from and to the extent of any Net Proceeds theretofore deposited in the Lease Payment Fund. Such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the Lessee's obligations pursuant to this Section and shall be applied to the mandatory prepayment of Certificates required by Section 4.2 of the Trust Agreement or similar provision of any supplement to the Trust Agreement executed in connection with Additional Certificates.

**Section 10.4 Credit for Amounts on Deposit**. In the event of Prepayment of the principal components of the Lease Payments and Additional Rent in full pursuant to this Article X, such that the Trust Agreement shall be discharged by its terms as a result of such Prepayment, all amounts then on deposit in the Lease Payment Fund or the Insurance and Condemnation Fund shall be credited towards the amounts then required to be so prepaid.

## ARTICLE XI

## MISCELLANEOUS

**Section 11.1 Notices**. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon deposit in the United States mail postage prepaid, except that notice to the Lessor shall be effective only upon receipt by an officer of the Lessor responsible for the performance of the duties and obligations pursuant to this Lease Agreement:

If to the Lessee:

Golder Ranch Fire District of Pima and Pinal Counties, Arizona
3885 East Golder Ranch Drive
Tucson, Arizona 85739
Attention: Finance Manager

If to the Lessor:

_____
_____
_____
Attention: Corporate Trust Services

The Lessor and the Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

**Section 11.2 Binding Effect**. This Lease Agreement shall inure to the benefit of and shall be binding upon the Lessor and the Lessee and their respective successors and assigns.

**Section 11.3 Severability**. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 11.4 Net-net-net Lease**. This Lease Agreement shall be deemed and construed to be a "net-net-net lease," and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Lessor, free and clear of any expenses, charges or set-offs whatsoever, irrespective of any defense or any right of recoupment or counterclaim that the Lessee may have against the Lessor.

**Section 11.5 Further Assurances and Corrective Instruments**. The Lessor and the Lessee agree that they will, from time to time, at the Lessee's expense, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be for carrying out the expressed intention of this Lease Agreement.

**Section 11.6 Execution in Counterparts**. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 11.7 Applicable Law**. This Lease Agreement shall be governed by and construed in accordance with the laws of the State. The venue for any proceedings on any and all controversies arising from the terms and provisions of this Lease Agreement will be Pima County, Arizona.

**Section 11.8 Lessor and Lessee Representatives**. Whenever pursuant to the provisions of this Lease Agreement the approval of the Lessor or the Lessee is required, or the Lessor or the Lessee is required to take some action at the request of the other, such approval or such request shall be given for the Lessor by a Lessor Representative and for the Lessee by a Lessee Representative, and any party hereto shall be authorized to rely upon any such approval or request.

**Section 11.9 Captions**. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.

**Section 11.10 Incorporation of State Statutes**.

(a) As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the Lessee, a political subdivision of the State, may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Lessee if any person significantly involved in initiating, negotiating,

securing, drafting or creating the contract on behalf of the Lessee is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Lessor covenants not to employ as an employee, an agent or, with respect to the subject matter of this Lease Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease Agreement on behalf of the Lessee within three years from the execution of this Lease Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, as amended, is provided by the Lessee. No basis exists for the Lessee to cancel this Lease Agreement pursuant to Section 38-511, Arizona Revised Statutes, as amended, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Lessor shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Lessor of the foregoing shall be deemed a material breach of this Lease Agreement and may result in the termination of the services of the Lessor. The Lessee retains the legal right to randomly inspect the papers and records of the Lessor to ensure that the Lessor is complying with the above-mentioned warranty. The Lessor shall keep such papers and records open for random inspection during normal business hours by the Lessee. The Lessor shall cooperate with the random inspections by the Lessee including granting the Lessee entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the Lessor hereby certifies that it is not currently engaged in, and for the duration of this Lease Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the Lessee determines that the Lessor's certification above is false or that either has breached such agreement, the Lessee may impose remedies as provided by law.

**Section 11.11 Lessor's Disclaimer**. It is expressly understood and agreed that (a) this Lease Agreement is executed by _____ solely in its capacity as Trustee under the Trust Agreement, and (b) nothing herein shall be construed as creating any liability on _____ other than in its capacity as Trustee under the Trust Agreement. All financial obligations of the Lessor under this Lease Agreement, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate (as defined in the Trust Agreement). The Lessor shall not be accountable for the use of the proceeds from the Certificates, and it shall not be responsible for any statement of the Lessee in this Lease Agreement, the Certificates, or any document issued in connection therewith. The Lessor makes no representations with respect to the effectiveness or adequacy of this Lease Agreement or the Certificates.

**Section 11.12 Electronic Transactions**. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of

original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Signature page follows.]

IN WITNESS WHEREOF, the Lessor has caused this Lease Agreement to be executed in its corporate name by its duly authorized officer, and the Lessee has caused this Lease Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

_____, solely in its capacity as trustee,
as Lessor

By.....
Authorized Representative

GOLDER RANCH FIRE DISTRICT OF PIMA
AND PINAL COUNTIES, ARIZONA, as Lessee

By.....
Chairperson, District Board

ATTEST:

.....
Clerk, District Board

STATE OF ARIZONA )
) ss:
COUNTY OF MARICOPA )

On this, the ..... day of ..... 2021, before me, the undersigned Notary Public, personally appeared ....., who acknowledged himself/herself to be an Authorized Representative of _____, and that he/she, as such officer, being authorized so to do, executed the foregoing Lease Agreement for the purposes therein contained by signing the name of such entity by himself/herself as such officer.

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

.....
Notary Public

My Commission Expires:

.....

STATE OF ARIZONA )
) ss:
COUNTY OF PIMA )

On this, the ..... day of ..... 2021, before me, the undersigned Notary Public, personally appeared ..... and ....., who acknowledged themselves to be the Chairperson and Clerk of the District Board, respectively, of Golder Ranch Fire District of Pima and Pinal Counties, Arizona, a fire district and political subdivision of the State of Arizona, and that they, as such officers, being authorized so to do, executed the foregoing Lease Agreement for the purposes therein contained by signing the name of the fire district and political subdivision by themselves as such officers.

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

.....
Notary Public

My Commission Expires:

.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Lease-Purchase Agreement, dated as of _____ 1, 2021, executed by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, a fire district and political subdivision of the State of Arizona, and _____, a national banking association (the "Notarized Document"). The Notarized Document contains a total of ..... pages.

**EXHIBIT A**

**SCHEDULE OF LEASE PAYMENTS EVIDENCED BY 2021 CERTIFICATES**

| Lease Payment Dates | Principal Component | Interest Component | Total Lease Payment |
|---|---|---|---|
| **TOTAL** | | | |

**EXHIBIT B**

**DESCRIPTION OF LEASED LAND**

# TRUST AGREEMENT

**by and between**

**_____,**
**as Trustee,**

**and**

**GOLDER RANCH FIRE DISTRICT**
**OF PIMA AND PINAL COUNTIES, ARIZONA,**
**as Lessee**

**Dated as of _____ 1, 2021**

**relating to**

**$____,000**
**Certificates of Participation, Taxable Series 2021**
**Evidencing Undivided Proportionate Interests of the Owner Thereof in**
**Lease Payments to be Made by**
**Golder Ranch Fire District of Pima and Pinal Counties, Arizona,**
**as Lessee of Certain Property Pursuant**
**to a Lease-Purchase Agreement, dated as of _____ 1, 2021**

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# TRUST AGREEMENT

THIS TRUST AGREEMENT dated as of _____ 1, 2021 (this "*Trust Agreement*"), by and between _____, solely in its capacity as trustee (the "*Trustee*" or "*Lessor*"), and GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA (the "*Lessee*"), a fire district and political subdivision duly organized and existing pursuant to the laws of the State of Arizona;

WITNESSETH:

WHEREAS, the Lessee and the Trustee have entered into a Ground Lease, dated as of even date herewith, pursuant to which the Lessee has leased certain real property (the "*Leased Land*"), to the Lessor, and the Lessor has leased the Leased Land from the Lessee; and

WHEREAS, in order to fund all or a portion of the Lessee's unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and one or more contingency reserve funds with respect to pension and related liabilities (the "*Project*"), the Lessee and the Lessor have entered into a Lease-Purchase Agreement, dated as of even date herewith (the "*Lease Agreement*"), whereby the Lessor has agreed to lease its interest in the Leased Land together with improvements now or hereafter existing on the Leased Land (collectively, the "*Leased Property*") to the Lessee and the Lessee has agreed to lease the Leased Property from the Lessor; and

WHEREAS, for the purpose of obtaining moneys in an amount sufficient to finance the Project, the Trustee has agreed to execute and deliver the herein described 2021 Certificates, evidencing undivided proportionate interests in the Lease Agreement and the Lease Payments and Prepayments (as such terms and other capitalized terms used herein are hereinafter defined) to be made by the Lessee pursuant thereto,

## GRANTING CLAUSES

NOW, THEREFORE, in order to secure (i) all Certificates executed, delivered and Outstanding pursuant to this Trust Agreement, (ii) the payment of the principal and interest evidenced by the Certificates, and (iii) the rights of the Owners of the Certificates and the performance and observance of the covenants and conditions contained in the Certificates, the Lease Agreement, the Ground Lease and herein, the Trustee is hereby directed to acquire, to receive and to hold as security for the Owners of the Certificates and does hereby declare an irrevocable trust and acknowledge its acceptance of all right, title and interest in and to, the following described property (the "*Trust Estate*") and the Trustee and the Lessee hereby agree as thereafter provided:

## GRANTING CLAUSE FIRST

All right, title and interest of the Lessor in and to the Ground Lease and the Lease Agreement and the present and continuing right (i) to make claim for, collect or cause to be collected, receive or cause to be received all revenues, receipts and other sums of money payable or receivable pursuant to the Lease Agreement, (ii) to bring actions and proceedings pursuant

thereto or for the enforcement thereof, and (iii) to do any and all things that the Lessor is or may become entitled to do pursuant thereto; provided that this clause shall not transfer, impair or diminish any right of the Lessor pursuant to any of the assigned instruments for indemnification, reimbursement of fees, costs and expenses or to receive notices or approve amendments, and

**GRANTING CLAUSE SECOND**

All right, title and interest of the Lessor in and to amounts on deposit from time to time in the funds created pursuant hereto, subject to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein.

All such rights and interest held by the Trustee pursuant hereto shall be exercised, held and administered according to the provisions of this Trust Agreement and for the equal and proportionate benefit of the Owners from time to time of Certificates.

**ARTICLE I**

**DEFINITIONS**

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

"*2021 Certificates*" means the $____,000 aggregate principal amount of Certificates of Participation, Taxable Series 2021 Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be made by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as Lessee of Certain Property Pursuant to a Lease-Purchase Agreement dated as of _____ 1, 2021, to be executed and delivered in denominations of $5,000 denominated as principal or integral multiples thereof payable as to interest semiannually as provided in Article II hereof.

"*2021 Underwriter*" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the 2021 Certificates.

"*Additional Certificates*" means any certificates executed and delivered pursuant to Section 2.11 hereof.

"*Additional Rent*" means any payments to be made pursuant to Section 4.7 of the Lease Agreement in addition to the Lease Payments.

"*Aggregate Value*" means, with respect to any Certificates, the Outstanding principal amount thereof.

"*Authorized Denominations*" means $5,000 denominated as principal and any integral multiple thereof.

"*Bankruptcy Code*" means the Bankruptcy Reform Act of 1978, as amended (Title 11 of the United States Code, as amended).

"*Beneficial Owner*" means any person on behalf of whom a DTC Participant holds an interest in the 2021 Certificates.

"*Business Day*" means a day of the year other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions located in the city designated by the Trustee for the presentation and payment of Certificates are required or authorized to remain closed.

"*Certificates*" means, jointly, the 2021 Certificates and any Additional Certificates executed and delivered pursuant hereto.

"*Closing Date*" means _____, 2021.

"*Costs*" means the costs incurred in financing the Project.

"*Defeasance Obligations*" means (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the following clause), and (ii) obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, including (A) U.S. treasury obligations, (B) all direct or fully guaranteed obligations, (C) Farmers Home Administration, (D) General Services Administration, (E) Guaranteed Title XI financing, (F) Government National Mortgage Association (GNMA), and (G) State and Local Government Series. Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

"*Delivery Costs*" means all items of expense directly or indirectly payable by or reimbursable to the Lessee or the Lessor relating to the execution, sale and delivery, as applicable, of the Ground Lease, the Lease Agreement, this Trust Agreement or the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee and the Lessor, legal fees and charges, accountants' verification fees, insurance fees and charges, costs of any title insurance policy, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates and any other costs, expenses, fees and charges in connection with the foregoing.

"*Delivery Costs Fund*" means the fund by that name established and held by the Trustee pursuant to Section 3.2 hereof.

"*DTC*" means The Depository Trust Company, New York, New York, and any successor corporation.

"*DTC Participant*" means those broker-dealers, banks and other financial institutions reflected on the books of DTC as holding beneficial interests in the 2021 Certificates.

"*Electronically*" or "*Electronic*" notice means notice transmitted through email, a time-sharing terminal, computer network or facsimile machine, if operative as between any two parties, or if not operative, by telephone (promptly confirmed in writing).

"*Event of Bankruptcy*" means the commencement of a case by or against the Lessee pursuant to the Bankruptcy Code or pursuant to any other domestic bankruptcy act or any similar act which hereafter may be enacted (other than such proceedings initiated by the Lessee against third parties other than the Lessee), unless such case shall have been dismissed and such dismissal shall be final and not subject to appeal.

"*Event of Default*" means an event of default described in Section 9.1 of the Lease Agreement.

"*Fiscal Period*" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period that may be established hereafter as the fiscal year of the Lessee for budgeting purposes.

"*Ground Lease*" means the Ground Lease, dated as of even date herewith, by and between the Lessor and the Lessee, relating to the Leased Land, together with any duly authorized and executed amendment thereto permitted hereunder.

"*Independent Counsel*" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Lessor, the Trustee or the Lessee.

"*Insurance and Condemnation Fund*" means the fund by that name established and held by the Trustee pursuant to Article VII hereof.

"*Interest Payment Date*" means, with respect to the 2021 Certificates, _____ 1 and _____ 1 of each year, commencing _____ 1, 20__, or, if any such date is not a Business Day, the next succeeding Business Day and (b) with respect to any Additional Certificates, the date or dates specified in the supplement to this Trust Agreement authorizing the execution and delivery of such Additional Certificates.

"*Lease Agreement*" means the Lease-Purchase Agreement, dated as of even date herewith, by and between the Lessee and the Lessor, together with any duly authorized and executed amendment thereto permitted hereunder.

"*Lease Payment*" means all payments required to be paid by the Lessee on any date pursuant to Section 4.4 of the Lease Agreement, as set forth in Exhibit A thereto.

"*Lease Payment Fund*" means the fund by that name established and held by the Trustee pursuant to Article V hereof.

"*Leased Land*" means that certain real property located in within the boundaries of the District, described in the Lease Agreement which is being leased by the Lessee to the Lessor pursuant to the Ground Lease.

"*Leased Property*" means the Leased Land, together with all improvements now and hereafter existing thereon, which is being leased by the Lessor to the Lessee pursuant to the Lease Agreement.

"*Lessee*" means Golder Ranch Fire District of Pima and Pinal Counties, Arizona.

"*Lessee Representative*" means the Fire Chief of the Lessee or the Finance Manager of the Lessee, or any other person designated by the Fire Chief of the Lessee or the Finance Manager of the Lessee to act on behalf of the Lessee pursuant to or with respect to this Trust Agreement and the Lease Agreement by a certificate filed with the Trustee containing the specimen signature of such person signed by the Fire Chief of the Lessee or the Finance Manager of the Lessee.

"*Lessor*" means_____, solely in its capacity as trustee, and its successors and assigns pursuant to the Lease Agreement.

"*Moody's*" means Moody's Investors Service, Inc., or any successor nationally recognized securities rating agency.

"*Net Proceeds*" means any insurance proceeds (other than proceeds of any insurance policy maintained pursuant to Section 5.3 of the Lease Agreement) or condemnation award in excess of $25,000, paid with respect to the Leased Property, or any proceeds resulting from the re-renting or re-leasing of all or any portion of the Leased Property pursuant to Section 9.2(c) of the Lease Agreement, remaining after payment therefrom of all expenses incurred in the collection thereof.

"*Outstanding*," when used with reference to the Certificates, means, as of any date of determination, all Certificates theretofore executed and delivered except:

(i) Certificates theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Certificates that are deemed paid and no longer Outstanding as provided herein;

(iii) Certificates in lieu of which other Certificates of the same series shall have been executed and delivered pursuant to the provisions hereof relating to Certificates destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Certificate is held by a bona fide purchaser; and

(iv) For the purposes described in Section 10.3 hereof, the Certificates described in said Section 10.3.

"*Owner*" or "*Certificate Owner*" or "*Owner of a Certificate*," or any similar term, when used with respect to a Certificate, means the person in whose name such Certificate shall be registered.

"*Paying Agent*" means the Trustee.

"*Permitted Encumbrances*" mean, as of any particular time (i) liens for general ad valorem taxes and assessments, if any, not then delinquent, or that the Lessee may, pursuant to provisions of Article V of the Lease Agreement, permit to remain unpaid; (ii) the Lease Agreement; (iii) this Trust Agreement; (iv) the Ground Lease; (v) easements, leases, encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that exist as of the Closing Date and that the Lessee certifies in writing will not materially impair the use of the Leased Property; and (vi) easements, leases, encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Lessor and the Lessee consent in writing.

"*Permitted Investments*" means and includes (to the extent permitted by law):

(a) Defeasance Obligations;

(b) Obligations of any federal agencies, which obligations represent the full faith and credit of the United States of America, including, but not limited to, the following:

(i) Export-Import Bank,

(ii) Rural Economic Community Development Administration,

(iii) U.S. Maritime Administration,

(iv) Small Business Administration,

(v) U.S. Department of Housing & Urban Development (PHAs),

(vi) Federal Housing Administration, and

(vii) Federal Financing Bank;

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

(i) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC),

(ii) Obligations of the Resolution Funding Corporation (REFCORP), and

(iii) Senior debt obligations of the Federal Home Loan Bank System;

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

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

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

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

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

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

(h) Municipal Obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P.

"*Prepayment*" means any payment made, in whole or in part, pursuant to Article X of the Lease Agreement as a prepayment of the Lease Payments.

"*Project*" means the "Project" to be financed with the proceeds of the sale of the Certificates as described in this Trust Agreement.

"*Project Fund*" means the fund by that name established and held by the Trustee pursuant to Section 3.1 hereof.

"*Qualified Self-Insurance*" means any program of self-insurance regarding which the Trustee has received a written evaluation of an independent insurance consultant or actuarial consultant having a favorable reputation for skill and experience and an opinion of such consultant that adequate reserves for such program are either maintained with an independent corporate trustee or otherwise held with appropriate safeguards to insure their availability.

"*Register*" means the registration books maintained by the Trustee or the Registrar pursuant to Section 2.7(b) hereof.

"*Registrar*" means the Trustee.

"*Regular Record Date*" means the close of business on the 15th day of the month preceding an Interest Payment Date.

"*S&P*" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, or any successor nationally recognized securities rating agency.

"*Special Counsel*" means any law firm, acceptable to the Lessee Representative and the Trustee, having a national reputation in the field of law relating to municipal bonds whose opinions are generally accepted by purchasers of municipal obligations.

"*Special Interest Payment Date*" means the Business Day established by the Trustee for the payment of overdue interest evidenced by the 2021 Certificates pursuant to Section 2.2 hereof.

"*Special Record Date*" means the Business Day established by the Trustee for determination of the registered Owners entitled to receive overdue interest evidenced by the 2021 Certificates pursuant to Section 2.2 hereof.

"*State*" means the State of Arizona.

"*Term*" or "*Term of the Lease Agreement*" means the time during which the Lease Agreement is in effect, as provided in Section 4.2 of the Lease Agreement.

"*Trust Agreement*" means this Trust Agreement, together with any amendments or supplements hereto permitted to be made pursuant hereto.

"*Trustee*" means _____, and any successor thereto acting as trustee pursuant to this Trust Agreement.

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

**Section 1.3 Interpretation.**

(a) Any reference herein to the Lessor, Trustee or Lessee or any officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Any terms not defined herein, but defined in the Lease Agreement shall have the same meaning herein.

(d) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

**Section 1.4 Execution and Delivery of 2021 Certificates.** To accomplish the financing of the Project, the 2021 Certificates shall be executed and delivered in an amount sufficient to pay costs of the Project and other costs incurred in connection with the execution and delivery of the 2021 Certificates as set forth in this Trust Agreement.

**Section 1.5 Notices for 2021 Certificates Held by a Depository.** Notwithstanding the provisions hereof which provide for notices to Owners by mail, so long as the 2021 Certificates are held by DTC or any other securities depository, such notices may be given by Electronic means in lieu of mailed notice.

## ARTICLE II

## THE 2021 CERTIFICATES; ADDITIONAL CERTIFICATES

**Section 2.1 Authorization of the 2021 Certificates.**

(a) The Trustee is hereby authorized and directed to prepare and execute and deliver or cause to be delivered to the 2021 Underwriter the 2021 Certificates, in an aggregate amount denominated as principal of $____,000. The 2021 Certificates shall evidence undivided proportionate interests in the Lease Agreement and in the Lease Payments and the Prepayments to be made pursuant thereto.

(b) Except as provided in Section 2.11 hereof, the Trustee shall not at any time while the Certificates are Outstanding execute and deliver additional certificates payable from the Lease Payments or secured by a lien and charge upon the Leased Property on a parity with or prior to the lien and charge securing the Outstanding Certificates hereunder.

**Section 2.2 Date of the 2021 Certificates**. Each 2021 Certificate shall bear the dated date of the date of initial execution and delivery thereof, and interest evidenced by each

2021 Certificate shall be payable from such dated date and then from the Interest Payment Date next preceding the date of execution thereof, unless (i) it is executed as of an Interest Payment Date, in which event interest evidenced thereby shall be payable from such date of execution or (ii) it is executed after a Regular Record Date and before the following Interest Payment Date, in which event interest evidenced thereby shall be payable from such Interest Payment Date; provided, however, that if, as of the date of execution of any 2021 Certificate, interest evidenced by any Outstanding 2021 Certificate is in default, interest evidenced by such 2021 Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding 2021 Certificates unless it is executed after a Special Record Date and before the following Special Interest Payment Date, in which event interest evidenced thereby shall be payable from the scheduled Interest Payment Date next preceding such date of execution.

In the event there are insufficient funds available on any Interest Payment Date to pay the interest then due on the 2021 Certificates, the Regular Record Date shall no longer be applicable with respect to the 2021 Certificates. If sufficient funds for the payment of such interest thereafter become available, the Trustee shall immediately establish a Special Interest Payment Date for the payment of the overdue interest and a Special Record Date for determining the Owners entitled to such payments. Notice of the establishment of any such Special Interest Payment Date and Special Record Date shall be mailed by the Trustee to each Owner not less than ten days before the Special Record Date nor more than 30 days before the Special Interest Payment Date. Such overdue interest shall be paid on the Special Interest Payment Date to the Owners of the 2021 Certificates as of the Special Record Date.

**Section 2.3 Terms of the 2021 Certificates**. The 2021 Certificates shall be executed and delivered only in fully registered form, without coupons, and shall be numbered from one upwards, in the order of their execution, with any other designation as the Trustee deems appropriate. The 2021 Certificates shall be in Authorized Denominations, except that no 2021 Certificate may evidence principal scheduled for payment on more than one date, and shall be payable as to principal on the dates and in the amounts, and interest evidenced thereby shall be computed at the rates, as shown below:

| Scheduled Payment Date (_____ 1) | Amount | Interest Rate |
|---|---|---|

Interest evidenced by the 2021 Certificates shall be payable on the Interest Payment Dates. Said interest shall represent the portion of Lease Payments designated as interest and paid during the six month or shorter period preceding each Interest Payment Date with respect to the 2021 Certificates. The proportionate share of the Lease Payments designated as interest with respect to any 2021 Certificate shall be computed by multiplying the portion of

the Lease Payments designated as principal evidenced by such 2021 Certificate by the rate of interest applicable to such 2021 Certificate (on the basis of a 360-day year consisting of twelve 30-day months).

**Section 2.4 Form of the 2021 Certificates**. The 2021 Certificates and the assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein with necessary or appropriate variations, omissions and insertions.

**Section 2.5 Execution**. The 2021 Certificates shall be executed by and in the name of the Trustee by the manual signature of an authorized officer or representative of the Trustee. If any such officer or representative whose signature appears on any 2021 Certificate ceases to be such officer or representative before the date of delivery thereof, such signature shall nevertheless be as effective as if the officer or representative had remained as such until such date of delivery. Any 2021 Certificate may be executed on behalf of the Trustee by such person as at the actual date of the execution of such 2021 Certificate shall be the proper officer or representative of the Trustee although at the nominal date of such 2021 Certificate such person shall not have been such officer or representative of the Trustee.

**Section 2.6 Application of Proceeds and Other Moneys**. The proceeds received by the Trustee from the sale of the 2021 Certificates shall forthwith be set aside by the Trustee in the following respective amounts and funds:

(a) $_____ into the Delivery Costs Fund; and

(b) $_____ into the Project Fund.

**Section 2.7 Registration, Transfer and Exchange of 2021 Certificates.**

(a) All 2021 Certificates executed and delivered hereunder shall be negotiable, subject to the provisions for registration and transfer thereof contained herein or in the 2021 Certificates.

(b) So long as any 2021 Certificates are Outstanding, the Trustee shall maintain at its designated office the Register and shall provide for the registration and transfer of any 2021 Certificate pursuant to such reasonable regulations as the Trustee may prescribe. The Trustee shall act as registrar for purposes of exchanging and registering 2021 Certificates in accordance with the provisions hereof.

(c) Each 2021 Certificate shall be transferable only upon the Register by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner thereof or his duly authorized attorney. Upon surrender for transfer of any 2021 Certificate, the Trustee shall authenticate and deliver, in the name of the transferee, one or more new 2021 Certificates of the same aggregate principal amount and scheduled payment date as the surrendered 2021 Certificate.

(d) Any 2021 Certificate, upon surrender thereof to the Trustee together with written instructions satisfactory to the Trustee, duly executed by the Owner thereof or his attorney duly authorized in writing, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of 2021 Certificates with the same scheduled payment date of any other Authorized Denominations.

(e) All 2021 Certificates surrendered in any exchange or transfer of 2021 Certificates shall forthwith be canceled by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

(f) In connection with any such exchange or transfer of 2021 Certificates, the Owner requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer, remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer.

(g) The Trustee may but shall not be obligated to exchange or register the transfer of any 2021 Certificate (i) that has been called or selected for call for prepayment in whole or in part, or (ii) during a period of 15 days preceding the giving of a notice of prepayment. If the transfer of any 2021 Certificate that has been called or selected for call for prepayment in whole or in part is registered, any notice of prepayment that has been given to the transferor shall be binding upon the transferee and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the 2021 Certificate or 2021 Certificates.

**Section 2.8 Mutilated, Lost, Destroyed and Stolen Certificates**. If (i) any mutilated 2021 Certificate is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any 2021 Certificate, and (ii) there is delivered to the Trustee such security or indemnity as may be required by the Trustee to hold it harmless, then, in the absence of written notice to the Trustee that such 2021 Certificate has been acquired by a bona fide purchaser and upon the Owner paying the reasonable expenses of the Trustee, the Trustee shall cause to be executed and shall authenticate and deliver, in exchange for such mutilated 2021 Certificate or in lieu of such destroyed, lost or stolen 2021 Certificate, a new 2021 Certificate of like principal amount, date and tenor. If the principal amount evidenced by any such mutilated, destroyed, lost or stolen 2021 Certificate has become, or will on or before the next Interest Payment Date become, due and payable, the Trustee may, in its discretion, pay such 2021 Certificate when due instead of delivering a new 2021 Certificate.

**Section 2.9 Payment**. Payment of interest evidenced by any 2021 Certificate on any Interest Payment Date or any Special Interest Payment Date shall be made to the person appearing on the Register as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date or, if applicable, the Special Record Date immediately preceding such Special Interest Payment Date, such interest to be paid by (i) check or draft mailed to such Owner at his address as it appears on the Register or at such other address as he may have filed with the Trustee for that purpose, or (ii) to any Owner of $1,000,000 or more in aggregate principal amount evidenced by 2021 Certificates as of the close of business of the Trustee on the Regular Record Date for a particular Interest Payment Date or, if applicable, the Special Record Date for a Special Interest Payment Date, by wire transfer in immediately

available funds sent (at such Owner's expense) on the Interest Payment Date or Special Interest Payment Date in accordance with written notice from such Owner containing the wire transfer address (which shall be in the United States) to which such Owner wishes to have such wire transfer directed, which written notice is received not later than ten days before the Regular Record Date with respect to such Interest Payment Date or, if applicable, the Special Record Date for a Special Interest Payment Date, it being understood that such notice may refer to multiple interest payments.

**Section 2.10 Execution of Documents and Proof of Ownership**. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by 2021 Certificate Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such 2021 Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of 2021 Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(i) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate of an officer of any bank or trust company located within the United States of America, which need not be acknowledged or verified. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership or limited liability company on behalf of such corporation, association, partnership or limited liability company, such certificate shall also constitute sufficient proof of his authority.

(ii) The fact of the ownership of 2021 Certificates by any person and the amount, the scheduled payment date and the numbers of such 2021 Certificates and the date of his holding the same shall be proved by the Register maintained pursuant to Section 2.7(b) hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated that the Trustee may deem sufficient. Any request or consent of the Owner of any 2021 Certificate shall bind every future Owner of the same 2021 Certificate in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

**Section 2.11 Execution and Delivery of Additional Certificates**. So long as no Event of Default or termination of the Lease Agreement pursuant to Section 4.2(b) of the Lease Agreement has occurred and will continue after execution and delivery of any Additional Certificates, the Trustee may execute and deliver, at the direction of the Lessee, Additional Certificates from time to time to provide funds to pay the costs of refunding Outstanding Certificates.

Before the Trustee shall deliver any Additional Certificates executed pursuant to a supplement authorized by Article X hereof, the following items shall have been received by the Trustee:

(i) Original executed counterparts of any amendments or supplements to the Lease Agreement and of this Trust Agreement entered into in connection with the execution and delivery of the Additional Certificates that are necessary or advisable, in the opinion of Special Counsel, to provide that the Additional Certificates will be executed and delivered in compliance with the provisions of this Trust Agreement.

(ii) A written opinion of Special Counsel, reasonably satisfactory to the Trustee, to the effect that (A) the documents submitted to the Trustee in connection with the request then being made comply with the requirements of this Trust Agreement, (B) any filings required to be made pursuant to Section 11.4 of this Trust Agreement have been made, and (C) all conditions precedent to the delivery of the Additional Certificates have been fulfilled.

(iii) A written opinion of Special Counsel (who also may be the counsel to whom or which reference is made in paragraph (ii) above), to the effect that when executed and delivered by the Trustee, the Additional Certificates will be valid and binding in accordance with their terms and will be secured hereunder equally and on a parity with all other Certificates at the time Outstanding hereunder as to the assignment to the Trustee of the amounts pledged hereunder.

(iv) A written opinion of Special Counsel (who also may be the counsel to whom or which reference is made in paragraph (ii) above), reasonably satisfactory to the Trustee, to the effect that any amendments or supplements to the Lease Agreement entered into in connection with the execution and delivery of the Additional Certificates have been duly authorized, executed and delivered by the Lessee, and that the Lease Agreement, as amended or supplemented, constitutes a legal, valid and binding obligation of the Lessee, enforceable in accordance with its terms, subject to exceptions reasonably satisfactory to the Trustee for bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion.

(v) Evidence that the Lessee has obtained the additional amount of insurance or self-insurance, if any, required to be maintained pursuant to Sections 5.3 and 5.4 of the Lease Agreement as a result of the execution and delivery of the Additional Certificates.

(vi) Evidence satisfactory to the Trustee of confirmation that the ratings on any Outstanding Certificates will remain the same, immediately after execution and delivery of the Additional Certificates.

When the documents listed above have been received by the Trustee, the Trustee shall execute and deliver the Additional Certificates to or on the order of the original purchaser thereof, but only upon payment of the agreed-upon purchase price for the Additional Certificates.

**Section 2.12 Book-Entry-Only System**. The 2021 Certificates shall be initially executed and delivered in the form of a single fully registered certificate for each scheduled principal payment date of the 2021 Certificates. Upon initial execution and delivery, the ownership of such 2021 Certificates shall be registered in the Register in the name of Cede & Co., as nominee of DTC, and except as hereinafter provided, all of the Outstanding 2021 Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to the 2021 Certificates registered in the Register in the name of Cede & Co., as nominee of DTC, the Trustee shall have no responsibility or obligation to any DTC Participant or to any Beneficial Owner, nor any responsibility or obligation to any DTC Participant, any Beneficial Owner or any other person claiming a beneficial ownership interest in the 2021 Certificates pursuant to or through DTC or any DTC Participant, or any other person with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the payment by DTC or any DTC Participant of any amount in respect of the 2021 Certificates, (iii) the giving of any notice that is permitted or required to be given to Owners pursuant to this Trust Agreement, or (iv) any consent given or other action taken by DTC as an Owner.

