DRAFT 10-5-23

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2023

NEW ISSUE – BOOK-ENTRY-ONLY **RATINGS: See "RATINGS" herein**

In the opinion of Greenberg Traurig, LLP, Special Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, the portion of each installment payment made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the "Interest Portion") will be excludable from gross income for federal income tax purposes. Further, the Interest Portion will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion will not be excluded from the determination of adjusted financial statement income for tax years beginning after 2022. See "TAX EXEMPTION" herein for a description of certain other federal tax consequences of ownership of the Obligations. Special Counsel is further of the opinion that the Interest Portion will be exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excludable from gross income for federal income tax purposes.

$71,955,000*
CITY OF CHANDLER, ARIZONA
EXCISE TAX REVENUE OBLIGATIONS,
SERIES 2023

Dated: Date of Initial Delivery Due: July 1, as shown on the inside front cover

The Excise Tax Revenue Obligations, Series 2023 (the "Obligations") will be executed and delivered (i) to finance the costs of construction, expansion and improvement of certain capital improvements to the water and wastewater systems of the City of Chandler, Arizona (the "City"), and (ii) to pay the costs relating to the execution and delivery of the Obligations.

Interest on the Obligations will accrue from the date of initial delivery thereof and be payable semiannually on each January 1 and July 1, commencing July 1, 2024* (each an "Interest Payment Date"). The Obligations will be dated the date of initial delivery and will be issuable as fully registered securities without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Obligations. Beneficial interests in the Obligations will be available to purchasers in amounts of $5,000 of principal due on a single maturity date and any integral multiple thereof only under the book-entry-only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive physical certificates. So long as any purchaser is the beneficial owner of an Obligation, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal and interest on such Obligations. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM."

The Obligations are subject to redemption prior to maturity as described under "THE OBLIGATIONS – Redemption Provisions" herein*.

The Obligations will be undivided, proportionate interests in the payments ("Payments") to be made by the City pursuant to a Series 2023 Purchase Agreement, dated as of December 1, 2023* (the "Purchase Agreement"), between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Payments will be payable from and secured by a first lien on and pledge of, the City's Excise Taxes (as defined herein) on a parity with the City's pledge of such Excise Taxes made in connection with the Existing Parity Obligations and any Additional Parity Obligations that may be incurred on a parity as provided in the Purchase Agreement (together, the "Parity Obligations"). See "SECURITY AND SOURCES OF PAYMENT" herein.

THE OBLIGATIONS WILL BE SPECIAL, LIMITED, REVENUE OBLIGATIONS OF THE CITY AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF AND THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL NOT BE PLEDGED FOR THE PAYMENT OF THE OBLIGATIONS.

See Maturity Schedule on Inside Front Cover Page

Proposals for the Obligations may be submitted solely as an electronic bid using the facilities of PARITY® up to and including the hour of 10:00 A.M., Mountain Standard Time ("MST"), on _____________, 2023*. See "NOTICE INVITING BIDS FOR THE PURCHASE OF OBLIGATIONS" for the Obligations herein.

The Obligations are offered when, as and if executed and delivered, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel, as to validity and tax exemption. It is expected that the Obligations will be available for delivery through the facilities of DTC on or about December __, 2023*.

This cover page contains certain information with respect to the Obligations for quick reference only. It is not a summary of all material information with respect to the Obligations. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Obligations.

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* Preliminary, subject to change.

$71,955,000*
CITY OF CHANDLER, ARIZONA
EXCISE TAX REVENUE OBLIGATIONS,
SERIES 2023

MATURITY SCHEDULE*

Maturity Date (July 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP® No. 158855(a)
2025	$500,000	%	%	
2026	3,375,000			
2028	7,900,000			
2029	3,725,000			
2030	4,225,000			
2031	4,000,000			
2032	2,800,000			
2033	3,250,000			
2034	8,000,000			
2035	8,250,000			
2036	8,000,000			
2037	7,500,000			
2038	10,430,000			

(a) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CGS. 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 City, Special Counsel, the Financial Advisor (each as defined herein) or their agents or counsel assume responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

CITY OF CHANDLER, ARIZONA

CITY COUNCIL

Kevin Hartke, *Mayor*
Matt Orlando, *Vice Mayor*
Christine Ellis, *Councilmember*
Angel Encinas, *Councilmember*
OD Harris, *Councilmember*
Jane Poston, *Councilmember*
Mark Stewart, *Councilmember*

CITY ADMINISTRATIVE OFFICERS

Joshua H. Wright, *City Manager*
Tadd Wille, *Assistant City Manager*
Dawn Lang, *Deputy City Manager/CFO*
Andy Bass, *Deputy City Manager*
Kelly Schwab, *City Attorney/Risk Manager*
Dana DeLong, *City Clerk*

SPECIAL COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

FINANCIAL ADVISOR

Piper Sandler & Co.
Phoenix, Arizona

TRUSTEE, REGISTRAR AND PAYING AGENT

U.S. Bank Trust Company, National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, does not constitute an offering of any security other than the City of Chandler, Arizona (the "City") Excise Tax Revenue Obligations, Series 2023 (the "Obligations"), identified on the inside front cover page hereof. No person has been authorized by the City, to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or made by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of the Obligations by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information set forth in this Official Statement has been provided by the City, Maricopa County, the State of Arizona Department of Revenue and other sources which are considered to be reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or Piper Sandler & Co. (the "Financial Advisor"). The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No person, including any broker, dealer or salesman has been authorized 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 City. All estimates and assumptions contained herein have been based on the latest information available and are believed to be reliable, but no representations are made that such estimates and assumptions are correct, will be realized or will be repeated in the future. The information and any expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties or matters described herein since the date thereof.

The issuance and sale of the Obligations will not be registered under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Securities Act of Arizona in reliance upon exemptions provided under such acts for the issuance and sale of securities such as the Obligations. The Obligations will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission (the "SEC") nor any other federal, state or other government entity or agency will have passed upon the merits of the Obligations or the accuracy or adequacy of this Official Statement or approved the Obligations for sale.

The City will undertake to provide continuing disclosure with respect to the Obligations pursuant to Rule 15c2-12 of the SEC. See "CONTINUING SECONDARY MARKET DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

None of the City, the Financial Advisor or Special Counsel (as defined herein) are actuaries, nor have any of them performed any actuarial or other analysis of the City's unfunded liabilities under the Arizona State Retirement System, the Arizona Public Safety Personnel Retirement System or the Elected Officials Retirement Plan.

The information in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM" has been furnished by The Depository Trust Company, and no representation has been made by the City, the Financial Advisor, Special Counsel or any of their counsel or agents, as to the accuracy or completeness of such information.

A wide variety of information, including financial information, concerning the City is available from publications and websites of the City 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.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information of links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the SEC.

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$71,955,000*
CITY OF CHANDLER, ARIZONA
EXCISE TAX REVENUE OBLIGATIONS,
SERIES 2023

NOTICE INVITING BIDS FOR THE PURCHASE OF OBLIGATIONS
(Electronic Bidding Only)

NOTICE IS HEREBY GIVEN that unconditional bids will be received to and including the hour of 10:00 a.m., Mountain Standard Time ("MST"), on November __, 2023*, by the City of Chandler, Arizona (the "City"), for the purchase of all, but not less than all, of the City's Excise Tax Revenue Obligations, Series 2023 in the principal amount of $71,955,000* (the "Obligations") as electronic bids using the facilities of PARITY® ("PARITY"). For purposes of the bids received through the electronic bid process, the time as maintained by PARITY shall constitute the official time.

The City reserves the right to cancel or reschedule the sale of the Obligations or alter the terms thereof upon notice given through PARITY at www.ipreo.com at any time prior to the time bids are to be received. If no legal bid or bids are received for the Obligations on said date (or such later date as is established as provided herein) at the time specified, bids will be received for the Obligations on such other date and at such other time as shall be designated through PARITY as soon as practicable. As an accommodation to the bidders, telephonic, telecopied or emailed notice of the postponement of the sale date or dates or of a change in the principal payment schedule will be given to any bidder who has requested such notice of the City's Financial Advisor, Piper Sandler & Co. (the "Financial Advisor"), Bill Davis (email: william.davis@psc.com; telephone: (602) 808-5428) and Erika Coombs (email: erika.coombs@psc.com; telephone: (602) 808-5414). Failure of any bidder to receive such telephonic, telecopied or emailed notice shall not affect the legality of the sale.

Any prospective purchaser that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. The normal fee for the use of PARITY may be obtained from PARITY, and such fee will be the responsibility of those submitting bids. All bids must be submitted on the official bid form that resides on the PARITY system (the "Official Bid Form"), without alteration or interlineation. All electronic bids must be submitted by 10:00 a.m., MST, on November __, 2023*. Subscription to i-Deal's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. Representatives of the City will not confirm any subscription nor be responsible for the failure of any prospective purchaser to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Obligations on the terms provided in this Notice Inviting Bids for the Purchase of Obligations (this "Notice") and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the City. Neither the City nor the Financial Advisor shall be responsible for any malfunction or mistake made by, or as a result of, the use of the facilities of PARITY, the use of such facilities being the sole risk of the bidder.

If any provisions of this Notice shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice shall control. All electronic bids will be deemed to incorporate the provisions of this Notice and the Official Bid Form. Further information about PARITY, including any fee charged, may be obtained from IPREO at 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (212) 849-5021 and from the following website: www.newissuehome.i-deal.com.

For information purposes only, bidders are requested to state in their electronic bid the "true interest cost" as described under "AWARD AND DELIVERY" herein.

OBLIGATIONS IN GENERAL

The Obligations will be dated the date of initial delivery. Interest on the Obligations will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2024*. The Obligations, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository

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* Preliminary, subject to change.

Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Obligations through its book-entry system. Purchases of beneficial ownership interests in the Obligations will be made in book-entry form in amounts of $5,000 of principal due on a specific maturity date, or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interests in the Obligations. The principal of and interest on the Obligations will be paid by U.S. Bank Trust Company, National Association, as the trustee for the Obligations (the "Trustee"), to Cede & Co., as long as Cede & Co. is the registered owner of the Obligations. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests in the Obligations is the responsibility of DTC Participants and Indirect Participants, as more fully described in the preliminary official statement relating to the Obligations (the "Preliminary Official Statement").