Notwithstanding any other provision of this Trust Agreement to the contrary, the Trustee shall be entitled to treat and consider the person in whose name each 2021 Certificate is registered in the Register as an absolute Owner of such 2021 Certificate for the purpose of payment, for the purpose of giving notices of prepayment with respect to any 2021 Certificate, for the purpose of registering transfers with respect to such 2021 Certificate, and for all other purposes whatsoever. The Trustee shall pay all principal, premium, if any, and interest evidenced by any 2021 Certificate only to or upon the order of the respective 2021 Certificate Owners, as shown in the Register as provided in this Trust Agreement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal, premium, if any, and interest evidenced by the 2021 Certificates to the extent of the sum or sums so paid. No person other than a 2021 Certificate Owner, as shown in the Register, shall receive a 2021 Certificate evidencing the obligation to make payments of principal, premium, if any, and interest pursuant to this Trust Agreement.

Notwithstanding any other provision of this Trust Agreement or the 2021 Certificates, so long as the 2021 Certificates are held in book-entry form and registered in the name of Cede & Co., as nominee or DTC, or registered in the name of any successor securities depository, or its nominee, the following provisions shall apply:

(i) Presentation of 2021 Certificates to the Paying Agent at prepayment or at scheduled payment date, or delivery of 2021 Certificates to the Paying Agent in connection with a purchase of tendered 2021 Certificates, shall be deemed made to the Paying Agent when the right to exercise ownership rights in the 2021 Certificates through DTC or a DTC Participant is transferred by DTC on its books.

(ii) DTC may present notices, approvals, waivers, votes or other communications required or permitted to be made by Owners pursuant to this Trust

Agreement on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the 2021 Certificates through DTC or DTC Participants.

The 2021 Certificate Owners have no right to a depository for the 2021 Certificates. Subject to the consent of DTC or the DTC Participants, the Lessee or the Trustee may remove DTC or any successor thereto for any reason at any time. In such event, the Trustee shall (i) appoint a successor securities depository qualified to act as such pursuant to Section 17(i) of the Securities Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate 2021 Certificates to such successor securities depository, or (ii) notify DTC of the availability through DTC of 2021 Certificates and transfer one or more separate 2021 Certificates to DTC Participants having 2021 Certificates credited to their DTC accounts as directed by DTC. In such event, the 2021 Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving 2021 Certificates shall designate, in accordance with the provisions of this Trust Agreement. The Lessee and the Trustee may conclusively rely upon (i) a certificate of the DTC as to the identity of the DTC Participants and (ii) a certificate of such DTC Participants as to the identity of, and the respective principal amounts of 2021 Certificates beneficially owned by, the beneficial owners.

The Trustee and the Lessee may execute the letter of representations in connection with the execution and delivery of the 2021 Certificates. The letter of representation is for the purpose of effectuating the book-entry-only system only and shall not be deemed to amend, supersede or supplement the terms of this Trust Agreement that are intended to be complete without reference to the letter of representation. In the event of any conflict between the terms of the letter of representations and the terms of this Trust Agreement, the terms of this Trust Agreement shall control. DTC may exercise the rights of a 2021 Certificate Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

## ARTICLE III

## PROJECT FUND AND DELIVERY COSTS FUND

**Section 3.1 Project Fund**. The Trustee shall establish a special fund designated the "*Project Fund*". The Trustee shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided herein and in the Lease Agreement. Proceeds from the sale of the 2021 Certificates shall be deposited in the Project Fund as described in Section 2.6(b) hereof.

The Trustee shall make disbursements from the Project Fund to pay or reimburse any Costs that may be approved as provided herein. Each of the payments referred to in this Section 3.1 shall be made only upon a written order signed by the Lessee Representative substantially in the form attached hereto as Exhibit B entitled "Order for Disbursement." The Trustee may rely conclusively on any such Order for Disbursement received and shall have no obligation to make an independent investigation in connection therewith. Any amount remaining in the Project Fund on _____ 1, 2024, and after provision for payment of any necessary and

related Costs as authorized herein which are then due and payable, shall be immediately transferred to the Lease Payment Fund.

The Trustee shall be responsible for the safekeeping and investment, upon the written direction of the Lessee Representative, of the moneys held in the Project Fund in Permitted Investments and the disbursement thereof in accordance with this Section. Notwithstanding the foregoing, the Trustee shall be entitled to rely conclusively on the requisitions and written orders supplied to it by any Lessee Representative in connection with disbursements made pursuant to this Section.

**Section 3.2 Delivery Costs Fund**. The Trustee shall establish a special fund designated the *"Delivery Costs Fund."* The Trustee shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided herein and in the Lease Agreement. Proceeds from the sale of the 2021 Certificates shall be deposited in the Delivery Costs Fund as described in Section 2.6(a) hereof.

The Trustee shall make disbursements from the Delivery Costs Fund only upon a requisition signed by the Lessee Representative, substantially in the form attached hereto as Exhibit B entitled "Order for Disbursement", setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the person or persons to whom such amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund. The Trustee may rely conclusively on any such Order for Disbursement received and shall have no obligation to make an independent investigation in connection therewith. Amounts remaining in the Delivery Costs Fund after _____ 1, 2021, or such earlier date as the Lessee has notified the Trustee that all Delivery Costs relating to the 2021 Certificates have been paid, shall be transferred to the Lease Payment Fund.

The Trustee shall be responsible for the safekeeping and investment, upon the written direction of the Lessee Representative, of the moneys held in the Delivery Costs Fund in Permitted Investments and the disbursement thereof in accordance with this Section. Notwithstanding the foregoing, the Trustee shall be entitled to rely conclusively on the requisitions and written orders supplied to it by the Lessee Representative in connection with disbursements made pursuant to this Section.

## ARTICLE IV

## PREPAYMENT OF 2021 CERTIFICATES

**Section 4.1 Right to Prepay Certificates**. The 2021 Certificates shall be subject to prepayment at such times, to the extent and in the manner provided herein.

**Section 4.2 Prepayment**.

(a) The 2021 Certificates scheduled for payment on or after _____ 1, 20__, are subject to optional prepayment prior to such dates, at the direction of the Lessee, on any date on or after _____ 1, 20__, in whole or in part, in any order designated by the Lessee (or by the Trustee by lot in the event that no designation accompanies the direction of the Lessee

to prepay the 2021 Certificates pursuant to this Section 4.2(a)) and by lot within a scheduled payment date, at a prepayment price equal to the principal amount evidenced by the 2021 Certificates to be prepaid plus interest accrued with respect thereto to the date fixed for prepayment, without premium.

(b) (1) The 2021 Certificates scheduled for payment on _____ 1, 20__ shall be subject to mandatory prepayment prior to their stated payment dates on _____ 1 of the years set forth below and in the amounts set forth below, at a prepayment price equal to the principal amount thereof plus interest accrued to the date fixed for prepayment, without premium.

| Prepayment Date | Principal Amount |
|---|---|

*

* Stated Payment Date

(2) Whenever 2021 Certificates subject to mandatory prepayment are purchased, redeemed (other than because of mandatory prepayment) or are delivered by the Lessee to the Trustee for cancellation, the principal amount of the 2021 Certificates represented thereby so retired shall satisfy and be credited against the mandatory prepayment therefor in any order specified by the Lessee.

(c) The 2021 Certificates are subject to prepayment on any _____ 1 or _____ 1, in whole or in part, from the Net Proceeds, which Net Proceeds have been deposited in the Lease Payment Fund and credited towards the Prepayment made by the Lessee pursuant to Section 10.3 of the Lease Agreement, in any order designated by the Lessee (or by the Trustee by lot in the event that no such designation is received by the Trustee at the time such Net Proceeds are deposited with the Trustee) and by lot within a scheduled payment date, at a prepayment price equal to the principal amount evidenced by the 2021 Certificates to be prepaid plus accrued interest with respect thereto to the date fixed for prepayment, without premium.

**Section 4.3 Selection of Certificates to be Prepaid**. If less than all of the 2021 Certificates of the same scheduled payment date are to be prepaid hereunder, the Lessee may timely select the 2021 Certificates to be prepaid or, if the Lessee does not so select, the Trustee shall select the 2021 Certificates to be prepaid by lot or in such other manner as the Trustee shall deem fair. In making such selection, the Trustee shall treat each 2021 Certificate as evidencing that number of 2021 Certificates of $5,000 denominations as is obtained by dividing the principal amount evidenced by such 2021 Certificate by $5,000.

**Section 4.4 Partial Prepayment of Certificates**. Upon the selection and call for prepayment of, and the surrender of, any 2021 Certificate for prepayment in part only, the Trustee shall cause to be executed and delivered to or upon the written order of the Owner thereof, at the expense of the Lessee, a new 2021 Certificate or 2021 Certificates of Authorized Denominations in an aggregate principal amount equal to the unprepaid portion of the 2021 Certificate surrendered, in accordance with instructions received from the Owner thereof, with one 2021 Certificate being delivered in the absence of such instructions.

**Section 4.5 Effect of Call for Prepayment**. On the date designated for prepayment by notice given as herein provided, the 2021 Certificates so called for prepayment shall become and be payable at the prepayment price provided for prepayment of such 2021 Certificates on such date. If on the date fixed for prepayment moneys for payment of the prepayment price and accrued interest are held by the Trustee as provided herein, interest evidenced by the 2021 Certificates so called for prepayment shall cease to accrue, such 2021 Certificates shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Trustee and the amount of such 2021 Certificates so called for prepayment shall be deemed paid and no longer Outstanding.

**Section 4.6 Notice of Prepayment.**

(a) Whenever prepayment of 2021 Certificates is to be made, the Trustee shall give notice of the prepayment of such 2021 Certificates, which notice shall specify the prepayment date, the prepayment price and the place or places where such prepayment price will be payable and, if less than all of the 2021 Certificates are to be prepaid, the numbers or other distinguishing marks of such 2021 Certificates so to be prepaid, and, in the case of 2021 Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amounts thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable upon each 2021 Certificate to be prepaid the price of such 2021 Certificate or the specified portion thereof in the case of a 2021 Certificate to be prepaid in part only, together with interest accrued to the prepayment date, and that from and after such date interest thereon shall cease to accrue and be payable on such 2021 Certificate or portion thereof so to be prepaid. In the case of an optional prepayment pursuant to Section 4.2(a) hereof, such notice shall further state that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the prepayment, with the Trustee no later than the prepayment date and such notice and optional prepayment shall be of no effect if such moneys are not so deposited.

(b) Such notice shall be given by mailing a copy of such notice, first class United States mail postage prepaid, not less than 30 days nor more than 60 days before the prepayment date, to all Owners of any 2021 Certificates or portions of 2021 Certificates that are to be prepaid at their last addresses appearing upon the Register, but failure so to mail any such notice, or a defect in such notice, as to any 2021 Certificate shall not affect the validity of the proceedings for the prepayment of any other 2021 Certificate.

(c) In addition to the notice called for in subsections (a) and (b), further notice shall be given by the Trustee as set out below, but no defect in said further notice or any failure to give all or any portion of such further notice shall in any manner defeat the

effectiveness of a call for prepayment or result in a breach of trust by the Trustee of notice thereof given as above prescribed:

(i) Each further notice of prepayment given hereunder shall contain the information required above for an official notice of prepayment plus (A) the CUSIP numbers of all 2021 Certificates being prepaid; (B) the date of execution and delivery of the 2021 Certificates as originally executed and delivered; (C) the rate of interest borne by each 2021 Certificate being prepaid; (D) the specified principal payment date of each 2021 Certificate being prepaid; and (E) any other descriptive information needed to identify accurately the 2021 Certificates being prepaid.

(ii) Each further notice of prepayment shall be sent at least 35 days before the prepayment date, by Electronic means, to all registered securities depositories that are registered owners of the 2021 Certificates then in the business of holding substantial amounts of obligations of types such as the 2021 Certificates (such as, at the time of execution and delivery of this Trust Agreement, DTC) and to one or more national information services that disseminate notices of prepayment of obligations such as the 2021 Certificates (such as, at the time of execution and delivery of this Trust Agreement, the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board).

(d) A second notice of prepayment shall be given within 60 days after the prepayment date in the manner required above to each of the Owners of the 2021 Certificates designated for prepayment that have not been presented for payment within 30 days after the prepayment date.

## ARTICLE V

## LEASE PAYMENTS; LEASE PAYMENT FUND

**Section 5.1 Rights in Lease Agreement**. The Trustee acknowledges and agrees that its right, title and interest as lessor in and to the Lease Agreement, including but not limited to the rights of the Lessor to receive and collect Lease Payments, Additional Rent, Prepayments and any other amounts required to be deposited in the Lease Payment Fund, is held in trust pursuant to the provisions hereof. All Lease Payments, Additional Rent and Prepayments to which the Trustee, as lessor, may at any time be entitled shall be received, held and disposed of by the Trustee pursuant to the provisions of this Trust Agreement for the benefit of the Owners from time to time of the Certificates.

**Section 5.2 Establishment of Lease Payment Fund**. The Trustee shall establish a special fund designated the *"Lease Payment Fund."* All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the Lessee nor the Lessor shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

**Section 5.3 Deposits**. There shall be deposited in the Lease Payment Fund all Lease Payments and Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 4.4 or Articles VI, IX or X of the Lease Agreement, all income and gain on investments of the Lease Payment Fund and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Trust Agreement.

**Section 5.4 Application of Moneys**. All amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal, interest and prepayment premiums (if any) with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II and Article IV hereof.

**Section 5.5 Transfers of Investment Earnings to Lease Payment Fund**. All income and gain on investments of the Project Fund shall be retained therein until the completion of the financing of the Project, and any balance in the Project Fund on such date shall be transferred to the Lease Payment Fund. All income and gain on investments of the Delivery Costs Fund shall be retained therein until _____ 1, 2021, and any balance in the Delivery Costs Fund on such date shall be transferred to the Lease Payment Fund.

**Section 5.6 Surplus**. Any surplus remaining in the Lease Payment Fund, after prepayment and payment of all Certificates, including premiums and accrued interest (if any) and payment of any Additional Rent, or provision for such prepayment or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Lessee.

## ARTICLE VI

## [RESERVED TO PRESERVE NUMBERING SCHEME]

## ARTICLE VII

## INSURANCE AND CONDEMNATION FUND; INSURANCE; EMINENT DOMAIN

**Section 7.1 Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award**. Any Net Proceeds of insurance against accident to or destruction of any structure constituting any part of the Leased Property collected by the Lessee in the event of any such accident or destruction shall be transferred to the Trustee pursuant to Section 6.2 of the Lease Agreement and deposited by the Trustee in a special fund designated the "*Insurance and Condemnation Fund*" to be applied and disbursed by the Trustee as provided in Section 6.2(a) of the Lease Agreement.

**Section 7.2 Application of Net Proceeds of Eminent Domain Award**. If all or any part of the Leased Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.2(b) of the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(i) If the Trustee determines, based upon a report of an independent engineer or other independent professional, that (A) such eminent domain proceedings have not materially affected the operation of any of the Leased Property or the ability of the Lessee to meet any of its obligations pursuant to the Lease Agreement, and (B) that such proceeds are not needed for repair or rehabilitation of the Leased Property, the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited towards the Prepayments required to be paid pursuant to Section 10.3 of the Lease Agreement and applied to the prepayment of Certificates in the manner provided in Article IV hereof.

(ii) If the Trustee determines, based upon a report of an independent engineer or other independent professional, that (A) such eminent domain proceedings have not materially affected the operation of any of the Leased Property or the ability of the Lessee to meet any of its obligations pursuant to the Lease Agreement, and (B) such proceeds are needed for repair, rehabilitation or replacement of the Leased Property, the Trustee shall pay to the Lessee, or to its order, from said proceeds such amounts as the Lessee may expend for such repair, rehabilitation or replacement, upon the filing of requisitions of the Lessee Representative, certificates of architects or engineers and other documents as the Trustee may at its discretion request. The Trustee may rely conclusively on any such requisition received and shall have no obligation to make an independent investigation in connection therewith.

(iii) If (A) less than all of the Leased Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the Trustee determines, based upon a report of an independent engineer or other independent professional, that such eminent domain proceedings have materially affected the operation of any of the Leased Property, or (B) all of the Leased Property shall have been taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the Prepayment required to be paid pursuant to Section 10.3 of the Lease Agreement and applied to the prepayment of Certificates in the manner provided in Article IV hereof.

The Lessee shall be required to obtain, at its own expense, and provide to the Trustee the report of an independent engineer or other independent professional consultant before the Trustee is required to make any determination pursuant to this Section 7.2. Any such determination by the Trustee shall be made within 45 days after the conclusion of such eminent domain proceeding and shall be final.

**Section 7.3 Cooperation**. The Trustee shall cooperate fully with the Lessee at the request and expense of the Lessee in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any part thereof.

## ARTICLE VIII

## MONEYS IN FUNDS; INVESTMENT

**Section 8.1 Held in Trust**. The moneys and investments held by the Trustee pursuant to this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Certificates, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Lessor, the Trustee or the Lessee or any Owner of Certificates.

**Section 8.2 Investments Authorized**. Permitted Investments acquired hereunder, if registrable, shall be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee is specifically authorized to purchase or invest in shares of any investment company provided that such investments are Permitted Investments and at the time of such investment, such investment company (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation), (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, and (iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

**Section 8.3 Accounting**. The Trustee shall quarterly, or at such other intervals as the Trustee and the Lessee shall from time to time agree upon (but in no event less frequently than semiannually or more frequently than monthly), prepare and furnish to the Lessee an accounting of all moneys received and all payments, expenditures and investments made by the Trustee hereunder since the last previous accounting. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Sections 8.2 and 8.6 hereof. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the District shall confirm that the investment transactions identified therein accurately reflect the investment directions of the District, unless the District notifies the Trustee in writing to the contrary within thirty (30) days of the date of such statement.

**Section 8.4 Allocation of Earnings**. Any loss on investments shall be charged to the respective funds from which such investments were made, and any interest, income or profit on any deposit of funds shall be deposited and transferred as provided in Sections 5.3 and 5.5 hereof.

**Section 8.5 Valuation and Disposition of Investments**. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be

valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. The Trustee shall value certificates of deposit and bankers' acceptances at the face amount thereof plus accrued interest thereon. The value of any investment not specified above shall be established by prior agreement among the Lessee and the Trustee.

The Trustee may sell at the best price reasonably obtainable, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

**Section 8.6 Deposit and Investment of Moneys in Funds.**

(a) Moneys in all funds held by the Trustee shall be invested by the Trustee, as soon as possible upon receipt of immediately available funds at its designated office, to the fullest amount possible in Permitted Investments as directed, in writing, by the Lessee; provided that the maturity date or the date on which such Permitted Investments may be prepaid at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the funds for which the investments were made will be required for the purposes thereof. In the absence of direction from the Lessee, the Trustee shall invest in investments permitted pursuant to paragraph (f) of the definition of Permitted Investments.

(b) Amounts credited to a fund may be invested, together with amounts credited to one or more other funds, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund for which the joint investment is made, and (ii) the Trustee maintains separate records for each fund and such investments are accurately reflected therein.

(c) The Trustee may make any investment permitted by this Section, through or with its own investment department or that of its affiliates or subsidiaries, unless otherwise directed by the Lessee, and may charge its ordinary and customary fees for such trades, including cash sweep account fees.

(d) The Trustee shall sell at the best price reasonably obtainable, or present for prepayment, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund for which such investment was made.

**Section 8.7 Liability of Trustee for Investments**. The Trustee shall not be liable for any loss resulting from the making of any investment made in accordance with the provisions hereof, except for its own negligence, willful misconduct or breach of trust.

## ARTICLE IX

## THE TRUSTEE

**Section 9.1 Certain Duties and Responsibilities.**

(a) Except during the continuance of an Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement, the Lease Agreement and the Ground Lease (collectively referred to herein as the "*Agreements*"), and no implied covenants or obligations shall be read into the Agreements against the Trustee; and

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

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement and the other Agreements, including those described in (a) above, and use the same degree of care and skill in their exercise, as a prudent corporate indenture trustee would exercise or use under the circumstances in the conduct of such person's own affairs in exercising the rights or remedies or performing any of its duties hereunder.

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

(i) This subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) The Trustee shall not be liable for any error of judgment made in good faith and without negligence by a chairman or vice-chairman of the board of directors, the chairman or vice-chairman of the executive committee of the board of directors, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any cashier or assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence in accordance with

the direction of the Owners of the Outstanding Certificates as provided herein relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, pursuant to this Trust Agreement or the other Agreements; and

(iv) Except for the obligation (A) to make payment of principal, interest, or premium, if any, evidenced by the Certificates to the Owners thereof pursuant to Section 5.4 hereof or (B) to notify the Owners of any Event of Default pursuant to Section 13.9 hereof, no provision of this Trust Agreement or the other Agreements shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties hereunder or thereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity or other assurance against such risk or liability is not reasonably assured to it. Without limiting the generality of the foregoing, such other assurance may include, but shall not be limited to, environmental audits or other evidence satisfactory to the Trustee that it will not incur liability by reason of any remedial action taken pursuant hereto. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the Lessee for all reasonable costs, expenses, including attorneys' fees and expenses, and other fees, and all other reasonable disbursements, including its own fees, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence, willful misconduct or breach of trust.

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

(e) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("*unavoidable delay*") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(f) The Trustee shall accept and act upon facsimile transmissions of written instructions and/or directions pursuant to this Trust Agreement provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions and (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions.

**Section 9.2 Certain Rights of Trustee**. Except as otherwise provided in Section 9.1 hereof:

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of the Lessee mentioned herein shall be sufficiently evidenced by a certificate of a Lessee Representative, and any action of the District Board of the Lessee may be sufficiently evidenced by a copy of a resolution certified by the Clerk of the District Board of the Lessee to have been duly adopted by the District Board of the Lessee and to be in full force and effect on the date of such certification and delivered to the Trustee.

(c) Whenever in the administration of this Trust Agreement the Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely conclusively upon a certificate of a Lessee Representative.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of any of the Certificate Owners pursuant to this Trust Agreement, unless such Certificate Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(e) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(f) The Trustee may engage agents and attorneys to assist it in executing any of the trusts or powers hereunder or performing any duties hereunder or pursuant to the other Agreements and shall not be liable for the negligence or misconduct of such agents and attorneys so long as the Trustee exercises due care in the selection thereof.

(g) The Trustee may consult with counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder or pursuant to the other Agreements in good faith and in reliance thereon.

(h) The Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given or held by it. The Trustee shall not be responsible for the recording or filing of any document relating to the Agreements or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect liens

or security interests. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

(i) The Trustee shall have no responsibility with respect to any information, statement or recital in any preliminary official statement, official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Certificates.

(j) Notwithstanding any other provision of this Trust Agreement to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it is deemed to be in its capacity as Trustee, Registrar, or Paying Agent.

(k) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to the extent permitted by law, to inspect any and all books, papers and records of the City pertaining to the Leased Property and the Certificates, and to take such memoranda from and in regard thereto as may be desired.

**Section 9.3 Employment of Experts**. The Trustee is hereby authorized to employ as its agents such attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Trustee), as it reasonably may deem necessary to assist it to carry out any of its obligations hereunder or pursuant to the other Agreements, and shall be reimbursed by the Lessee for all reasonable expenses and charges in so doing.

**Section 9.4 Environmental Matters**. The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its discretion, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

**Section 9.5 Enforcement of Performance by Others**. It shall not be the duty of the Trustee, except as herein provided, to ascertain or inquire whether any duties and obligations herein or in the applicable Agreements imposed upon the Lessee are performed or whether the terms and conditions thereof are observed.

**Section 9.6 Right to Deal in Certificates and Take Other Actions**. The Trustee may, in its individual or other capacity, in good faith buy, sell or hold and deal in any Certificates with like effect as if it were not such Trustee and may commence or join in any action that an Owner is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof is to be construed to limit or restrict the right of the Trustee to engage in such business with the Lessee or any Owner. So engaging in such business shall not constitute a breach of trust

on the part of the Trustee, but neither shall engaging in such business abrogate, alter or diminish any duty or obligation of the Trustee as Trustee hereunder.

**Section 9.7 Removal and Resignation of the Trustee**. The Trustee may resign at any time, or may be removed at any time by an instrument or instruments in writing signed by the Lessee or the Owners of not less than a majority in Aggregate Value of the Certificates. Written notice of such resignation or removal shall be given by the Trustee to the Lessee and such resignation or removal shall take effect only upon the appointment and qualification of a successor Trustee. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation is given, the Trustee or the Lessee may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the Lessee shall be entitled to appoint a successor Trustee, unless an Event of Default has occurred and is continuing.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall (i) be a trust company or bank in good standing in the State, (ii) be duly authorized to exercise trust powers in the State and subject to examination by a Federal or state authority, and (iii) maintain a reported capital and surplus of not less than $75,000,000.

Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Lessee an instrument in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall, upon payment of the fees and expenses owed to the predecessor, execute and deliver an instrument transferring to such successor Trustee all the rights, power and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible as a successor Trustee pursuant to this Section 9.6 in the case of the Trustee, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

**Section 9.8 Proof of Claim**. The Trustee shall have the right and power to take actions in the name and place of the Lessee or Owners to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any

amount recovered as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all of the Owners.

**Section 9.9 Trustee's Fees and Expenses**. The Lessee shall (i) pay as Additional Rent to the Trustee reasonable compensation for all ordinary services rendered by it hereunder and pursuant to the other Agreements (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), (ii) in the event that it should become necessary for the Trustee to perform extraordinary services, reimburse as Additional Rent the Trustee upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Trust Agreement and the other Agreements (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct or breach of trust, and (iii) to the extent permitted by applicable law, indemnify and hold the Trustee harmless for, from and against any loss, liability or expense, arising out of or in connection with the acceptance or administration of this trust or its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder; provided, however, that such indemnification shall not extend to claims successfully brought against the Trustee for, or losses, liabilities or expenses incurred as a result of, the Trustee's negligence, bad faith, willful misconduct or breach of trust. The Trustee's rights to compensation, reimbursement and indemnity while serving as Trustee hereunder and in its respective capacity pursuant to the other Agreements shall survive resignation or removal of the Trustee or discharge of the Trust Agreement and the other Agreements.

Any provision hereof to the contrary notwithstanding, if the Lessee fails to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties or for which the Trustee is entitled to indemnity, the Trustee may reimburse itself from any surplus moneys on hand in any fund created pursuant hereto, provided that application of funds upon an Event of Default shall be governed by Section 13.3 hereof.

**Section 9.10 Intervention by Trustee**. The Trustee may, and shall intervene, if requested by an instrument or instruments in writing signed by the Owners of not less than a majority in Aggregate Value of the Certificates, in any judicial proceeding to which the Lessee is a party and that in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Owners of the Certificates. The rights and obligations of the Trustee pursuant to this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it in accordance with Section 9.1 hereof before it takes action hereunder.

**Section 9.11 Destruction of Certificates**. Upon payment of or surrender to the Trustee for cancellation of any Certificate, the Trustee shall destroy such Certificate in accordance with its customary practices and applicable retention laws.

**Section 9.12 Separate or Co-Trustee**. At any time or times, solely for the purpose of meeting the legal requirements of any jurisdiction, the Lessee and the Trustee shall have power to appoint, and, upon the request of the Trustee or the Owners of at least a majority in Aggregate Value of Certificates then Outstanding, the Lessee shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more persons, approved by the Trustee and, unless an Event of Default has occurred and is continuing by the Lessee, either to act as co-trustee or co-trustees, jointly with the Trustee of all or any part of the pledged property, or to act as separate trustee or separate trustees of all or any part of the pledged property, and to vest in such person or persons, in such capacity, such title to the pledged property or any part thereof, and such rights, powers, duties, trusts or obligations as the Lessee and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

If the Lessee shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

The Lessee shall execute, acknowledge and deliver all such instruments as may reasonably be required by any such co-trustee or separate trustee for more fully and certainly vesting in such co-trustee or separate trustee the property, rights, powers and duties intended to be vested in such co-trustee or separate trustee. The Lessee shall be under no obligation to prepare any such instruments.

Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(i) The Certificates shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations hereby conferred upon the Trustee in respect to the custody, control and management of moneys, papers, securities and other personal property shall be exercised solely by the Trustee.

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, pursuant to the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(iii) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee and such co-trustee or separate trustee shall abide by such request.

(iv) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(v) The Trustee may at any time, by any instrument in writing, with the concurrence of the Lessee, accept the resignation of or remove any co-trustee or separate trustee appointed pursuant to this Section, and, in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Lessee. Upon the request of the Trustee, the Lessee shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. The Lessee shall be under no obligation to prepare, record or file any such instruments or agreements.

(vi) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, nor will the act or omission of any trustee hereunder be imputed to any other trustee.

(vii) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(viii) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it shall be vested jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) with such title to the pledged property or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment subject to all the terms hereof. Every such acceptance shall be filed with the Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Trustee, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the pledged property, and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

**Section 9.13 Recitals and Representations**. The recitals, statements and representations contained herein, in the Lease Agreement, the Ground Lease or in any certificate (excluding the Trustee's execution of the Certificates or any recitals or representations concerning the Trustee or its powers) shall not be taken or construed as made by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof, of the Certificates, or the validity or sufficiency of insurance to be provided or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such security. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys that shall be released or withdrawn in accordance with the provisions hereof. The Trustee shall have no duty of inquiry with respect to any default or Events of Default described herein without actual knowledge of or receipt by the Trustee of written notice of a default or an Event of Default from the Lessee or any Owner. As used herein, "*actual knowledge*" means the actual fact or state of knowing without any duty to make investigations with regard thereto.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed in connection with the execution and delivery of the Certificates.

## ARTICLE X

## MODIFICATION OR AMENDMENT OF AGREEMENTS

**Section 10.1 Amendments Permitted**. This Trust Agreement, the rights and obligations of the Owners of the Certificates, the Lease Agreement and the Ground Lease, and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement that shall become effective when the Owners of a majority in Aggregate Value of the Certificates, exclusive of Certificates disqualified as provided in Section 10.3 hereof, shall have been filed with the Trustee; provided, however, that no such modification or amendment shall (i) extend or have the effect of extending the scheduled principal payment date of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, reducing the amount of principal evidenced thereby or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate, (ii) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Lease Agreement or this Trust Agreement, or (iii) modify any of the rights or obligations of the Trustee without its written assent thereto without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 10.2 hereof.

This Trust Agreement, the rights and obligations of the Owners of the Certificates, the Lease Agreement and the Ground Lease, and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any Owners of the Certificates, but only to the extent permitted by law and only (w) to add to the covenants and agreements of any party other covenants to be observed or to surrender any right or power herein reserved to the Lessor or the Lessee, (x) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, (y) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and that shall not, in the judgment of the Trustee, materially adversely affect the interests of the Owners of the Certificates, or (z) to provide additional terms and conditions in

connection with the execution and delivery of Additional Certificates in accordance with Section 2.11 hereof and that shall not, in the opinion of Special Counsel, materially adversely affect the interests of the Owners of the Certificates. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be.

**Section 10.2 Procedure for Amendment with Written Consent of Certificate Owners**. This Trust Agreement, the Lease Agreement and the Ground Lease may be amended by supplemental agreement as provided in this Section 10.2 in the event the consent of the Owners of the Certificates is required pursuant to Section 10.1 hereof. A copy of such supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by first class United States mail postage prepaid by the Trustee to each Owner of a Certificate at his address as set forth on the Certificate Register maintained pursuant to Section 2.7(b) hereof, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners of a majority in Aggregate Value of the Certificates (exclusive of Certificates disqualified as provided in Section 10.3 hereof) and a notice shall have been mailed as hereinafter in this Section provided. The consent of an Owner of a Certificate shall be effective only if ownership of the Certificates for which such consent is given is proved in accordance with Section 2.10 hereof. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee before the date when the notice hereinafter in this Section provided for has been mailed.

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

**Section 10.3 Disqualified Certificates**. Neither Certificates owned or held by or for the account of the Lessee or by any person directly or indirectly controlled by, or under direct or indirect common control with, the Lessee (except any Certificates held in any pension

or retirement fund) shall be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement and shall not be entitled to vote upon, consent to or take any other action provided for in this Trust Agreement; provided that only Certificates which the Trustee knows to be so owned shall be disregarded unless all Certificates are owned by the Lessee or any affiliate thereof and/or held by the Trustee for the account of the Lessee and/or an affiliate thereof, in which case such Certificates shall be considered Outstanding for the purpose of such determination.

**Section 10.4 Effect of Supplemental Agreement**. From and after the time any supplemental agreement becomes effective pursuant to this Article X, this Trust Agreement, the Lease Agreement or the Ground Lease, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement, the Lease Agreement or the Ground Lease, as the case may be, for any and all purposes.

The Trustee may require each Certificate Owner, before his consent provided for in this Article X shall be deemed effective, to certify that the Certificates as to which such consent is given are not disqualified as provided in Section 10.3 hereof.

**Section 10.5 Endorsement or Replacement of Certificates Delivered After Amendments**. The Trustee may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Certificate Outstanding at such effective date and presentation of his Certificate for such purpose at the designated corporate trust office of the Trustee, a suitable notation shall be made on such Certificate. The Trustee may determine that the delivery of substitute Certificates, so modified as in the opinion of the Trustee is necessary to conform to such Certificate Owners' action, is necessary and such substitute Certificates shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such substitute Certificate shall be exchanged at the designated corporate trust office of the Trustee, without cost to such Owner, for a Certificate of the same character then Outstanding, upon surrender of such Outstanding Certificate.

**Section 10.6 Amendatory Endorsement of Certificates**. The provisions of this Article X shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that proper notation thereof is made on such Certificates.