Except as otherwise provided under "MODIFICATION OF MATURITY SCHEDULE AND PAR AMOUNT" and "REDEMPTION PROVISIONS – Mandatory Redemption," the Obligations will mature (or be subject to mandatory redemption) on July 1 in each of the years and in the amounts as follows (the "Maturity Schedule"):

Date (July 1)	Principal Amount*
2025	$500,000
2026	3,375,000
2027	
2028	7,900,000
2029	3,725,000
2030	4,225,000
2031	4,000,000
2032	2,800,000
2033	3,250,000
2034	8,000,000
2035	8,250,000
2036	8,000,000
2037	7,500,000
2038	10,430,000

As described below under the heading "REDEMPTION PROVISIONS – Mandatory Redemption," bidders may specify that the principal amount of Obligations scheduled to mature on or after July 1, 2034*, shall be combined into one or more term Obligations. Serial maturities converted to term Obligations, as specified, must bear the same rate of interest.

MODIFICATION OF MATURITY SCHEDULE AND PAR AMOUNT

The preliminary aggregate principal amount of the Obligations and the preliminary principal amount of each annual principal payment for the Obligations as set forth in this Notice (collectively, the "Preliminary Amounts") may be revised before the receipt of electronic bids for their purchase (such revised amounts referred to collectively as the "Revised Amounts"). ANY SUCH REVISIONS WILL BE PUBLISHED ON PARITY NOT LATER THAN 5:00 P.M., MST, ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts, and the Revised Amounts will be used to compare bids and select the winning bidder.

The City reserves the right to change the aggregate principal amount of Obligations set forth in this Notice after determination of the winning bidder in an amount not to exceed $7,000,000.00*. Further, the City reserves the

* Preliminary, subject to change.

right to change the maturity schedule set forth in this Notice after determination of the winning bidder, by adjusting one or more principal maturities of the Obligations in increments of $5,000.

As promptly as reasonably possible after the bids are received, the City will notify the winning bidder, if and when an award is made,. The initial reoffering prices (the "Initial Reoffering Prices"), among other things, will be used by the City to calculate the final principal amount of each annual principal payment for the Obligations (collectively, the "Final Amounts") to accommodate the objectives of the City. THE WINNING BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES PROPOSED OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS. The dollar amount bid by such entity will be adjusted to reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the compensation per $1,000 of aggregate par amount of Obligations from the compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The Final Amounts will be communicated to such entity as soon as possible, but not later than 3:00 p.m. MST, on the date of the sale.

REDEMPTION PROVISIONS

Optional Redemption. The Obligations maturing before or on July 1, 2033*, will not be subject to redemption prior to their stated maturity dates. The Obligations maturing on or after July 1, 2034*, will be subject to redemption prior to their stated maturity dates, at the option of the City, in whole or in part in denominations of $5,000 or integral multiples thereof from maturities selected by the City, on July 1, 2033*, and on any date thereafter, at a redemption price equal to the principal amount of Obligations being redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. A bidder may specify that the principal amount of Obligations scheduled to mature on or after July 1, 2034*, shall be combined into one or more term Obligations maturing in the years as specified, which are subject to mandatory redemption, by lot, selected by the Trustee annually until payment at maturity in the principal amounts shown in the maturity schedule above at par and accrued interest to the date fixed for redemption, without premium. If so specified, then serial maturities converted into a single term Obligation must bear the same rate of interest.

Notice of Redemption. Not more than 60, nor less than 30, days before any redemption date, the Trustee will cause a notice of any such redemption to be provided to DTC as further described in the Preliminary Official Statement. Such notice may provide that the redemption is conditional upon moneys for payment of the redemption price being held in separate accounts by the Trustee.

USE OF FUNDS

The Obligations are being executed and delivered (i) to finance the costs of construction, expansion and improvement of certain capital improvements to the water and wastewater systems of the City, and (ii) to pay the costs relating to the execution and delivery of the Obligations.

SECURITY AND SOURCE OF PAYMENT

The Obligations will be special, limited, revenue obligations, taking the form of undivided, participating, proportionate interest in installment payments (the "Payments") to be made by the City pursuant to a Series 2023 Purchase Agreement, to be dated as of December 1, 2023* (the "Purchase Agreement"), between the City, as purchaser, and the Trustee, in its capacity as seller. The Obligations will be executed and delivered pursuant to a Series 2023 Trust Agreement, to be dated as of December 1, 2023* (the "Trust Agreement"), between the City and the Trustee. Certain of the Trustee's interests under the Purchase Agreement, including, without limitation, the right to receive and collect the Payments and the right to enforce the payment of the Payments, will be held by the Trustee for the benefit of the registered owners of the Obligations. Additional descriptions of the terms of the Purchase Agreement and the Trust

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* Preliminary, subject to change.

Agreement are included in the Preliminary Official Statement, and copies of the full text of the Purchase Agreement and the Trust Agreement are available upon request from the Financial Advisor or the City as described herein.

The Payments will be payable from and secured by a first lien on and pledge of revenues from the City's Excise Taxes, on a parity with the payments required pursuant to certain Existing Parity Obligations (as more fully described in the Preliminary Official Statement) and any Additional Parity Obligations (as defined in the Trust Agreement) hereafter issued or incurred as provided in the Purchase Agreement.

"Excise Taxes" means all unrestricted excise, transaction, franchise, privilege and business taxes, state-shared sales and income taxes, fees for licenses and permits, and state revenue-sharing, now or hereafter validly imposed by the City or contributed, allocated and paid over to the City and not earmarked by the contributor for a contrary or inconsistent purpose. Excise Taxes include, without limitation, all fines and forfeitures. Revenues generated by the City from development impact fees will not be deemed Excise Taxes for the purposes of the Purchase Agreement and Trust Agreement. Revenues received by the City from vehicle license taxes charged by the State of Arizona will not be deemed Excise Taxes for purposes of the Purchase Agreement and the Trust Agreement. The City may impose taxes for restricted purposes the revenues from which will not be Excise Taxes and will not be pledged to the payment of the amounts due pursuant to the Purchase Agreement and the Trust Agreement.

The obligation of the City to make the Payments will be limited to payment from revenues from the City's Excise Taxes, and will in no circumstances constitute a general obligation or a pledge of the full faith and credit of the City, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem property taxes. So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the City may not further encumber the revenues from Excise Taxes on a basis equal to the pledge for the Purchase Agreement unless certain requirements are satisfied. The City may not encumber revenues from Excise Taxes on a basis prior to the pledge for the Purchase Agreement.

BID DETAILS AND PARAMETERS

Form of Bids. Bids for the Obligations must be unconditional, and for not less than the entire offering of the Obligations. By submitting a bid, each bidder agrees to all of the terms and conditions of this Notice (including any amendments issued by the City through PARITY and i-Deal Prospectus). Bids must be submitted electronically PARITY. Bids may not be withdrawn or revised after the time that bids are due.

Interest Rates Bid. Interest on the Obligations is payable commencing on July 1, 2024**, and thereafter on January 1 and July 1 of each year. Interest is calculated on the basis of a 30-day month and 360-day year from the date of the Obligations. Bids may specify any number of interest rates in multiples of one-eighth of one percent (1/8 of 1 percent) or one-twentieth of one percent (1/20 of 1 percent). All Obligations of the same maturity must bear interest at the same rate and no Obligation shall bear interest at more than one rate. No rate of interest may exceed 5.00%. The highest rate bid shall not exceed the lowest rate bid by more than two percent (2.00%) per annum.

Premium and Discount. No bid will be considered for a price that is less than 100 percent of the aggregate par value of the Obligations.

ESTABLISHMENT OF ISSUE PRICE*

(a) The winning bidder shall assist the City in establishing the issue price of the Obligations and shall execute and deliver to the City on the date of issuance of the Obligations (the "Closing Date") an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Obligations, together with the supporting pricing wires or equivalent communications, substantially in the form attached as the Exhibit to this Notice, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City, the Financial Advisor, and Greenberg Traurig, LLP ("Special Counsel").

* Note: 10% test or hold-the-offering-price rule may apply if competitive sale requirements are not satisfied.

** Preliminary, subject to change.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Obligations) will apply to the initial sale of the Obligations (the "competitive sale requirements") because:

(1) the City shall disseminate this Notice to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Obligations to the bidder who submits a firm offer in conformance with this Notice to purchase the Obligations at a price that produces the lowest true interest cost to the City, as set forth in this Notice under the heading "AWARD AND DELIVERY."

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Obligations, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Obligations (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Obligations as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Obligations satisfies the 10% test as of the date and time of the award of the Obligations. The City shall promptly advise the winning bidder, at or before the time of award of the Obligations, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Obligations shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Obligations. Bidders should prepare their bids on the assumption that some or all of the maturities of the Obligations will be subject to the hold-the-offering-price rule in order to establish the issue price of the Obligations.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Obligations to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Obligations, that the underwriters will neither offer nor sell unsold Obligations of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Obligations, the winning bidder agrees to promptly report to the City the prices at which the unsold Obligations of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Obligations of that maturity have been sold or (ii) the 10% test has been satisfied as to the Obligations of that maturity, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Special Counsel.

(f) The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations.

(g) By submitting a bid, each bidder confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Obligations of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Obligations that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters or selling group agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Obligations to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it,

whether or not the Closing Date has occurred, until either all Obligations of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any Obligations to any person that is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice. Further, for purposes of this Notice:

(1) "public" means any person other than an underwriter or a related party,

(2) "underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Obligations to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Obligations to the public),

(3) a purchaser of any of the Obligations is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) at least 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) "sale date" means the date that the Obligations are awarded by the City to the winning bidder.

RIGHT OF REJECTION

The City Council of the City, the Deputy City Manager/Chief Financial Officer of the City or the designees of any of them reserve the right to reject any and all bids and to waive any irregularity or informality in any bid, except that the time for receiving bids shall be of the essence.

AWARD AND DELIVERY

Unless all bids are rejected or the receipt of bids is continued, the award of the Obligations will be made not later than 11:59 p.m., MST, on November __, 2023*. The Obligations will be sold to the bidder submitting a bid in conformance with this Notice that produces the lowest true interest cost to the City, based on the bid price, the interest rates specified in the bid and the principal amounts identified in this Notice. The true interest cost will be the rate necessary, on a 30/360 basis and semiannual compounding, to discount the debt service payments from the payment dates to the date of the Obligations and to the price bid. The true interest cost calculations will be performed by Parity and the Financial Advisor, and the City will base its determination of the best bid solely on such calculations. (See "BID DETAILS AND PARAMETERS.") Delivery of the Obligations will be made to the purchaser through the facilities of DTC upon payment in federal or immediately available funds, at the offices of Special Counsel, or, at the purchaser's request and expense, at any other place mutually agreeable to both the City and the purchaser. The closing of the sale of the Obligations will be on or about December __, 2023, or on such other date as is mutually agreed upon.

* Preliminary, subject to change.

CANCELLATION

Pursuant to Arizona law, if within three years from the award of the contract for the purchase of the Obligations any person who was significantly involved in initiating, negotiating, securing, drafting or creating a contract for the purchase of the Obligations on behalf of the City becomes an employee or agent of the winning bidder in any capacity or a consultant to the winning bidder with respect to the contract for the purchase of the Obligations, the City may cancel the award of the contract without penalty or further obligation by the City and refuse to deliver the Obligations to the winning bidder. In addition to such cancellation, if such person becomes an employee or agent of such entity with respect to the contract for the purchase of the Obligations, the City may recoup any fees or commissions paid or due to the winning bidder with respect to the award to the winning bidder and the actual sale of the Obligations.

GOOD FAITH DEPOSIT

The winning bidder for the Obligations shall deliver a good faith deposit in the amount of $1,400,000.00 to the City, as instructed by the City. The good faith deposit must be paid by federal funds wire transfer delivered no later than twenty four (24) hours following the winning bidder's receipt of the verbal award. Wiring instructions will be provided to the winning bidder at the time of the verbal award. If not so received, the bid of the lowest bidder will be rejected and the City may direct the second lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Obligations to the same. The good faith deposit will be retained by the City as security for the performance of the winning bidder and shall be applied to the purchase price of the Obligations upon delivery of the Obligations to the winning bidder. Pending delivery of the Obligations, the good faith deposit may be invested for the sole benefit of the City. If the Obligations are ready for delivery and the winning bidder fails or neglects to complete the purchase within 30 days following acceptance of its bid, the good faith deposit shall be retained by the City as reasonable liquidated damages, and not as a penalty.

Such retention will constitute a full release and discharge of all claims by the City against the winning bidder and, in that event, the City may call for additional bids. The City's actual damages may be higher or lower than the amount of such good faith deposit. Such amount constitutes a good faith estimate of the City's actual damages. Each bidder waives the right to claim that actual damages arising from such default are less than such amount.

LEGAL OPINION

The Obligations are sold with the understanding that the City will furnish the purchaser with the approving opinion of Special Counsel. Special Counsel has been retained by the City to render its opinion only upon the legality of the Obligations under Arizona law and as to tax matters with respect to the Interest Portion (as defined herein), the delivery of said opinion being a condition precedent to the delivery of the Obligations and the purchase thereof. (See "TAX EXEMPTION.") The fees of Special Counsel will be paid from proceeds of the sale of the Obligations. Except to the extent necessary to issue its approving opinion as to validity of the Obligations, Special Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Obligations and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a bid for the Obligations, the bidder agrees to the representation of the City by Special Counsel. See "LEGAL MATTERS" in the Preliminary Official Statement and Appendix C – "Form of Approving Legal Opinion" to the Preliminary Official Statement.

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet with respect to the Obligations after the execution and delivery thereof in order that the portion of each of the Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the "Interest Portion") not be included in gross income for federal income tax purposes. The failure by the City to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the Obligations. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion for federal income tax purposes of the Interest Portion.

In the opinion of Special Counsel to be rendered with respect to the Obligations on the date of execution and delivery of the Obligations, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the Interest Portion will be excluded from gross income for federal income tax purposes and will be exempt from Arizona income taxation so long as the Interest Portion excludable from gross income for federal income tax purposes. The Interest Portion will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion will not be excluded from the determination of adjusted financial statement income for tax years beginning after 2022.

Except as described above, Special Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the Interest Portion, or the ownership or disposition of the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of the Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Obligations or, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on an Obligation; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the Interest Portion; (iii) the inclusion of the Interest Portion in the earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of the Interest Portion in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; (v) the inclusion of the Interest Portion in the determination of the taxability of certain Social Security and Railroad Retirement benefits; (vi) net gain realized upon the sale or other disposition of property such as the Obligations generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates; and (vii) receipt of certain investment income, including the Interest Portion, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of these and any other tax consequences.

See "TAX EXEMPTION" in the Preliminary Official Statement.

CERTIFICATES TO BE DELIVERED

In connection with the execution and delivery of the Obligations, representatives of the City will deliver a certificate certifying that no litigation is pending affecting the sale and execution and delivery of the Obligations, an arbitrage certificate covering expectations concerning the use of proceeds from the sale of the Obligations and related matters and a certificate regarding the accuracy of the hereinafter described final official statement for the Obligations.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP identification numbers will be printed on the Obligations; however, neither the failure to print CUSIP numbers on any Obligation nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Obligations. The Financial Advisor will obtain CUSIP numbers. The charge of the CUSIP Service Bureau shall be paid by the City.

PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL; DELIVERY OF OFFICIAL STATEMENT

The City deems the Preliminary Official Statement to be final as of its date, except for the omission of the offering prices or yields, the interest rates and any other terms or provisions required by the City to be specified in bids for the Obligations, and other terms of the Obligations depending on such matters. The winning bidder shall supply the Deputy City Manager/Chief Financial Officer of the City, within 24 hours after the award of the

Obligations, all necessary pricing information and any underwriter identification necessary to complete the final official statement to be used in connection with the sale of the Obligations.

Promptly after receiving such information, the City will prepare such final official statement in substantially the same form as the Preliminary Official Statement, subject to any amendments which the City believes should be made in such final official statement.

The City will provide the winning bidder with such final official statements within seven (7) business days of the award of the Obligations. Such final official statements will be provided to the winning bidder electronically. No hard copies of such final official statement will be provided to the winning bidder.

CONTINUING DISCLOSURE

The City, as the "obligated person" with respect to the Obligations, will covenant for the benefit of the owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2024 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports and the Notices of Listed Events will be filed by the City through the Electronic Municipal Market Access System. These covenants will be made in order to assist the purchaser in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), and the form of the undertaking necessary pursuant to the Rule is included as Appendix F – "Form of Continuing Disclosure Undertaking" to the Preliminary Official Statement. A failure by the City to comply with these covenants, including due to failure to appropriate for such purposes, 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 Obligations in the secondary market. See "CONTINUING SECONDARY MARKET DISCLOSURE" in the Preliminary Official Statement.

The City timely filed its Annual Report for the fiscal years ending June 30, 2018 through and including the fiscal year ending June 30, 2021; however, the filings were not associated with all of the related CUSIP numbers until October 28, 2021.

FURTHER INFORMATION

Further information, including copies of the Trust Agreement, the Purchase Agreement and the Preliminary Official Statement, may be obtained from the City of Chandler, Deputy City Manager/Chief Financial Officer at (480) 782-2255, or from Piper Sandler & Co., Financial Advisor to the City: Bill Davis (by telephone (602) 808-5428 or by email: william.davis@psc.com) and Erika Coombs (by telephone (602) 808-5414 or by email: erika.coombs@psc.com).

DATED: November __, 2023

/s/ Dawn Lang
Dawn Lang, Deputy City Manager/Chief Financial Officer
City of Chandler, Arizona

<u>EXHIBIT TO NOTICE</u>

ISSUE PRICE CERTIFICATE

$71,955,000*
CITY OF CHANDLER, ARIZONA
EXCISE TAX REVENUE OBLIGATIONS, SERIES 2023

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ["([SHORT NAME OF UNDERWRITER]")] [(the "Representative")] [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group")] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Obligations").

[Alternative 1-Competitive Sale Rule applies]

1. [***Reasonably Expected Initial Offering Price***.]

(a) As of the Sale Date, the reasonably expected initial offering prices of the Obligations to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Obligations used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Obligations. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Obligations.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Obligations.]

[Alternatives 2-4 are available choices if Alternative 1 does not apply] [Note that Alternative 3 [where two rules apply] involves portions of Sections 1, 2(a) and 2(b) and Alternative 4 involves portions of 2(a) and 2(b)]

[1. ***Sale of the Obligations***. **[Alternative 2 – All Maturities Use General Rule:** As of the date of this certificate, for each Maturity of the Obligations, the first price at which at least 10% of such Maturity of the Obligations was sold to the Public is the respective price listed in Schedule A.]**[Alternative 3 – Select Maturities Use General Rule: *Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Obligations was sold to the Public is the respective price listed in Schedule A.**]**

2. **[*Initial Offering Price of the [Obligations][Hold-the-Offering-Price Maturities]***].

(a) **[Alternative 4 – All Maturities Use Hold-the-Offering-Price Rule:** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Obligations to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Obligations is attached to this certificate as Schedule B.**]** **[Alternative 3 – Select Maturities Use Hold-the-Offering-Price Rule:** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold- the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Obligations is attached to this certificate as Schedule B.**]**

* Preliminary, subject to change.

(b) **[Alternative 4 – All Maturities use Hold-the-Offering-Price Rule:** As set forth in the Notice Inviting Bids for the Purchase of Obligations and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Obligations, [it][they] would neither offer nor sell any of the Obligations of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Obligations at a price that is higher than the respective Initial Offering Price for that Maturity of the Obligations during the Holding Period.**] [Alternative 3 - Select Maturities Use Hold-the-Offering-Price Rule:** As set forth in the Notice Inviting Bids for the Purchase of Obligations and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Obligations of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Obligations during the Holding Period.**]**

[2.][3.] ***Total Issue Price***. The total of the issue prices of all the Maturities is $...................

[2.][4.] ***Defined Terms***.

[(a) *General Rule Maturities* means those Maturities of the Obligations listed in Schedule A hereto as the "General Rule Maturities."**]**

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Obligations listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."**]**

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the- Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering- Price Maturity.]

(a) *Issuer* means the City of Chandler, Arizona.

(b) *Maturity* means the Obligations with the same credit and payment terms. The Obligations with different maturity dates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of the Obligations generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) The *Sale Date* of the Obligations is _______, 2023.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Obligations to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Obligations to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER/REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate Relating To Federal Tax Matters of the Issuer and with respect to compliance with the federal income tax rules affecting the Obligations, and by Greenberg Traurig, LLP, as Special Counsel, in connection with rendering its opinion that the portion of each installment payment made by the City and denominated as and comprising interest and received by the owners of the Obligations is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Obligations.