## ARTICLE XI

## COVENANTS

**Section 11.1 Compliance With and Enforcement of Lease Agreement**. The Lessee covenants and agrees with the Owners of the Certificates to perform all obligations and

duties imposed on it pursuant to the Lease Agreement. The Trustee, as lessor pursuant to the Lease Agreement, covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it pursuant to the Lease Agreement.

Subject to Section 4.2(b) of the Lease Agreement, the Lessee shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease Agreement by the Lessor thereunder. The Lessee, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting its estate in the Leased Property, which may or can in any manner affect such estate of the Lessee, will deliver the same, or a copy thereof, to the Trustee.

**Section 11.2 Observance of Laws and Regulations**. The Lessee shall well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract or prescribed by any law of the United States, of the State or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Lessee, including its right to exist as a body corporate pursuant to the laws of the State, to the end that such rights, privileges and franchises shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

**Section 11.3 Prosecution and Defense of Suits**. The Lessee shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and, to the extent permitted by law, shall indemnify and save the Trustee and every Certificate Owner harmless for, from and against all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

**Section 11.4 Recordation and Filing**. Except as provided in Section 14.11, the Lessee shall record and file the Lease Agreement, and all such documents as may be required by law (and shall take all further actions that may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

**Section 11.5 Further Assurances**. The Trustee and the Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Lease Agreement, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

**Section 11.6 Action Upon Termination of Lease**. In the event the Lease Agreement is terminated pursuant to Section 4.2(b) thereof, the Trustee shall take possession of the Leased Property on the day following the 45-day reinstatement period provided in Section 4.2(c) of the Lease Agreement or seek a judicial order excluding, or take other action preventing,

the Lessee from using the Leased Property and use its best efforts to re-let or sell the same. This covenant shall be enforceable by the Owners (subject to the requirements set forth in Section 13.8 hereof).

## ARTICLE XII

## LIMITATION OF LIABILITY

**Section 12.1 Limited Liability of Lessee**. Except for the payment of Lease Payments and Prepayments when due in accordance with the Lease Agreement, the payment of Additional Rent and the performance of the other covenants and agreements of the Lessee contained in said Lease Agreement, including the payment of fees and expenses and indemnities of the Trustee, the Lessee shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee.

**Section 12.2 No Liability of the Lessee for Trustee Performance**. The Lessee shall not have any obligation or liability to any of the Trustee or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it pursuant to this Trust Agreement.

**Section 12.3 Indemnification**. To the extent permitted by law, the Lessee agrees to indemnify and save the Trustee harmless for, from and against (i) all claims, suits and actions brought against it, or to which it is made a party, and from all losses and damages and expenses, including attorneys fees, suffered or incurred by it as a result thereof, where and to the extent such claim, suit or action arises out of the actions of any other party to this Trust Agreement including but not limited to the ownership, operation or use of the Leased Property by the Lessee, and (ii) any taxes required to be paid by the Trustee as a result of the receipt of any amounts pursuant to the Lease Agreement. Such indemnification shall not extend to claims, suits and actions successfully brought against the Trustee for failure to perform and carry out the duties specifically imposed upon and to be performed by it pursuant to this Trust Agreement or for claims, suits and actions successfully brought for willful misconduct, negligence, or breach of duty pursuant to this Trust Agreement by the Trustee or its respective officers, agents, employees, successors or assigns. In the event the Lessee is required to indemnify the Trustee as herein provided, the Lessee shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

**Section 12.4 Opinion of Counsel**. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, Trustee shall be absolutely protected in relying thereon so long as the Trustee exercises due care in the selection of such counsel.

**Section 12.5 Limitation of Rights to Parties and Certificate Owners**. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall

be construed to give any person other than the Lessee, the Trustee and the Owners of the Certificates, any legal or equitable right, remedy or claim pursuant to or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Lessee, the Trustee and said Owners.

**Section 12.6 No Liability of the Trustee for Payment of Lease Payments by Lessee**. Except as expressly provided herein, the Trustee shall have no obligation or liability to the Owners of the Certificates with respect to the payment of the Lease Payments by the Lessee when due, or with respect to the performance by the Lessee of any other covenant made by it in the Lease Agreement or the Ground Lease.

## ARTICLE XIII

## EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

**Section 13.1 Rights Pursuant to the Lease**. The Trustee has the right to exercise such rights and remedies conferred on the Lessor pursuant to the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments, Additional Rent, Prepayments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise to exercise the Lessor's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

**Section 13.2 Remedies**. If an Event of Default or termination pursuant to Section 4.2(b) of the Lease Agreement, shall happen, then and in each and every such case during the continuance of such Event of Default or termination pursuant to Section 4.2(b) of the Lease Agreement, the Trustee (i) shall take action to exclude the Lessee from the Leased Property, and (ii)(A) may, and (B) upon request of the Owners of not less than a majority in Aggregate Value of the Certificates, shall, exercise any and all other remedies available pursuant to law or granted pursuant to the Lease Agreement including the option to re-rent or re-lease all or any portion of the Leased Property pursuant to Article IX thereof.

**Section 13.3 Application of Funds**. Upon an Event of Default, all moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of this Article XIII or Article IX of the Lease Agreement and any moneys held in the Trust Estate shall be applied by the Trustee in the order following upon presentation of the Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the ordinary and extraordinary fees and the costs and expenses of the Trustee in declaring and pursuing remedies in connection with such Event of Default, including reasonable compensation to its or their agents, and attorneys and counsel's fees and expenses and the creation of a reasonable reserve for anticipated fees, costs and expenses, and

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates, for principal and interest with interest on the overdue principal, and, to the extent lawful, installments of interest at the rate of ten percent per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest, and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

**Section 13.4 Institution of Legal Proceedings**. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in Aggregate Value of the Certificates shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, the foreclosure of any lien granted herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

**Section 13.5 Non-waiver**. Nothing in this Article XIII or in any other provision of this Trust Agreement or in the Certificates, shall affect or impair the obligation of the Lessee, which is absolute and unconditional, to pay or prepay the Lease Payments and Additional Rent as provided in the Lease Agreement, or affect or impair the right of action, which is also absolute and unconditional, of the Certificate Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XIII to the Trustee or the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

**Section 13.6 Remedies Not Exclusive**. No remedy herein conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

**Section 13.7 Power of Trustee to Control Proceedings**. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in Aggregate Value of the Certificates, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw,

compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owners of a majority in Aggregate Value of the Certificates.

**Section 13.8 Limitation on Certificate Owners' Right to Sue**. No Owner of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy pursuant to or upon this Trust Agreement, unless (i) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder, (ii) the Owners of at least a majority in Aggregate Value of all the Certificates shall have made written request upon the Trustee to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, (iii) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request and (iv) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

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

**Section 13.9 Notice of Default.**

(a) Within 30 days after receipt, in writing or otherwise, by the Trustee of actual knowledge or notice of an Event of Default, the Trustee shall give written notice thereof by first-class mail to each Owner of a Certificate then Outstanding, unless such Event of Default shall have theretofore been cured; provided that, except in the case of a default in the payment of principal or interest evidenced by or the prepayment price of any of the Certificates, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Owners.

(b) The Trustee shall immediately notify the Lessee upon receipt by the Trustee of actual knowledge or notice, in writing or otherwise, of an Event of Default.

## ARTICLE XIV

## MISCELLANEOUS

**Section 14.1 Defeasance**. If and when any Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

(a) By well and truly paying or causing to be paid the principal and interest and prepayment premiums (if any) evidenced by such Certificates Outstanding, as and when the same become due and payable and all Additional Rent;

(b) By making an irrevocable deposit with the Trustee, in trust, at or before a scheduled payment date, of money that, together with the amounts then on deposit in the Lease Payment Fund is fully sufficient to pay such Certificates Outstanding, including all principal and interest and premium, if any, evidenced thereby and all Additional Rent;

(c) By making an irrevocable deposit with the Trustee, in trust, of Defeasance Obligations, together with money, if required, in such amount as will, in the opinion of an independent certified public accountant acceptable to the Trustee, together with the interest to accrue thereon, but without reinvestment thereof, and amounts then on deposit in the Lease Payment Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge such Certificates (including all principal and interest) at their respective specified principal payment dates and pay all unpaid Additional Rent; or

(d) By making an irrevocable deposit with the Trustee, pursuant to an escrow deposit and trust agreement, of security for the payment of Lease Payments and Additional Rent as more particularly described in Section 10.1 of the Lease Agreement, said security to be held by the Trustee as agent for the Lessee to be applied by the Trustee to pay the Lease Payments and Additional Rent as the same become due and payable, pursuant to Section 10.1 of the Lease Agreement;

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

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) through (d) of this Section, that are not required for the payment to be made to

Owners, shall first be applied to the payment of Additional Rent and, thereafter, be paid over to the Lessee, subject to Section 9.8 hereof.

Any Certificate or portion thereof in Authorized Denominations may be paid and discharged as provided in this Section; provided, however, that if any such Certificate or portion thereof is to be prepaid, notice of such prepayment shall have been given in accordance with the provisions hereof or the Lessee shall have submitted to the Trustee instructions expressed to be irrevocable as to the date upon which such Certificate or portion thereof is to be prepaid and as to the giving of notice of such prepayment; provided further, that if any such Certificate or portion thereof will not be paid or prepaid as to principal within 60 days of the deposit referred to in paragraphs (b) through (d) of this Section, the Trustee shall give notice of such deposit by first class mail to the Owners.

If the Lessee prepays the Lease Payments and Additional Rent in full pursuant to Article X of the Lease Agreement, makes the advance deposit required by Section 10.1 of the Lease Agreement or pays all Lease Payments and Additional Rent during the term of the Lease Agreement as the same become due and payable, all right, title and interest of the Trustee and the Lessor in and to each element of the Leased Property shall be transferred to and vested in the Lessee. Title shall be vested in the Lessee hereunder without the necessity for any further instrument of transfer; but the Trustee and the Lessor agree to take any and all steps and execute and record any and all documents reasonably required by the Lessee to consummate such vesting of title.

**Section 14.2 Records**. The Trustee shall keep complete and accurate records of all moneys received and disbursed pursuant to this Trust Agreement, which shall be available for inspection by the Lessee and any Owner, or the agent of any of them, at any time during regular business hours of the designated corporate trust office of the Trustee.

Current and prospective Owners and Beneficial Owners of the Certificates may examine the documents provided by the Lessee pursuant to Section 11.1 of the Lease Agreement at the designated corporate trust office of the Trustee and, at their expense, may obtain copies thereof upon request to the Trustee. The Trustee has no duty to review and evaluate the contents of such documents, to notify the Certificate Owners of the contents thereof or, except as set forth above, to send such documents to current or prospective Owners or Beneficial Owners of the Certificates.

**Section 14.3 Notices**. All written notices to be given pursuant to this Trust Agreement shall be given by mail, personal delivery or confirmed facsimile to the party entitled thereto at its address and/or facsimile set forth below, or at such address and/or facsimile as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below or, in the care of facsimile notice, upon receipt at the facsimile number set forth below, except that notice to the Trustee shall be effective only upon receipt by an officer of the Trustee responsible for the administration of the trusts created pursuant to this Trust Agreement:

If to the Lessee:

Golder Ranch Fire District of Pima and Pinal Counties, Arizona
3885 East Golder Ranch Drive
Tucson, Arizona 85739
Attention: Finance Manager

If to the Lessor or the Trustee:

_____
_____
_____
Attention: Corporate Trust Services

**Section 14.4 Governing Law**. This Trust Agreement shall be construed and governed in accordance with the laws of the State. Venue for any proceeding with respect to this Trust Agreement shall be in the Pima County Superior Court.

**Section 14.5 Binding Effect; Successors**. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Lessor, the Lessee or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Lessor, the Lessee or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 14.6 Execution in Counterparts**. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

**Section 14.7 Destruction of Canceled Certificates**. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the Lessee of any Certificates, the Trustee may, upon the request of the Lessee Representative, in lieu of such cancellation and delivery, destroy such Certificates and deliver a certificate of such destruction to the Lessee.

**Section 14.8 Headings**. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to *"Articles," "Sections,"* and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement, and the words *"herein," "hereof," "hereunder"* and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

**Section 14.9 Waiver of Notice**. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice

shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 14.10 Separability of Invalid Provisions**. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

**Section 14.11 Filing; Bills of Sale**. The Trustee shall hold all bills of sale, and transfer same, as required by the provisions of this Trust Agreement.

**Section 14.12 Incorporation of State Statutes**.

(a) As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the Lessee may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Lessee if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Lessee is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Trust Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Trust Agreement on behalf of the Lessee within three years from the execution of this Trust Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, as amended, is provided by the Lessee. No basis exists for the Lessee to cancel this Trust Agreement pursuant to Section 38-511, Arizona Revised Statutes, as amended, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Trustee of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the services of the Trustee. The Lessee retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Trustee. The Trustee shall cooperate with the random inspections by the Lessee including granting the Lessee entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the Lessee determines that the Trustee's certification above is false or that it has breached such agreement, the Lessee may impose remedies as provided by law.

**Section 14.13 Exchange of Leased Property; Release and Conveyance**. If the Lessee exercises its rights to exchange or release Leased Property pursuant to Section 8.3 of the Lease Agreement, the Trustee shall, upon advice of counsel that all conditions contained in said Section 8.3 have been complied with and are satisfied, release the lien of the Trust Agreement from any Leased Property being conveyed to the Lessee in connection with such exchange or release, and shall accept the substitute Leased Property or moneys coming under the lien of the Trust Agreement. The Trustee shall take any and all steps and execute any and all documents reasonably required by the Lessee to consummate the transfer of title in connection with such exchange or release.

**Section 14.14 Electronic Storage**. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by Electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Signature page follows.]

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

_____, as Trustee

By.....
Authorized Representative

GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA, as Lessee

By.....
Chairperson, District Board

ATTEST:

.....
Clerk, District Board

**EXHIBIT A**

**FORM OF 2021 CERTIFICATE**

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("*DTC*"), TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE EXECUTED AND DELIVERED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR TO SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

CERTIFICATE OF PARTICIPATION, TAXABLE SERIES 2021
Evidencing an Undivided Proportionate Interest of the Owner
Hereof in Lease Payments to be Made by
GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA,
as Lessee of Certain Property Pursuant
to a Lease-Purchase Agreement, Dated as of _____ 1, 2021

No. ..... Denomination: $.....

| Interest Rate: | Principal Payment Date: | Dated Date: | CUSIP: |
|---|---|---|---|
| ..... | _____ 1, 20..... | _____, 2021 | _____ ..... |

REGISTERED OWNER: .....

PRINCIPAL AMOUNT: ..... DOLLARS

THIS IS TO CERTIFY that the Registered Owner identified above, or registered assigns, as the Registered Owner of this Certificate is the owner of an undivided proportionate interest in the Lease-Purchase Agreement, dated as of _____ 1, 2021 (the "*Lease Agreement*"), by and between ....., as trustee, as lessor (the "*Lessor*"), and Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as lessee (the "*Lessee*"), together with the right to receive certain "Payments" and "Prepayments" made pursuant thereto, which Payments and Prepayments and certain other rights and interests pursuant to the Lease Agreement are held by ....., as trustee (the "*Trustee*").

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease Agreement, on the Principal Payment Date set forth above, the Principal Amount set

forth above, evidencing a portion of Payments designated as principal coming due during the preceding 12 months, and to receive on _____ 1, 20__, and semiannually thereafter on _____ 1 and _____ 1 of each year (the "*Interest Payment Dates*") until payment in full of said portion of principal, the Registered Owner's proportionate share of Payments designated as interest coming due during the six months or shorter period immediately preceding each of the Interest Payment Dates; provided that interest with respect hereto shall be payable from the Dated Date indicated above and then from the Interest Payment Date next preceding the date of execution of this Certificate (unless (i) this Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii) this Certificate is executed after the close of business on the 15th day of the month preceding an Interest Payment Date, whether or not such 15th day is a Business Day (as defined in the hereinafter described Trust Agreement), in which event interest shall be payable from such Interest Payment Date). If, as of the date of execution hereof, interest is in default with respect to any Certificates of the issue of which this is one, interest hereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment, unless this Certificate is executed after a Special Record Date (as defined in the Trust Agreement) and before the following Special Interest Payment Date (as defined in the Trust Agreement), in which event interest shall be payable from the scheduled Interest Payment Date next preceding such date of execution. Said proportionate share of the portion of Payments designated as interest is the result of the multiplication of the aforesaid portion of Payments designated as principal by the rate per annum set forth above.

Said amounts evidencing the Registered Owner's share of Payments designated as interest are payable in lawful money of the United States of America, unless a wire transfer is elected as described below, by check or draft mailed by the Trustee to the Registered Owner at the close of business on the 15th day of the month preceding an Interest Payment Date (the "*Record Date*"), whether or not such 15th day is a Business Day, at his address as it appears on the registration books of the Trustee or at such other address as he may have filed with the Trustee for that purpose. Payment of portions of overdue Payments designated as interest shall be made on the Special Interest Payment Dates designated by the Trustee to the Registered Owner hereof as of the Special Record Date designated by the Trustee. A Registered Owner of $1,000,000 or more in aggregate principal amount evidenced by Certificates as of the close of business of the Trustee on the Record Date for a particular Interest Payment Date or, if applicable, the Special Record Date for a particular Special Interest Payment Date, may request interest to be paid by wire transfer in immediately available funds sent (at the Registered Owner's expense) on the Interest Payment Date or Special Interest Payment Date to such Registered Owner in accordance with written request from such Registered Owner containing the wire transfer address (which shall be in the United States) to which such Registered Owner wishes to have such wire transfer directed, received not later than ten days before the Record Date with respect to such Interest Payment Date or, if applicable, the Special Record Date for such Special Interest Payment Date. Said amounts evidencing the Registered Owner's share of Payments designated as principal are payable when due upon surrender of this Certificate at the designated office of the Trustee.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of a Trust Agreement, dated as of _____ 1, 2021 (the "*Trust Agreement*"), between the

Trustee and the Lessee, and is one of a series of certificates limited in aggregate principal amount to $____,000 (the "*2021 Certificates*"). The proceeds of sale of the 2021 Certificates will be used to fund all or a portion of the Lessee's unfunded pension liabilities. The Lessee is authorized to enter into the Lease Agreement and the Trust Agreement pursuant to the laws of the State of Arizona. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at said office of the Trustee) for the definition of certain capitalized terms used herein, a description of the terms on which the 2021 Certificates are delivered, the rights thereunder of the Registered Owners of the 2021 Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the Lessee pursuant to the Lease Agreement, to all of the provisions of which Lease Agreement and Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

**The obligation of the Lessee to pay Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which the Lessee has levied or pledged any form of taxation. The obligation of the Lessee to pay Payments does not constitute a debt of the Lessee or the State of Arizona or any of its political subdivisions, and does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.**

The term of the Lease Agreement is from the date thereof until the end of the Lessee's then current Fiscal Period, and thereafter for such additional Fiscal Periods as are necessary to complete the anticipated total lease term through and including _____ 2, 20__, unless terminated prior thereto in accordance with the provisions of the Lease Agreement. If, on or before the third Business Day prior to the last date on which the Lessee is required or permitted to adopt its budget for a Fiscal Period, the Lessee fails to adopt a budget containing an annual budgetary appropriation sufficient to make all Lease Payments coming due during the Fiscal Period for which such budgeting and appropriation are made, the Lessee will immediately notify the Lessor in writing of that fact. If, on the last date on which the Lessee is required or permitted to adopt its budget for a Fiscal Period, no such proper budgeting and final appropriation by the District Board of the Lessee shall have been made all of the Lessee's right, title and interest in and future obligations pursuant to the Lease Agreement shall terminate (subject to reinstatement as provided therein), effective as of the last day of the last Fiscal Period for which such budgetary appropriation was properly obtained, and the Lessee shall be relieved of any subsequent obligation pursuant to this Lease Agreement with respect thereto, other than to return the Lessor possession of all of the leased property as provided in the Lease Agreement and to pay any accrued and unpaid obligations. If the Lease Agreement terminates pursuant to the preceding sentence and if, within 45 days following such date of termination, amounts described in the preceding sentence are determined to be available that would have permitted the Lease Agreement to have continued in effect with respect to the leased property if such amounts had been determined to be available before the termination of the prior Fiscal Period, then the Lease Agreement shall be reinstated with respect thereto and deemed renewed as of the day following the date of such termination, and no such termination shall be deemed to have occurred.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the Owners of a majority in Aggregate Value of the 2021 Certificates and may be

amended without such Owners' consent under certain circumstances but in no event such that the interests of the Owners of the 2021 Certificates are adversely affected; provided that no such amendment shall impair the right of any Owner to receive in any case such Owner's proportionate share of any Lease Payment or Prepayment thereof in accordance with such Owner's 2021 Certificate.

This Certificate is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, for the same aggregate principal amount will be delivered to the transferee in exchange herefor. The Lessee, the Lessor and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Lessee, the Lessor and the Trustee shall not be affected by any notice to the contrary.

As provided in the Trust Agreement, the 2021 Certificates scheduled for payment on or after _____ 1, 20__, are subject to optional prepayment at the direction of the Lessee, on any date on or after _____ 1, 20__, in whole or in part in any order designated by the Lessee or, under certain circumstances, by lot by the Trustee, and by lot within a scheduled payment date, at a prepayment price equal to the principal amount evidenced thereby to be prepaid plus interest accrued to the date fixed for prepayment, without premium.

As provided in the Trust Agreement, the 2021 Certificates scheduled for payment on _____ 1, 20__ shall be subject to mandatory prepayment prior to their stated payment dates on _____ 1 of the years set forth below and in the amounts set forth below, at a prepayment price equal to the principal amount thereof plus interest accrued to the date fixed for prepayment, without premium.

| Prepayment Date | Principal Amount |
|---|---|

*

* Stated Payment Date

Whenever 2021 Certificates subject to mandatory prepayment are purchased, redeemed (other than because of mandatory prepayment) or are delivered by the Lessee to the Trustee for cancellation, the principal amount of the 2021 Certificates represented thereby so retired shall satisfy and be credited against the mandatory prepayment therefor in any order specified by the Lessee.

The 2021 Certificates are subject to prepayment on any Interest Payment Date in whole, or in part in any order designated by the Lessee, or, under certain circumstances, by lot by the Trustee, and by lot within any scheduled payment date, from the net proceeds of insurance or condemnation credited towards the prepayment of the Lease Payments by the Lessee pursuant to the Lease Agreement, at a prepayment price equal to the principal amount evidenced thereby to be prepaid plus interest accrued to the date fixed for prepayment, without premium.

Notice of prepayment shall be mailed not less than 30 days nor more than 60 days before the date set for prepayment to each Registered Owner of a 2021 Certificate to be so prepaid at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any 2021 Certificate shall not affect the validity of the proceedings for the prepayment of any other 2021 Certificate. On the specified prepayment date all 2021 Certificates called for prepayment shall cease to bear or accrue interest and shall no longer be secured by the Trust Agreement provided funds for prepayment are on deposit at the place of payment at that time.

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

Date of Execution: .....

....., as trustee

By.....
Its: Authorized Representative

## ABBREVIATIONS

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

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

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

## ASSIGNMENT

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

(Please Print or Typewrite Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee)

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints ..... attorney to transfer the within certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated .....

Signature Guaranteed:

.....

(Signature guarantee should be made by a guarantor institution participating in the securities transfer agents medallion program or in such other guarantee program acceptable to the Trustee.

.....

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

## EXHIBIT B

## ORDER FOR DISBURSEMENT

Pursuant to Section [3.1/3.2] of the Trust Agreement, dated as of _____ 1, 2021 (the "*Trust Agreement*"), between ....., as trustee (the "*Trustee*") and Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as lessee (the "*Lessee*"), the undersigned Lessee Representative (as defined in the Trust Agreement) hereby requests and authorizes the Trustee pursuant to the Trust Agreement, as custodian of the [Project Fund/Delivery Costs Fund] created by the Trust Agreement, to pay to the Lessee or to the person(s) listed as payee out of the monies deposited in the [Project Fund/Delivery Costs Fund] the aggregate sum of $..... to pay such person(s) or to reimburse the Lessee in full for the advances, payments and expenditures made by it.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

(a) Each item for which disbursement is requested hereunder is properly payable out of the [Project Fund/Delivery Costs Fund] and none of these items has formed the basis for any disbursement heretofore made from said [Project Fund/Delivery Costs Fund].

(b) Each such item is or was a necessary [Cost/Delivery Cost] as defined in the Trust Agreement.

(c) This statement and all exhibits hereto shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.

(d) This statement constitutes approval by the Lessee of the disbursement hereby requested and authorized.

Explanation of this Payment: Name and Address of Payee:

Account # Claim to be paid on:

..... .....
Dated Lessee Representative

# CERTIFICATE PURCHASE AGREEMENT

**$[PAR]**
**CERTIFICATES OF PARTICIPATION, TAXABLE SERIES 2021**
**Evidencing Undivided Proportionate Interests of the Owners Thereof in**
**Lease Payments to be Made by**
**GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA,**
**as Lessee of Certain Property Pursuant**
**to a Lease-Purchase Agreement, Dated as of [May 1], 2021**

[PRICING DAY], 2021

Fire District Board
Golder Ranch Fire District
of Pima and Pinal Counties, Arizona
3885 E. Golder Ranch Dr.
Tucson, Arizona 85739

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*"), offers to enter into this Certificate Purchase Agreement (this "*Agreement*") with the Golder Ranch Fire District of Pima and Pinal Counties, Arizona (the "*District*"), which, upon written acceptance of this offer, will be binding upon the District and the Underwriter. This offer is made subject to written acceptance hereof by the District before 11:59 p.m., Arizona time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof. Terms not defined in this Agreement shall have the same meanings assigned to them in the Trust Agreement and the Official Statement (both defined herein).

1. *Purchase and Sale of the Certificates.*

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter shall purchase all, but not less than all, and the District shall cause _____, as trustee (the "*Trustee*"), to execute, sell and deliver to the Underwriter all of the $[PAR] principal amount of Certificates of Participation, Taxable Series 2021 (the "*Certificates*"), evidencing proportionate ownership interests in the Lease Payments to be made by the District.

(b) Inasmuch as this purchase and sale represents a negotiated transaction, the District acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District; (ii) the Underwriter is not acting as municipal advisor, financial advisor, or fiduciary to the District and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided

other services or is currently providing other services to the District on other matters); (iii) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (iv) the District has consulted its own legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. The Underwriter has been duly authorized to execute this Agreement and to act hereunder.

(c) The principal amount of the Certificates to be executed and delivered, the dated date thereof and the maturities, redemption provisions and interest rates and yields per annum therefor are set forth in the Schedule hereto. The Certificates shall be as described in, and shall be executed, delivered and secured under and pursuant to the provisions of, a Trust Agreement, dated as of [May 1], 2021 (the "*Trust Agreement*"), between the District and the Trustee, and authorized by a Resolution of the District Board of the District (the "*Board*") adopted on April 20, 2021 (the "*Resolution*").

(d) The Certificates represent undivided proportionate interests of the owners thereof in lease payments (the "*Lease Payments*") to be received from the District pursuant to a Lease-Purchase Agreement, dated as of [May 1], 2021 (the "*Lease*"), by and between the District and the Trustee, as the rental price for certain real property and improvements thereto (the "*Leased Property*"). The obligations of the District under the Lease will be payable exclusively from appropriated funds and will not be a general obligation or indebtedness of the District for any purpose.

(e) The purchase price of the Certificates shall be $_____, which represents an aggregate principal amount of the Certificates of $[PAR], less an underwriting discount of $_____.

2. *Public Offering.*

(a) The Underwriter shall make a *bona fide* public offering of all of the Certificates at yields not less than the public offering yields set forth on the inside cover page of the Official Statement and may subsequently change such offering yields without any requirement of prior notice. The Underwriter may offer and sell Certificates to certain dealers (including dealers depositing Certificates into investment trusts) and others at yields higher than the public offering yields stated on the inside cover of the Official Statement.

(b) By entering into this Agreement, the Underwriter certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

3. *Reserved*.

4. *The Official Statement*.

(a) The Preliminary Official Statement dated _____, 2021 (including the cover page, the inside cover page and Appendices thereto, the "*Preliminary Official Statement*"), of the District relating to the Certificates, to be subsequently revised to reflect the changes resulting from the sale of the Certificates and including amendments or supplements thereto, is hereinafter called the "*Official Statement*."

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Certificates. The District hereby deems the Preliminary Official Statement "final" as of its date, except for the omission of such information which is dependent upon the final pricing of the Certificates for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "*Rule*").

(c) The District represents that appropriate officials of the District have reviewed and approved the information in the Official Statement and that the Board has authorized the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Certificates. The District shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the acceptance by the District of this Agreement (but, in any event, not later than within seven (7) business days after the acceptance by the District of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the "*MSRB*").The District hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide the Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Certificates), the District becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or if it is necessary to amend or supplement the Official Statement to comply with law, the District will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request) and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the District will forthwith prepare and furnish, at the expense of the District (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the District shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) Unless otherwise notified in writing by the Underwriter, the District can assume that the "end of the underwriting period" for purposes of the Rule is the hereinafter defined Closing Date.

5. *Representations, Warranties, and Covenants of the District.* The undersigned on behalf of the District, but not individually, represents and warrants to and covenants with, as applicable, the Underwriter that:

(a) The District is a fire district and political subdivision of the State of Arizona (the "*State*") existing under the laws of the State and is duly organized and validly existing under the Constitution and laws of the State with powers specifically required for purposes of this Agreement and has now and at the Closing Date will have full legal right, power and authority to cause the Resolution to be adopted and (i) to enter into, execute and deliver the Ground Lease, dated as of [May 1], 2021 (the "*Ground Lease*"), by and between the District and the Trustee, the Resolution, the Trust Agreement, the Lease, this Agreement, and an Undertaking of the District which satisfies the requirements of Section (b)(5)(i) of the Rule (the "*Undertaking*" and such documents referred to in this clause (i) hereinafter collectively referred to as the "*District Documents*"), (ii) to cause the sale and execution and delivery of the Certificates as provided herein, and (iii) to carry out and consummate the transactions contemplated by the District Documents and the Official Statement, and the District has complied, and will at the Closing Date be in compliance in all material respects, with the terms of the District Documents as they pertain to such transactions;

(b) By all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized all necessary action to be taken by it for (i) the adoption of the Resolution and the sale and execution and delivery of the Certificates, (ii) the approval, execution and delivery of, and the performance by the District of the obligations on its part contained in, the Certificates and the District Documents, and (iii) the consummation by it of all other transactions contemplated by the Official Statement and the District Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the District in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The District Documents constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and, in the case of the Undertaking, annual appropriation of amounts to pay for compliance therewith; the Certificates, when paid for and executed and delivered, in accordance with the Resolution, the Trust Agreement and this Agreement, will constitute legal, valid and binding obligations of the District entitled to the benefits of the Trust Agreement and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and upon the execution and delivery of the Certificates as aforesaid, the Trust Agreement will provide, for the benefit of the holders, from time to time, of the Certificates, the legally valid and binding pledge of and lien it purports to create as set forth in the Trust Agreement;

(d) The District is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing, and the execution and delivery of the Certificates and the District Documents and the adoption of the Resolution and compliance with the provisions on the part of the District contained herein and therein will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District pledged to secure the Certificates or under the terms of any such law, regulation or instrument, except as provided by the Certificates and the Trust Agreement;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the District of its obligations under the District Documents and the Certificates have been duly obtained, except such approvals, consents and orders as may be required under the "blue sky" or securities laws of any jurisdiction in connection with the offering and sale of the Certificates;

(f) The Certificates conform to the descriptions thereof contained in the Official Statement under the caption "THE TAXABLE 2021 CERTIFICATES"; the proceeds of the sale of the Certificates will be applied generally as described in the Official Statement under the caption "PLAN OF FINANCE" and the Undertaking conforms to the description thereof contained in the Official Statement in Appendix G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING";

(g) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the District after due inquiry, threatened against the District, affecting the existence of the District or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale or execution and delivery of the Certificates or the appropriation of Lease Payments to pay the principal of and interest on the Certificates or in any way contesting or affecting the adoption of the Resolution or the validity or enforceability of the Certificates or the District Documents, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or contesting the powers of the District or any authority for the execution and delivery of the Certificates, the adoption of the Resolution or the execution and delivery of the District Documents, nor, to the best knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates or the District Documents;

(h) As of the date thereof and hereof, the Preliminary Official Statement (excluding information under the headings "TAX MATTERS," "RATINGS" and "UNDERWRITING" and in Appendix H) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) As of the date of the District's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement (excluding information under the headings "TAX MATTERS," "RATINGS" and "UNDERWRITING" and in Appendix H) does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement as so supplemented or amended (excluding information under the headings "TAX MATTERS," "RATINGS" and "UNDERWRITING" and in Appendix H) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The District will apply, or cause to be applied, the proceeds from the sale of the Certificates as provided in and subject to all of the terms and provisions of the Trust Agreement;

(l) The District will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Certificates for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Certificates (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the District of any notification with respect to the suspension of the qualification of the Certificates for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding, the District in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth in accordance with generally accepted governmental accounting principles as applicable to governmental units and have been prepared in accordance with generally accepted governmental accounting principles consistently applied throughout the periods covered (except as otherwise disclosed in the Official Statement or financial statements);

(n) Except as otherwise disclosed in the Official Statement, since June 30, 2020, the District has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, result of operations or condition, financial or otherwise, of the District that are not described in the Official Statement, whether or not arising from transactions in the ordinary course of business;

(o) Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District and the District is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District;

(p) Prior to the Closing (and to the extent it can legally agree to do so), the District will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriter which shall not be unreasonably withheld;

(q) Any certificate, signed by any official of the District authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein;

(r) The District has fully submitted the information required with respect to previous issuances of bonds, securities and lease-purchase agreements of the District pursuant to Section 35-501(B), Arizona Revised Statutes, and shall file the information relating to the Certificates required to be submitted pursuant to Section 35-501(B), Arizona Revised Statutes, within sixty (60) days of the Closing Date; and

(s) Except as otherwise indicated in the Official Statement, the District has been and is in compliance in all material respects during the last five years with the terms of all continuing disclosure undertakings previously executed by the District pursuant to the Rule.