[UNDERWRITER/REPRESENTATIVE]

By:____
Authorized Representative

Dated: [Closing Date]

SCHEDULE A
[EXPECTED OFFERING PRICES] [SALE PRICES]
(ATTACHED)

SCHEDULE B

[COPY OF UNDERWRITER'S BID] (ATTACHED)

OFFICIAL STATEMENT

$71,955,000*
CITY OF CHANDLER, ARIZONA
EXCISE TAX REVENUE OBLIGATIONS,
SERIES 2023

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto (this "Official Statement"), provides certain information concerning the Excise Tax Revenue Obligations, Series 2023 (the "Obligations"), to be executed and delivered in the aggregate principal amount of $71,955,000.* The Obligations will be undivided, participating, proportionate interests in installment payments (the "Payments") to be made by the City of Chandler, Arizona (the "City"), pursuant to a Series 2023 Purchase Agreement, to be dated as of December 1, 2023* (the "Purchase Agreement"), between the City, as purchaser, and U.S. Bank Trust Company, National Association, in its capacity as trustee (the "Trustee"). The Obligations will be executed and delivered pursuant to a Series 2023 Trust Agreement, to be dated as of December 1, 2023* (the "Trust Agreement"), between the City and the Trustee. Certain of the Trustee's interests under the Purchase Agreement, including, without limitation, the right to receive and collect the Payments and the right to enforce the payment of Payments, will be held by the Trustee for the benefit of the registered owners of the Obligations. See APPENDIX D – "SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS" herein.

Concurrently with the issuance of the Obligations, the City expects to offer its $117,415,000* General Obligation Bonds, Series 2023 (the "Series 2023 GO Bonds"), pursuant to a separate official statement. The Obligations will not be secured by, or payable from, *ad valorem* taxes. See "STATEMENTS OF BONDS OUTSTANDING – Excise Tax Revenue Obligations Outstanding and to be Outstanding" in APPENDIX B – "CITY OF CHANDLER, ARIZONA – FINANCIAL DATA".

A brief description of the security for the Obligations and of the City are included in this Official Statement together with a summary of select provisions of the Purchase Agreement and the Trust Agreement. Such descriptions do not purport to be comprehensive or definitive. All references to the Purchase Agreement and the Trust Agreement are qualified in their entirety by reference to such documents, and references herein to the Obligations are qualified in their entirety by reference to the form thereof included in the Trust Agreement, copies of which are available for inspection at the designated corporate trust office of the Trustee.

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from revenues, taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes (the "Arizona Revised Statutes" or "A.R.S."), or uncodified, or of the Arizona constitution (the "Arizona Constitution") or the Charter of the City (the "Charter") are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement "debt service" means principal and interest on the obligations referred to, "County" means Maricopa County, Arizona and "State" or "Arizona" means the State of Arizona. Initial capitals denote terms defined herein.

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* Preliminary, subject to change.

THE OBLIGATIONS

General Provisions

The Obligations will be dated the date of their initial execution and delivery, and will bear interest payable semiannually on July 1 and January 1 of each year (each an "Interest Payment Date"), commencing on July 1, 2024*, until their maturity date or redemption dates, at the rates set forth on the inside front cover page of this Official Statement. Interest will be computed on the basis of a 360-day year of twelve 30 day months.

Each Obligation will accrue interest from the Interest Payment Date next preceding the date of its execution, unless: (i) executed on an Interest Payment Date or after a Regular Record Date (as defined herein) but before the following Interest Payment Date, in which case interest accrues from such Interest Payment Date, (ii) executed on the date of initial delivery or prior to July 1, 2024*, in which case interest accrues from its dated date, or (iii) payment of interest is in default, in which case interest is payable from the last date to which interest has been paid or, if none, its dated date.

The Obligations are being executed and delivered (i) to finance the costs of construction, expansion and improvement of certain capital improvements to the water and wastewater systems of the City and (ii) to pay the costs relating to the execution and delivery of the Obligations.

The Obligations are available only in fully registered certificated form. As described in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM," the Obligations, when executed and delivered, initially will be registered in the name of Cede & Co., as registered Owner and nominee of The Depository Trust Company ("DTC"), New York, New York. So long as DTC, or its nominee, Cede & Co., is registered Owner of all of the Obligations, all payments on the Obligations will be made directly to DTC in immediately available funds, by wire transfer on or before the date due.

So long as Cede & Co., is the registered Owner of the Obligations, as nominee for DTC, references herein to "Owners" or registered owners of the Obligations (other than under the caption "TAX EXEMPTION") shall mean Cede & Co., as aforesaid, and shall not mean the actual purchasers of beneficial interest in the Obligations (the "Beneficial Owners"). When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Trustee to DTC only, as registered Owner. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM".

See "TAX EXEMPTION" for a discussion of the treatment of the Interest Portion (as defined herein) with respect to the Obligations for federal and State income tax purposes.

Redemption Provisions*

Optional Redemption of the Obligations. The Obligations maturing on or before July 1, 2033 are not subject to call for redemption prior to their stated maturity dates. The Obligations maturing on or after July 1, 2034 are subject to call for redemption prior to their stated maturity dates, at the option of the City, in whole or in part, on any date on or after July 1, 2033* at the redemption price of the principal amount being redeemed, plus accrued and unpaid interest, if any, to the date fixed for redemption, but without premium.

Selection of Obligations to be Redeemed

The Obligations will be redeemed only in principal amounts of $5,000 each or integral multiples thereof. The City will, at least 45 days prior to the redemption date, notify the Trustee of such redemption date and of the maturities of the Obligations and the principal amount of the Obligations of any such maturity to be redeemed on such date. For the purposes of any redemption of less than all of the Obligations of a single maturity, the particular Obligations or portions of the Obligations to be redeemed shall be selected through the procedures of DTC.

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* Preliminary, subject to change.

Notice of Redemption; Effect of Redemption

The Trustee shall send notices of redemption only to DTC in the manner required by DTC. If the Book-Entry-Only System is discontinued, the Trustee shall mail notice of redemption of any Obligations to the registered owner of the Obligation being redeemed at the address shown on the register maintained by the Trustee not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Such notice of redemption will state that if, on the specified redemption date, moneys for redemption of all the Obligations to be redeemed together with interest to the date of redemption, is held by the Trustee, then, from and after said date of redemption, interest with respect to the Obligations will cease to accrue and become payable and that if such moneys are not so held, the redemption will not occur. No defect affecting any Obligation, whether in the notice of redemption or the delivery thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Obligations.

The Trustee also agrees to send notice of any redemption to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If the money or Defeasance Obligations (as defined in the Trust Agreement) for the redemption of all of the Obligations and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee on the redemption date, so as to be available therefor on that date, then from and after the redemption date those Obligations and portions thereof to be redeemed shall cease to bear interest and no longer shall be considered to be Outstanding under the Trust Agreement. If those moneys shall not be so available on the redemption date, those Obligations and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

Registration, Transfer and Exchange

The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Obligations. In accordance with the Trust Agreement, the City and the Trustee may treat the registered owner of the Obligations as the absolute owner for all purposes.

Each Obligation will be transferable only upon the registration books for the Obligations by the registered owner thereof in person or by an attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee and duly executed by the registered owner or his duly authorized attorney. For every exchange or transfer of the Obligations, the City or the Trustee may make a charge sufficient to reimburse it for any tax, fee, governmental charge or cost incurred in connection with such exchange or transfer.

Upon surrender for transfer of any Obligation at the designated corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the registered owner or his attorney-in-fact duly authorized in writing, the Trustee will authenticate, date and deliver in the name of the transferee or transferees, a new fully-registered Obligation of the same series, maturity and interest rate and a like aggregate principal amount in authorized denominations. Any Obligation may be exchanged at the designated corporate trust office of the Trustee for an Obligation of the same series, maturity and interest rate and a like aggregate principal amount in authorized denominations.

The Trustee may, but will not be obligated to, exchange or register the transfer of any Obligation (i) if the Obligation is to be redeemed, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of redemption.

SECURITY AND SOURCES OF PAYMENT

General

The Obligations are special, limited, revenue obligations, taking the form of undivided, participating, proportionate interests in the Payments. The obligation of the City to make the Payments will be limited to payment from revenues from Excise Taxes (as defined herein) and will in no circumstances constitute a general obligation or a pledge of the full faith and credit of the City, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem property taxes. Under the terms of the Trust Agreement, an irrevocable trust will be administered by the Trustee for the equal and proportionate benefit of the Owners of the Obligations, which trust includes: (1) all right, title and interest of the Trustee in the Purchase Agreement and the right to (a) make claim for, collect or receive all amounts payable or receivable thereunder, (b) bring actions and proceedings thereunder or for the enforcement of such rights, and (c) do any and all other things which the Trustee is entitled to do thereunder; (2) amounts on deposit from time to time in the funds created pursuant to the Trust Agreement; and (3) any and all other property of any kind hereafter conveyed as additional security for the Obligations.

See APPENDIX D – "SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS."

Pledge

The Payments will be payable from and secured by a first lien on and pledge of revenues from Excise Taxes, on a parity with the payments due pursuant to the Agreement, dated as of December 1, 2015, executed and delivered by the City in connection with $49,850,000 outstanding principal amount of the City's Excise Tax Revenue Obligations, Series 2015, the Agreement, dated as of September 1, 2016, executed and delivered by the City in connection with $13,590,000 outstanding principal amount of the City's Excise Tax Revenue Refunding Obligations, Series 2016, the Agreement, dated as of December 1, 2017, executed and delivered by the City in connection with $31,100,000 outstanding principal amount of the City's Excise Tax Revenue Obligations, Series 2017, the Agreement, dated as of December 1, 2019, executed and delivered by the City in connection with $8,195,000 outstanding principal amount of the City's Excise Tax Revenue Obligations, Series 2019, and the Agreement, dated as of December 1, 2021, executed and delivered by the City in connection with $82,715,000 outstanding principal amount of the City's Excise Tax Revenue Refunding Obligations, Taxable Series 2021 (collectively, the "Existing Parity Obligations") and any Additional Parity Obligations (as defined in the Trust Agreement). (See APPENDIX B – CITY OF CHANDLER, ARIZONA – FINANCIAL DATA – Excise Tax Revenue Obligations Outstanding and to be Outstanding"). The major categories of revenues which comprise the Excise Taxes are discussed more fully below. See "EXCISE TAXES."

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the City may not further encumber the Excise Taxes on a basis equal to the pledge for the Purchase Agreement unless certain requirements are satisfied. See "Additional Parity Obligations; No Prior Lien Obligations" below.

The Payments to be paid by the City to the Trustee pursuant to the Purchase Agreement may be paid, at the option of the City, from the Water and Wastewater Funds (as defined herein) or from any other lawful source. Such revenues are **not** pledged to the Payments and, if commenced, such use of such revenues may be discontinued at any time by the City. Payment of the principal represented by the Obligations will not be secured by any interest in the capital improvements financed with the proceeds of the Obligations, and neither the Trustee nor the Owners of the Obligations have any claim or lien on such capital improvements or any part thereof.

THE PAYMENTS WILL NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY NOR WILL THE CITY BE LIABLE FOR THE PAYMENTS FROM AD VALOREM PROPERTY TAXES. PURSUANT TO THE TRUST AGREEMENT, THE OBLIGATIONS WILL BE SPECIAL, LIMITED, REVENUE OBLIGATIONS, PAYABLE SOLELY FROM THE PAYMENTS MADE PURSUANT TO THE PURCHASE AGREEMENT. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND WILL NOT REPRESENT OR CONSTITUTE A DEBT OR A DIRECT OR INDIRECT PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF.