6. *Closing*.

(a) Before 10:00 a.m., Arizona time, on _____, 2021 (the "*Closing Date*"), or at such other time and date as shall have been mutually agreed upon by the District and the Underwriter, the District will, subject to the terms and conditions hereof, cause the Certificates to be delivered to the Underwriter duly executed, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Certificates as set forth in Section 1 of this Agreement by wire transfer payable in immediately available funds to the order of the District (the "*Closing*"). Payment for the Certificates as aforesaid shall be made at the offices of Greenberg Traurig, LLP ("*Special Counsel*"), or such other place as shall have been mutually agreed upon by the District and the Underwriter.

(b) Delivery of the Certificates shall be made through the facilities of The Depository Trust Company, New York, New York ("*DTC*"), or, in the case of a "Fast Automated Securities Transfer" with the Trustee or by such other means as shall have been mutually agreed upon by the District and the Underwriter. The Certificates shall be prepared in definitive fully

registered form, bearing CUSIP numbers without coupons, with one Certificate for each maturity of the Certificates, registered in the name of Cede & Co., all as provided in the Trust Agreement, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

7. *Closing Conditions.* The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the District contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the District of its obligations hereunder and thereunder, both as of the date hereof and as of the Closing Date. Accordingly, the obligations of the Underwriter under this Agreement to purchase, to accept delivery of and to pay for the Certificates shall be conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the District of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the District contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) The District shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date;

(c) At the time of the Closing, (i) the District Documents, the hereinafter defined Trustee Documents and the Certificates shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter, and (ii) all actions of the District required to be taken by the District shall be performed and in full force and effect in order for Special Counsel and counsel to the Underwriter to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Resolution shall have been duly adopted and delivered by the District and the Trustee shall have duly executed and delivered the Certificates;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the District, from that set forth in the Official Statement that in the reasonable judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Certificates on the terms and in the manner contemplated in the Official Statement;

(f) At the Closing Date, no "event of default" shall have occurred or be existing under the District Documents or the Trustee Documents nor shall any event have occurred which,

with the passage of time or the giving of notice, or both, shall constitute an event of default under the District Documents or the Trustee Documents;

(g) The District shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) the Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the District by the Chairman of the Board, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) the District Documents and the Trustee Documents;

(3) the approving opinion of Special Counsel, dated the Closing Date, with respect to the Certificates, in substantially the form attached to the Official Statement along with a reliance letter with respect thereto, dated the Closing Date and addressed to the Underwriter;

(4) a supplemental opinion of Special Counsel dated the Closing Date, addressed to the Underwriter, substantially to the effect that:

(i) the Resolution has been duly adopted and is in full force and effect;

(ii) it is not necessary, in connection with the offering and sale of the Certificates, to register the Certificates under the Securities Act of 1933, as amended (the "*1933 Act*") or to qualify the Trust Agreement under the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*");

(iii) the information contained in the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, on the cover page thereof, under the headings entitled "INTRODUCTION," "THE TAXABLE 2021 CERTIFICATES," "SOURCES OF PAYMENT OF THE TAXABLE 2021 CERTIFICATES," "SECURITY FOR THE TAXABLE 2021 CERTIFICATES," "TAX MATTERS" and "CONTINUING DISCLOSURE" (other than matters relating to the District's compliance with prior undertakings as to which no opinion shall be expressed) therein, and in Appendices E, F and G thereto, insofar as such information summarizes certain provisions of the Certificates, the District Documents and certain provisions of Arizona and federal law, including the federal and Arizona income status of interest on the Certificates, fairly present the information

purported to be shown; provided, however, that such information does not purport to summarize all the provisions of, and is qualified in their entirety by, the complete documents which are summarized and, based solely on our participation in the transaction as Special Counsel, nothing has come to their attention that would lead them to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of the date hereof and as of the Closing Date, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that they express no view as to the financial statements of the District, any other financial forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Official Statement regarding DTC. They have not undertaken to review or determine independently, and assume no responsibility for, the accuracy or completeness of the information in the Preliminary Official Statement or the Official Statement except to the extent indicated hereinabove;

(iv) this Agreement has been duly authorized, executed and delivered by the District and (assuming due authorization and execution by the Underwriter) is a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy and judicial discretion;

(v) the Undertaking has been duly authorized, executed and delivered by the District and is a legal, valid and binding obligation of the District, enforceable in accordance with its terms; subject to customary exceptions for bankruptcy and judicial discretion;

(vi) the distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the District; and

(vii) no consent of any other party and no consent, license, approval or authorization of, exemption by, or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Ground Lease, the Lease, the Trust Agreement, the Undertaking and this Agreement) is required in connection with the execution, delivery and performance by the District of the Ground Lease, the Lease, the Trust Agreement, the Undertaking and this Agreement;

(5) [An opinion of the counsel to the District or Special Counsel that, based on an investigation of the records of the Superior Court of Pima and Pinal Counties and the United States District Court, District of Arizona, Phoenix Division, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body pending or, to his or her knowledge (upon due inquiry), threatened (i) in any way affecting the powers of the District, the existence of the District or the title to office of any of the officials of the District, (ii) seeking to restrain or enjoin the sale, execution and delivery of the Certificates, or the appropriation of Lease Payments

to pay the principal of and interest on the Certificates, (iii) in any way contesting or affecting the validity or enforceability of the Certificates, the District Documents or any agreements entered into in connection therewith, (iv) contesting the use of the Leased Property as contemplated by the District Documents, (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or (vi) which may adversely affect the District or its properties; nor, to the best knowledge of such counsel, is there any reasonable basis therefor;]

(6) An opinion of counsel to the Underwriter, dated the Closing Date, addressed to the Underwriter to the effect that:

(i) the Certificates are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Certificates, to register the Certificates under the 1933 Act and the Trust Agreement need not be qualified under the Trust Indenture Act;

(ii) the Undertaking meets the requirements of paragraph (b)(5)(i) of the Rule and

(iii) based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel for the Underwriter and their participation at conferences at which the Preliminary Official Statement and the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of the date hereof and as of the date of Closing, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Preliminary Official Statement and the Official Statement and the information regarding DTC and its book-entry system, in each case as to which no view need be expressed);

(7) A certificate, dated the Closing Date, of appropriate representatives of the District to the effect that, to the best knowledge, information and belief of those executing the certificate:

(i) the representations and warranties of the District contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date;

(ii) except as otherwise described in the Official Statement, no litigation or proceeding against it is pending or threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the District to hold and exercise their respective

positions, (b) contest the due organization and valid existence of the District, (c) contest the validity, due authorization and execution of the Certificates, the District Documents or the Trustee Documents, (d) attempt to limit, enjoin or otherwise restrict or prevent the District from functioning and appropriating Lease Payments or other amounts, including payments on the Certificates pursuant to the District Documents or (e) which if resolved adversely to the District, would have a material adverse effect on (I) the functioning of the District, the operations of the District, its revenues or its properties, or payment by the District of the amounts due under the Lease in the manner and time required thereby or (II) the validity or enforceability of the Lease or the financial condition of the District or its operations;

(iii) the Resolution has been duly adopted by the District, is in full force and effect and has not been modified, amended or repealed;

(iv) the audited financial statements included in the Official Statement were true and correct as of June 30, 2020, and the other financial statements and other financial statistical data included in the Official Statement are true and correct as of the date of such certificate; and

(v) no event affecting the District has occurred since the respective dates of the Preliminary Official Statement and the Official Statement which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the date hereof with respect to the Preliminary Official Statement and as of the Closing Date with respect to the Official Statement, and the information contained in the Preliminary Official Statement and the Official Statement (excluding the information under the headings "TAX MATTERS," "RATINGS" and "UNDERWRITING" and in Appendix H) is correct in all material respects and, as of its date and as of the date hereof with respect to the Preliminary Official Statement and as of its date and as of the Closing Date with respect to the Official Statement, does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(8) Any other certificates and opinions required by the Resolution or the Trust Agreement for the execution and delivery thereunder of the Certificates;

(9) A letter from [S&P Global Ratings, a division of Standard & Poor's Financial Services LLC and Fitch Ratings, Inc.] confirming that the Certificates have been assigned a rating of "_____" and "_____" (the "Ratings"), respectively, and that the Ratings are then in effect;

(10) A certificate or certificates, dated the Closing Date, of an authorized officer of the Trustee that:

(i) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America with the power and authority to exercise corporate trust powers in the State and has full power and authority to (A) acquire and hold title to or a leasehold interest in, as applicable, the Leased Property, and (B) execute and deliver and perform its obligations under the Certificates, the Ground Lease, the Lease and the Trust Agreement (such documents referred to in this clause (B) hereinafter collectively referred to as the "*Trustee Documents*") and all other documents executed and delivered by the Trustee in connection with the issuance of the Certificates and the acquisition and the lease-purchase of the Leased Property;

(ii) The Trustee has by proper corporate action duly authorized (A) the acquisition of title to or a leasehold interest in, as applicable, the Leased Property, and (B) the execution and delivery of, and the due performance of its obligations under the Trustee Documents and the taking of any and all other actions as may be required on the part of the Trustee to carry out, give effect to and consummate the transaction contemplated by such Trustee Documents;

(iii) The Trustee Documents (when executed and delivered by the other parties thereto) will be, legal, valid and binding obligations of the Trustee, enforceable in accordance with their terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and to the availability of equitable relief;

(iv) No approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or person not already obtained (other than any approvals that may be required under the "blue sky" laws of any jurisdiction) is required with respect to the Trustee in connection with the issuance and sale of the Certificates, the acquisition of title to or a leasehold interest in, as applicable, the Leased Property or the execution and delivery by the Trustee of, or the performance by the Trustee of its obligations under, the Trustee Documents;

(v) The execution and delivery by the Trustee of the Trustee Documents and the compliance by the Trustee with the provisions thereof do not and will not materially conflict with or result in a material breach or violation of any of the terms or provisions of, or constitute a default under any resolution, indenture, deed of trust, mortgage commitment, agreement or other instrument to which the Trustee is a party or by which the Trustee is bound, or any constitutional provision, existing law, administrative regulation, court order or consent decree to which the Trustee or its property is subject;

(vi) There is no litigation, action, suit or proceeding pending or threatened by or before any court, administrative agency, arbitrator or governmental body that challenges (A) the authority of the Trustee, its officers or its employees to acquire the Leased Property, (B) the proper authorization, execution and delivery of the Trustee Documents, (C) the assignment of its rights under the Lease, or (D) the ability of the Trustee to otherwise perform its obligations under the Trustee Documents and to carry out the transactions contemplated thereby; and

(vii) The representations and warranties of the Trustee set forth in the Trustee Documents are, and as of the Closing Date will be, true, accurate and complete as if made on the Closing Date;

(11) The filing copy of the information required to be submitted pursuant to Section 35-501(B), Arizona Revised Statutes;

(12) Evidence of insurance or Qualified Self-Insurance required by the Lease to be maintained on the Leased Property; and

(13) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations and warranties of the District contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the District.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the District shall be under any further obligation hereunder, except that the respective obligations of the District and the Underwriter set forth in Section 9(c) hereof shall continue in full force and effect.

8. *Termination.* The Underwriter shall have the right to cancel its obligation to purchase the Certificates and to terminate this Agreement by written notice to the District if, between the date hereof and including the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur:

(a) the market price or marketability of the Certificates, or the ability of the Underwriter to enforce contracts for the sale of the Certificates, shall be materially adversely affected by any of the following events:

(1) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Certificates; provided that, this paragraph (A)(1) shall not apply if the Certificates are being issued as taxable obligations; or

(2) there shall have occurred (a) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (b) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis, (c) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, or (d) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population of over 500,000; or

(3) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(4) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Certificates, or any comparable securities of the District, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, or otherwise, or would be in violation of any provision of the federal securities laws; or

(5) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District shall have occurred; or

(6) any rating on obligations of the District is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be

reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Certificates or the ability of the Underwriter to enforce contracts for the sale of the Certificates; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Certificates shall have occurred; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Certificates, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Certificates, is or would be in violation of any provision of the federal securities laws at the date of the Closing, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended.

9. *Expenses.*

(a) The Underwriter shall be under no obligation to pay, and the District shall pay, all expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of preparation and printing of the Certificates, the Preliminary Official Statement and the Official Statement and any amendment or supplement thereto; (ii) the fees and disbursements of Special Counsel, counsel to the Underwriter and Counsel to the Trustee; (iii) the fees and disbursements of the Trustee and the lessor pursuant to the Lease, and any engineers, accountants, and other experts, consultants or advisers retained by the District, if any; and (iv) the fees for the Ratings. The District shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Agreement and the execution and delivery of the Certificates, including miscellaneous closing costs.

(b) Except as provided for above, the Underwriter shall pay (from the expense component of the underwriting discount): (i) all advertising expenses in connection with the public offering of the Certificates; and (ii) all other expenses incurred by it in connection with its public offering and distribution of the Certificates.

(c) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the District to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the District shall be unable to perform its obligations under this Agreement, the District will reimburse the Underwriter for all "out-of-pocket expenses" reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

(d) The District acknowledges that it has had an opportunity to evaluate and consider the fees and expenses being incurred as part of the execution and delivery of the Certificates.

10. *Notice Concerning Cancellation*. To the extent applicable by provision of law, this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein.

11. *Notices.* Any notice or other communication to be given under this Agreement must be given by delivering the same in writing to:

| | |
|---|---|
| To the District: | Fire District Board<br>Golder Ranch Fire District of Pima and Pinal Counties, Arizona<br>3885 E. Golder Ranch Dr.<br>Tucson, Arizona 85739<br>Attention: Dave Christian, Finance Director |
| To the Underwriter: | Stifel, Nicolaus & Company, Incorporated<br>2325 E. Camelback Road, Suite 750<br>Phoenix, Arizona 85016<br>Attention: Mark Reader, Managing Director |

12. *Parties in Interest.* This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the District and the Underwriter (including successors or assigns of the Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof, this Agreement may not be assigned by the District. All of the representations, warranties and agreements of the District contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Certificates pursuant to this Agreement; and (iii) any termination of this Agreement.

13. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the District and shall be valid and enforceable at the time of such acceptance.

14. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the law of the State.

15. *Severability.* If any provision of this Agreement shall be held or deemed to, or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any

jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

16. *Business Day.* For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

17. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

18. *Counterparts; Electronic Signature.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document. The electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an email or internet message.

[Signature page follows.]

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

Very truly yours,

**STIFEL, NICOLAUS & COMPANY, INCORPORATED,**
Underwriter

By:_____
Name: Mark Reader
Title: Managing Director

Accepted and agreed at _____ __.M,
MST, this _____ day of _____ 2021

GOLDER RANCH FIRE DISTRICT OF PIMA
AND PINAL COUNTIES, ARIZONA

By: _____
Name: _____
Title: _____

**SCHEDULE**

**$[PAR]**
**CERTIFICATES OF PARTICIPATION, TAXABLE SERIES 2021**
**Evidencing Undivided Proportionate Interests of the Owners Thereof in**
**Lease Payments to be Made by**
**GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA,**
**as Lessee of Certain Property Pursuant**
**to a Lease-Purchase Agreement, Dated as of [May 1], 2021**

DATED DATE: CLOSING DATE

| Maturity Date (July 1) | Principal Amount | Interest Rate | Yield |
|---|---|---|---|

*Optional Redemption*. The Certificates payable as to principal before or on July 1, 20__ will not be subject to optional prepayment. The Certificates payable as to principal on or after July 1, 20__ will be subject to optional prepayment, at the direction of the District, on any date on or after July 1, 20__, in whole or in part, at a prepayment price equal to the principal amount evidenced thereby plus interest with respect thereto to the prepayment date, without premium.

*Mandatory Prepayment*. The Certificates payable as to principal on July 1 in the year 20__ (the "*Term Certificates*"), are subject to mandatory prepayment and shall be paid on July 1 in the

respective years set forth below, in the amounts set forth below, by payment of a prepayment price equal to the principal amount of such Term Certificates called for prepayment plus the interest accrued to the date fixed for prepayment, but without premium.

Term Certificates Maturing July 1, 20__

| **Year (July 1)** | **Principal Amount** |
|---|---|

_____
*Maturity

*Extraordinary Redemption*. The Certificates will be subject to prepayment on any Interest Payment Date, in whole or in part, to the extent of any Net Proceeds that are deposited in the Lease Payment Fund for such purpose as provided in the Lease, at a prepayment price equal to the principal amount evidenced thereby, plus interest to the prepayment date, without premium.

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2021**

**NEW ISSUE — BOOK-ENTRY-ONLY** **RATINGS: See "RATINGS" herein.**

*THE PORTION OF EACH LEASE PAYMENT MADE BY THE DISTRICT PURSUANT TO THE LEASE AGREEMENT AND DENOMINATED AS AND COMPRISING INTEREST PURSUANT TO THE LEASE AGREEMENT AND RECEIVED BY THE OWNERS OF THE TAXABLE 2021 CERTIFICATES IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT EXEMPT FROM TAXATION UNDER THE LAWS OF THE STATE OF ARIZONA. SEE "TAX MATTERS" HEREIN.*

# $30,395,000*
# CERTIFICATES OF PARTICIPATION, TAXABLE SERIES 2021
## Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be Made by GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA, as Lessee of Certain Property Pursuant to a Lease-Purchase Agreement, Dated as of May 1, 2021*

DRAFT II
4-12-21

**Dated: Date of Initial Execution and Delivery** **Due: July 1, as shown on the inside front cover page**

The captioned Certificates of Participation, Taxable Series 2021 (the "Taxable 2021 Certificates") are being executed and delivered pursuant to a Trust Agreement, to be dated as of May 1, 2021* (the "Trust Agreement"), between Golder Ranch Fire District of Pima and Pinal Counties, Arizona (the "District") and [Trustee], as trustee (the "Trustee"). Interest with respect to the Taxable 2021 Certificates will be payable semiannually on July 1 and January 1 of each year, commencing January 1, 2022*. The Taxable 2021 Certificates will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), for purposes of the book-entry-only system described herein and will be available to ultimate purchasers in the amounts of $5,000 of principal represented by the Taxable 2021 Certificates due on a specific principal payment date, or any integral multiple thereof, pursuant to the book-entry-only system maintained by DTC. Payments of principal, premium, if any, and interest with respect to the Taxable 2021 Certificates will be paid by the Trustee to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the Taxable 2021 Certificates. See APPENDIX H - "BOOK-ENTRY-ONLY SYSTEM."

The Taxable 2021 Certificates are being executed and delivered for the purpose of (i) financing the payment to the Arizona Public Safety Personnel Retirement System for a portion of the District's unfunded accrued (pension) liability, (ii) funding a District contingency reserve fund, and (iii) paying costs incurred in connection with the execution and delivery of the Taxable 2021 Certificates. See "THE PLAN OF FINANCE," "THE LEASED PROPERTY" and "SOURCES AND USES OF FUNDS" herein.

The Taxable 2021 Certificates will be subject to prepayment prior to their scheduled payment dates, including to the extent of condemnation, casualty insurance and certain other proceeds, as described herein. See "THE TAXABLE 2021 CERTIFICATES — Prepayment Provisions."

**MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE**

Certain real property of the District will be leased by the Trustee to the District (the "Leased Property") pursuant to a Lease-Purchase Agreement, to be dated as of May 1, 2021* (the "Lease Agreement"). The Taxable 2021 Certificates will be payable on a parity basis from lease payments to be made by the District pursuant to the Lease Agreement (the "Lease Payments") and other funds held pursuant to the Trust Agreement and certain investment earnings thereon.

The Lease Agreement and the obligation of the District to make the Lease Payments will be terminated if on the last day of the then current Fiscal Period (defined herein) the District Board of the District has failed to adopt a budget containing an annual budgetary appropriation sufficient to make the Lease Payments coming due during the next Fiscal Period. In the event of such termination, the District will be relieved of any subsequent obligation pursuant to the Lease Agreement other than to surrender the Leased Property to the Trustee, and the Taxable 2021 Certificates will be payable only from such moneys, if any, as may be held pursuant to the Trust Agreement and any moneys realized from the Trustee's exercise of remedies with respect to the Leased Property. IN THE EVENT OF SUCH TERMINATION, THERE WILL BE NO ASSURANCE OF PAYMENT OF THE PRINCIPAL OR INTEREST EVIDENCED BY THE TAXABLE 2021 CERTIFICATES FROM FUNDS AVAILABLE PURSUANT TO THE TRUST AGREEMENT. SEE "RISK FACTORS" HEREIN. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO THE TAXABLE 2021 CERTIFICATES. NEITHER THE TAXABLE 2021 CERTIFICATES NOR THE LEASE AGREEMENT WILL CONSTITUTE A DEBT OF THE DISTRICT, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. SEE "RISK FACTORS" HEREIN.

The Taxable 2021 Certificates will be offered when, as and if received by the underwriter identified below (the "Underwriter"), and subject to the approving opinion of Greenberg Traurig, LLP, Special Counsel, as to validity of the Taxable 2021 Certificates and tax matters. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP. It is expected that the Taxable 2021 Certificates will be available for delivery through the facilities of DTC on or about May __, 2021*.

This cover page contains only a brief description of the Taxable 2021 Certificates and the security therefor. It is not a summary of material information with respect to the Taxable 2021 Certificates. Investors should read this Official Statement in its entirety to obtain information necessary to make an informed investment decision.

* Preliminary, subject to change.

STIFEL

**$30,395,000[*]**
**CERTIFICATES OF PARTICIPATION, TAXABLE SERIES 2021**
**Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be Made by**
**GOLDER RANCH FIRE DISTRICT**
**OF PIMA AND PINAL COUNTIES, ARIZONA,**
**as Lessee of Certain Property Pursuant**
**to a Lease-Purchase Agreement, Dated as of May 1, 2021[*]**
**MATURITY SCHEDULE[*]**

| Maturity Date (July 1) | Principal Amount | Interest Rate | Price or Yield | CUSIP®[(1)] No. |
|---|---|---|---|---|
| 2022 | $640,000 | % | % | |
| 2023 | 1,280,000 | | | |
| 2024 | 1,645,000 | | | |
| 2025 | 1,775,000 | | | |
| 2026 | 1,805,000 | | | |
| 2027 | 1,840,000 | | | |
| 2028 | 1,885,000 | | | |
| 2029 | 1,930,000 | | | |
| 2030 | 1,980,000 | | | |
| 2031 | 2,035,000 | | | |
| 2032 | 2,090,000 | | | |
| 2033 | 2,155,000 | | | |
| 2034 | 2,225,000 | | | |
| 2035 | 2,295,000 | | | |
| 2036 | 2,370,000 | | | |
| 2037 | 2,445,000 | | | |

*(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Special Counsel, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.*

[*] Preliminary, subject to change.

**GOLDER RANCH FIRE DISTRICT**
**OF PIMA AND PINAL COUNTIES, ARIZONA**

**DISTRICT BOARD**

Vicki Cox-Golder, *Chairperson*

Wally Vette, *Clerk of the Board*

Richard Hudgins, *Vice-Chairperson*

Steve Brady, *Board Member*

Albert Pesqueira, *Board Member*

**ADMINISTRATIVE OFFICIALS**

Randy Karrer, *Fire Chief*

Tom Brandhuber, *Assistant Fire Chief, Operations*

Dave Christian, *Finance Manager*

**SPECIAL COUNSEL**

Greenberg Traurig, LLP
*Phoenix, Arizona*

**TRUSTEE, REGISTRAR AND PAYING AGENT**

[Trustee]
*Phoenix, Arizona*

## REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by Golder Ranch Fire District of Pima and Pinal Counties, Arizona (the "District") or Stifel, Nicolaus & Company, Incorporated (the "Underwriter") to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the District's Certificates of Participation, Taxable Series 2021 (the "Taxable 2021 Certificates") by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from the District, the Arizona Department of Revenue, and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District or the Underwriter.

None of the District, the Underwriter, Special Counsel (as defined herein) or counsel to the Underwriter are actuaries. None of them have performed any actuarial or other analysis of the District's share of the unfunded liabilities of the Arizona State Retirement System or the Public Safety Personnel Retirement System.

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Taxable 2021 Certificates will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Taxable 2021 Certificates for sale.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE

PRICES OF THE TAXABLE 2021 CERTIFICATES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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**OFFICIAL STATEMENT**

**$30,395,000*
CERTIFICATES OF PARTICIPATION, TAXABLE SERIES 2021
Evidencing Undivided Proportionate Interests of the Owners Thereof in
Lease Payments to be Made by
GOLDER RANCH FIRE DISTRICT OF PIMA AND PINAL COUNTIES, ARIZONA,
as Lessee of Certain Property Pursuant
to a Lease-Purchase Agreement, Dated as of May 1, 2021***

## INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the Appendices hereto (this "Official Statement"), is provided to furnish certain information with respect to the sale, execution and delivery of $30,395,000* principal amount of the above-captioned Certificates of Participation, Taxable Series 2021 (the "Taxable 2021 Certificates"), evidencing undivided proportionate interests of the Owners thereof in lease payments (the "Lease Payments") to be made by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as lessee (the "District"), of certain real property and improvements thereon (the "Leased Property") pursuant to a Lease-Purchase Agreement, to be dated as of May 1, 2021* (the "Lease Agreement"), between the District, as lessee, and [Trustee] (the "Trustee"), as lessor. The Taxable 2021 Certificates will be executed and delivered pursuant to a Trust Agreement, to be dated as of May 1, 2021* (the "Trust Agreement"), between the District and the Trustee.

Certain capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings given to such terms in APPENDIX E — "SUMMARIES OF LEGAL DOCUMENTS - CERTAIN DEFINITIONS."

The Taxable 2021 Certificates are being sold to (i) finance the payment to the Arizona Public Safety Personnel Retirement System ("PSPRS") for a portion of the District's unfunded accrued (pension) liability, (ii) fund a contingency reserve fund (the "District Contingency Reserve Fund"), and (iii) pay costs related to the initial execution and delivery of the Taxable 2021 Certificates. See "THE PLAN OF FINANCE" and "THE LEASED PROPERTY." The Leased Property will be leased to the Trustee through [July 2, 2037*], pursuant to a Ground Lease, to be dated as of May 1, 2021* (the "Ground Lease"), between the District, as lessor, and the Trustee, as lessee, executed and delivered in connection with the Taxable 2021 Certificates. Simultaneously, the Trustee will lease the Leased Property back to the District pursuant to the Lease Agreement, which requires the District to pay the principal and interest evidenced by the Taxable 2021 Certificates on the scheduled payment dates, subject to annual appropriation of amounts sufficient for that purpose by the District Board of the District (the "District Board"). The Leased Property will be comprised of [Leased Property]. See "THE LEASED PROPERTY." The Taxable 2021 Certificates will be payable on a parity basis from the Lease Payments to be made by the District pursuant to the Lease Agreement and other funds held pursuant to the Trust Agreement, and certain investment earnings thereon.

Unless and until use of the book-entry-only system is discontinued, the Taxable 2021 Certificates will be held in book-entry-only form by The Depository Trust Company, a registered securities depository ("DTC"), and beneficial interests therein may only be purchased and sold, and payments of principal, premium, if any, and interest evidenced by the Taxable 2021 Certificates will be made only to Beneficial Owners (as defined in APPENDIX H — "BOOK-ENTRY-ONLY SYSTEM"), through participants in the DTC system. Beneficial interests in the Taxable 2021 Certificates will be in amounts described on the inside front cover page hereof. See APPENDIX H — "BOOK-ENTRY-ONLY SYSTEM."

The Trustee will make payments of principal and interest evidenced by the Taxable 2021 Certificates solely from moneys available pursuant to the Trust Agreement, including the Lease Payments required to be made by the District pursuant to the Lease Agreement. See "SOURCES OF PAYMENT OF THE TAXABLE 2021 CERTIFICATES" herein.

* Preliminary, subject to change.

In general, the District will be required, in accordance with the Lease Agreement, to pay the Lease Payments equal to the principal and interest evidenced by the Taxable 2021 Certificates, unless the Lease Agreement is terminated as provided therein. See "SECURITY FOR THE TAXABLE 2021 CERTIFICATES" herein. The District will also be required to pay any taxes and assessments and the cost of maintenance and repair of the Leased Property. See "LEASE AGREEMENT — Maintenance, Utilities, Taxes and Modifications" in APPENDIX E hereto.

The Lease Agreement and the obligation of the District to make the Lease Payments will be terminated if on the last day of the then current Fiscal Period the District Board has failed to adopt a budget containing an annual budgetary appropriation sufficient to make the Lease Payments coming due during the next Fiscal Period. In the event of such termination, the District will be relieved of any subsequent obligation pursuant to the Lease Agreement other than to surrender the Leased Property to the Trustee, and the Taxable 2021 Certificates will be payable only from such moneys, if any, as may be held pursuant to the Trust Agreement and any moneys realized from the Trustee's exercise of remedies with respect to the Leased Property. IN THE EVENT OF SUCH TERMINATION, THERE WILL BE NO ASSURANCE OF PAYMENT OF THE PRINCIPAL OR INTEREST EVIDENCED BY THE TAXABLE 2021 CERTIFICATES FROM FUNDS AVAILABLE PURSUANT TO THE TRUST AGREEMENT. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE STATE OF ARIZONA (THE "STATE" OR "ARIZONA") OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO THE TAXABLE 2021 CERTIFICATES. NEITHER THE TAXABLE 2021 CERTIFICATES NOR THE LEASE AGREEMENT WILL CONSTITUTE A DEBT OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. SEE "RISK FACTORS" HEREIN.

For a discussion about the District, its sources of revenues and financial condition, see APPENDIX B hereto. The audited financial statements of the District for the fiscal year ended June 30, 2020 are included in APPENDIX D — "THE DISTRICT — AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

The descriptions and summaries of various documents contained herein do not purport to be comprehensive or definitive and reference is made to each document for the complete details of all its terms and conditions. All statements herein are qualified by reference to each such document in its entirety and are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforceability of creditors' rights.

Copies of the form of the Lease Agreement, the Ground Lease and the Trust Agreement (collectively, the "Financing Documents") referred to herein may be obtained, until the delivery of the Taxable 2021 Certificates, from the Underwriter (defined below) upon request to: Stifel, Nicolaus & Company, Incorporated, 2801 E. Camelback Road, Suite 300, Phoenix, AZ 85016, Attention: Municipal Finance. After delivery of the Taxable 2021 Certificates, copies of such documents may be obtained by Beneficial Owners from the Trustee upon request to: [Trustee], [Address], Attention: Corporate Trust Services.

## THE PLAN OF FINANCE

The proceeds from the Taxable 2021 Certificates, net of amounts used to pay costs related to the execution and delivery of the Taxable 2021 Certificates, will be used by the Trustee to acquire from the District a ground leasehold interest in the Leased Property and to finance the payment to PSPRS for a significant portion of the District's unfunded accrued (pension) liability and to fund the District Contingency Reserve Fund.

The plans in PSPRS (including the District's) have experienced increases in their unfunded liability. In the past, the District has made excess contributions to PSPRS to more economically fund its share of that liability. The payment of a portion of the District's unfunded accrued liability with a portion of the proceeds of the sale of the Taxable 2021 Certificates is a step to reach a funding ratio of its current unfunded liability of 100%. See APPENDIX C – "THE DISTRICT – DISTRICT EMPLOYEE RETIREMENT SYSTEM" herein for more information regarding the District's Employee Retirement System.

By attempting to reach a funding ratio of the District's current unfunded liability of 100%, the following are anticipated to be achieved for this portion of the District's PSPRS unfunded liability:

(i) level debt service to provide for future budgetary certainty for the District; and

(ii) present value savings.

[The District Contingency Reserve Fund will allow the District to mitigate the impact of market risk and changes in actuarial assumptions, including, but not limited to, the actuarial rate, cost of living allowance and mortality tables. **The monies on deposit within the District Contingency Reserve Fund will not be pledged to the payment of the Taxable 2021 Certificates**. The District Contingency Reserve Fund will be held by the District, not the Trustee. See APPENDIX C – "THE DISTRICT – DISTRICT EMPLOYEE RETIREMENT SYSTEM – District Contingency Reserve Funds" herein for more information regarding the District Contingency Reserve Fund.]

The Trustee will lease the Leased Property to the District pursuant to the Lease Agreement.

## THE LEASED PROPERTY

### The Leased Property

[Leased Property Information]

The Leased Property is insured as part of the District's risk management program with a combined estimated insurance value estimated at $_____ and a combined estimated land value of $_____, which represents approximately __ percent (__%) of the estimated principal amount of the Taxable 2021 Certificates. No appraisal has been performed on the Trustee's ground leasehold interest in the Leased Property and no title insurance is being obtained insuring the Trustee's ground leasehold interest in the Leased Property due to the period of time that the District has owned the Leased Property without material claims questioning its state of title.