Covenant to Maintain Debt Service Coverage

To the extent permitted by applicable law, the City covenants and agrees that the Excise Taxes which it presently imposes will continue to be imposed in each fiscal year so that the amount of Excise Taxes, all within and for the next preceding fiscal year of the City, shall be equal to at least three (3) times the Maximum Annual Debt Service (as defined in the Trust Agreement) payable thereunder, and under any Outstanding Parity Obligations, for the current fiscal year. The City further covenants and agrees that if such receipts for any such fiscal year shall not equal at least three (3) times such Maximum Annual Debt Service for such fiscal year, or if at any time it appears that the current fiscal year's receipts will not be sufficient to meet such requirements, the City will, to the extent permitted by applicable law, impose new exactions of the type of the excise taxes which will be part of the Excise Taxes or increase the rates for the excise taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year in order that (i) revenues from Excise Taxes will be sufficient to meet all such requirements and (ii) revenues from Excise Taxes will be reasonably calculated to attain the level as required by the first sentence of this paragraph. See "SCHEDULE OF ESTIMATED DEBT SERVICE COVERAGE ON OBLIGATIONS AND PARITY OBLIGATIONS" herein.

Additional Parity Obligations

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, no obligations may be incurred that would have a prior pledge of revenues from Excise Taxes to the Payments. Additional Parity Obligations may be incurred but only if revenues from Excise Taxes in the most recently completed fiscal year of the City have amounted to at least three (3) times the Maximum Annual Debt Service, including the Additional Parity Obligations proposed to be incurred. The calculation of Maximum Annual Debt Service is subject to certain adjustments as described below.

For purposes of calculating the Maximum Annual Debt Service with respect to any fiscal year in connection with the incurrence of Additional Parity Obligations, (1) the interest falling due during such fiscal year maybe be reduced to the extent that such interest is payable from the proceeds of the Additional Parity Obligations proposed to be incurred or other amounts set aside for such purposes at the time such Additional Parity Obligations are incurred, and (2) the principal (or mandatory sinking fund or installment purchase price or lease rental or similarly denoted principal payment obligation) payments or deposits required with respect to the Outstanding Parity Obligations during such period shall be computed on the assumption that no portion of such Parity Obligations shall cease to be Outstanding during such fiscal year except by reason of the application of such scheduled payments. Further, for purposes of the aforementioned calculation of Maximum Annual Debt Service, to the extent the interest on any Outstanding Parity Obligations or the Additional Parity Obligations proposed to be incurred is payable pursuant to a variable interest rate formula, the interest rate on such Parity Obligations for fiscal years when the actual interest rate on such Parity Obligations cannot yet be determined shall be assumed to be equal to the higher of: (a) the average annual interest rate on such Parity Obligations over the last five fiscal years or since the date of execution and delivery of such Parity Obligations if less than five years, or (b) if the terms of such Parity Obligations provide for conversion of the interest rate payable on such obligations to a fixed interest rate for the remainder of their term to maturity, an interest rate per annum determined in accordance with the provisions of such obligations as if the interest rate payable thereon were being converted to a fixed interest rate for the remainder of their term to maturity.

Reserve Fund; Funding Conditional

The Trust Agreement establishes a reserve fund (the "Reserve Fund"), to secure payment of the Obligations, but provides that no deposits need to be made into the Reserve Fund for the Obligations so long as the aggregate amount of revenues from Excise Taxes pledged and received by or on behalf of the City in the immediately preceding fiscal year is at least two (2) times the Maximum Annual Debt Service requirement for the current or any future fiscal year on all Outstanding Parity Obligations. If such revenues from Excise Taxes are less than two (2) times such Maximum Annual Debt Service requirement, the City shall, in addition to the other Payments required under the Purchase Agreement, pay to the Trustee for deposit into the Reserve Fund, on the first day of each month commencing the first month after the Excise Taxes actually received in such fiscal year are below the required amount, one thirty-sixth (1/36th) of such highest combined annual Debt Service in any fiscal year on the Outstanding Parity Obligations (the "Reserve Fund Requirement"), except for any Additional Parity Obligations for which a separate reserve fund is established or for which no reserve fund is required, until the amount in the Reserve Fund equals the Reserve Fund Requirement. In connection with determining whether the City is required to fund the Reserve Fund, the calculation of Maximum Annual Debt Service is subject to certain adjustments. See the last paragraph under "Additional Parity Obligations; No Prior Lien Obligations" above.

In lieu of, or in combination with, funding, the City may deliver a Reserve Fund Guaranty (as defined herein). "Reserve Fund Guaranty" means a letter of credit, surety bond, or similar arrangement representing the irrevocable obligation of a Reserve Fund guarantor to pay the amount stated in the Reserve Fund Guaranty. The Reserve Fund guarantor shall be rated "AA" or higher by the rating agencies rating the Obligations.

Junior Lien Obligations

Pursuant to the Purchase Agreement, the City may make pledge of and permit liens on the revenues from Excise Taxes on a basis subordinate to the Purchase Agreement. There are currently no such subordinate or junior lien obligations outstanding.

COVID-19

Public health emergencies, such as the COVID-19 pandemic, could have materially adverse economic and social impacts causing, among other things, limitations on certain activities, fluctuations in financial markets, and negative impacts on economic conditions. Following the COVID-19 pandemic, government and business operations in the State and City function without government-imposed restrictions relating to the pandemic. As of the date of this Official Statement, the City has experienced a limited financial impact and has collected revenues in excess of budgeted amounts during the COVID-19 pandemic. The City cannot predict the effect any public health emergencies will have on the finances or operations of the City or whether any such effects will have a material adverse effect on the ability to collect Excise Taxes, which are pledged as security for the Payments.

EXCISE TAXES

The revenues from Excise Taxes pledged as security for the Payments due pursuant to the Purchase Agreement to be applied to debt service on the Obligations include all unrestricted excise, transaction, franchise, privilege and business taxes, State-shared sales and income taxes, fees for licenses and permits, and State revenue sharing, now or hereafter validly imposed by the City or contributed, allocated and paid over to the City and not earmarked by the contributor for a contrary or inconsistent purpose ("Excise Taxes"). Excise Taxes include, without limitation, all fines and forfeitures. Revenues generated by the City from development impact fees will not be deemed Excise Taxes for the purpose of the Purchase Agreement and Trust Agreement. Revenues received by the City from vehicle license taxes charged by the State of Arizona will not be deemed Excise Taxes for the purposes of the Purchase Agreement and the Trust Agreement. The City may impose taxes for restricted purposes, the revenues from which will not be Excise Taxes thereunder and will not be pledged to the payment of the amounts due pursuant to the Purchase Agreement and Trust Agreement. Notwithstanding the pledge herein, the City intends to pay the Payments from the revenues available in the City's Water and Wastewater Funds, provided, however, that revenues in the City's Water and Wastewater Funds are not pledged as security for the Payments due pursuant to the Purchase Agreement.

NO ASSURANCES CAN BE GIVEN THAT THE AMOUNT OF STATE-SHARED SALES TAXES, STATE-SHARED INCOME TAXES, OR STATE REVENUE SHARING DESCRIBED HEREIN WILL NOT BE REDUCED, RESTRICTED OR ELIMINATED BY THE STATE LEGISLATURE IN THE FUTURE.

Legislation Regarding Withholding of State-Shared Revenues. Section 41-194.01, Arizona Revised Statutes, permits the State to withhold from a county, city or town ("Local Jurisdiction") State revenues that would otherwise be shared with Local Jurisdictions. Under such statute, at the request of one or more members of the State Legislature, the State Attorney General must investigate any ordinance, regulation, order or other official action ("Local Action") adopted or taken by the governing body of a Local Jurisdiction that the legislator alleges violates State law or the State Constitution. The Attorney General must make a written report within 30 days after receipt of the request. The Local Jurisdiction then has 30 days to resolve the violation. If the Attorney General determines that the violation has not been resolved within 30 days, the Attorney General must notify the State Treasurer and the State Treasurer must withhold payment to the Local Jurisdiction of State shared excise taxes otherwise due to the Local Jurisdiction pursuant to Section 42-5029(L), Arizona Revised Statutes and all State-shared income taxes otherwise due to the Local Jurisdiction pursuant to Section 43-206(F), Arizona Revised Statutes, until such time as the Attorney General determines that the violation has been resolved. However, the State Treasurer may not withhold any amount that the Local Jurisdiction certifies to the Attorney General and the State Treasurer as being necessary to make deposits or payments for debt service on bonds or other long-term obligations that were issued or incurred before the Local Action occurred.

The City is not aware of any Local Action by the City taken or currently under consideration that does or if taken would violate State law or the State Constitution. State-shared revenues are pledged to Payments due under the Purchase Agreement. The withholding of State-shared revenues could have a material adverse effect on the payment of principal of and interest on the Obligations during any period of withholding.

Lack of City's Control Over State-Shared Sales Tax or State-Shared Income Tax Levels; Recent Legislative Changes. From time to time, bills are introduced in, and legislation enacted by, the Arizona Legislature to change the formulas used to allocate State-shared sales taxes and State-shared income taxes, including proposed adjustments that would reduce the distribution to cities and towns. See "State-Shared Sales Taxes" and "State-Shared Income Taxes." The possibility of changes in this respect are more likely to be adverse to the City when the State is experiencing financial difficulties. The City cannot determine whether any such measures will become law or how they might affect State-shared sales taxes and State-shared income taxes, which comprise State-shared revenues. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law, which would repeal or modify State-shared sales taxes and State-shared income taxes (a major source of funds for state revenue sharing). The City cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of any such election. It should be noted that no assurances can be given that the amount of State-shared sales taxes and State-shared income taxes will not be reduced or eliminated by the State Legislature in the future. The State Legislature may from time to time eliminate State-shared sales taxes and State-shared income taxes or may change the amount and timing of payment of State-shared sales taxes and State-shared income taxes and is under no legal obligation to maintain the amount of State-shared sales taxes and State-shared income taxes payable to the City at any amount or level. For example, addressing State budgetary deficiencies, adjustments that reduce the distribution of State-shared sales taxes could be enacted. Likewise, legislative reductions in State sales or income taxes generally could result in reductions in the amounts distributed to local governments, including the City. Further, the State Legislature may enact legislation which restricts the use of revenues received by the City from certain State-shared sales taxes or State-shared income taxes. Accordingly, the City is unable to covenant to maintain State-shared sales taxes or State-shared income taxes at any certain level. As part of the State's fiscal year 2021/22 budget, on June 30, 2021 the then-Governor of the State signed Senate Bill 1828 (SB1828), which will consolidate the State's prior four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State-shared income taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State-shared income taxes, SB1828 increases, beginning in fiscal year 2023/24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The City cannot predict what effect the passage of SB1828 will have on its revenues from State-shared income taxes.