## THE TAXABLE 2021 CERTIFICATES

### General Provisions

The Taxable 2021 Certificates will be dated the date of initial execution and delivery thereof and will be issued in the form of fully registered certificates in amounts of $5,000 of principal due on a principal payment date or any integral multiple thereof. As described herein in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM," the Taxable 2021 Certificates will be registered in the name of Cede & Co., as nominee of DTC. So long as DTC, or its nominee, is the registered owner of all of the Taxable 2021 Certificates, all payments on the Taxable 2021 Certificates will be made directly to DTC for payment to the Beneficial Owners as described herein in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM."

The Taxable 2021 Certificates will bear interest from their dated date, payable semiannually on July 1 and January 1 of each year (each an "Interest Payment Date"), commencing January 1, 2022*. The Taxable 2021 Certificates will bear interest at the rates and will be payable on the principal payment dates and in the amounts set forth on the inside front cover page of this Official Statement. Interest will be computed on the basis of a year comprised of three hundred sixty (360) days consisting of twelve (12) months of thirty (30) days each. Interest on the Taxable 2021 Certificates will be paid by the Trustee to the owners thereof (initially Cede & Co., as nominee of DTC) as shown on the registration books maintained by the Trustee, at the close of business on the fifteenth day of the month preceding each Interest Payment Date (the "Record Date"). So long as the Taxable 2021 Certificates are in DTC's book-entry-only system, and thereafter at the written request and expense of the owners of $1,000,000 or more in aggregate principal amount of Taxable 2021 Certificates delivered to the Trustee prior to a Record Date, interest and principal will be paid by wire transfer to a bank account in the continental United States.

**Prepayment Provisions***

Optional Prepayment. The Taxable 2021 Certificates payable as to principal before or on July 1, 20__ will not be subject to optional prepayment. The Taxable 2021 Certificates payable as to principal on or after July 1, 20__ will be subject to optional prepayment, at the direction of the District, on any date on or after July 1, 20__, in whole or in part, at a prepayment price equal to the principal amount evidenced thereby plus interest with respect thereto to the prepayment date, without premium.

Mandatory Prepayment. The Taxable 2021 Certificates payable as to principal on July 1 in the year 20__ (the "Term Certificates"), are subject to mandatory prepayment and shall be paid on July 1 in the respective years set forth below, in the amounts set forth below, by payment of a prepayment price equal to the principal amount of such Term Certificates called for prepayment plus the interest accrued to the date fixed for prepayment, but without premium.

Term Certificates Maturing July 1, 20__

| **Year** | **Sinking Fund Requirement** |
|---|---|

_____
*Maturity

Whenever Taxable 2021 Certificates subject to mandatory prepayment are purchased, paid (other than pursuant to mandatory prepayment) or delivered by the District to the Trustee for cancellation, the principal amount of the Taxable 2021 Certificates so retired shall satisfy and be credited against the mandatory prepayment requirements for such Taxable 2021 Certificates for such years as the District may direct.

Extraordinary Prepayment. The Taxable 2021 Certificates will be subject to prepayment on any Interest Payment Date, in whole or in part, to the extent of any Net Proceeds that are deposited in the Lease Payment Fund for such purpose as provided in the Lease Agreement, at a prepayment price equal to the principal amount evidenced thereby, plus interest to the prepayment date, without premium.

As further described in APPENDIX E under the subheading "TRUST AGREEMENT — Funds -- Insurance and Condemnation Fund," if all of the Leased Property is taken permanently pursuant to the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is so taken and the Net Proceeds will be deposited with the Trustee in the Lease Payment Fund and applied as hereinabove described. If less than all of the Leased Property is taken permanently, or if all of the Leased Property or any part thereof is taken temporarily, under the power of eminent domain, the Lease Agreement will not be terminated by virtue of such taking, but there will be a partial

* Preliminary, subject to change.

reduction of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments deposited in the Lease Payment Fund as described in the Lease Agreement.

The Net Proceeds of any insurance award resulting from any damage to or destruction of any Leased Property by fire or other casualty will be deposited with the Trustee and, if the District determines within 45 days following such deposit that the replacement, repair, restoration, modification or improvement of such Leased Property is not economically feasible or is not in the best interest of the District, then, such Net Proceeds will be transferred to the Lease Payment Fund and applied as described in the Lease Agreement, *provided, however*, in the event of damage or destruction of the Leased Property in full, such Net Proceeds may be transferred to the Lease Payment Fund to be applied only if sufficient, together with other moneys available therefor, to cause the prepayment of all Outstanding Taxable 2021 Certificates; provided further, however, if the Net Proceeds are not sufficient to cause the prepayment of all Outstanding Taxable 2021 Certificates, the District will have the option to purchase the Leased Property for a price representing the difference between the amount of Net Proceeds received and available for transfer to the Lease Payment Fund and the amount required to redeem all Outstanding Taxable 2021 Certificates.

Any Net Proceeds resulting from a re-lease or re-rent of the Leased Property upon the occurrence and continuation of a default pursuant to the Lease Agreement will be deposited in the Lease Payment Fund and applied as described in the Lease Agreement.

Selection and Notice. Whenever less than all Outstanding Taxable 2021 Certificates are called for prepayment, the maturities of the Taxable 2021 Certificates to be selected for prepayment may be specified by the District. The Trustee will give notice of the prepayment of such Taxable 2021 Certificates to DTC not less than 30 days nor more than 60 days before the prepayment date as described in APPENDIX H.

**Defeasance**

If the District (i) pays the principal and interest evidenced by all Outstanding Taxable 2021 Certificates, or (ii) at or before the scheduled principal payment dates of all Outstanding Taxable 2021 Certificates, deposits money or Defeasance Obligations with the Trustee that, together with other available funds, are sufficient to pay the principal and interest evidenced by all or a portion of the Outstanding Taxable 2021 Certificates when the same become due and payable, then the lien of the Trust Agreement and all covenants, agreements and obligations of the District and the Trustee with respect to the Taxable 2021 Certificates so provided for will terminate, except for the obligation of the Trustee to make payments with respect to such Taxable 2021 Certificates from such funds. See APPENDIX E — "SUMMARIES OF LEGAL DOCUMENTS — TRUST AGREEMENT — Defeasance."

## SOURCES OF PAYMENT OF THE TAXABLE 2021 CERTIFICATES

In accordance with the terms of the Trust Agreement, the Taxable 2021 Certificates will be payable by the Trustee solely from: (1) the Lease Payments received by the Trustee from the District pursuant to the Lease Agreement, subject to termination of the Lease Agreement, as provided in the Lease Agreement, (2) amounts from time to time deposited in the funds created pursuant to the Trust Agreement and investment earnings on such funds, and (3) any Net Proceeds from insurance coverage or condemnation awards received by the Trustee from the damage, destruction or taking of the Leased Property or portion thereof pursuant to the Lease Agreement and the Trust Agreement or from exercise by the Trustee of any remedies or rights pursuant to the Lease Agreement or Trust Agreement upon default or failure to budget thereunder.

The District's obligation to pay Lease Payments during the term of the Lease Agreement will be absolute and unconditional during the then-current Fiscal Period, but subject to (1) the District's right to terminate the Lease Agreement and its obligation to pay the Lease Payments for any succeeding Fiscal Period upon its failure to make a budgetary appropriation for the full amount necessary to make the Lease Payments coming due during the next occurring Fiscal Period and (2) termination of the Lease Agreement upon taking of all of the Leased Property by eminent domain as described above under the subheading "THE TAXABLE 2021 CERTIFICATES — Prepayment Provisions —Extraordinary Prepayment."

No funds or revenues of the District will be pledged to make Lease Payments. Lease Payments will be made by the District from annually appropriated moneys. The District's intention is to make the Lease Payments from available revenues within the District's General Fund. See APPENDIX B — "THE DISTRICT — FINANCIAL INFORMATION."

IN THE EVENT OF TERMINATION OF THE LEASE AGREEMENT, THERE WILL BE NO ASSURANCE THAT THE TRUSTEE WILL HAVE ADEQUATE FUNDS PURSUANT TO THE TRUST AGREEMENT TO PAY PRINCIPAL AND INTEREST EVIDENCED BY THE TAXABLE 2021 CERTIFICATES. SEE "RISK FACTORS — TERMINATION OF LEASE AGREEMENT" HEREIN.

## SECURITY FOR THE TAXABLE 2021 CERTIFICATES

### General

Each Taxable 2021 Certificate will evidence and represent an undivided proportionate interest in the Lease Payments and the Prepayments required to be paid by the District pursuant to the Lease Agreement.

The District will have the right to terminate the Lease Agreement and its obligation to pay Lease Payments as described below under the subheading "Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds."

THE DISTRICT'S OBLIGATION TO MAKE LEASE PAYMENTS WILL NOT CONSTITUTE A DEBT OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO MAKE PAYMENTS OF THE TAXABLE 2021 CERTIFICATES. PAYMENT OF THE PRINCIPAL AND INTEREST EVIDENCED BY THE TAXABLE 2021 CERTIFICATES WILL BE MADE BY THE TRUSTEE SOLELY FROM AMOUNTS DERIVED UNDER THE TERMS OF THE LEASE AGREEMENT, INCLUDING LEASE PAYMENTS, AND AMOUNTS FROM TIME TO TIME ON DEPOSIT WITH THE TRUSTEE PURSUANT TO THE TERMS OF THE TRUST AGREEMENT.

### Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds

The term of the Lease Agreement will begin as of the date thereof and continue until the end of the District's then-current Fiscal Period, and thereafter for such additional Fiscal Periods as are necessary to complete the anticipated total lease term through and including July 1, 2037*, unless terminated prior thereto.

If, on or before the third Business Day prior to the last date on which the District is required or permitted to adopt its budget for a Fiscal Period, the District Board fails to adopt a budget containing an annual budgetary appropriation sufficient to make all Lease Payments coming due during the Fiscal Period for which such budgeting and appropriation are made, the District will immediately notify the Trustee in writing of that fact. If, on the last date on which the District is required or permitted to adopt its budget for a Fiscal Period, no such proper budgeting and final appropriation by the District Board shall have been made, then all of the District's right, title and interest in and future obligations pursuant to the Lease Agreement and to all of the Leased Property will terminate (subject to reinstatement as provided below), effective as of the last day of the last Fiscal Period for which such budgeting and appropriation was made. Upon such termination, the District will be relieved of any subsequent obligation pursuant to the Lease Agreement other than to return to the Trustee possession of the Leased Property as provided in the Lease Agreement and to pay any accrued and unpaid obligations.

If the Lease Agreement is terminated as described above and if, within 45 days after such date of termination, amounts sufficient to make all Lease Payments coming due during the then current Fiscal Period are determined to be available such that the Lease Agreement would have continued in effect with respect to the Leased Property if such amounts

* Preliminary, subject to change.

had been determined to be available before the termination date, then the Lease Agreement will be reinstated with respect thereto and deemed renewed as of the day following the date of such termination.

**Events of Default or Termination Pursuant to Lease Agreement**

Upon an Event of Default pursuant to the Trust Agreement or a termination described above under the subheading "Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds," the Trustee may exercise one or more of the remedies provided in the Trust Agreement, subject to receipt of indemnity satisfactory to it, including an option to re-lease or sell its leasehold interest in the Leased Property, and apply the proceeds of such disposition, if any, along with the moneys in the Lease Payment Fund, to the payment of the Taxable 2021 Certificates. However, there is no assurance that revenues from the Trustee's re-lease or sale of its leasehold interest in the Leased Property would be sufficient to pay in full all Outstanding Certificates. Should such a shortfall occur, the principal and interest represented by the Taxable 2021 Certificates would be paid by the Trustee to the extent of moneys, if any, held by the Trustee in accordance with the Trust Agreement. In accordance with the terms of the Trust Agreement, the Trustee is not under any obligation to take any other action if the Trustee determines that to do so exposes the Trustee to a risk of financial liability or other liability (including environmental liability) for which it reasonably believes it will not be adequately indemnified. See "RISK FACTORS — Termination of Lease Agreement" herein.

**Additional Certificates**

So long as no Event of Default or termination of the Lease Agreement as described above under the subheading "Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds" has occurred and will continue after execution and delivery of any Additional Certificates, the Trustee may execute and deliver, at the direction of the District, Additional Certificates from time to time to provide funds to pay the costs of refunding Outstanding Certificates. Before the Trustee delivers any Additional Certificates executed pursuant to a supplement authorized by the Trust Agreement, the Trustee shall have received the items identified in APPENDIX E – "SUMMARIES OF LEGAL DOCUMENTS – TRUST AGREEMENT – Additional Certificates." When such documents have been received by the Trustee, the Trustee will execute and deliver the Additional Certificates to or on the order of the original purchaser thereof, but only upon payment of the agreed-upon purchase price for the Additional Certificates.

## RISK FACTORS

***THE PURCHASE OF THE TAXABLE 2021 CERTIFICATES INVOLVES CERTAIN INVESTMENT RISKS THAT ARE DISCUSSED THROUGHOUT THIS OFFICIAL STATEMENT. ACCORDINGLY, EACH PROSPECTIVE TAXABLE 2021 CERTIFICATE PURCHASER SHOULD MAKE AN INDEPENDENT EVALUATION OF ALL THE INFORMATION PRESENTED HEREIN. CERTAIN OF THESE INVESTMENT RISKS ARE DESCRIBED BELOW. THE LIST OF RISKS DESCRIBED BELOW IS NOT INTENDED TO BE DEFINITIVE OR EXHAUSTIVE AND THE ORDER IN WHICH THE FOLLOWING FACTORS ARE PRESENTED IS NOT NECESSARILY REFLECTIVE OF THE RELATIVE IMPORTANCE OF THESE RISKS.***

**Limited Obligation**

The obligation of the District to pay the Lease Payments will not be secured by the levy or pledge of any tax or any other funds or revenues derived from the Leased Property or any other property and does not constitute a debt or indebtedness of the District, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. See "SECURITY FOR THE TAXABLE 2021 CERTIFICATES" herein. The Lease Payments will be payable by the District only from moneys lawfully budgeted and appropriated for such purpose.

The District Board must appropriate on an annual basis and have available funds for such purposes. A number of factors beyond the control of the District, including decreased tax or other State revenues, spending reductions or increased expenditures for other purposes mandated by legislation (including to fund pension programs like PSPRS) or voter referendum or initiative measures or governmental rules, policies or judicial decisions, could adversely affect the amount available to the District in any year for such budgeting and appropriation. In addition, as described under

APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION – PROPERTY TAXES – Secondary Taxes" in more detail, the District's annual operation and maintenance secondary tax levy is only permitted to grow by up to eight percent each year and may not exceed a tax rate of $3.25 per $100 of Net Limited Assessed Property Value unless the District's voters approve an operation and maintenance override. See "SECURITY FOR THE TAXABLE 2021 CERTIFICATES — Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds."

The Lease Agreement will obligate the District to lease the Leased Property. State courts have held that governing bodies such as the District Board cannot bind future governing bodies to perform governmental functions or activities. Thus, notwithstanding the commitment of the District to annually appropriate Lease Payments, to the extent permitted by law, such commitment may not be binding on future members of the district board. Moreover, changes in the membership and political philosophies of the District Board and in administrative staff and management strategies may occur, and it cannot be determined at this time if future members of the district board of the District might refuse to budget sufficient amounts to make the Lease Payments in future Fiscal Periods.

No funds or revenues of the District will be pledged, obligated or restricted for the payment of the Lease Payments. In addition, the District Board has the right to refuse to annually appropriate for any reason. If the District Board refused to appropriate funds to pay the Lease Payments for any fiscal year, the Lease Agreement would terminate and there is no assurance that funds held pursuant to the Trust Agreement would be sufficient to pay principal and interest evidenced by the Taxable 2021 Certificates. See "SECURITY FOR THE TAXABLE 2021 CERTIFICATES — Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds."

**Other Obligations of the District**

In September 2020, the District issued its $1,100,000 Equipment Lease Purchase Agreement which funded installation and activation of electric generating solar panels at the locations listed below.

3885 E Golder Ranch Dr. Tucson, AZ 85739 (Fire Administration Facility)
3895 E Golder Ranch Dr. Catalina, AZ 85739 (Fleet Maintenance Facility)
1175 W Magee Rd. Tucson, AZ 85704 (Fire Station No. 380)
9310 N Shannon Rd Tucson, AZ 85742 (Fire Station No. 379)

*See APPENDIX B – "THE DISTRICT — FINANCIAL INFORMATION — DIRECT AND OVERLAPPING BONDED INDEBTEDNESS" for more information regarding the District's outstanding debt obligations.*

The District Board has the ability to enter into other obligations that will be payable from the same revenues from which it must budget monies to make the Lease Payments. See APPENDIX B — "THE DISTRICT —FINANCIAL INFORMATION." To the extent that such additional obligations are incurred by the District, the funds available for, and the District's ability and willingness to make, Lease Payments may be decreased. The Lease Agreement imposes no restrictions upon the ability of the District to incur additional obligations.

**Termination of Lease Agreement**

In addition to termination of the Lease Agreement as described under the subheading "SECURITY FOR THE TAXABLE 2021 CERTIFICATES — Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds" herein, several other events may lead to a termination of the Lease Agreement:

(1) an Event of Default on the part of the District and an election by the Trustee to terminate the Lease Agreement as described in "LEASE AGREEMENT— Events of Default" in APPENDIX E;

(2) the taking of all of the Leased Property pursuant to the power of eminent domain as described under the subheading "THE TAXABLE 2021 CERTIFICATES — Prepayment Provisions — Extraordinary Prepayment," and

(3) violation of certain State statutes pertaining to conflicts of interest, described herein below.

As required by the provisions of Arizona Revised Statutes Section 38-511, the District may, within three years after its execution, cancel any contract (including the Financing Documents) without penalty or further obligation, made by the District if any person significantly involved in initiating, negotiating, securing, drafting or creating such contract on behalf of the District is, at any time while such contract or any extension thereof is in effect, an employee of any other party to such contract in any capacity or a consultant to any other party to such contract with respect to the subject matter thereof. The cancellation will be effective when written notice from the Fire Chief or the District Board is received by all other parties to such contract unless the notice specifies a later time. Upon cancellation of the Financing Documents, the Leased Property will revert to the District and the District will have no further obligation under the Financing Documents.

Pursuant to the Ground Lease, the Trustee has the power to re-lease or sell its leasehold estate in the Leased Property under such circumstances. The Net Proceeds from the re-leasing of the Leased Property or sale of the Trustee's interest therein, together with other moneys then held by the Trustee in accordance with the Trust Agreement, will be required to be used pursuant to the Trust Agreement to pay principal and interest evidenced by the Taxable 2021 Certificates as it becomes due, to the extent of such moneys. No assurance can be given that the amount of funds obtained from such re-leasing or sale of the leasehold estate and from funds held pursuant to the Trust Agreement will be sufficient to pay all Taxable 2021 Certificates when due.

The Leased Property consists of [Leased Property]. While the insurance value of the Leased Property is estimated at approximately $_____, not including the value of the underlying land, it is less than the estimated principal amount of the Taxable 2021 Certificates. [In addition, the nature of the Leased Property is special purpose and portions will have additional use or other restrictions that could limit its utility or value if put to alternate uses.] For example, the _____. As such, it could be difficult to find a lessee or purchaser for the leasehold estate in the Leased Property and, upon any event of termination of the Lease Agreement or default by the District pursuant to the Lease Agreement, the Trustee may not realize sufficient moneys from the releasing or sale of its leasehold estate in the Leased Property to provide for the payment of the Taxable 2021 Certificates in full with interest to the scheduled dates of payment. In other words, due to the insurance value being less than the estimated principal amount of the Taxable 2021 Certificates, [the special purpose nature of the Leased Property,] the uncertainties of the needs of others for facilities and of the special and limited demand for facilities, no assurance can be given that the proceeds from any re-lease, sale of the leasehold estate or other disposition of the Leased Property will be sufficient to pay the principal and interest evidenced by the Taxable 2021 Certificates.

**Coronavirus Disease 2019 ("COVID-19")**

The outbreak and spread of the novel strain of coronavirus called Coronavirus Disease 2019 ("COVID-19"), which has been designated a global pandemic by the World Health Organization, is negatively affecting local, state and global economies. While economic activity is adversely impacted as governments, businesses and citizens react to, plan for, and try to prevent or slow further transmission of the virus, this adverse economic impact is somewhat mitigated by federal stimulus packages and state and local laws and programs to support business activity. Financial markets, including the stock markets in the United States and globally, have seen significant volatility and declines attributed to COVID-19 concerns. On March 11, 2020, as part of the State's response to address the outbreak, Arizona Governor, Doug Ducey (the "Governor"), declared a state of emergency. On March 13, 2020, President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. An initial State of Arizona stay home Executive Order expired after six weeks on May 15, 2020. The Governor has since issued several executive orders in response to then-current virus conditions. These orders cover topics including physical distancing, virus testing and reporting, contact tracing, face coverings, closing and reopening of business operation, large gatherings and the start of the 2020/21 school year.

Most recently, on March 25, 2021, the Governor issued Executive Order 2021-06. The combination of this Order and Executive Order 2021-05 issued on March 5, 2021, essentially permits the Arizona economy to operate under regular conditions, while encouraging continuation of appropriate COVID prevention protocols. The items addressed in the Executive Orders include operation of Spring Training and Major League sports; permitting large gatherings without local government approval; lifting business occupancy percentage limitations; and transitioning business operation guidance to recommendations.

Vaccine distribution is underway in the State. Executive Order 2020-58 requires all insurers regulated by the State to waive all cost sharing requirements for consumers.

The District does not anticipate that the collection of property taxes, which may be a significant revenue source for operating purposes and payment of principal and interest due on the Taxable 2021 Certificates, will be affected unless severe economic hardship causes a major increase in the normal delinquency rate. Such an increase in the delinquency rate could negatively affect the District's ability to pay debt service on the Taxable 2021 Certificates.

The District cannot predict costs associated with a potential infectious disease outbreak such as operational costs to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. The District cannot predict what impact the coronavirus outbreak and spread of COVID-19, or responses by federal, State or local governments thereto, might have on the District, its operations or its financial position.

**Possible Restrictions on Transfer of, and Change of Status of Interest Represented by, the Taxable 2021 Certificates Upon Termination of Lease Agreement**

Neither Special Counsel nor counsel to the Underwriter is rendering an opinion as to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to the transfer of any Taxable 2021 Certificates in the event Lease Payments are being made from sources other than funds made available by the District as a result of termination of the Lease Agreement for any reason. If the Lease Agreement is terminated while Taxable 2021 Certificates are Outstanding, the Taxable 2021 Certificates may need to be transferred by a Taxable 2021 Certificate Owner in compliance with the registration provisions of the Securities Act of 1933, as amended.

**Limitations on Remedies**

No assurance can be given that the proceeds from any re-leasing or sale of the leasehold estate in the Leased Property will be sufficient to pay in full all Outstanding Taxable 2021 Certificates. The enforcement of any remedies provided in the Lease Agreement and the Trust Agreement could prove both expensive and time consuming. It addition, the enforceability of the Lease Agreement and the Trust Agreement will be subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the State and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in the ability of the Trustee to obtain possession of the Leased Property upon termination of the Lease Agreement or exercise of remedies upon default by the District will, of necessity, result in delays in the receipt of the funds needed to make payments on the Taxable 2021 Certificates.

Although the Lease Agreement and the Trust Agreement provide that the Trustee may take possession of the Leased Property and (upon receipt of indemnification satisfactory to the Trustee) re-lease it or sell its leasehold interest therein if there is a default by the District thereunder or if the Lease Agreement is terminated or cancelled, and the Lease Agreement provides that the Trustee may have such rights of access to the Leased Property as may be necessary to exercise any remedies, no assurance can be given that revenues from the Trustee's re-letting or sale of its interest in the Leased Property would be sufficient to pay in full all Outstanding Taxable 2021 Certificates.

Upon the termination of the Lease Agreement or if the District defaults in its obligation to make Lease Payments pursuant thereto, the Trustee will be required by the Trust Agreement to take action to force the District to surrender possession of the Leased Property. However, in accordance with the terms of the Trust Agreement, the Trustee is not under any obligation to take any other action if the Trustee determines that to do so exposes the Trustee to a risk of financial liability or other liability (including environmental liability) for which it reasonably believes it will not be adequately indemnified. See "SECURITY FOR THE TAXABLE 2021 CERTIFICATES — Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds" and "— Events of Default or Termination Pursuant to Lease Agreement" herein. Prior to taking other actions pursuant to the Trust Agreement, the Trustee may demand assurances from the Owners, such as indemnity satisfactory to the Trustee, that it will not incur liability by reason of any other action taken by the Trustee pursuant to the Trust Agreement.

## SOURCES AND USES OF FUNDS

Sources of Funds

| | |
|---|---|
| Principal Amount of the Taxable 2021 Certificates | $30,395,000.00* |
| [Net] Original Issue Premium *(a)* | |
| Total Sources of Funds | |

Uses of Funds

| | |
|---|---|
| Deposit to the Project Fund | |
| Deposit to the District Contingency Reserve Fund | |
| Payment of Costs of Issuance *(b)* | |
| Total Uses of Funds | |

*(a)* *Includes original issue premium on the Taxable 2021 Certificates, less original issue discount.*

*(b)* *Includes Underwriter's compensation with respect to the Taxable 2021 Certificates.*

* Preliminary, subject to change.

## ESTIMATED LEASE PAYMENT REQUIREMENTS

The following table illustrates the estimated Lease Payments with respect to the Taxable 2021 Certificates.

**Schedule of Annual Lease Payment Requirements *(a)(b)***
**Golder Ranch Fire District**

| Fiscal Year | The Taxable 2021 Certificates* | | Total Annual Payment Requirements* |
|---|---|---|---|
| | Principal | Interest *(c)* | |
| 2021/22 | $ 640,000 | $ 883,651*(d)* | $ 1,523,651 |
| 2022/23 | 1,280,000 | 791,395 | 2,071,395 |
| 2023/24 | 1,645,000 | 780,067 | 2,425,067 |
| 2024/25 | 1,775,000 | 756,148 | 2,531,148 |
| 2025/26 | 1,805,000 | 725,902 | 2,530,902 |
| 2026/27 | 1,840,000 | 688,629 | 2,528,629 |
| 2027/28 | 1,885,000 | 646,033 | 2,531,033 |
| 2028/29 | 1,930,000 | 599,248 | 2,529,248 |
| 2029/30 | 1,980,000 | 548,450 | 2,528,450 |
| 2030/31 | 2,035,000 | 494,356 | 2,529,356 |
| 2031/32 | 2,090,000 | 436,725 | 2,526,725 |
| 2032/33 | 2,155,000 | 372,040 | 2,527,040 |
| 2033/34 | 2,225,000 | 305,342 | 2,530,342 |
| 2034/35 | 2,295,000 | 236,479 | 2,531,479 |
| 2035/36 | 2,370,000 | 160,147 | 2,530,147 |
| 2036/37 | 2,445,000 | 81,321 | 2,526,321 |
| | $ 30,395,000 | | |

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(a) *Prepared by the Underwriter.*

(b) *See APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION for information regarding District's general fund revenues for the budgeted fiscal year 2020/21 and audited fiscal years 2016/17 through 2019/20.*

(c) *Interest is estimated.*

(d) *The first interest payment due with respect to the Taxable 2021 Certificates will be on January 1, 2022*. Thereafter, interest payments will be made semiannually on each July 1 and January 1, until the earlier of the final maturity or prepayment prior to maturity.*

## LITIGATION

No litigation or administrative action or proceeding is pending or threatened against the District which questions its right to adopt or comply with the provisions of the Financing Documents or the validity or enforceability thereof or to consummate the transactions described therein or herein; nor is there any litigation or administrative action or proceeding threatened against the District which, if decided adversely to the District, would impair the District's ability to comply with all of the requirements set forth in the Financing Documents or have a material adverse effect upon the financial condition of the District. Representatives of the District will deliver a certificate to that effect at the time of the initial delivery of the Taxable 2021 Certificates.

## LEGAL MATTERS

Legal matters incident to the execution and delivery of the Taxable 2021 Certificates are subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel, whose services have been retained by the District. The signed legal opinion of Special Counsel, dated and premised on the law in effect as of the date of the Taxable 2021 Certificates, will be delivered to the Underwriter at the time of original delivery of the Taxable 2021 Certificates.

The proposed text of the legal opinion is set forth as APPENDIX F – "FORM OF APPROVING LEGAL OPINION." The legal opinion to be delivered may vary from the text of APPENDIX F if necessary to reflect the facts and law existing on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to the Taxable 2021 Certificates subsequent to the original delivery of the Taxable 2021 Certificates.

Certain legal matters will be passed upon for the Underwriter by Squire Patton Boggs (US) LLP, as counsel to the Underwriter.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend numerous matters, both financial and nonfinancial, affecting the operations of municipalities which could have a material effect on the District and could adversely affect the secondary market value or marketability of the Taxable 2021 Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Taxable 2021 Certificates) issued prior to enactment.

The legal opinions to be delivered concurrently with the delivery of the Taxable 2021 Certificates will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein dated and speaking only as of the date of delivery of the Taxable 2021 Certificates. By rendering a legal opinion, the provider of the legal opinion does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## TAX MATTERS

### General

THE PORTION OF EACH LEASE PAYMENT MADE BY THE DISTRICT PURSUANT TO THE LEASE AGREEMENT AND DENOMINATED AS AND COMPRISING INTEREST PURSUANT TO THE LEASE AGREEMENT AND RECEIVED BY THE OWNERS OF THE TAXABLE 2021 CERTIFICATES IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT EXEMPT FROM TAXATION UNDER THE LAWS OF THE STATE. In general, prospective purchasers of the Taxable 2021 Certificates should consult their tax advisors regarding the federal, state, local, and foreign tax consequences of acquisition, ownership, and disposition of Taxable 2021 Certificates. For example, the legal defeasance of the Taxable 2021 Certificates may result in a deemed sale or exchange of the Taxable 2021 Certificates under certain circumstances, with concomitant tax consequences.

The following summary is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, a particular Owner of Taxable 2021 Certificates, and is generally limited to U.S. Owners. "U.S. Owners" are beneficial Owners of the Taxable 2021 Certificates that for U.S. federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state or the District of Columbia, and certain estates or trusts with specific connections to the United States. As used in this summary, the term "Non-U.S. Owner" means a beneficial Owner of Taxable 2021 Certificates that is not a U.S. Owner.

In particular, this summary does not address (a) special classes of taxpayers that are subject to special treatment under the federal income tax laws, such as S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the United States, broker-dealers, traders in securities, and tax-exempt organizations, (b) persons that own Taxable 2021 Certificates as a hedge against, or as obligations that are hedged against, currency risk, or that are part of a hedge, straddle, conversion, or other integrated transaction, or (c) persons whose functional currency is not the U.S. dollar. This summary also does not address the tax consequences to an Owner of Taxable 2021 Certificates held through a partnership or other pass-through entity treated as a partnership for federal income tax purposes. **Partnerships holding Taxable 2021 Certificates, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of an investment in the Taxable 2021 Certificates, including their status as U.S. Owners.**

Further, this discussion is limited to persons purchasing the Taxable 2021 Certificates for cash in this original offering at the respective prices indicated on the inside front cover page of this Official Statement (the "issue prices"). Owners that purchase the Taxable 2021 Certificates at prices other than their respective issue prices or after their original execution and delivery should consult their tax advisors regarding other tax considerations, such as market discount, as to all of which Special Counsel expresses no opinion. This discussion assumes that the Taxable 2021 Certificates will be held as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code").

**Certain U.S. Federal Income Tax Consequences to U.S. Owners**

*Interest*. In general, interest paid or accrued on the Taxable 2021 Certificates will be taxable to a U.S. Owner as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for federal income tax purposes. Under recently-enacted legislation known as the Tax Cuts and Jobs Act, U.S. Owners that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. This rule generally is effective for tax years beginning after December 31, 2017 (or, for debt securities issued with original issue discount, for tax years beginning after December 31, 2018). Accrual method U.S. Owners should consult their tax advisors regarding the potential applicability of this rule to their particular situation.

*Disposition of the Taxable 2021 Certificates*. Upon the sale, exchange, retirement, or other taxable disposition of a Taxable 2021 Certificate, a U.S. Owner, in general, will recognize gain or loss equal to the difference between the amount realized from the sale, exchange, retirement, or other disposition and the Owner's adjusted basis, or applicable portion of the adjusted basis, in the Taxable 2021 Certificate. The Owner's adjusted basis generally will equal the Owner's cost of the Taxable 2021 Certificate, reduced by any principal payments (and any other payments on the Taxable 2021 Certificates not treated as qualified stated interest). Any such gain or loss generally will be long-term capital gain or loss, provided that the Taxable 2021 Certificates have been held for more than one year at the time of disposition. Net long-term capital gain recognized by an individual U.S. Owner generally will be subject to tax at a lower rate than that for net short-term capital gain or ordinary income. The deductibility of capital losses is subject to limitations.