City of Chandler
Excise Tax Collections
FY 2018-19 to FY 2023-24

	2018-19 (a)	2019-20 (a)	2020-21 (a)	2021-22 (a)	2022-23 (b)(c)	Budgeted 2023-24 (c)
City Transaction Privilege (Sales) and Use Tax (d)	$138,888,825	$140,798,389	$155,638,444	$178,567,736	$205,020,881	$196,850,200
State-Shared Sales Tax	25,525,595	26,597,361	30,982,818	38,801,443	41,309,738	39,000,000
State-Shared Income Tax	30,693,731	33,255,159	37,324,127	36,011,056	53,013,618	74,000,000
Franchise Fees	3,556,211	3,432,995	3,615,294	3,652,812	3,630,508	3,471,000
Licenses and Permits	7,398,669	7,908,291	6,835,817	7,086,928	8,742,071	8,593,300
Fines and Forfeitures	3,196,843	2,714,065	2,316,000	2,791,624	4,127,033	3,814,600
Totals	$209,259,874	$214,706,260	$236,712,500	$266,911,599	$315,843,849	$325,729,100

(a) Amounts are actual collections provided by the City's Budget Division (cash basis).

(b) Unaudited.

(c) Unaudited and budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution. Fiscal Year 2022-23 collections are based on unaudited actual collections through June 30, 2023, which are subject to audit and adjustment. Fiscal Year 2023-24 collections are based on unaudited actual collections through August 31, 2023, and budgeted collections for the remainder of such fiscal year.

(d) Includes City Transaction Privilege Sales Tax, Privilege Audit Assessments, Privilege License Fees and Privilege Tax Interest. Excludes Excise Tax Refunds from Government Property Lease Excise Tax program.

Source: City of Chandler Management Services Budget Department.

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City Transaction Privilege (Sales) and Use Taxes. The City collects a transaction privilege (sales) tax on a variety of categories of business activity. The City's transaction privilege (sales) tax is levied upon persons based on their business activities within the City. The amount of taxes are calculated by applying the tax rate against the gross proceeds of sales or gross income (less allowable deductions) derived from the business activities shown in the table below including the new Marijuana (Medical) and (Adult Use) categories. Transaction privilege (sales) taxes are collected on a monthly basis.

City of Chandler
Transaction Privilege (Sales) Tax Rates by Category

Taxable Activities	Chandler Tax Rate	Taxable Activities	Chandler Tax Rate
Advertising	1.50%	Hotel/Motel (> 30 Days)	1.50%
Amusements	1.50%	Rentals – Real Property	
Construction Contracting (non MRRA)	1.50% of 65% of gross	Residential (b)	1.50%
		Commercial	1.50%
Jet Fuel Sales (and Use)	$0.02300/gallon	Tangible Personal Property Rentals	1.50%
Job Printing	1.50%	Car Rentals	1.50%
Manufactured Housing	1.50%	Restaurants/Bars	1.80%
Timber & Extraction	1.50%	Retail Sales	1.50%
Marijuana (Medical)	1.50%	Telecommunications	2.75%
Marijuana (Adult Use)	1.50%	Transportation for Hire	1.50%
Mining	0.10%	Utilities	2.75%
Publishing	1.50%	Use Tax	1.50%
Hotel/Motel (≤ 30 Days) (a)	4.40% (1.50% + 2.90%)		

(a) The City levies and additional 2.90% transient lodging tax on any hotel, motel, apartment or individual charging for lodging space to any person for less than 30 consecutive days. This tax is restricted by State law to use for [visitor and hospitality services/promotion of tourism]. Such amounts are not part of the revenues from Excise Taxes pledged to payment of the Payments.

(b) Chapter 204, Laws of Arizona 2023 (commonly referred to by its original bill number "SB 1131"), eliminates the ability of Arizona municipalities to levy a transaction privilege tax on the business of renting or leasing real property for residential purposes from and after December 31, 2024.

Source: Arizona Department of Revenue.

State-Shared Sales Taxes. Pursuant to statutory formula, cities and towns in Arizona receive a portion of the State-levied transaction privilege (sales) tax. The State transaction privilege (sales) tax is levied against the same categories of business activity as the City's transaction privilege (sales) tax, with a few exceptions, the largest of which being sales of food for home consumption and residential rental receipts, both of which the State exempts from tax. As the table below indicates, the rate of taxation varies among the different types of business activities taxed, with the most common rate being 5% of the amount or volume of business transacted.

Under State law, currently, the aggregate amount distributed to all Arizona cities and towns is equal to 25% of the "distribution share" of revenues attributable to each category of taxable activity. The allocation to each city and town of the revenues available to all cities and towns is based on their population relative to the aggregate population of all cities and towns as shown by the mid-decade census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns.

In addressing State budgetary deficiencies, the Governor and members of the State legislature have occasionally proposed certain adjustments that would reduce the distribution of State-shared sales taxes to cities and towns. The City cannot determine whether such measures will become law or how they might affect the City's receipt of State-shared sales taxes.

STATE SALES TAX

Taxable Activities, Tax Rates and Distribution Share

Taxable Activities	State Tax Rate	Education Tax Rate (a)	Distribution Share
Transporting	5.000%	0.600%	20.000%
Utilities	5.000%	0.600%	20.000%
Telecommunications	5.000%	0.600%	20.000%
Pipeline	5.000%	0.600%	20.000%
Private car line	5.000%	0.600%	20.000%
Publication	5.000%	0.600%	20.000%
Job printing	5.000%	0.600%	20.000%
Prime contracting	5.000%	0.600%	20.000%
Owner builder sales	5.000%	0.600%	20.000%
Amusement	5.000%	0.600%	40.000%
Restaurant	5.000%	0.600%	40.000%
Personal property rental	5.000%	0.600%	40.000%
Retail (excluding food sales)	5.000%	0.600%	40.000%
Transient lodging	5.500%	N/A	50.000%
Mining - non-metal, oil/gas	3.125%	N/A	32.000%
Commercial lease	0.000%	N/A	53.330%
Severance - metalliferous mining	2.500%	N/A	80.000%
Use tax utilities	5.000%	0.600%	20.000%
Jet fuel use tax	(b)	N/A	40.000%

(a) Represents the State transaction privilege (sales) tax rate approved by voters of the State in November 2000 (the "Education Tax") on certain of the categories of business activity at six-tenths of one percent (0.6%). The Education Tax collections are dedicated exclusively to education and are not distributed to the City or pledged to the payment of debt service with respect to the Obligations. The effective dates for the Education Tax are June 1, 2001 through June 30, 2041.

(b) Does not include a State tax of $0.0305 per gallon levied on the retail sale of jet fuel, which tax is only levied on the first ten million gallons sold to each purchaser in each calendar year.

Source: Arizona Department of Revenue.

State-Shared Income Taxes. Under current State law, Arizona cities and towns are preempted by the State from imposing a local income tax. Cities and towns are, however, entitled by statutory formula to typically receive 18% of the net proceeds of the State's personal and corporate income tax collections for the fiscal year which is two fiscal years prior to the current fiscal year. Distribution of such funds is made monthly based on the proportion of each city's or town's population to the total population of all incorporated cities and towns in the State as determined by the latest census. In addressing State budgetary deficiencies, the Governor and members of the State legislature have occasionally proposed certain adjustments that would reduce the distribution of State-shared income taxes to cities and towns. The City cannot determine whether any such proposals will occur in the future and become law or how they might affect the City's receipt of State-shared income taxes.

State Vehicle License Tax. Approximately twenty percent of the revenues collected for the licensing of motor vehicles is distributed to incorporated cities and towns. A city or town receives its share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county. These monies are distributed on a monthly basis. The only stipulation on the use of this revenue is that it must be expended for a public purpose. State-Shared Vehicle License Taxes are excluded from Excise Taxes for purposes of the Purchase Agreement and Trust Agreement.

Franchise Fee Revenues. Cities and towns in the State have exclusive control over public rights of way dedicated to the municipality, and may grant franchise agreements to and impose franchise taxes on utilities using those rights of way. A franchise may be granted only with voter approval and the term of franchises is limited to 25 years. The City has granted franchises to and imposed franchise taxes on utility and cable television providers.

Other Excise Tax Revenues. The City also imposes and collects fees for licenses and permits to engage in certain activities within the City and for the right to utilize certain City property and imposes and collects fines and forfeitures for violations of State laws or City ordinances relating to traffic and other offenses.

THE PROJECT

The proceeds of the Obligations, net of amounts used to pay the costs and expenses relating to the execution and delivery of the Obligations, will be deposited into the Acquisition Fund established pursuant to the Trust Agreement and applied to fund expenditures related to the construction, expansion and improvement of certain capital improvements to the water and wastewater systems of the City.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount	$71,955,000.00*
[Net] Original Issue Premium (a)	
Total Sources	

Uses of Funds

Deposit to Acquisition Fund	
Costs of Issuance (b)	
Total Uses	

(a) [Net] Original Issue Premium is the original issue premium on the Obligations less the original issue discount on the Obligations.

(b) Includes fees of Financial Advisor (as defined herein), Special Counsel (as defined herein), Trustee, printing costs, rating agency fees and other costs related to the delivery of the Obligations.

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* Preliminary, subject to change.

SCHEDULE OF ESTIMATED DEBT SERVICE COVERAGE ON OBLIGATIONS AND PARITY OBLIGATIONS*

The following schedule sets forth (i) the annual debt service requirements of the City's Existing Parity Obligations, the payment of which is secured by a pledge of the revenues from Excise Taxes, (ii) the total annual estimated debt service requirements of the Obligations, (iii) the total estimated annual debt service requirements of the Existing Parity Obligations and the Obligations, (iv) the estimated annual debt service requirements of the Existing Parity Obligations and the Obligations, less the annual debt service requirements of the Existing Parity Obligations and the Obligations which the City intends to pay from other legally available moneys, and (v) the projected debt service coverage provided by the Excise Taxes.