*Additional Tax on Net Investment Income*. An additional 3.8% tax is imposed on the "net investment income" of certain U.S. citizens and residents, and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes gross income from interest and certain net gain from the sale, exchange, redemption, or other taxable disposition of a debt instrument that produces interest, minus certain

deductions. **A U.S. Owner that is an individual, estate, or trust should consult its tax advisor regarding the applicability of this additional tax.**

*Information Reporting and Backup Withholding.* The Trustee must report annually to the IRS and to each U.S. Owner any interest payable to the U.S. Owner, subject to certain exceptions. A non-corporate U.S. Owner of the Taxable 2021 Certificates may be subject to backup withholding (currently at a rate of 24%) with respect to "reportable payments," which include interest paid on the Taxable 2021 Certificates and the gross proceeds of a sale, exchange, redemption, or retirement of the Taxable 2021 Certificates, unless the Owner provides an accurate taxpayer identification number and certifies on an IRS Form W-9, under penalties of perjury, that the Owner is not subject to backup withholding and otherwise complies with applicable requirements of the backup rules or otherwise establishes an exemption.

**Certain U.S. Federal Income Tax Consequences to Non-U.S. Owners**

*Interest.* Subject to the discussion below under "*Application of Foreign Account Tax Compliance Act*", interest on any Taxable 2021 Certificate owned by a Non-U.S. Owner is generally not subject to U.S. federal income or withholding tax, provided that:

- the Non-U.S. Owner does not own, actually or constructively, 10% or more of the total combined voting power of all classes of voting stock of the District, and is not a controlled foreign corporation related to the District, directly or indirectly, through stock ownership;
- the Non-U.S. Owner is not a bank receiving such interest in the manner described in Section 881(c)(3)(A) of the Code; and
- the Non-U.S. Owner certifies on IRS Form W-8BEN or W-8BEN-E, under penalties of perjury, that it is not a United States person. Special certification rules apply to Taxable 2021 Certificates that are held through foreign intermediaries.

If, however, a Non-U.S. Owner is engaged in a trade or business in the United States, and if interest on the Taxable 2021 Certificates is effectively connected with the conduct of such trade or business (and, if an income tax treaty applies, the interest is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), such interest will be subject to U.S. federal income tax in a manner similar to that for Taxable 2021 Certificates owned by a U.S. Owner, as described above, and, in the case of a Non-U.S. Owner that is a foreign corporation, may also be subject to an additional branch profits tax (currently imposed at a rate of 30%, or a lower applicable treaty rate) on its effectively connected earnings and profits, subject to adjustments. **Non-U.S. Owners should consult their tax advisors regarding the tax consequences of owning the Taxable 2021 Certificates.**

*Disposition of the Taxable 2021 Certificates.* Subject to the discussion below under "*Application of Foreign Account Tax Compliance Act*", a Non-U.S. Owner generally will not be subject to U.S. federal income or withholding tax on any amount of gain recognized by the Non-U.S. Owner upon the sale, exchange, retirement, or other taxable disposition of a Taxable 2021 Certificate unless:

- the gain is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Owner (and, if an income tax treaty applies, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Owner in the United States); or
- in the case of an individual, the Non-U.S. Owner is present in the United States for 183 days or more in the taxable year in which the sale, exchange, retirement, or other taxable disposition takes place and certain other conditions are met.

*Application of Foreign Account Tax Compliance Act.* The Foreign Account Tax Compliance Act ("FATCA") generally imposes a 30% withholding tax on interest payments and gross proceeds from the sale of interest-bearing obligations for payments made after the relevant effective date to (i) certain foreign financial institutions that fail to certify their FATCA compliance, and (ii) non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders and/or United States accountholders are not satisfied.

Under applicable Treasury Regulations and administrative guidance, a 30% FATCA withholding tax generally will be imposed, subject to certain exceptions, on payments of interest on Taxable 2021 Certificates where such payments are made to persons described in the immediately preceding paragraph. While FATCA withholding would also have applied to payments of gross proceeds from the sale or other disposition of Taxable 2021 Certificates on or after January 1, 2019, recently proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

With respect to payments made to a "foreign financial institution" either as a beneficial owner or as an intermediary, the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a "FATCA Agreement"), or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA"), in either case to, among other things, collect and provide to the United States or other relevant tax authorities certain information regarding U.S. account holders of such institution. With respect to payment made to a foreign entity that is not a financial institution (as a beneficial owner), the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such entity provides to the withholding agent a certification that such entity does not have any "substantial" U.S. owner (generally, any specified U.S. person that owns, directly or indirectly, more than a specified percentage of such entity) or identifies its "substantial" U.S. owners.

If the Taxable 2021 Certificates are held through a foreign financial institution that inters into (or is otherwise subject to) a FATCA Agreement, subject to certain exceptions, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign institution) generally will be required to withhold the 30% FATCA tax on the payment of dividends or the items described above made to (i) a person (including an individual) that fails to comply with certain information requests, or (ii) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement, and that is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Coordinating rules may limit duplicative withholding where the withholding described above under "*Information Reporting and Backup Withholding*" also applies.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments made on Taxable 2021 Certificates because of a failure by the investor (or an institution through which an investor holds the Taxable 2021 Certificates) to comply with FATCA, none of the District, any paying agent, or any person would, pursuant to the terms of the Taxable 2021 Certificates, be required to pay additional amounts with respect to any Taxable 2021 Certificates because of the deduction or withholding of such tax. **Non-U.S. Owners should consult their tax advisors regarding the application of FATCA to the ownership or disposition of Taxable 2021 Certificates.**

## RATINGS

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") and Fitch Ratings, Inc. ("Fitch") have assigned ratings of "__" and "__", respectively, to the Taxable 2021 Certificates. Such ratings reflect only the view of S&P and Fitch, and any desired explanation of the significance of these ratings should be obtained from the rating agency furnishing the same at the following addresses: S&P at One California Street, 31st Floor, San Francisco, California 94111 and Fitch at One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The respective ratings may subsequently be revised downward or withdrawn entirely by S&P and Fitch, respectively, if in their judgment, circumstances so warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Taxable 2021 Certificates. The District will covenant in its continuing disclosure undertaking with respect to the Taxable 2021 Certificates that it will file notice of any formal change in any ratings relating to the Taxable 2021 Certificates. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

## UNDERWRITING

The Taxable 2021 Certificates are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase from the District the Taxable 2021 Certificates at an aggregate purchase price of $_____ pursuant to a certificate purchase agreement between the District and the Underwriter. The aggregate purchase price reflects compensation to the Underwriter of $_____. The Taxable 2021 Certificates may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Taxable 2021 Certificates into investment trusts) at prices lower than the public offering prices stated on the inside front cover page hereof, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Taxable 2021 Certificates if any Taxable 2021 Certificates are purchased.

## RELATIONSHIP AMONG PARTIES

Special Counsel has and continues to represent the Underwriter with respect to financings other than for the District and will continue to do so if requested in the future. Special Counsel has also previously acted as bond counsel or special counsel with respect to other obligations underwritten by the Underwriter and will continue to do so if requested in the future. Underwriter's Counsel has also previously acted as bond counsel or underwriter's counsel with respect to other obligations underwritten by the Underwriter and will continue to do so if requested in the future.

## CONTINUING DISCLOSURE

The District will covenant for the benefit of the owners of the Taxable 2021 Certificates to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2022 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access system, described in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "Rule"). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Taxable 2021 Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Taxable 2021 Certificates and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Taxable 2021 Certificates and specifically their market price and transferability.

The District previously entered into continuing disclosure undertakings with respect to the District's previously issued obligations. The District failed to timely file notice of the incurrence of a material financial obligation, but has since filed such notice. For the fiscal year ended June 30, 2020, the District failed to file its Prior Annual Report until March 30, 2021 and did not file unaudited data or notice of late filing. ***[to be updated / reviewed upon receipt of Lumesis report]***

## FINANCIAL STATEMENTS

The comprehensive audited annual financial report of the District for the fiscal year ended June 30, 2020, a copy of which is included in APPENDIX D – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020" of this Official Statement, includes the District's financial statements for the fiscal year ended June 30, 2020, that were audited by BeachFleischman PC, to the extent indicated in its report thereon. **The District has not requested or received the consent of BeachFleischman PC to include its report and BeachFleischman PC has performed no procedures subsequent to rendering its report herein, on the financial statements.**

**THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX D OF THIS OFFICIAL STATEMENT ARE CURRENT AS OF THEIR DATE ONLY AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE DISTRICT**.

## CONCLUDING STATEMENT

The descriptions of certain provisions of the Taxable 2021 Certificates and the Financing Documents contained herein, and all references to other materials, are only brief descriptions of certain provisions thereof and do not constitute complete statements of such documents or provisions. Reference is hereby made to the complete documents for further information, copies of which are available as set forth under "INTRODUCTION" herein. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing.

The execution and delivery of this Official Statement have been duly authorized and approved by the District.

GOLDER RANCH FIRE DISTRICT
OF PIMA AND PINAL COUNTIES, ARIZONA

By: _____
Chairperson of the District Board

**APPENDIX A**

# THE DISTRICT – DISTRICT INFORMATION

***THE TAXABLE 2021 CERTIFICATES WILL BE PAYABLE ONLY FROM AND SECURED BY THE AMOUNTS DESCRIBED UNDER THE HEADINGS "SOURCES OF PAYMENT OF THE TAXABLE 2021 CERTIFICATES" AND "SECURITY FOR THE TAXABLE 2021 CERTIFICATES." THE TAXABLE 2021 CERTIFICATES WILL NOT BE A GENERAL OBLIGATION OF THE DISTRICT.***

## General Information

The District was created in 1977 by a vote of the residents in the area. Included in the District are the communities of the Oro Valley, Catalina, Saddlebrooke and southern Pinal County, Arizona. Included in this Appendix is certain information specific to the Town of Oro Valley, Arizona ("Oro Valley"), and certain information specific to Pima County, Arizona ("Pima County"). Currently, the District encompasses an area of approximately 244 square miles and serves an estimated population of approximately 120,000.

The District provides fire and emergency medical services by career and reserve firefighters and state certified paramedics. The District has a full complement of fire, medical and rescue equipment. The District also provides fire inspection and public education programs.

The District responds to approximately 16,751 requests for emergency and non-emergency service annually. The District currently includes ten fire stations strategically placed throughout the District with the administrative offices located at the headquarters in Pima County.

## Administration and Governance

The District has 272 full-time employees, of which are 228 full-time emergency personnel, 70 are state certified paramedics, 144 are emergency responders and 14 are administrative.

The District operates under the supervision the District Board, comprised of five-members. The members of the District Board are elected at large from within the District's boundaries for four year terms. The present members of the District Board are:

**TABLE A-1**

**DISTRICT BOARD**
**Golder Ranch Fire District**

Vicki Cox-Golder, *Chairperson*
Wally Vette, *Clerk of the Board*
Richard Hudgins, *Vice-Chairperson*
Steve Brady, *Board Member*
Albert Pesqueira, *Board Member*

Chief Randy Karrer was appointed Fire Chief of Golder Ranch Fire District in March of 2010. He began his career in 1981 working his way through the fire department ranks with Northwest Fire District and Drexel Heights Fire District in Tucson Arizona. Chief Karrer is very active thorough out the State in a variety of capacities. Chief Karrer was appointed by Governor Jan Brewer to the State Fire Safety Committee from 2012 to 2016. He also serves as the Facilitator of the Arizona Fire Services Institute that represents the Arizona Fire Chiefs Association, Professional Firefighters of Arizona, Volunteer Firefighters Association of Arizona and Arizona Fire Districts Association. He has also served on the Arizona Fire District Association Board of Directors 2009 - 2018 and was the Chairman of the Arizona Fire Chiefs Association Mutual Aid committee from 2002 - 2017 currently serving as vice-chair.

Additionally, Chief Karrer has a passion for instruction, serving as an instructor for the Arizona State Fire School since 1994 and serving on the Arizona State Training Committee since 2008.

Chief Karrer has received multiple awards and recognition for his service and expertise. In 2007 he received the Richard Carmona "Leadership Above and Beyond Award" from the Greater Tucson Leadership Council. In 2008 he received a Certificate of Commendation from the American Legion for his continued community service efforts. In 2013 he was awarded the "Chief Fire Officer of the Year" by a vote of his peers in the Arizona Fire Chiefs Association. In 2015, Chief Karrer received the "Patriot Award" from the United States Secretary of Defense for his support of the National Guard and Reserve forces. Most recently in 2017, Chief Karrer was appointed and is currently serving as the Honorary Commander for the 355th Civil Engineers Squadron at Davis Monthan Air Force Base. In 2017 he received "Innovation in the work place" Leadership Award from the Society for Human Resource Management.

Chief Karrer holds a Bachelor's Degree in Fire Service Management from Arizona State University and an Associate's Degree in Fire Science from Pima Community College. In 2009, he was awarded Chief Fire Officer (CFO) designation from the Commission on Professional Credentialing and is currently accredited. Additionally, he is a graduate of the Executive Fire Officer (EFO) program at the National Fire Academy.

## TOWN OF ORO VALLEY, ARIZONA

***The following information concerning Oro Valley is for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently, no representation is made as to the relevance of the data to the District or the Taxable 2021 Certificates. THE TAXABLE 2021 CERTIFICATES ARE NOT OBLIGATIONS OF ORO VALLEY. The Taxable 2021 Certificates are direct obligations of the District, as described under the headings "SOURCES OF PAYMENT OF THE TAXABLE 2021 CERTIFICATES" and "SECURITY FOR THE TAXABLE 2021 CERTIFICATES" in this Official Statement.***

**General**

Oro Valley, incorporated in 1974, is located in the northeastern part of Pima County. Oro Valley is approximately six miles north of the city limits of Tucson, Arizona ("Tucson"). A farming area 30 years ago, Oro Valley is now a part of the Tucson metropolitan area. Oro Valley covers an area of approximately 30 square miles and is located at an elevation of 2,600 feet at the base of the Santa Catalina Mountains. The following table illustrates population statistics for Oro Valley, Pima County and the State.

**TABLE A-2**

**POPULATION STATISTICS**

| Years | Town of Oro Valley | Pima County | State of Arizona |
|---|---|---|---|
| 2020 Estimate *(a)* | 46,273 | 1,052,375 | 7,294,587 |
| 2010 Census | 41,011 | 980,263 | 6,392,017 |
| 2000 Census | 29,700 | 843,746 | 5,130,632 |
| 1990 Census | 6,670 | 666,957 | 3,665,305 |
| 1980 Census | 1,489 | 531,443 | 2,718,425 |
| 1970 Census | 581 | 351,667 | 1,775,399 |

*(a) Provisional estimate as of July 2020 (data released in December 2020).*

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

**Municipal Government and Organization**

Oro Valley's government operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the Town Council, which consists of a Mayor and six Councilmembers. Councilmembers are elected to four-year staggered terms. The Mayor is directly elected by the qualified voters of Oro Valley and the Vice-Mayor is selected by the Town Council from among its members. The Town Council is responsible, among other things, for the adoption of local ordinances, budget adoption, the development of citizen advisory committees and the hiring of the Town Manager. The Town Manager is responsible for implementation of the policies of the Town Council. The Town Manager appoints all department heads except the Chief of Police, Town Attorney and Magistrate.

**Employment and Employers**

Oro Valley's economy is linked closely with that of Tucson. Due to Oro Valley's proximity to Tucson, the majority of the residents of Oro Valley commute to the Tucson metropolitan area for employment. The following table illustrates several of the major employers within Oro Valley.

**TABLE A-3**

**MAJOR EMPLOYERS**
**Town of Oro Valley, Arizona**

| Employer | Description | Approximate Number of Employees |
|---|---|---|
| Ventana Medical Systems Inc | High Tech Manufacturing & Development | 1,700 |
| Oro Valley Hospital LLC | Health Care | 700 |
| Amphitheater Unified School District | Education | 600 |
| Town of Oro Valley | Government, Social, & Advocacy Services | 590 |
| Walmart | Retail | 390 |
| Hilton Tucson El Conquistador Resort | Hospitality, Tourism, & Recreation | 340 |
| Casa De La Luz Foundation | Health Care | 260 |
| Fry's Food Stores | Retail | 240 |
| Target | Retail | 180 |
| Securaplane Technologies Inc | Business Services | 180 |

Source: Maricopa Association of Governments, Employer Database.

The following table illustrates annual unemployment rate averages for Oro Valley.

**TABLE A-4**

**UNEMPLOYMENT RATE AVERAGES**

| Calendar Year | Town of Oro Valley *(a)* |
|---|---|
| 2020 *(b)* | 6.5% |
| 2019 | 4.3 |
| 2018 | 4.2 |
| 2017 | 4.3 |
| 2016 | 4.6 |
| 2015 | 5.0 |

*(a)* *Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and reestimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, reestimation, and controlling to new statewide totals.*

*(b)* *Data as of November 2020.*

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

**Commerce**

The following table shows the municipal privilege sales tax collections for Oro Valley.

**TABLE A-5**

**TRANSACTION PRIVILEGE (SALES) TAX COLLECTIONS**
**Town of Oro Valley, Arizona**
**($000s omitted)**

| Fiscal Year | Municipal Privilege Tax Collections |
|---|---|
| 2019/20 | $22,655 |
| 2018/19 | 23,183 |
| 2017/18 | 22,128 |
| 2016/17 | 19,615 |
| 2015/16 | 16,995 |

Source: The Comprehensive Annual Financial Reports for Oro Valley.

# PIMA COUNTY, ARIZONA

***The following information concerning Pima County is for background information only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District; consequently, no representation is made as to the relevance of the data to the District or the Taxable 2021 Certificates. THE TAXABLE 2021 CERTIFICATES ARE NOT OBLIGATIONS OF PIMA COUNTY. The Taxable 2021 Certificates are direct obligations of the District, as described under the headings "SOURCES OF PAYMENT OF THE TAXABLE 2021 CERTIFICATES" and "SECURITY FOR THE TAXABLE 2021 CERTIFICATES" in this Official Statement.***

**General**

The County was named after the Pima Indian tribe and was formed in 1864 as one of the four original counties in the State. The County includes almost all of the land acquired from Mexico under the Gadsden Purchase. The principal geographic features of the County consist of Mount Lemmon, which rises to an elevation of 9,185 feet above sea level, and the fertile Santa Cruz River Valley.

The County encompasses approximately 9,184 square miles.

**LAND OWNERSHIP**
**Pima County, Arizona**

| Control/Ownership | Percent of Land in County |
|---|---|
| Indian Reservation | 42.1% |
| State of Arizona | 14.9 |
| Other Public Lands | 17.1 |
| Individuals or Corporations | 13.8 |
| U.S. Forest Service and Bureau of Land Management | 12.1 |
| Total | 100.0% |

Source: *Arizona County Profiles*, Arizona Department of Commerce.

Located within the County are the cities of Tucson and South Tucson, Arizona, and the towns of Marana, Oro Valley and Sahuarita, Arizona. The following table illustrates respective population statistics for the principal communities located within the County, the County and the State.

**POPULATION STATISTICS**

| Year | City of Tucson | City of South Tucson | Town of Marana | Town of Oro Valley | Town of Sahuarita | Pima County | State of Arizona |
|---|---|---|---|---|---|---|---|
| 2020 Estimate *(a)* | 549,016 | 5,701 | 51,300 | 46,273 | 32,181 | 1,052,375 | 7,294,587 |
| 2010 Census | 520,116 | 5,652 | 34,961 | 41,011 | 25,259 | 980,263 | 6,392,017 |
| 2000 Census | 486,699 | 5,490 | 13,556 | 29,700 | 3,242 | 843,746 | 5,130,632 |
| 1990 Census | 405,371 | 5,171 | 2,187 | 6,670 | 1,629 | 666,957 | 3,665,339 |
| 1980 Census | 330,537 | 6,554 | 1,674 | 1,489 | N/A | 531,443 | 2,716,546 |
| 1970 Census | 262,933 | 6,220 | 1,154 | 581 | N/A | 351,667 | 1,775,399 |

*(a) Provisional estimate as of July 2020 (data released in December 2020).*

Source: Office of Employment & Population Statistics, Arizona Department of Administration and the U.S. Census Bureau.

**Organization**

The governmental and administrative affairs of the County are carried out by a Board of Supervisors comprised of five members, each of whom serve four-year terms. The Board of Supervisors appoints a Chief Administrative Officer who is responsible for carrying out policies of the Board of Supervisors and administering operations of the County.

**Economy**

The County's economy is based on agriculture, defense related industries, education, mining and tourism, with most of the major employers being located in the Tucson metropolitan area.

The following tables illustrate the employment structure in the County.

**LABOR FORCE AND NONFARM EMPLOYMENT *(a)***
**Pima County, Arizona**

| | Percent of Total |
|---|---|
| Mining and construction | 5.3% |
| Manufacturing | 7.3 |
| Trade, transportation and utilities | 18.2 |
| Information | 1.4 |
| Financial activities | 4.7 |
| Professional and business services | 12.6 |
| Educational and health services | 17.9 |
| Leisure and hospitality | 9.4 |
| Other services | 3.4 |
| Government | 20.8 |
| Total | 100.0% |

*(a) Data as of February 2021.*

Source: Arizona Department of Commerce, Research Administration and the U.S. Department of Labor, Bureau of Labor Statistics.

**LABOR FORCE AND NONFARM EMPLOYMENT**
**Pima County, Arizona**

| | 2021 *(a)* | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| Mining and construction | 20,000 | 19,900 | 19,600 | 18,700 | 17,500 | 16,600 |
| Manufacturing | 27,200 | 27,300 | 26,500 | 25,200 | 24,300 | 23,300 |
| Trade, transportation, and utilities | 68,000 | 64,000 | 59,600 | 60,700 | 61,300 | 60,500 |
| Information | 5,100 | 5,100 | 5,700 | 5,600 | 5,400 | 5,100 |
| Financial activities | 17,700 | 17,500 | 18,400 | 18,100 | 17,600 | 17,200 |
| Professional and business services | 47,100 | 47,700 | 52,100 | 51,900 | 51,400 | 51,000 |
| Educational and health services | 66,900 | 67,400 | 69,200 | 66,200 | 65,300 | 64,700 |
| Leisure and hospitality | 35,300 | 35,800 | 45,700 | 44,400 | 44,400 | 44,000 |
| Other Services | 12,800 | 12,800 | 13,300 | 13,400 | 12,900 | 13,000 |
| Government | 74,200 | 75,700 | 78,900 | 77,300 | 77,000 | 76,700 |
| | 374,300 | 373,200 | 389,000 | 381,500 | 377,100 | 372,100 |

*(a) Data as of February 2021.*

Source: Arizona Office of Economic Opportunity and the U.S. Department of Labor, Bureau of Labor Statistics.

The table below illustrates the unemployment rate averages for the County, the State and the United States.

**UNEMPLOYMENT RATE AVERAGES**

| Calendar Year | Pima County *(a)* | State of Arizona *(a)* | United States of America |
|---|---|---|---|
| 2021 *(b)* | 11.9% | 7.0% | 6.7% |
| 2020 | 7.6 | 7.8 | 8.1 |
| 2019 | 4.4 | 4.7 | 3.7 |
| 2018 | 4.4 | 4.7 | 3.9 |
| 2017 | 4.5 | 4.9 | 4.4 |
| 2016 | 5.0 | 5.4 | 4.9 |

*(a)* *Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.*

*(b)* *Data as of February 2021.*

Source: The U.S. Department of Labor, Bureau of Labor Statistics.

**Retail Sales**

The following table illustrates retail sales for the County.

**TAXABLE RETAIL SALES**
**Pima County, Arizona**
**($000s omitted)**

| Calendar Year | Taxable Retail Sales *(a)* |
|---|---|
| 2021 *(b)* | $1,094,970 |
| 2020 | 10,126,413 |
| 2019 | 9,743,680 |
| 2018 | 9,313,421 |
| 2017 | 8,824,508 |
| 2016 | 8,525,846 |

*(a)* *The statutory definition of "Retail Sales" is the business of selling tangible personal property at retail. Therefore, this class does not include services or hotels, restaurants or food sales.*

*(b)* *Data as of February 2021.*

Source: Arizona Department of Revenue, Office of Economic Research and Analysis.

**Bank Deposits**

The following table illustrates bank deposits in the County.

**BANK DEPOSITS**
**Pima County, Arizona**
**($s in millions)**

| Fiscal Year | Amount |
|---|---|
| 2020 | $18,685 |
| 2019 | 15,574 |
| 2018 | 15,716 |
| 2017 | 15,227 |
| 2016 | 14,654 |

Source: Federal Deposit Insurance Corporation.

**APPENDIX B**

# THE DISTRICT – FINANCIAL INFORMATION

***THE TAXABLE 2021 CERTIFICATES WILL BE PAYABLE AS DESCRIBED UNDER THE HEADINGS "SOURCES OF PAYMENT OF THE TAXABLE 2021 CERTIFICATES" AND "SECURITY FOR THE TAXABLE 2021 CERTIFICATES." THE TAXABLE 2021 CERTIFICATES WILL NOT BE A GENERAL OBLIGATION OF THE DISTRICT.***

## PROPERTY TAXES

### Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the "Department of Revenue"). Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

### Full Cash Value

In the context of a specific property parcel, full cash value ("Full Cash Value") is statutorily defined to mean "the value determined as prescribed by statute" or if a statutory method is not prescribed it is "synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

### Limited Property Value

In the context of a specific property parcel, limited property value ("Limited Property Value") is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. Except as described in the next sentence, for locally assessed property in existence in the prior year, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. In the following circumstances, Limited Property Value is established at a level or percentage of Full Cash Value that is comparable to that of other properties of the same or a similar use or classification: property that was erroneously totally or partially omitted from the property tax rolls in the preceding tax year, except as a result of the matters described in this sentence; property for which a change in use has occurred since the preceding tax year and property that has been modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than fifteen percent of the Full Cash Value. (Limited Property Value of property that has been split, subdivided or consolidated varies depending on when the change occurred.) A separate Limited Property Value is not provided for centrally valued property.

### Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes. See "Primary Taxes" and "Secondary Taxes" below. The Limited Property Value of the District is the basis for determining the District's statutory debt limitation.

**Property Classification and Assessment Ratios**

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

**TABLE B-1**

**Property Tax Assessment Ratios (Tax Year)**

| Property Classification *(a)* | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Mining, utilities, commercial and industrial | 18% | 18% | 18% | 18% | 18% |
| Agricultural and vacant land | 15 | 15 | 15 | 15 | 15 |
| Owner occupied residential | 10 | 10 | 10 | 10 | 10 |
| Leased or rented residential | 10 | 10 | 10 | 10 | 10 |
| Railroad, private car company and airline flight property *(b)* | 14 | 15 | 14 | 15 | 15 |

*(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.*

*(b) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

**Primary Taxes**

Per State statute, taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes." Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). "Net Limited Assessed Property Value" is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts. Fire Districts do not levy primary taxes.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

The combined taxes on owner occupied residential property only, for purposes other than voter-approved bond indebtedness and overrides and certain special district assessments, are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on the combined tax levies for owner occupied residential property is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

**Secondary Taxes**

Per State statute, taxes levied for payment of bonds, voter-approved budget overrides, the maintenance and operation of special purpose districts such as sanitary, fire, road improvement, water conservation and career technical education districts, and taxes levied by school districts for qualified desegregation expenditures are "secondary taxes." Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. Specific to fire districts, the law permits an annual operation and maintenance secondary tax levy that is permitted to grow up to eight percent each year but may not exceed a tax rate of $3.25 per $100 of Net Limited Assessed Property Value. Additionally, law permits an unlimited secondary tax for payment of voter approved bonds. Fire districts also have a mechanism for imposition of a limited tax rate for voter approved operation and maintenance overrides.

**Calculating Debt Limitations**

Net Limited Assessed Property Value is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of both locally assessed and centrally valued property and combining the resulting two amounts. This is the basis for determining bonded debt limitations for certain political subdivisions in Arizona, including the District.

**Tax Procedures**

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The tax roll is then forwarded to the Treasurer of the County. (The Assessor of the County is required to have completed the assessment roll by December 15th of the year prior to the levy. This roll identifies the valuation and classification of each parcel located within the County for the tax year).

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then levied upon each non-exempt parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years and liens imposed by the United States. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

**TABLE B-2**

**Property Taxes Levied and Collected *(a)***
**Golder Ranch Fire District**

| District Tax Rate | District Tax Levy as of June 30th | Collected to June 30th of Initial Fiscal Year Amount | % of Levy | Adjusted District Tax Levy as of 12/17/2020 | Cumulative Collections to December 17, 2020 Amount | % of Levy |
|---|---|---|---|---|---|---|
| $2.4600 | $ 32,617,347 | *(b)* | *(b)* | $ 32,617,347 | $ 17,138,525 | 52.54% |
| 2.4400 | 30,504,272 | $ 29,999,283 | 98.34% | 30,504,272 | 30,223,977 | 99.08 |
| 2.4437 | 29,122,874 | 28,703,600 | 98.56 | 29,122,874 | 29,024,120 | 99.66 |
| 2.3940 | 20,271,308 | 20,008,529 | 98.70 | 20,271,308 | 20,194,786 | 99.62 |
| 2.2200 | 18,136,843 | 17,884,253 | 98.61 | 18,136,843 | 18,070,330 | 99.63 |
| 2.2000 | 17,316,119 | 16,924,598 | 97.74 | 17,316,119 | 17,239,106 | 99.56 |

*(a)* *Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Interest and penalty collections for delinquent taxes are not included in the collection figures in TABLE 4, but are deposited in each respective County's General Fund.*

*(b)* *2020/21 taxes in course of collection:*
*First installment due 10-01-20, delinquent 11-01-20;*
*Second installment due 03-01-21, delinquent 05-01-21.*

Source: Office of the Treasurer of the County.

**Delinquent Tax Procedures**

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum, prorated at a monthly rate of 1.33% as of the first day of the month. (Delinquent interest and penalties are waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepare a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes and interest thereon.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Taxable 2021 Certificates. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the Counties are expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

# ASSESSED VALUATIONS AND TAX RATES

**TABLE B-3**

**Direct and Overlapping Net Limited Assessed Property Values for and Tax Rates *(a)***
**Per $100 Assessed Valuation**

| Overlapping Jurisdiction | 2020/21 Net Limited Assessed Property Value | 2020/21 Combined Tax Rates Per $100 Net Limited Assessed Property Value |
|---|---|---|
| State of Arizona | $ 69,914,507,682 | None |
| Pima County | 9,140,425,898 | $4.3646 *(b)* |
| Pima County Community College District | 9,140,425,898 | 1.3359 |
| Pima County Fire District Assistance Tax | 9,140,425,898 | 0.0416 |
| Pima County Library District | 9,140,425,898 | 0.5353 |
| Pima County Flood Control District *(c)* | 8,388,662,525 | 0.3335 |
| Central Arizona Water Conservation District *(d)* | 9,140,425,898 | 0.1400 |
| Pinal County | 2,689,422,170 | 4.1926 |
| Pinal County Community College District | 2,689,422,170 | 2.3029 |
| Pinal County Fire District Assistance Tax | 2,689,422,170 | 0.0591 |
| Pinal County Library District | 2,689,422,170 | 0.0965 |
| Pinal County Flood Control District *(c)* | 2,338,458,494 | 0.1693 |
| Central Arizona Water Conservation District *(d)* | 2,689,422,170 | 0.1400 |
| Town of Marana | 620,250,845 | 0.0000 |
| Town of Oro Valley | 717,486,038 | 0.0000 |
| Marana Unified School District No. 6 | 957,271,177 | 5.7594 |
| Tucson Unified School District No. 1 | 3,572,215,574 | 6.1243 |
| Amphitheater Unified School District No. 10 | 1,658,280,681 | 5.4522 |
| Florence Unified School District No. 1 | 511,323,659 | 5.1485 |
| Oracle Elementary School District No. 2 | 233,406,899 | 3.0437 |
| Pima County Joint Technological Education District | 8,988,858,519 | 0.0500 |
| Central Arizona Valley Institute of Technology | 1,689,488,103 | 0.0500 |
| Golder Ranch Fire District | 1,289,656,788 | 2.4600 |

*(a) The following overlapping jurisdictions are as follows*

| *Overlapping Jurisdiction* | *Levy/Tax Rate* |
|---|---|
| *Groundwater Replenishment District Category 1* | *$ 746.0000 / acre-foot* |
| *Groundwater Replenishment District Category 1* | *29.2400 / lot* |

*(b) Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at $0.4426 per $100 Net Limited Assessed Property Value for fiscal year 2020/21. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.*

*(c) The assessed value of the Flood Control Districts do not include the personal property assessed valuation of their respective Counties.*

*(d) Value shown for the Central Arizona Water Conservation District covers only their respective County's portion of such District. See footnote (b) to TABLE B-11.*

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and Treasurer of the County.

**Total Tax Rates Per $100 Net Limited Assessed Property Value**

The total overlapping property tax rate for property owners within the District (exclusive of those described in footnote (a) to TABLE 5) ranges from $12.4641 to $15.3852 per $100 Net Limited Assessed Property Value, depending upon the specific jurisdictions which overlap the property.

Source: *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and Treasury of the County.