Fiscal Year Ended June 30 (a)	Excise Tax Revenues (b)	Outstanding Parity Obligations Debt Service	Plus: The Obligations		Projected Debt Service Coverage	Annual Debt Service Requirements	Less: Water & Wastewater Revenue Supported Excise Tax Obligation Debt Service (e)	Net Debt Service Requirements
			Principal	Interest				
2023	$ 315,843,849	$ 19,308,768			16.36x	$ 19,308,768	$ 19,308,768	$0
2024		19,419,091(c)	$ -	$ 1,978,763 (d)		21,397,853	21,397,853	
2025		19,642,581	500,000	3,597,750		23,740,331	23,740,331	
2026		18,345,469	3,375,000	3,572,750		25,293,219	25,293,219	
2027		20,248,648	-	3,404,000		23,652,648	23,652,648	
2028		18,091,516	7,900,000	3,404,000	10.74x	29,395,516	29,395,516	
2029		21,440,998	3,725,000	3,009,000		28,174,998	28,174,998	
2030		21,087,588	4,225,000	2,822,750		28,135,338	28,135,338	
2031		21,235,520	4,000,000	2,611,500		27,847,020	27,847,020	
2032		20,929,168	2,800,000	2,411,500		26,140,668	26,140,668	
2033		20,564,576	3,250,000	2,271,500		26,086,076	26,086,076	
2034		8,883,125	8,000,000	2,109,000		18,992,125	18,992,125	
2035		8,867,275	8,250,000	1,709,000		18,826,275	18,826,275	
2036		3,062,500	8,000,000	1,296,500		12,359,000	12,359,000	
2037		3,052,500	7,500,000	896,500		11,449,000	11,449,000	
2038			10,430,000	521,500		10,951,500	10,951,500	
		$ 244,179,323	$ 71,955,000	$ 35,616,013		$ 340,798,835	$ 340,798,835	$0

(a) Prepared by Piper Sandler & Co. (the "Financial Advisor"). Columns may not add up due to rounding.
(b) Excise Tax revenues shown represent estimated collections for fiscal year 2022-23.
(c) Includes the $4,500,000 maturity of the Series 2013 Obligation that was defeased on July 15, 2023.
(d) Interest is estimated. The first interest payment on the Obligations will be due July 1, 2024*. Thereafter, the interest payments will be made semiannually on July 1 and January 1 until maturity or prior redemption.
(e) The City intends to pay amounts representing debt service on the Obligations and the Existing Parity Obligations from revenues available in the City's water and wastewater enterprise funds (the "Water and Wastewater Funds"). In the event that these revenues prove insufficient to pay such amounts due for debt service on the Existing Parity Obligations and the Obligations, or if the City decides not to pay such amounts from the revenues of the Water and Wastewater Funds, amounts due for debt service on the Existing Parity Obligations and the Obligations will then be paid from revenues from Excise Taxes. See "SECURITY AND SOURCES OF PAYMENT" and "EXCISE TAXES" herein.

* Preliminary, subject to change.

TAX EXEMPTION

In General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the execution and delivery of the Obligations in order that the portion of each of the Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the "Interest Portion") be and remain excludable from gross income for federal income tax purposes. The City's failure to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the Obligations. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion.

In the opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel ("Special Counsel"), assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the Interest Portion will be excludable from gross income of the owners thereof for federal income tax purposes and will be exempt from Arizona income taxation so long as the Interest Portion is excludable from gross income for federal income tax purposes. The Interest Portion will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion will not be excluded from the determination of adjusted financial statement income for tax years beginning after 2022. Special Counsel will express no opinion as to any other tax consequences regarding the Interest Portion or the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors as to the status of the Interest Portion under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Obligations will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Obligations will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Special Counsel will not independently verify the accuracy of those certifications and representations. Special Counsel will express no opinion as to any other consequences regarding the Obligations.

Except as described above, Special Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the Interest Portion, or the ownership or disposition of the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of the Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Obligations, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the Interest Portion, (iii) the inclusion of the Interest Portion in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the Interest Portion in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of the Interest Portion in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Obligations generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including the Interest Portion, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of these and any other tax consequences.

Special Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Special Counsel as of the date thereof. Special Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Special Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Special Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Obligations ("Discount Obligations") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Obligation determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Obligation over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Obligation (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Obligations, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Obligation.

Certain of the Obligations ("Premium Obligations") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Obligations callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Obligation, based on the yield to maturity of that Premium Obligation (or, in the case of a Premium Obligation callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Obligation), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Obligation. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Obligation, the owner's tax basis in the Premium Obligation is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Obligation for an amount equal to or less than the amount paid by the owner for that Premium Obligation.

Owners of Discount Obligations and Premium Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Obligations or Premium Obligations and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of the Interest Portion, adversely affect the market price or marketability of the Obligations, or otherwise prevent the holders from realizing the full current benefit of the status of the Interest Portion. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Obligations. Prospective purchasers of the Obligations should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Obligations.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Obligations is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of the Interest Portion from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Obligations, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Obligations and proceeds from the sale of the Obligations. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Obligations. This withholding generally applies if the owner of the Obligations (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Obligations may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

LEGAL MATTERS

Certain legal matters relating to the authorization, sale and execution and delivery of the Obligations and tax matters with respect to the Interest Portion are subject to the legal opinion of Special Counsel. (See "TAX EXEMPTION"). The signed legal opinion of Special Counsel dated and premised on facts existing and law in effect as of the date of original execution and delivery of the Obligations, will be delivered to the City at the time of original execution and delivery of the Obligations.

The proposed form of the legal opinion is set forth as APPENDIX C – "FORM OF OPINION OF SPECIAL COUNSEL". The legal opinion to be delivered may vary from the text of APPENDIX C – "FORM OF OPINION OF SPECIAL COUNSEL" if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distributions of it by recirculation of this Official Statement or otherwise shall create no implication that Special Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date. In rendering its opinion, Special Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings which Special Counsel will not have independently verified.

While Special Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Obligations that may be prepared or made available by the City or others to the holders of the Obligations or others.

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 the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material impact on the City and could adversely affect the secondary market value or marketability of the Obligations. 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 Obligations) issued prior to enactment.

The legal opinion to be delivered concurrently with the delivery of the Obligations 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 Obligations. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CYBERSECURITY

The City like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. United States government agencies have in the past issued warnings indicating that critical infrastructure sectors such as water systems may be specific targets of cybersecurity threats.

The City believes it has taken reasonable steps to protect against and mitigate the adverse effects of cyberattacks, including steps to harden its cybersecurity and provide training for employees in cyber awareness and the use of the City's digital networks and systems. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City.

LITIGATION

To the knowledge of the appropriate representatives of the City, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the execution or delivery of the Bonds or contesting or questioning the proceedings and authority under which the Obligations have been authorized and are to be executed, sold or delivered, or the validity of the sale of the Obligations. There are several claims and/or lawsuits pending against the City of Chandler.

CANCELLATION OF CONTRACTS

The provisions of A.R.S. Section 38-511, as amended, provide that certain public bodies, including the City, may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the public body if any person significantly involved in the initiating, negotiating, securing, drafting or creating of the contract on behalf of the public body is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter thereof. The cancellation shall be effective when written notice from the governing body of the public body is received by all other parties to the contract unless the notice specifies a later time. The City is a party to several contracts which are material to the payment of the Obligations, including the Trust Agreement and the Purchase Agreement. Exercise of a remedy under A.R.S. Section 38-511, as amended, would adversely affect the repayment of the Obligations.

FINANCIAL STATEMENTS

The audited financial statements of the City as of June 30, 2022 and for its fiscal year then ended, which are included as APPENDIX E – "CITY OF CHANDLER, ARIZONA – AUDITED FINANCIAL STATEMENTS OF THE CITY OF CHANDLER, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2022" of this Official Statement, have been audited by Heinfeld, Meech & Co., P.C. These are the most recent audited financial statement available to the City. These audited financial statements may not represent the current financial conditions of the City. The City neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C., to include their report and Heinfeld, Meech & Co., P.C., has performed no procedures subsequent to rendering their opinion on the financial statements.

CONTINUING SECONDARY MARKET DISCLOSURE

The City will covenant for the benefit of certain owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2024 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"), dated the date of delivery of the Obligations (the "Undertaking"), the form of which is included in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The Undertaking by the City will only apply so long as the Obligations remain outstanding. The Notices of Listed Events and any other document or information required to be filed, will be filed with the MSRB through the MSRB's EMMA system each described in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING". The specific nature of the information to be contained in the Annual Reports is set forth in APPENDIX F. The Undertaking will be delivered in order to assist the original purchaser of the Obligations in complying with the Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). A failure by the City to comply with the Undertaking 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 Obligations in the secondary market.

The City previously entered into continuing disclosure undertakings (the "Prior Undertakings") with respect to certain previously issued obligations which require the filing of certain event notices. The City timely filed its Annual Report for fiscal year ending June 30, 2018 through and including the fiscal year ending June 30, 2020; however, the filing was not associated with all of the related CUSIP numbers until October 28, 2021.

The City has implemented procedures to facilitate compliance with the Prior Undertakings, the Undertaking related to the Obligations and future similar undertakings.

RATINGS

Fitch Ratings, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), have assigned the ratings of "___", "___" and "___," respectively, on the Obligations. Such ratings reflect only the views of Fitch, Moody's and S&P. An explanation of the significance of the Fitch rating may be obtained at One State Street Plaza, New York, New York 10040. An explanation of the significance of a rating assigned by Moody's may be obtained at One Front Street, Suite 1900 San Francisco, California 94111. An explanation of the significance of a rating assigned by S&P may be obtained at 55 Water Street, New York, New York 10041. Such ratings may be revised downward or withdrawn entirely by Fitch, Moody's, or S&P, if, in their respective judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations. The City has covenanted in the Undertaking (see "CONTINUING SECONDARY MARKET DISCLOSURE" herein) that it will file notice of any formal change in any such rating relating to the Obligations.

FINANCIAL ADVISOR

The Financial Advisor has been engaged by the City for the purpose of advising the City as to certain debt service structuring matters specific to the Obligations and on certain matters relative to the City's overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the City. No person is entitled to rely on the Financial Advisor's participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of the information contained herein.

RELATIONSHIP BETWEEN PARTIES

Special Counsel has acted as bond counsel or special counsel or represented the Financial Advisor in other financing transactions underwritten by the Financial Advisor and may do so in the future.

POLITICAL DONATIONS

To the best of their knowledge, none of the City, the Trustee, the Financial Advisor or their counsel or agents are known to have made political contributions other than those, if any, permitted under applicable securities regulations to any person who sought a seat on the City Council at its last election or any election prior to the last election.