**TABLE B-4**

**Net Limited Assessed Property Value by Property Classification**
**Golder Ranch Fire District**

| Class | 2020/21 | 2019/20 | 2018/19 *(b)* | 2017/18 | 2016/17 |
|---|---|---|---|---|---|
| Commercial, industrial, utilities and mines | $159,030,684 | $159,624,123 | $158,911,806 | $103,622,758 | $100,742,378 |
| Agricultural and vacant | 56,077,041 | 53,471,517 | 52,899,821 | 44,115,550 | 42,944,448 |
| Residential (owner occupied) | 798,118,254 | 760,516,608 | 712,805,582 | 507,326,813 | 489,834,086 |
| Residential (rental) | 276,427,368 | 246,781,823 | 238,595,094 | 177,196,004 | 169,936,295 |
| Historical property | 3,441 | 3,277 | 3,121 | 2,972 | 2,832 |
| Totals *(a)* | $1,289,656,788 | $1,220,397,348 | $1,163,215,424 | $832,264,097 | $803,460,039 |

*(a) Totals may not add up due to rounding.*

*(b) Increase in Net Limited Assessed Property Value for fiscal year 2018/19 is mostly attributable to the consolidation of the District and Mountain Vista Fire District of Pima County, Arizona.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

**TABLE B-5**

**Net Limited Assessed Property Value of Major Taxpayers**
**Golder Ranch Fire District**

| Major Taxpayer *(a)* | 2020/21 Net Limited Assessed Property Value | As % of 2020/21 Net Limited Assessed Property Value |
|---|---|---|
| Unisource Energy Corporation | $ 13,395,042 | 1.04% |
| Oro Valley Hospital LLC | 11,303,597 | 0.88 |
| Ventana Medical Systems Inc | 10,264,088 | 0.80 |
| OVM Delaware LLC & Campbell Blacklidge Plaza | 7,924,792 | 0.61 |
| Miraval Resort AZ LLC | 4,753,464 | 0.37 |
| Honeywell International Inc | 4,685,480 | 0.36 |
| Southwest Gas Corporation | 4,587,867 | 0.36 |
| Oracle Crossings LLC | 4,057,480 | 0.31 |
| Tucson Mather Plaza LLC | 3,883,942 | 0.30 |
| Verizon Wireless | 3,476,882 | 0.27 |
| | $ 68,332,634 | 5.30% |

*(a) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at http://www.sec.gov. No representative of the District, the Underwriter, Special Counsel or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.*

Source: The Assessor of the Pima County.

**TABLE B-6**

**Comparative Net Limited Assessed Property Values**
**Golder Ranch Fire District**

| Fiscal Year | Golder Ranch Fire District | Pima County | Pinal County | State of Arizona |
|---|---|---|---|---|
| 2020/21 | $ 1,289,656,788 | $ 9,140,450,611 | $ 2,689,422,160 | $ 69,914,507,682 |
| 2019/20 | 1,220,397,348 | 8,729,964,922 | 2,521,252,051 | 66,157,223,639 |
| 2018/19 *(a)* | 1,163,215,424 | 8,333,892,906 | 2,355,433,455 | 62,328,357,186 |
| 2017/18 | 832,264,097 | 8,074,957,717 | 2,239,027,256 | 59,406,279,473 |
| 2016/17 | 803,460,039 | 7,816,826,920 | 2,119,750,925 | 56,573,588,295 |

*(a)* *Increase in Net Limited Assessed Property Value for fiscal year 2018/19 is mostly attributable to the consolidation of the District and Mountain Vista Fire District of Pima County, Arizona.*

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

**TABLE B-7**

**Estimated Net Full Cash Value History**
**Golder Ranch Fire District**

| Fiscal Year | Estimated Net Full Cash Valuation *(a)* |
|---|---|
| 2020/21 | $12,727,403,475 |
| 2019/20 | 11,982,248,615 |
| 2018/19 *(b)* | 11,194,282,566 |
| 2017/18 | 7,889,471,646 |
| 2016/17 | 7,628,014,748 |

*(a)* *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

*(b)* *Increase in Net Limited Assessed Property Value for fiscal year 2018/19 is mostly attributable to the consolidation of the District and Mountain Vista Fire District of Pima County, Arizona.*

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

## DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

### TABLE B-8

**Current Year Statistics (For Fiscal Year 2020/21)**
**Golder Ranch Fire District**

| | |
|---|---|
| Total Certificates of Participation Outstanding and to be Outstanding | $ 30,395,000* |
| Total General Obligation Bonds Outstanding | 24,425,000 |
| Net Limited Assessed Property Value | 1,289,656,788 |
| Net Full Cash Assessed Valuation | 1,396,548,604 |
| Estimated Net Full Cash Value | 12,727,403,475 |

*The District's preliminary fiscal year 2021/22 Net Full Cash Assessed Value is estimated at $1,465,404,928, a change of approximately 4.93% from the fiscal year 2020/21 Net Full Cash Assessed Value. The District's preliminary fiscal year 2021/22 Net Limited Assessed Property Value is estimated at $1,363,677,866, a change of approximately 5.74% from the fiscal year 2020/21 Net Limited Assessed Property Value. The District's preliminary fiscal year 2021/22 Estimated Net Full Cash Value is estimated at 13,372,586,163, a change of approximately 5.07% from the fiscal year 2020/21 Estimated Net Full Cash Value. The values are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on or before August 16, 2021.*

* *Subject to change.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and Assessors of the County.

### TABLE B-9

**Certificates of Participation Outstanding and to be Outstanding**
**Golder Ranch Fire District**

| Issue Series | Original Amount | Purpose | Final Maturity Date (July 1) | Balance Outstanding and to be Outstanding |
|---|---|---|---|---|
| 2021 | $30,395,000 | PSPRS payment / Contingency Reserve Fund | 2037 | $30,395,000 * *(a)* |
| Total Certificates of Participation Outstanding and to be Outstanding | | | | $30,395,000 * |

**TABLE B-9**

**Direct General Obligation Bonded Debt Outstanding**
**Golder Ranch Fire District**

| Issue Series | Original Amount | Purpose | Final Maturity Date (July 1) | Balance Outstanding and to be Outstanding |
|---|---|---|---|---|
| 2015 | $5,310,000 | Refunding | 2024 | $ 2,485,000 |
| 2016 | 2,932,000 | Refunding | 2026 | 2,160,000 |
| 2020 | 6,900,000 | Fire Improvements | 2044 | 6,900,000 |
| 2021 | 12,880,000 | Fire Improvements | 2045 | 12,880,000 |
| Total General Obligation Bonded Debt Outstanding | | | | $24,425,000 |

* *Subject to change.*

**TABLE B-13**

**Other Obligations**
**Golder Ranch Fire District**

The District has the following capital lease payment obligations:

| Item | Annual Payment Amount | Periods Due |
|---|---|---|
| Ambulance | $42,749.00 | Annually through February 1, 2023 |
| Small ladder truck | 132,050.00 | Annually through February 22, 2024 |
| Type 1 engine | 83,789.00 | Annually through February 1, 2024 |
| Solar project | 86,365.25 | Annually through August 1, 2035 |

## REVENUES AND EXPENDITURES

The following information of the District was derived from the annual budget of the District for fiscal year 2020/21 and the audited financial statements of the District for fiscal years 2015/16 through 2019/20. Budgeted figures for fiscal year 2020/21 are "forward looking" statements that may not be realized during the course of the fiscal year as presented herein and thus must be viewed with an abundance of caution. Audited figures for fiscal years 2015/16 through 2019/20 are on a modified accrual basis. The presentation which follows has not been independently subject to any audit procedures.

The following information should be read in conjunction with the audited financial statements of the District. **See APPENDIX C for the District's most recent audited general purpose financial statements, which are for fiscal year ended June 30, 2020.** Such audited financial statements are the most recent available for the District, are not current and therefore must be considered with an abundance of caution. **The District has not requested the consent of BeachFleischman PC to include its report and BeachFleischman PC has performed no procedures subsequent to rendering its report on the financial statements.**

## TABLE B-14

**Operating Funds *(a)***
**Golder Ranch Fire District**

| | Budgeted | Audited | | | | |
|---|---|---|---|---|---|---|
| | 2020/21 *(b)* | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
| FUND BALANCE AT BEGINNING OF YEAR | | $ 11,111,448 | $ 9,107,431 | $ 8,212,909 | $ 6,429,409 | $ 7,596,479 |
| REVENUES | | | | | | |
| Property taxes | $ 30,306,935 | $ 29,386,776 | $ 28,187,383 | $ 26,269,179 | $ 17,214,811 | $ 16,151,837 |
| Fire district assistance tax | 800,000 | - | - | - | - | - |
| Intergovernmental | - | 1,141,226 | 1,955,126 | 407,221 | 454,266 | 526,090 |
| Charges for services | 4,884,046 | 4,319,159 | 4,160,970 | 4,479,411 | 3,759,813 | 3,314,268 |
| Investment income | 150,000 | 191,392 | 151,975 | 64,706 | 27,952 | 32,209 |
| CIP Fund Reserve | - | - | - | - | - | - |
| General Fund Reserve | - | - | - | - | - | - |
| EMS Membership | 60,000 | - | - | - | - | - |
| Grants | 227,769 | - | - | - | - | - |
| Capital Lease Financing | - | - | - | - | - | - |
| Miscellaneous | - | 60,845 | 125,129 | 89,435 | 211,033 | 202,130 |
| TOTAL REVENUES | $ 36,428,750 | $ 35,099,398 | $ 34,580,583 | $ 31,309,952 | $ 21,667,875 | $ 20,226,534 |
| ADJUSTMENTS | | | | | | |
| Prior period adjustment | $ - | $ - | $ - | $ 428,876 | $ 2,616,754 | $ - |
| Proceeds from sale of capital assets | - | - | 13,842 | - | - | - |
| Proceeds from bond issuance | - | 8,141,088 | - | - | - | - |
| Capital lease agreements | 747,000 | - | - | 1,013,268 | 893,825 | 364,171 |
| TOTAL FUNDS AVAILABLE FOR EXPENDITURES | $ 37,175,750 | $ 54,351,934 | $ 43,701,856 | $ 40,965,005 | $ 31,607,863 | $ 28,187,184 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Fire protection and emergency services | $ 28,825,989 | $ 24,204,439 | $ 23,870,595 | $ 22,117,838 | $ 18,077,756 | $ 16,056,673 |
| Administration | - | 7,702,645 | 6,667,125 | 6,817,449 | 3,429,020 | 2,905,274 |
| Community safety services | - | - | - | 64,504 | 39,945 | 46,744 |
| Professional services | 1,266,500 | - | - | - | - | - |
| Utilities and communication | 438,830 | - | - | - | - | - |
| Insurance | 128,424 | - | - | - | - | - |
| Repairs and maintenance | 477,632 | - | - | - | - | - |
| Supplies, software & consumables | 1,857,869 | - | - | - | - | - |
| Vehicles & equipment | 695,744 | - | - | - | - | - |
| Dues & subscriptions | 328,379 | - | - | - | - | - |
| Capital outlay | 2,364,905 | 2,012,260 | 788,328 | 1,528,255 | 1,475,740 | 2,453,770 |
| Debt Service | | | | | | |
| Principal | 736,517 | 5,813,313 | 1,071,099 | 1,089,938 | 338,192 | 263,778 |
| Interest | 54,960 | 154,209 | 193,261 | 239,590 | 34,301 | 31,536 |
| Bond issuance costs | - | 190,131 | - | - | - | - |
| TOTAL EXPENDITURES | $ 37,175,749 | $ 40,076,997 | $ 32,590,408 | $ 31,857,574 | $ 23,394,954 | $ 21,757,775 |
| **FUND BALANCE AT END OF YEAR** | | **$ 14,274,937** | **$ 11,111,448** | **$ 9,107,431** | **$ 8,212,909** | **$ 6,429,409** |

*(a) Represents the District's Total Governmental Funds less its Bond Debt Service Fund.*

*(b) Reflects the District's budgeted figures for fiscal year 2020/21 which are unaudited and subject to change upon audit. These amounts are "forward looking" statements and should be considered with an abundance of caution.*

**APPENDIX C**

# THE DISTRICT – DISTRICT EMPLOYEE RETIREMENT SYSTEM

## Pension and Retirement Plans

The District contributes to the retirement plans described below: the cost-sharing Arizona State Retirement System ("ASRS") and the multiple-employer Public Safety Personnel Retirement System ("PSPRS"). Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the District and each covered employee contribute in the case of each. Under authority of the District Board, the District provides a postretirement insurance (health, dental and vision insurance) benefits for certain retirees and their dependents

The Governmental Accounting Standards Board ("GASB") adopted Statement Number 68, Accounting and Financial Reporting for Pensions, which requires that cost-sharing employers report their "proportionate share" of a plan's net pension liability in their government-wide financial statements and that the cost-sharing employer's pension expense component include its proportionate share of the system's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. GASB's Statement No. 67, Financial Reporting for Pensions, is designed to improve financial reporting by state and local governmental pension plans.

Starting on page 51 in APPENDIX D – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020" is information about the plans based on GASB's Statements No.s 67 and 68. Please refer to APPENDIX D for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX D, the latter supercedes the former.

## The Arizona State Retirement System

ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2020, the unfunded liability for ASRS was $15.9 billion with a funding ratio of 72.8% and an assumed earning rate of 7.5%. As of June 30, 2020, the District reported a liability of $3,356,953 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the District) and active members of ASRS are equal. For fiscal year 2020/21, the actuarially determined contribution rate for the District and active members of ASRS is 12.41% (12.22% for retirement and health insurance and 0.19% for long-term disability).

The table below shows recent actuarially determined contribution rates that the active ASRS members and the District are/were required to contribute, the plan's funded status and the pension contributions under ASRS for the current and past four fiscal years.

| Fiscal year ended | Retirement and Health Insurance Premiums | Long-term Disability | Total Contribution Rate | Funded Status | Pension Contributions |
|---|---|---|---|---|---|
| June 30, 2022 | 12.22% | 0.19% | 12.41% | unavailable | unavailable |
| June 30, 2021 | 12.04 | 0.18 | 12.22 | unavailable | unavailable |
| June 30, 2020 | 11.94 | 0.17 | 12.11 | 72.8% | $267,474 |
| June 30, 2019 | 11.64 | 0.16 | 11.80 | 72.3 | 262,397 |
| June 30, 2018 | 11.34 | 0.16 | 11.50 | 71.2 | 261,018 |

**The Public Safety Personnel Retirement System**

PSPRS is an agent multiple-employer defined benefit pension plan and an agent multiple employer defined benefit health insurance premium benefit plan that covers public safety personnel who are regularly assigned to hazardous duties for which the Arizona State Legislature establishes active plan members' contribution rates and member benefits. This is not a "pooled" system – a separate account exists for the police and fire employees of each participating political subdivision. In total, there are 258 individual plans in PSPRS. Each plan has its own financial condition, funding status, etc. which varies greatly across the system.

A 2016 amendment to the State constitution ("Prop 124") created an exception to the prohibition in the Constitution against diminishing or impairing public retirement system benefits by allowing for certain adjustments to PSPRS and preserved the State's legislature ability to modify public retirement benefits. Prop 124 allowed for, among other things, the replacement of permanent benefit increases then required by law with COLA (defined below) provisions tied to the regional consumer price indexes.

PSPRS active membership is comprised of three separate "tiers" based on date of hire which are shown in the following table.

| "Tier 1" Members | "Tier 2" Members | "Tier 3" Members |
|---|---|---|
| Hired into PSPRS position before January 1, 2012 | Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017 | Hired into PSPRS position on or after July 1, 2017 |

The different tiers have different types of plans. Tier 1 members have a defined benefit plan, Tier 2 members have a defined benefit or defined benefit hybrid plan and Tier 3 members have a defined contribution, defined benefit or define benefit hybrid plan. (The hybrid plan is a pension with an additional defined contribution tax-deferred retirement savings account for Tier 2 and Tier 3 members who do not contribute to Social Security). For Tier 1 and Tier 2 members, the type of plan is determined automatically. For Tier 3 members the type of plan is an irrevocable career choice with a default to a defined benefit plan after 90 days. The actuarially determined employer contribution rate varies among the different tiers and the different types of plans as shown in the tables below.

As of June 30, 2020, the unfunded liability for Tiers 1 and 2 of PSPRS was $9.8 billion with a funding ratio of 48.0%. When calculating, an assumed earning rate of 7.3% was used and an assumed rate of 1.75% was used for increases in the cost of living allowance ("COLA").

*The following tables show the actuarially determined annual contribution rates, funded status and total audited contribution amounts for PSPRS.*

| | Fiscal Year Ended | | | | |
|---|---|---|---|---|---|
| | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 |
| Contribution Rates | | | | | |
| Tier 1/2 Defined Benefit Employer (a) | 26.21% | 25.23% | 23.41% | 27.52% | 26.09% |
| Tier 1 Defined Benefit Employee | 7.65 | 7.65 | 7.65 | 7.65 | 7.65 |
| Tier 2 Defined Benefit Employee (a)(b) | 11.65 | 11.65 | 11.65 | 11.65 | 11.65 |
| Tier 3 Defined Benefit Employer (a)(c) | 22.55 | 20.34 | 19.24 | 22.86 | 20.63 |
| Tier 3 Defined Benefit Employee (a) | 9.94 | 9.94 | 9.94 | 9.94 | 9.94 |
| Tier 3 Defined Contribution Employer (c) | 22.55 | 20.81 | 19.81 | 23.43 | 21.24 |
| Tier 3 Defined Contribution Employee | 10.41 | 10.41 | 10.51 | 10.51 | 10.55 |
| Pension Funded Status | N/A | N/A | 69.9 | 71.0 | 69.0 |
| Health Funded Status | N/A | N/A | 115.3 | 114.6 | 91.7 |
| Total District (Employer) Pension and Contribution | N/A | N/A | $3,399,372 | $3,972,703 | $3,240,966 |

(a) Not applicable for Tier 2 for fiscal years prior to Fiscal Year 2018. Does not include additional contribution percentage of 3% associated with Tier 2 defined benefit ("DB") members additionally participating in the defined contribution ("DC") plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.

(b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.

(c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

**PSPRS has reported increases in its unfunded liabilities The increases in unfunded liabilities is expected to result in increased future annual contributions by the District and its employees; however the specific impact on the District's and its employees' future contributions cannot be determined at this time.**

**Statutory Changes and Court Decisions Regarding the PSPRS**

PSPRS is operated under the umbrella of the Public Safety Personnel Retirement System and the Public Safety Personnel Retirement System Board of Trustees. Since 2011 there have been various retirement program modifications designed to mitigate the increasing unfunded liabilities in the programs. Some of these modifications were enacted by the Arizona Legislature and other changes (like Prop 124) were implemented by voter approved amendments to the State Constitution. Additionally, in some instances, modifications enacted by the Arizona Legislature were reversed based on the outcome of successful court challenges. Substantively, the modifications have included changes to contribution rates, retirement criteria, funding horizons, retirement benefits and post-retirement benefit increase calculations.

**District Contingency Reserve Fund**

A portion of the proceeds of the Taxable 2021 Certificates will be deposited into the District Contingency Reserve Fund, which will be held by the District, not the Trustee. The District Contingency Reserve Fund will allow the District to mitigate the impact of market risk and changes in actuarial assumptions. The monies on deposit within the District Contingency Reserve Fund will not be pledged to the payment of the Taxable 2021 Certificates.

**Risks of Using Debt for Pension Payment.**

Using debt, such as the Taxable 2021A Certificates, to make pension payments carries three types of risks for the District: (i) actuarial risk, (ii) market risk and (iii) other risks. Actuarial risks relate to the risks associated with alterations to projections and contributions due to changes in assumptions such as investment returns, payroll increase, COLA, mortality, early retirement and benefit payments. Market risk is the risk associated with the Taxable 2021A Certificates and long-term investment return performance. Other risks include, but not limited to, variance from the anticipated investment return, payroll increase, COLA, mortality, early retirement, covered payroll and other assumptions. Anticipated savings are based on achieving rates assumed in actuarial reports and other documents and such savings could be greater or less than projected and could even result in a loss.

**Potential Future State Legislation Affecting PSPRS**

Bills are frequently introduced at sessions of the State Legislature that, if enacted, could impact the administration of the PSPRS and the eligibility, timing and payment of benefits from such plans. The District is unable to determine whether any such bills will be enacted into legislation or in what form such legislation may be enacted and what the impact of any such legislation may be.

**Other Post-Employment Retirement Benefits**

Beginning with the fiscal year that commenced on July 1, 2008, the District was required to implement Government Accounting Standards Board Statement Number 45, Accounting by Employers for Post-Employment Benefits Other than Pensions ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 45 requires that such benefits be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, GASB 45 will require the reporting of such costs as a financial statement liability.

The District does not offer OPEBs. The District employees, their spouses and survivors may, however, be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all the District employees that reach normal or early retirement age while working for the District will become eligible for such benefits. Currently, such retirees may obtain the health care benefits offered by the State by paying the applicable health care insurance premium; such plan is available to all participants, whether retired or not, in the State's health care program. It is not the responsibility of the District to fund such costs.

**Governmental Accounting Standards ("GASB"):**

The Governmental Accounting Standards Board adopted Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires cost-sharing employers to report their "proportionate share" of the plan's net pension liability in their government-wide financial statements. GASB 68 also requires that the cost-sharing employer's pension expense component include its proportionate share of the system's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. Both the District and each covered employee contribute to the ASRS. As of June 30, 2020, the District reported a liability of $3,356,953 for its proportionate share of the net pension liability under ASRS. The pension liability was measured as of June 30, 2019. See APPENDIX C – "THE DISTRICT – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020" for further discussion of the District and its pension liability including the net pension liability associated with PSPRS.

*New Reporting Requirements* - Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, is designed to improve financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

**APPENDIX D**

# THE DISTRICT -
# AUDITED ANNUAL FINANCIAL STATEMENTS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**APPENDIX E**

## SUMMARIES OF LEGAL DOCUMENTS

The following are brief summaries of the provisions of the Financing Documents together with certain definitions in the Financing Documents not defined elsewhere in this Official Statement. These summaries are not intended to be definitive and should be read in conjunction with the additional information about the contents of the indicated documents included under the heading "THE TAXABLE 2021 CERTIFICATES" and "SECURITY FOR THE TAXABLE 2021 CERTIFICATES - Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds" and "- Events of Default or Termination Pursuant to the Lease Agreement." Reference is made to the complete documents for the complete terms thereof. Copies of the documents are available as set forth in this Official Statement under the heading "INTRODUCTION."

## CERTAIN DEFINITIONS

"Additional Certificates" means any certificates executed and delivered pursuant to the Trust Agreement.

"Additional Rent" means any payments requested to be made as described hereinbelow under the subheading "LEASE AGREEMENT - Additional Rent."

"Aggregate Value" means, with respect to any Certificates, the Outstanding principal amount thereof.

"Business Day" means a day of the year other than (i) a Saturday or Sunday or (ii) a day on which banking institutions located in the District designated by the Trustee for the presentation and payment of Certificates are required or authorized to remain closed.

"Certificates" means the Taxable 2021 Certificates and any Additional Certificates executed and delivered pursuant to the Trust Agreement.

"Defeasance Obligations" has the meaning provided in the Trust Agreement.

"Delivery Costs Fund" means the fund by that name established and held by the Trustee pursuant to of the Trust Agreement.

"Event of Default" means an event of default described in the Lease Agreement.

"Fiscal Period" means a period of 12 consecutive months commencing on the first day of July and ending on the last day of June, or any other consecutive 12-month period that may be established hereafter as the fiscal year of the District for budgeting and appropriation purposes.

"Insurance and Condemnation Fund" means the fund by that name established and held by the Trustee pursuant to of the Trust Agreement.

"Net Proceeds" means any insurance proceeds (other than proceeds of any insurance policy resulting from liability to a third person for damages for bodily and personal injury, death or property damage connected with the construction or operation of the Leased Property) or condemnation award in excess of $25,000, paid with respect to the Leased Property, or any proceeds resulting from the re-renting, re-leasing or sale of all or any portion of the Leased Property following an Event of Default, remaining after payment therefrom of all expenses incurred in the collection thereof.

"Outstanding" when used with reference to the Certificates, means, as of any date of determination, all Certificates theretofore executed and delivered except:

(a) Certificates theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Certificates that are deemed paid and no longer Outstanding as provided in the Trust Agreement;

(c) Certificates in lieu of which other Certificates of the same series shall have been executed and delivered pursuant to the provisions of the Trust Agreement relating to Certificates destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Certificate is held by a bona fide purchaser; and

(d) For the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in the Trust Agreement, the Certificates owned or held by or for the account of the District or by any person directly or indirectly controlled by, or under direct or indirect common control with the District (except any Certificates held in any pension or retirement fund).

"Owner" or any similar term, when used with respect to any Certificate means the person in whose name such Certificate is registered.

"Permitted Encumbrances" means, as of any particular time (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may, pursuant to the Lease Agreement, permit to remain unpaid, (b) the Lease Agreement, (c) the Trust Agreement, (d) the Ground Lease, (e) easements, leases encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that exist as of the date of execution and delivery of the applicable Certificates and that the District certifies in writing does not materially impair the use of the Leased Property, and (f) easements, leases, encumbrances, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Trustee and the District consent in writing.

"Permitted Investments" means and includes (to the extent permitted by law):

(i) Defeasance Obligations.

(ii) Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America including, but not limited to, the following: (A) the Export-Import Bank of the United States, (B) the Rural Economic Community Development Administration, (C) the U.S. Maritime Administration, (D) the Small Business Administration, (E) the U.S. Department of Housing and Urban Development (PHA's), (F) the Federal Housing Administration, and (G) the Federal Financing Bank.

(iii) Direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America: (A) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), (B) obligations of the Resolution Funding Corporation (REFCORP) and (C) senior debt obligations of the Federal Home Loan Bank System.

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

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

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

(vii) Pre-refunded Municipal Obligations, defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any

such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and

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

(B) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (ii) of the definition of Defeasance Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(viii) Municipal Obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P.

"Prepayment" means any payment of the principal portion of any Lease Payments, in whole or in part, pursuant to the Lease Agreement prior to the scheduled payment dates.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to Article III of the Trust Agreement.

"Qualified Self-Insurance" means any program of self-insurance regarding which the Trustee has received a written evaluation of an independent insurance consultant or actuarial consultant having a favorable reputation for skill and experience and an opinion of such consultant that adequate reserves for such program are either maintained with an independent corporate trustee or otherwise held with appropriate safeguards to insure their availability.

## GROUND LEASE

Pursuant to the Ground Lease, the District leases the Leased Property to the Trustee and the Trustee leases the Leased Property from the District for the period commencing as of the date of the Ground Lease and terminating on July 2, 2037*; *provided*, that in no event shall the Ground Lease of the Leased Property terminate before the termination of the Lease Agreement.

Fee title to the Leased Property shall at all times remain with the District.

The Trustee will prepay its rental payments pursuant to the Ground Lease upon execution and delivery of the Ground Lease concurrently with the initial execution and delivery of the Taxable 2021 Certificates.

The District has the right to terminate the Ground Lease upon written notice to the Trustee upon (a) defeasance of the Lease Agreement and the Trust Agreement with respect to all Certificates as permitted thereunder, or (b) the exercise of the District of its option to purchase the Leased Property pursuant to the Lease Agreement and defeasance of the Trust Agreement as permitted thereunder.

## LEASE AGREEMENT

### Additional Rent

In addition to Lease Payments, the District has agreed to pay when due as Additional Rent (a) all costs and expenses of the Trustee to comply with the provisions of the Trust Agreement, (b) compensation and expenses of the

* Preliminary, subject to change.

Trustee, (c) certain indemnification amounts, (d) all costs and expenses of auditors, engineers and legal counsel other than costs and fees incurred in connection with the execution and delivery of the Certificates, (e) all rent for any holdover period during which the District stays in possession of the Leased Property after termination of the Lease Agreement, (f) amounts due with respect to certain environmental covenants in the Lease Agreement and (g) amounts due with respect to continuing disclosure compliance.

**Maintenance, Utilities, Taxes and Modifications**

The District, at its own expense, has agreed to maintain or cause to be maintained the Leased Property in good repair; the Trustee has no responsibility for such repair. The District has the power to make additions, modifications and improvements to the Leased Property that do not damage or reduce its value to a value substantially less than that which existed before such modification or improvement. The District must pay or cause to be paid all taxes, other governmental charges and utility charges with respect to the Leased Property, as well as any taxes and assessments, if any, that it is legally obligated to pay.

**Insurance**

The Lease Agreement requires the District to maintain or cause to be maintained the following insurance against risk or physical damage to the Leased Property and other risks for the protection of the Trustee:

(a) General Liability. The District shall maintain or cause to be maintained, throughout the term of the Lease Agreement, either a standard commercial general liability insurance policy or policies, with a responsible insurance company or companies authorized under the laws of the State to assume such risks, of such types and in such amounts as are then customary for similar institutions carrying on similar activities.

(b) Fire and Extended Coverage, Vandalism and Malicious Mischief. The District shall maintain or cause to be maintained, throughout the term of the Lease Agreement, insurance against loss or damage to any structure or equipment constituting any part of the Leased Property by fire and lightning with extended coverage and malicious mischief insurance. Coverage shall be in an amount equal to 100 percent of the replacement cost of the Leased Property. Such insurance may be subject to deductible clauses of not to exceed $25,000 for any one loss.

The insurance described in paragraphs (a) and (b) may be maintained as part of or in conjunction with any other liability or fire and extended coverage for insurance, respectively, carried or required to be carried by the District and may be maintained in the form of acceptable self-insurance, meeting certain standards provided in the Lease Agreement.

All policies of insurance or any Qualified Self-Insurance must provide that the Net Proceeds thereof shall be payable to the Trustee. The Net Proceeds of fire and extended coverage insurance shall be deposited in the Insurance and Condemnation Fund and applied to restore, replace, repair, modify or improve the Leased Property or to the prepayment of Lease Payments and the corresponding prepayment of Certificates. See "TRUST AGREEMENT - Funds - Insurance and Condemnation Fund." The Net Proceeds of general liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid. The District has agreed to pay or cause to be paid when due the premiums on all insurance policies and to furnish evidence of any such payments promptly to the Trustee.

In the event the District maintains Qualified Self-Insurance for general liability insurance and fire and extended coverage insurance required pursuant to the Lease Agreement, the District shall cause to be delivered to the Trustee annually the documentation required for the determination that such self-insurance constitutes Qualified Self-Insurance, if any.

**Option to Purchase Leased Property**

The District may on any date secure the payment of Lease Payments with respect to the Leased Property by deposit with the Trustee of Defeasance Obligations and cash, if required, in such amount as shall, in the opinion of an

independent certified public accountant, together with interest to accrue thereon and, if required, all or a portion of the moneys or Defeasance Obligations then on deposit in the Lease Payment Fund and the Insurance and Condemnation Fund related to such Leased Property, be fully sufficient to pay all unpaid Lease Payments with respect to such Leased Property on the respective Lease Payment Dates as the District instructs at the time of said deposit.

**Assignment; Subleases**

The District may not assign any of its rights in the Lease Agreement, and may not sublease the Leased Property without the written consent of the Trustee and satisfaction of the conditions contained in the Lease Agreement, including the condition that any such sublease not adversely affect the exclusion of the interest components of the Lease Payments from federal gross income when paid to the Owners of the Taxable 2021 Certificates.

**Release or Exchange of Property**

If, during the term of the Lease Agreement, the District desires to acquire legal title to any of the Leased Property, unencumbered by the terms and conditions of the Lease Agreement, the Trustee will sell to the District any of such property so desired by the District, provided the following conditions are met, to wit:

(a) Contemporaneously with any such sale by the Trustee (i) the District delivers to the Trustee the net sale proceeds or (ii) the District sells to the Trustee substitute property ("substitute property") for the property the District wishes to acquire;

(b) The sale or exchange of property will not cause any decrease in the total Lease Payments required under the Lease Agreement or any change in the interest component or principal component thereof;

(c) Any substitute property shall be subject to all the terms and conditions of the Lease Agreement and shall be subjected to the lien of the Trust Agreement; and

(d) All costs and expenses incurred in connection with the exchange of property must be borne by the District.

Any proceeds delivered to the Trustee pursuant to subsection (a)(i) above shall be applied to acquire, construct or improve additional Leased Property, or be applied to Lease Payments as directed by the Lessee, subject to any restrictions contained in the opinion of Special Counsel delivered pursuant to subsection (c) above.

**Events of Default**

Each of the following constitutes an "Event of Default" described in the Lease Agreement:

(a) Except when not paid due to the District not having lawfully available funds budgeted therefor, failure by the District to make any Lease Payment or other payment required under the Lease Agreement when due and continuation of such failure for five days;

(b) Failure by the District to comply with any covenant, agreement or condition contained in the Lease Agreement or the Trust Agreement, other than default described in (a) above, and the continuance of such failure or default for a period of 30 days after written notice thereof has been given to the District by the Trustee or the Owners of not less than five percent in aggregate principal amount evidenced by Certificates then Outstanding; provided, if the failure stated in the notice can be corrected, but not within such 30 day period, the Trustee or such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the District within such 30 day period and diligently pursued until the default is corrected; or

(c) Certain events relating to bankruptcy of the District or the inability of the District to pay its debts.

Notwithstanding the foregoing, if, by reason of force majeure (as defined in the Lease Agreement), the District is unable to perform or observe any agreement, term or condition of the Lease Agreement, other than any obligation to make Lease Payments or Additional Rent, the District shall not be deemed to be in default during the continuance of such inability. However, the District shall promptly give notice to the Trustee of the existence of any event of force majeure and shall use its best efforts to remove the effects thereof; *provided* that the settlement of strike or labor disturbances shall be entirely within the District's discretion.

Upon the occurrence and continuance of any Event of Default or a termination because of a failure to budget and appropriate Lease Payments by the District as described under the subheading "SECURITY FOR THE TAXABLE 2021 CERTIFICATES - Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds," the Trustee may elect to terminate the Lease Agreement or, with or without such termination, to re-enter and take possession of the Leased Property and relet or sell its leasehold interest in the Leased Property; *provided, however*, that notwithstanding anything in the Lease Agreement or the Trust Agreement to the contrary there shall be no right to accelerate the Lease Payments. Any amounts collected by the Trustee from the reletting of the Leased Property shall be credited towards the District's unpaid Lease Payments. Any Net Proceeds of sale, re-lease or other disposition of the Leased Property are required to be deposited in the Lease Payment Fund and applied to Lease Payments in order of payment date.

## TRUST AGREEMENT

### Pledge and Security

Pursuant to the Trust Agreement, the Trustee is authorized and directed to acquire, to receive and to hold as security for the Owners the following:

(a) All right, title and interest of the Trustee in and to the Ground Lease and the Lease Agreement and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all revenues, receipts and other sums of money payable or receivable pursuant thereto, (ii) bring actions and proceedings thereunder or for the enforcement thereof, and (iii) do any and all things that the Trustee is or may become entitled to do thereunder.

(b) All right, title and interest of the Trustee in and to amounts on deposit from time to time in certain funds created pursuant to the Trust Agreement.

The Trust Agreement also represents an agreement by the Trustee that it holds the above rights and interests in trust for the benefit of the Owners.

### Trustee

The Trustee is appointed pursuant to the Trust Agreement and is authorized to execute and deliver the Certificates and to act as a depository of amounts held pursuant thereto. The Trustee is required to make deposits into and withdrawals from funds, and invest amounts held under the Trust Agreement in accordance with the provisions thereof.

### Funds

The Trust Agreement creates the Project Fund, the Delivery Costs Fund, the Lease Payment Fund and the Insurance and Condemnation Fund to be held in trust by the Trustee.

Project Fund. There shall be deposited into the Project Fund amounts necessary to finance the payment to PSPRS. Moneys deposited in the Project Fund will be disbursed by the Trustee, upon the written order of the District representative, to make the payment to PSPRS.

Delivery Costs Fund. There shall be deposited in the Delivery Costs Fund the amount necessary to pay costs relating to the execution, sale and delivery of Taxable 2021 Certificates, which amounts shall be disbursed by the Trustee upon the written order of the District.

Lease Payment Fund. There shall be deposited into the Lease Payment Fund, when received by the Trustee, all Lease Payments and Prepayments. Moneys on deposit in the Lease Payment Fund shall be used to pay principal, prepayment premiums, if any, and interest evidenced by Certificates.

Insurance and Condemnation Fund. Any Net Proceeds of insurance or condemnation awards shall be deposited in the Insurance and Condemnation Fund. See "THE TAXABLE 2021 CERTIFICATES - Prepayment Provisions - Extraordinary Prepayment" for a description of how such amounts are to be applied.

Net Proceeds of a condemnation award shall be used as follows: (a) if the Trustee determines, based upon a report of an independent engineer or other independent professional consultant, that such eminent domain proceedings have not materially affected the operation of the Leased Property or the District's ability to meet its obligations pursuant to the Lease Agreement, and if the Trustee determines, based upon a report of an independent engineer or other independent professional consultant, that such proceeds are not needed for repair or rehabilitation of the Leased Property, the Trustee shall transfer such proceeds to the Lease Payment Fund as a credit against Lease Payments, (b) if the Trustee determines, based upon a report of an independent engineer or other independent professional consultant, that such proceedings have not materially affected the operations of any of the Leased Property or the District's ability to meet its obligations pursuant to the Lease Agreement and such proceeds are needed for repair, rehabilitation or replacement of the Leased Property, the Trustee shall pay to the order of the District such portion of the proceeds required for such repair, rehabilitation or replacement, (c) to prepay Lease Payments and redeem Certificates if less than all of the Leased Property is taken and the Trustee determines that such proceedings have materially affected the operation of the Leased Property, or (d) if all of the Leased Property is taken, to prepay Lease Payments and thereby redeem Certificates.

**Additional Certificates**

So long as no Event of Default or termination of the Lease Agreement as described under the heading "SECURITY FOR THE TAXABLE 2021 CERTIFICATES - Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds" has occurred and will continue after execution and delivery of any Additional Certificates, the Trustee may execute and deliver, at the direction of the District, Additional Certificates from time to time to provide funds to pay the costs of refunding Outstanding Certificates.

Before the Trustee shall deliver any Additional Certificates executed pursuant to a supplement authorized by the Indenture, the following items shall have been received by the Trustee:

(i) Original executed counterparts of any amendments or supplements to the Lease Agreement and the Trust Agreement entered into in connection with the execution and delivery of the Additional Certificates that are necessary or advisable, in the opinion of Special Counsel, to provide that the Additional Certificates will be executed and delivered in compliance with the provisions of the Trust Agreement.

(ii) A written opinion of Special Counsel, reasonably satisfactory to the Trustee, to the effect that (A) the documents submitted to the Trustee in connection with the request then being made comply with the requirements of this Trust Agreement, (B) any filings required to be made pursuant to the Trust Agreement have been made, and (C) all conditions precedent to the delivery of the Additional Certificates have been fulfilled.

(iii) A written opinion of Special Counsel (who also may be the counsel to whom or which reference is made in paragraph (ii) above), to the effect that (A) when executed and delivered by the Trustee, the Additional Certificates will be valid and binding in accordance with their terms and will be secured under the Trust Agreement equally and on a parity with all other Certificates at the time Outstanding under the Trust Agreement as to the assignment to the Trustee of the amounts pledged under the Trust Agreement.

(iv) A written opinion of Special Counsel (who also may be the counsel to whom or which reference is made in paragraph (ii) above), reasonably satisfactory to the Trustee, to the effect that any amendments or supplements to the Lease Agreement entered into in connection with the execution and delivery of the Additional Certificates have been duly authorized, executed and delivered by the District, and that the Lease Agreement, as amended or supplemented, constitutes a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject to exceptions reasonably satisfactory to the Trustee for bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion.

(v) Evidence that the District has obtained the additional amount of insurance or self-insurance, if any, required to be maintained pursuant to the Lease Agreement as a result of the execution and delivery of the Additional Certificates.

(vi) Evidence satisfactory to the Trustee of confirmation that the ratings on any Outstanding Certificates will remain the same, immediately after execution and delivery of the Additional Certificates.

When the documents listed above have been received by the Trustee, the Trustee will execute and deliver the Additional Certificates to or on the order of the original purchaser thereof, but only upon payment of the agreed-upon purchase price for the Additional Certificates.

**Investment of Funds**

The Trustee is required to invest and reinvest all moneys held pursuant to the Trust Agreement upon order of a representative of the District in Permitted Investments. Except as otherwise provided, any earnings on investment of moneys in the funds created pursuant to the Trust Agreement shall be held in the fund from which invested. Any surplus remaining in the Lease Payment Fund after the payment of all Certificates, or provision for their payment has been made, shall be repaid to the District.

**Rights, Duties and Responsibilities of Trustee**

Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Trust Agreement, the Lease Agreement and the Ground Lease; and in case an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by the Trust Agreement and such other agreements and use the same degree of care and skill in their exercise, as a prudent corporate indenture trustee would exercise or use under the circumstances. Except for the obligation (A) to make payment of principal, interest, or premium, if any, evidenced by the Certificates to the Owners thereof pursuant to the Trust Agreement or (B) to notify the Owners of any Event of Default pursuant to the Trust Agreement, no provision of the Trust Agreement or the other Financing Documents will require the Trustee to expend or risk its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties thereunder, or in the exercise of any of its rights or powers, if it will have reasonable grounds for believing that repayment of such funds or adequate indemnity or other assurance against such risk or liability is not reasonably assured to it.

The Trustee may intervene on behalf of the Owners, and shall intervene if requested in writing to do so by an instrument or instruments in writing signed by the Owners of not less than a majority in Aggregate Value of the Certificates, in any judicial proceeding to which the Lessee is a party and that in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Owners of the Certificates. The rights and obligations of the Trustee for such purpose are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it before it takes action under the Trust Agreement.

The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Trust Agreement at the request or direction of any of the Owners pursuant to the Trust Agreement, unless such Certificate Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction.

The Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

The Trustee will not be bound to ascertain or inquire as to the validity or genuineness of any collateral given or held by it. The Trustee will not be responsible for the recording or filing of any document or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect liens or security interests. The permissive right of the Trustee to do things instrumental in the Trust Agreement will not be construed as a duty, and the Trustee will not be answerable for other than its own negligence or willful misconduct.

It will not be the duty of the Trustee, except as provided in the Trust Agreement, to ascertain or inquire whether any duties and obligations in the Trust Agreement or in the other Financing Documents imposed upon the District are performed or whether the terms and conditions thereof are observed.

**Removal and Resignation of the Trustee**

The Trustee may resign at any time, or may be removed at any time by an instrument or instruments in writing signed by the District or the Owners of not less than a majority in Aggregate Value of the Certificates. Written notice of such resignation or removal will be given by the Trustee to the District and such resignation or removal will take effect only upon the appointment and qualification of a successor Trustee. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation is given, the Trustee or the District may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed.

In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the District will be entitled to appoint a successor trustee, unless an Event of Default has occurred and is continuing.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor trustee will (i) be a trust company or bank in good standing in the State, (ii) be duly authorized to exercise trust powers in the State and subject to examination by a federal or state authority, and (iii) maintain a reported capital and surplus of not less than $75,000,000.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it will be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible as a successor Trustee pursuant to the Trust Agreement in the case of the Trustee, will be the successor to such Trustee, without the execution or filing of any paper or any further act, anything in the Trust Agreement to the contrary notwithstanding.

**Event of Default; No Acceleration**

The Trustee has the right to exercise such rights and remedies pursuant to the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments, Additional Rent, Prepayments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise take any action to protect the interests of the Trustee or the Owners in an Event of Default.

Upon the occurrence of an Event of Default or a termination because of a failure to budget by the District as described under the subheading "SECURITY FOR THE TAXABLE 2021 CERTIFICATES - Lease Agreement; Termination of Lease Agreement Upon Failure to Annually Appropriate Funds," the Trustee (i) will take action to exclude the District from the Leased Property, and (ii)(A) may, and (B) upon the request of the Owners of at least a majority in Aggregate Value of the Certificates, will exercise any and all remedies available at law or pursuant to the Lease Agreement including the option to re-rent, re-lease or sell all or any portion of the Leased Property pursuant to the Trust Agreement. Notwithstanding anything in the Lease Agreement or in the Trust Agreement to the contrary,

there will be no right under any circumstances to accelerate the Lease Payments or Additional Rent or otherwise declare any Lease Payments or Additional Rent not then in default to be immediately due and payable. Upon the occurrence of an Event of Default, all moneys received by the Trustee pursuant to any right given or action taken will be applied by the Trustee in the order following upon presentation of the Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the ordinary and extraordinary fees and the costs and expenses of the Trustee in declaring and pursuing remedies in connection with such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel and the creation of a reasonable reserve for anticipated fees, costs and expenses and

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates, for principal and interest with interest on the overdue principal, and, to the extent lawful, installments of interest at the rate of ten percent per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest, and interest on overdue principal, as aforesaid), and in case such moneys shall insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may and with the prior written consent of the Owners of a majority in Aggregate Value of the Certificates, will, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Trust Agreement, the foreclosure of any lien granted in the Trust Agreement, or in aid of the execution of any power in the Trust Agreement granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties under the Trust Agreement.

In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Trust Agreement, whether upon its own discretion or upon the request of the Owners of a majority in Aggregate Value of the Certificates, it will have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided*, *however*, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owners of a majority in Aggregate Value of the Certificates.

The Owner of any Certificate may institute any suit, action, or other proceedings in equity or at law for the protection or enforcement of any right under the Lease Agreement or Trust Agreement if and only if (a) such Owner has given written notice to the Trustee of such Event of Default, (b) a majority of owners of Outstanding principal amount evidenced by the Owners have first notified the Trustee in writing of the Event of Default and made written request on the Trustee to exercise such powers, (c) the Trustee shall have been offered reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for 60 days following receipt of such written request and such tender of indemnity.

**Limited Liability**

Except for the payment of Lease Payments and Prepayments when due in accordance with the Lease Agreement, the payment of Additional Rent and the performance of the other covenants and agreements of the District contained in the Lease Agreement, including the payment of fees and expenses and indemnities of the Trustee, the District will have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to the Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee.

**Amendment**

The Trust Agreement, the Lease Agreement and the Ground Lease may be amended by agreement among the parties thereto without the consent of the Owners but only (a) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved in the Trust Agreement to the Trustee or the District, (b) to cure, correct or supplement any ambiguous or defective provision, or (c) in a manner, which does not, in the judgment of the Trustee, materially adversely affect the interests of the Owners. Any other amendment shall require the approval of the Owners of a majority in principal amount evidenced by the Certificates then Outstanding; *provided* that no such amendment shall (a) extend the maturity or time of interest payment of, or reduce the interest rate, amount of principal, or premium payable with respect to, any Certificate without such Owner's consent, (b) reduce the percentage of Owners required to consent to any amendment or modification, or (c) modify any of the Trustee's rights or obligations without its consent.

**Defeasance**

If and when any Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

(a) By well and truly paying or causing to be paid the principal and interest and prepayment premiums (if any) evidenced by such Certificates Outstanding, as and when the same become due and payable and all Additional Rent;

(b) By making an irrevocable deposit with the Trustee, in trust, at or before a scheduled payment date, of money that, together with the amounts then on deposit in the Lease Payment Fund is fully sufficient to pay such Certificates Outstanding, including all principal and interest and premium, if any, evidenced thereby and all Additional Rent;

(c) By making an irrevocable deposit with the Trustee, in trust, of Defeasance Obligations, together with money, if required, in such amount as will, in the opinion of an independent certified public accountant acceptable to the Trustee, together with the interest to accrue thereon, but without reinvestment thereof, and amounts then on deposit in the Lease Payment Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge such Certificates (including all principal and interest) at their respective specified principal payment dates and pay all unpaid Additional Rent; or

(d) By making an irrevocable deposit with the Trustee, pursuant to an escrow deposit and trust agreement, of security for the payment of Lease Payments and Additional Rent as more particularly described in the Lease Agreement, said security to be held by the Trustee as agent for the Lessee to be applied by the Trustee to pay the Lease Payments and Additional Rent as the same become due and payable, pursuant to the Lease Agreement; notwithstanding that any Certificate shall not have been surrendered for payment; all obligations of the Trustee and the District with respect to such Outstanding Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the District from funds deposited pursuant to paragraphs (b) through (d), to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) through (d), the Certificates will continue to represent direct and proportionate interests of the Owners thereof in Lease Payments pursuant to the Lease Agreement.

Any Certificate or portion thereof in authorized denominations may be paid as provided in the preceding paragraph; *provided*, *however*, that if any such Certificate or portion thereof is to be prepaid, notice of such prepayment shall have been given in accordance with the provisions of the Trust Agreement or the District will have submitted to the Trustee instructions expressed to be irrevocable as to the date upon which such Certificate or portion thereof is to be prepaid and as to the giving of notice of such prepayment; and *provided further*, that if any such Certificate or portion thereof is not scheduled to be paid or prepaid within 60 days of the deposit of the moneys or Defeasance Obligations, the Trustee shall give notice of such deposit by first class mail.

**APPENDIX F**

## FORM OF APPROVING LEGAL OPINION

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

[Trustee]
Phoenix, Arizona

Re: $30,395,000* Certificates of Participation, Taxable Series 2021 Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be Made by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as Lessee of Certain Property Pursuant to a Lease-Purchase Agreement, Dated as of May 1, 2021*

We have examined the transcript of proceedings (the "Transcript") relating to the initial execution and delivery by [Trustee], as trustee (the "Trustee"), of the captioned certificates of participation (the "Certificates"), pursuant to a Trust Agreement, dated as of May 1, 2021* (the "Trust Agreement"), by and between the Trustee and Golder Ranch Fire District of Pima and Pinal Counties, Arizona (the "District"). Each of the Certificates represents a fractionalized interest in obligations of the District pursuant to a Lease-Purchase Agreement, dated as of May 1, 2021* (the "Lease"), by and between the Trustee, in its separate capacity as lessor, and the District pursuant to which the District has agreed to lease certain property from the Trustee, in its separate capacity as lessor (the "Leased Property"). The real property comprising the Leased Property has been leased by the District to the Trustee, in its separate capacity as lessee, pursuant to a Ground Lease, dated as of May 1, 2021* (the "Ground Lease"). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the puroses of the opinions rendered herein below.

In such examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of general counsel to the District delivered even date herewith as to the matters provided therein.

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

(1) The Certificates, the Trust Agreement, the Lease and the Ground Lease are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally and to the extent that the enforceability thereof may be limited by the application of general principles of equity and subject to the qualification that the enforcement of indemnification provisions against the District may be limited by federal or State securities laws.

(2) The term of the Lease is originally to June 30, 2021*, and thereafter, at the option of the District Board of the District for such additional fiscal periods (July 1 through June 30) as are necessary to complete the anticipated term thereof through and including June 30, 2037*.

* Preliminary, subject to change.

(3) We express no opinion regarding the excludability of the portion of each lease payment made by the District pursuant to the Lease and denominated as and comprising interest pursuant to the Lease and received by the owners of the Certificates from gross income for federal or State of Arizona income tax purposes.

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

Respectfully submitted,

**APPENDIX G**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

**$30,395,000[*]**
**CERTIFICATES OF PARTICIPATION, TAXABLE SERIES 2021**
**Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be Made by**
**GOLDER RANCH FIRE DISTRICT OF PIMA COUNTY, ARIZONA,**
**as Lessee of Certain Property Pursuant to a Lease-Purchase Agreement, dated as of May 1, 2021[*]**

**(CUSIP BASE NUMBER _____)**

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## CONTINUING DISCLOSURE UNDERTAKING

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This Continuing Disclosure Undertaking (this *"Undertaking"*) is executed and delivered by Golder Ranch Fire District of Pima and Pinal Counties, Arizona (the *"District"*), in connection with the execution and delivery of $30,395,000[*] aggregate principal amount of Certificates of Participation, Taxable Series 2021 (the "*Obligations*") Evidencing Undivided Proportionate Interests of the Owners Thereof in Lease Payments to be Made by Golder Ranch Fire District of Pima and Pinal Counties, Arizona, as Lessee of Certain Property Pursuant to a Lease-Purchase Agreement, dated as of May 1, 2021[*]. The Obligations are being executed and delivered pursuant to a Trust Agreement, dated as of May 1, 2021[*] (the *"Trust Agreement"*), by and between the District and [Trustee], as trustee (the *"Trustee"*). The District covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions set forth hereinabove, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Taxable 2021 Certificates (including persons holding Taxable 2021 Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Taxable 2021 Certificates for federal income tax purposes.

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Undertaking, information regarding submissions to EMMA is available at http://emma.msrb.org.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a

[*] Preliminary, subject to change.

guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Lease Agreement" means the Lease-Purchase Agreement, dated as of May 1, 2021*, by and between the District and the Trustee, in its separate capacity as "Lessor."

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

"MSRB" shall mean Municipal Securities Rulemaking Board.

"Official Statement" shall mean the final Official Statement, dated _____, for the Taxable 2021 Certificates.

"Participating Underwriters" shall mean the original underwriters of the Taxable 2021 Certificates required to comply with the Rule in connection with the offering of the Taxable 2021 Certificates.

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

"State" shall mean the State of Arizona.

SECTION 2. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Beneficial Owners and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 3. Provision of Annual Reports.

(a) Subject to annual appropriation to cover the costs of preparation and mailing thereof, the District shall, or shall cause the Dissemination Agent to, not later than February 1 following the end of the District's fiscal year (presently June 30), commencing with the Annual Report for the 2020/21 Fiscal Year, provide through EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) business days prior to the date on which the Annual Report shall be provided through EMMA pursuant to subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide through EMMA an Annual Report by the date required in subsection (a), the District shall send a notice on the form provided through EMMA for such purpose not more than ten (10) business days after the date on which the Annual Report is due.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

* Preliminary, subject to change.

(a) If available at the time of such filing, the audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted auditing standards. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 30 days of the date they become available.

(b) Additional financial information and operating data of the type included with respect to the District in APPENDIX B – "THE DISTRICT – FINANCIAL INFORMATION" the following tables of the Official Statement:

TABLE B-2 – Property Taxes Levied and Collected;
TABLE B-4 – Net Limited Assessed Property Value by Property Classification; and
TABLE B-5 – Net Limited Assessed Property Value of Major Taxpayers.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, but subject to annual appropriation to cover the costs of preparation and mailing thereof, the District shall give, or cause to be given in a timely manner, but not more than ten (10) business days thereafter, through EMMA notice of the occurrence of any of the following events with respect to the Taxable 2021 Certificates:

1. Principal and interest payment delinquencies,

2. Nonpayment related defaults, if material,

3. Unscheduled draws on debt service reserves reflecting financial difficulties,

4. Unscheduled draws on credit enhancements reflecting financial difficulties,

5. Substitution of the credit or liquidity providers or their failure to perform,

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security or other material events affecting the tax status of the security,

7. Modifications to rights of security holders, if material,

8. Bond calls, if material, or tender offers,

9. Defeasances,

10. Release, substitution or sale of property securing repayment of the securities, if material,

11. Rating changes,

12. Bankruptcy, insolvency, receivership or similar events of the obligated person, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an

order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person,

13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

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

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material,

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties, and

17. Notice of a failure of the obligated person to provide required annual financial information on or before the date specified in Section 3 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Undertaking shall terminate (A) if the District shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Trust Agreement, or (B) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action. If termination pursuant to (A) occurs prior to the final maturity of the Taxable 2021 Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Undertaking.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Taxable 2021 Certificates, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized securities law counsel, have complied with the requirements of the Rule at the time of the original issuance of the Taxable 2021 Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized securities law counsel, materially impair the interests of the Beneficial Owners.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Undertaking, any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Lease Agreement or the Trust Agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and the Beneficial Owners from time to time of the Taxable 2021 Certificates, and shall create no rights in any other person or entity.

Dated: [Closing Date]

GOLDER FIRE DISTRICT OF
PIMA AND PINAL COUNTIES, ARIZONA

By.....
Chairperson, District Board

**APPENDIX H**

## BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE DISTRICT, SPECIAL COUNSEL OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the Taxable 2021 Certificates. The Taxable 2021 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Taxable 2021 Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Taxable 2021 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Taxable 2021 Certificates on DTC's records. The ownership interest of each actual purchaser of each Taxable 2021 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Taxable 2021 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Taxable 2021 Certificates, except in the event that use of the book-entry system for the Taxable 2021 Certificates is discontinued.

To facilitate subsequent transfers, all Taxable 2021 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Taxable 2021 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Taxable 2021 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Taxable 2021 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Taxable 2021 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Taxable 2021 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of Taxable 2021 Certificates may wish to ascertain that the nominee holding the Taxable 2021 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Taxable 2021 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Taxable 2021 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Taxable 2021 Certificates will be made by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Taxable 2021 Certificates at any time by giving reasonable notice to the Trustee or the District. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE TAXABLE 2021 CERTIFICATES UNDER THE TRUST AGREEMENT; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE TAXABLE 2021 CERTIFICATES; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE TAXABLE 2021 CERTIFICATES; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF TAXABLE 2021 CERTIFICATES; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered owner of the Taxable 2021 Certificates, as nominee of DTC, references herein to "Owner" or registered owners of the Taxable 2021 Certificates (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Taxable 2021 Certificates.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the District or the Trustee to DTC only.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

## 1. DEFINITIONS

A. Unfunded Actuarial Accrued Liability (UAAL) - Is the difference between a pension fund's assets and projected pension benefit payments promised to employees.

B. Annual Required Contribution (ARC) - Is the annual amount an employer is required to contribute into a pension fund, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost - which is the estimated cost of pension benefits earned by employees in the current year; and, amortization of UAAL - which is the estimated cost to cover the unfunded portion of pension benefits earned by employees in the past. Payments towards reducing the UAAL are collected over a period of time referred to as the amortization period. The ARC is often expressed as a percentage of the current payroll.

C. Funded Ratio - Is the ratio of fund assets to actuarial accrued liability, which is the net present value of projected pension benefits promised to employees.

D. Contingency Reserve Fund (CRF) – Is a reserve fund dedicated to managing the District's pension liabilities and maintaining as near to a 100% funded ratio as possible despite adverse market and/or actuarial events.

E. Plan – is the District's Public Safety Personnel Retirement System (PSPRS) pension plan for employees in Tiers 1 & 2.

F. CRF Initial Balance – Is the size of the initial deposit to the CRF.

## 2. PURPOSE

The purpose of this policy is to set forth procedures for managing the CRF effectively. The goal of the CRF is to create a resource that will help the District effectively manage the innate risks of public pension funding, particularly market return risk and actuarial risk, and help the District maintain a well-funded Plan.

## 3. ESTABLISHMENT OF CRF

A. The District establishes the CRF in the initial amount of $3,468,050 (the CRF Initial Balance) to manage ongoing liabilities of the Plan. Assets of the CRF shall be used to benefit the Plan and the District, as provided in this policy.

B. The Initial Balance will be funded by a combination of existing District reserves and financing proceeds. The District intends to contribute $2,000,000 from General Fund reserves and the remaining $1,468,050 will be funded with issue proceeds.

C. The District intends to utilize the CRF as a means to maintain, to the greatest extent possible, a 100% Funded Ratio for the Plan.

## 4. PROCEDURES FOR CRF INVESTMENTS

A. The District will manage the CRF and investments therein. Investments made by the District must comply with (i) the requirements of Arizona Revised Statutes Section 35-323 and any other applicable existing or future state statutes, and (ii) the District's Investment Policy.

B. Investments in the CRF shall be principal protected.

C. Assets of the CRF shall be invested in no more than one-year increments to provide adequate liquidity.

D. Assets of the CRF shall be invested in liquid and/or short-term products to ensure prompt availability of funds.

E. None of the above procedures shall limit the District's ability to participate in a trust created under Internal Revenue Service Section 115 (or any other applicable regulation), nor shall they limit the District's ability to transfer the assets of the CRF to such a trust for the benefit of the Plan and delegate the investment responsibility for assets of the trust.

## 5. PROCEDURES FOR CRF DRAWS

A. The District may draw from the CRF when the investment return for the Plan during the prior fiscal year is at least 5% below the actuarially assumed investment rate of return for such fiscal year. The District may also draw from the CRF to pay all or part of any UAL amortization payment created by investment returns at least 5% below the then prevailing actuarially assumed investment rate of return during any prior fiscal year.

B. The District may draw from the CRF when there is a change to the assumed investment rate of return assumption, payroll growth assumption, and/or mortality assumptions of the associated Plan that causes a material, adverse impact on the Actuarial Accrued Liability of the Plan. The District may also draw from the CRF to pay all or part of any UAL amortization payment created by any of the above mentioned assumption changes that caused a material, adverse impact on the Actuarial Accrued Liability during any prior fiscal year.

C. If the CRF balance rises at least 15% above the CRF Initial Balance and the Plan is at least 90% funded, the District may draw all or a portion of the balance exceeding 115% of the CRF Initial Balance to supplement the District's ARC for the associated Plan or to supplement the District's payment of debt service on any then outstanding Obligations issued for the purpose of, or for the purpose of refinancing prior Obligations issued for the purpose of, funding the District's PSPRS liabilities.

## 6. PROCEDURES FOR CRF REPLENISHMENT

A. If, at the end of a District Fiscal Year, the balance of the CRF is below the CRF Initial Balance, the District will, to the best of its ability, prioritize making replenishments over a five year period to return the CRF balance to at least the CRF Initial Balance.

B. The District will review unspent budget appropriations annually and may consider adding all or a portion of such amounts to the CRF.

## 7. SIZING OF CRF

A. The District will evaluate the CRF at least every five years to determine whether the size of the reserve is adequate and whether additional policies should be considered to ensure usefulness of the CRF.

## 8. PROCEDURES TO DISSOLVE CRF

A. On or after January 1, 2031, staff may seek direction from the Fire Board to dissolve or maintain the CRF. At such time, the District may dissolve the CRF and apply the remaining balance of funds to the District's ARC for the Plan and/or to supplement the District's payment of debt service on any then outstanding Obligations issued for the purpose of, or for the purpose of refinancing prior Obligations issued for the purpose of, funding the District's PSPRS liabilities.

B. If the District transfers the assets of the CRF to a Section 115 trust or other irrevocable trust for the benefit of the Plan and with similar goals of these policies, reducing assets of the CRF to zero and rendering the CRF obsolete, the CRF may be dissolved.

**SIGNATURE:**

**VICKI COX-GOLDER** **DATE**
**CHAIRPERSON, GOLDER RANCH FIRE DISTRICT**

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Dave Christian, Finance Manager

DATE: April 20, 2021

SUBJECT: DISCUSSION AND POSSIBLE ACTION REGARDING THE GOLDER RANCH FIRE DISTRICT RECONCILIATION AND MONTHLY FINANCIAL REPORT

ITEM #: 8D

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☐ Discussion Only | ☒ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☒ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

Presented are the monthly financial reports and cash reconciliation.

## RECOMMENDED MOTION

Motion to approve and accept the Golder Ranch Fire District reconciliation and monthly financial report as presented.

Golder Ranch Fire District
Summary Budget Comparison - SUMMARY BUDGET TO ACTUAL **BOARD PACKET**
From 3/1/2021 Through 3/31/2021

| Account Code | Account Title | Current Period Budget | Current Period Actual | YTD Budget | YTD Actual |
|---|---|---|---|---|---|
| 5000 | Labor/Benefits/Employee Development | 2,146,320.44 | 2,412,624.60 | 22,438,003.31 | 22,622,884.15 |
| 6000 | Supplies/Consumables | 144,697.42 | 98,380.01 | 1,206,876.78 | 841,407.88 |
| 6500 | Vehicle / Equipment Expense | 57,978.67 | 47,323.73 | 521,808.03 | 431,563.92 |
| 6750 | Utilities / Communications | 33,687.90 | 32,737.31 | 341,965.60 | 317,440.06 |
| 7000 | Professional Services | 102,175.03 | 104,342.10 | 967,175.59 | 715,570.79 |
| 7500 | Dues/Subscriptions/Maint. Fees | 17,219.60 | 30,537.83 | 254,097.07 | 187,311.00 |
| 7750 | Insurance | 4,833.33 | 30,025.50 | 96,317.97 | 121,216.50 |
| 8000 | Repairs / Maintenance | 27,573.50 | 47,573.54 | 376,461.50 | 380,270.06 |
| 9000 | Debt Service | 2,250.16 | 1,379.97 | 729,766.44 | 629,037.37 |
| 9500 | Capital Outlay | 30,291.66 | 26,792.21 | 2,305,029.98 | 672,802.09 |
| 9900 | Interest Expense | 0.00 | 0.00 | 307,926.00 | 282,872.37 |
| Report Difference | | (2,567,027.71) | (2,831,716.80) | (29,545,428.27) | (27,202,376.19) |

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: EXECUTIVE SESSION: THE BOARD MAY VOTE TO GO INTO EXECUTIVE SESSION PURSUANT TO A.R.S. §38-431.03.A(3) FOR THE PURPOSE OF CONSULTATION OR LEGAL ADVICE REGARDING AN UPDATE ON EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) COMPLAINTS RECEIVED, NOTICE OF CLAIM RECEIVED, AND POSSIBLE PENDING LITIGATION

ITEM #: 8E

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☐ Discussion Only | ☒ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☒ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

This item allows the Golder Ranch Fire District Governing board to obtain legal advice regarding an EEOC complaints received, a notice of claim that was received, and possible pending litigation.

**RECOMMENDED MOTION**

Motion to enter into Executive Session pursuant to A.R.S. §38-431.03.A(3) for the purpose of legal advice with the attorney.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Brooke Painter, Board Services Manager

DATE: April 20, 2021

SUBJECT: FUTURE AGENDA ITEMS

ITEM #: 9

| | | | |
|---|---|---|---|
| REQUIRED ACTION: | ☒ Discussion Only | ☐ Formal Motion | ☐ Resolution |
| RECOMMENDED ACTION: | ☐ Approve | ☐ Conditional Approval | ☐ Deny |
| SUPPORTED BY: | ☒ Staff | ☒ Fire Chief | ☐ Legal Review |

## BACKGROUND

This agenda item allows an individual Governing Board Member to recommend item(s) to go on future agendas.

Pursuant to A.R.S. §38-431.2(H), the Board will not discuss the items(s) at this time because it would be a violation of the Open Meeting Laws and no voting action will be taken on the recommended item.

## RECOMMENDED MOTION

No motion is necessary for this agenda item.

# GOLDER RANCH FIRE DISTRICT
# BOARD COMMUNICATION MEMORANDUM

TO: Governing Board

FROM: Randy Karrer, Fire Chief

DATE: April 20, 2021

SUBJECT: Call to the Public

ITEM #: 10

REQUIRED ACTION: ☒ Discussion Only ☐ Formal Motion ☐ Resolution

RECOMMENDED ACTION: ☐ Approve ☐ Conditional Approval ☐ Deny

SUPPORTED BY: ☒ Staff ☒ Fire Chief ☐ Legal Review

**BACKGROUND**

This is the time for the public to comment. Members of the Board may not discuss items that are not on the agenda. The Board is not permitted to discuss or take action on any item raised in the Call to the Public, which are not on the agenda due to restrictions of the Open Meeting Law; however, individual members of the Board are permitted to respond to criticism directed to them. Otherwise, the Board may direct staff to review the matter or that the matter be placed on a future agenda. ** Please see revised instructions to speakers at the bottom of the agenda.

**RECOMMENDED MOTION**

No motion is necessary for this agenda item.