CERTIFICATION CONCERNING OFFICIAL STATEMENT

Documents delivered with respect to the Obligations will include a certificate to the effect that to the knowledge of the Deputy City Manager/Chief Financial Officer of the City after appropriate review, this Official Statement is true, correct and complete in all material respects and does not include any untrue statement of a material fact or omit to state any material fact necessary to make such statements and information herein, in light of the circumstances under which they were made, not misleading and that no event has occurred since date of this Official Statement that should be disclosed herein in order to make the statements and information herein not misleading in any material respect. In the event this Official Statement is supplemented or amended prior to the date of delivery of the Obligations, the foregoing confirmation will also encompass such supplements or amendments. All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show certain historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

ADDITIONAL INFORMATION

The information in this Official Statement has been provided by the City, the County, Arizona, Assessor's, Treasurer's and Finance offices, the Arizona Department of Revenue and other sources which are considered to be reliable and are customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness. All estimates and assumptions contained herein are believed to be reliable, but no representations are made that such estimates and assumptions are correct or will be realized. Any information or expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create an implication that there has been no change as to the affairs of the City. This Official Statement may be supplemented from time to time by the provision of supplemental or additional documents.

CONCLUDING STATEMENT

The summaries or descriptions of provisions in the Purchase Agreement and the Trust Agreement contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents. For further information, reference should be made to the complete documents, copies of which are available for inspection from the Financial Advisor.

To extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official records and other sources and is believed to be reliable. Information other than that obtained from the official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial or other information, will necessarily continue or be repeated in the future.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as part of a contract or agreement between the City and the purchasers or holders of any Obligations.

The attached Appendices A through G are integral parts of this Official Statement and must be read together with all of the foregoing statements.

This Official Statement has been prepared on direction of the City and has been approved by and executed for and on behalf of the City by its authorized representative indicated below.

CITY OF CHANDLER, ARIZONA

By: ________________________________

Kevin Hartke, Mayor

APPENDIX A

CITY OF CHANDLER, ARIZONA, GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The City is located in the southeastern portion of Maricopa County, Arizona (the "County"). The City encompasses approximately 65 square miles and is one of several major cities comprising the greater Phoenix, Arizona metropolitan area, which is Arizona's economic, political and population center.

The City was founded in 1912 and incorporated in 1920. The following table sets forth a record of the population statistics of the City since 1980, along with the population statistics for the County and the State.

POPULATION STATISTICS

Year	City of Chandler	Maricopa County	State of Arizona
2022 Estimate (a)	282,891	4,586,431	7,409,189
2020 Census	275,987	4,420,568	7,151,502
2010 Census (Revised)	236,326	3,817,117	6,392,017
2005 Special Census	233,681	3,700,516	6,044,985
2000 Census	176,581	3,072,149	5,130,632
1990 Census	90,533	2,122,101	3,665,305
1980 Census	29,673	1,509,175	2,716,546

(a) Estimate as of July 1, 2022 (released in December 2022) provided by the Arizona Office of Economic Opportunity.

Source: U.S. Census Bureau.

The following table contains historical information in regard to the geographic incorporated size of the City as set forth in square miles.

LAND AREA
City of Chandler, Arizona

Year	Square Miles
2023	65.68
2022	65.55
2021	65.53
2020	65.53
2019	65.33
2018	65.19

Source: The City Management Services Department and City Planning Division.

Municipal Government and Organization

The City adopted the City Charter in 1965 which provides for a Council-Manager form of government. The seven-member City Council is elected at-large on a staggered basis and consists of the Mayor and six councilmembers. The current Mayor and councilmembers serve four-year terms.

The City Council appoints the City Manager who has full responsibility for carrying out City Council policies and administering City operations. The City Manager is responsible for appointment of department heads. The City employees are hired under procedures as specified in the City Charter. The government and operations of the City are provided by a staff of 1,756 full-time equivalent employees.

Economy

The major industry clusters contributing to the economic base of the City include government, manufacturing, financial services, commercial activities (including construction and commerce), high technology and healthcare. The City is home to a wide variety of technology industries, with a heavy concentration in the semiconductor cluster. The continued economic development of the City is driven by the educational attainment of City residents. Approximately 77% of adult residents have attended some college and 48% possess a bachelor's or advanced degree. This educational attainment level attracts employers in "knowledge based" industries adding to the concentration of high wage jobs.

The following table sets forth unemployment rate averages for the City, the County, the State and the United States.

UNEMPLOYMENT RATE AVERAGES (a)

Calendar Year	City of Chandler	Maricopa County	State of Arizona	United States
2023 (b)	2.8%	2.9%	3.2%	3.5%
2022	2.9	3.1	3.7	3.6
2021	4.8	4.5	4.9	5.4
2020	6.6	7.2	7.7	8.1
2019	3.7	4.2	4.9	3.7
2018	3.7	4.1	4.8	3.9

(a) Data is not seasonally adjusted.

(b) Data through June 2023. [to be updated]

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The City has five designated employment corridors: Airpark Area, Downtown Chandler, Price Corridor, Uptown Chandler and West Chandler. The five corridors represent approximately 76% of all the jobs in the City. There are more than 30 companies on the 2022 Fortune 1000 list in the City. Below is data from the Maricopa Association of Governments (MAG) 2021 Employer Database with data on the five designated employment corridors:

Employment Corridor	Number of Businesses	Number of Jobs
Airpark Area	445	12,360
Downtown Chandler	115	2,510
Price Corridor	711	44,420
Uptown Chandler	509	11,680
West Chandler	812	28,400

The City has more than 12 million square feet of office space and 27 million square feet of industrial space throughout the City.

Employment and Employers

Electronics plants located in the City include: Microchip Technologies, producer of electronic circuitry; Rogers Corporation, manufacturer of materials for printed circuit boards and power electronic devices; Intel Corporation, manufacturer of microcomputer components; and NXP, manufacturer of semiconductor and satellite systems.

A partial list of major manufacturing employers located within the City is set forth in the following table.

MAJOR MANUFACTURING EMPLOYERS (a)
City of Chandler, Arizona

Employer	Employees
Intel	12,000
Northrop Grumman	2,150
NXP	1,700
Microchip Technology (HQ)	1,500
Arizona Nutritional Supplements (HQ)	495
Rogers Corporation (HQ)	460
Applied Materials	300
ASML	300
TEL - Tokyo Electron America	250
ArmorWorks	240
Goodrich Turbomachinery	230
SOLLiD Cabinetry	205
VIAVI	200
Advantest (Essai)	170
Adept Life Sciences	150
Air Products and Chemicals	150
CoValence Laboratories	140
Infineon Technologies Americas Corp	140
Advanced Circuits	130
Isola (HQ)	125

(a) Some of the major manufacturing employers are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information (collectively, the "Filings") with the Commission. Such Filings may be inspected and copies are available at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange ("NYSE") at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the internet on the Commission's EDGAR database at http://www.sec.gov. Neither the City, nor the Financial Advisor or their respective agents or consultants have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: The City's Economic Development Division.

The City also serves as the location of a significant number of non-manufacturing employers. The following is a partial list of major non-manufacturing employers in the City.

MAJOR NON-MANUFACTURING EMPLOYERS (a)
City of Chandler, Arizona

Employer	Employees
Wells Fargo Bank	5,500
Chandler Unified School District	4,900
Bank of America	3,800
Chandler Regional Medical Center (Dignity Health)	3,000
Chandler-Gilbert Community College	1,900
City of Chandler	1,800
Insight Enterprises (HQ)	1,400
Bashas (HQ and Distribution Center)	1,100
Mr. Cooper	900
Toyota Financial Services	700
Avnet	600
Offerpad (HQ)	400
Walgreens	400
Voya Financial	380
Tivity Health	350
Cascade Financial Services (HQ)	320
Keap (HQ)	320

(a) Some of the major non-manufacturing employers are subject to the informational requirements of the Exchange Act, and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copies are available at the public reference facilities maintained by the Commission. In addition, the Filings may also be inspected at the offices of the NYSE or on the Commission's EDGAR database. Neither the City, nor the Financial Advisor or their respective agents or consultants have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: The City's Economic Development Division.

Agriculture

Agricultural production still is a contributor to the diversified economic base of the City. Principal products include livestock, alfalfa, small grains, citrus and vegetables. As the residential, commercial and industrial development of the City has occurred, the contribution of agricultural production to the economy of the City has decreased.

Commerce

A 1.3 million square foot super-regional shopping mall known as Chandler Fashion Center opened for business in 2001. This mall is home to four anchor department stores, including Dillard's, Macy's, a Harkins theater complex, Scheel's and outdoor urban village and more than 180 specialty retail shops. Additionally, the Downtown Chandler entertainment and business district serves as a hub for commercial activities due to numerous retail, restaurant and entertainment venues. Several community shopping centers serve residents of the City and surrounding areas, including Chandler Pavilions, Casa Paloma, Chandler Festival, Chandler Gateway, Paseo Del Oro Shopping Center, North Park

Plaza Shopping Center, Fulton Ranch Towne Center and Crossroads Towne Center. A number of neighborhood shopping centers are also dispersed throughout the City.

Tourism

The direct, indirect and induced benefits derived from the activities surrounding tourism contribute greatly to the economic health of the community. With more than 30 hotels representing more than 5,000 available rooms, the City's tourism market continues to receive significant private sector investment in new properties and the repositioning of older properties to meet the needs of leisure and business travelers.

Leisure travel to the City is driven by proximity to various shopping, dining, recreational, sporting and scenic attractions located within a short drive. However, business travel comprises most of the City's visitors due to the high density of employment. As the City is home to a number of Fortune 500 companies with global, regional and local headquarters spanning several industry clusters (autonomous vehicle, high-tech manufacturing, semiconductor manufacturing, aerospace, aviation, healthcare and bioscience, advanced business and financial business services, etc.), business travelers drive the City's lodging market.

Transportation

Industry, business and residents benefit from the transportation network available in and near the City. Rail, bus, highway and air facilities are developed throughout the area.

The City is served by the Union Pacific Railroad for long distance freight rail service and the Valley Metro Transit System for local public transportation.

The City is served by a network of streets and highways. The Superstition Freeway ("U.S. Highway 60") parallels the northern border of the City. U.S. Highway 60 connects to cities in northern and eastern Arizona. The Superstition Freeway also connects to Interstate Highway 10 which connects the cities of Tucson and Phoenix. State Highway 87 and Arizona Loop 202 bisect the City. The Price Freeway (a north-south portion of Loop 101) and the San Tan Freeway (an east-west portion of Loop 202) facilitate traffic flow to the City by connecting together the 101, 202 and I-10 freeways.

Residents of the area have ready access to Chandler Municipal Airport, Stellar Airpark, Phoenix-Mesa Gateway Airport and Sky Harbor International Airport. The Chandler Municipal Airport, owned and operated by the City, is located approximately three miles southeast of the central business district of the City and is designed to relieve private aircraft activity at Sky Harbor International Airport. The Chandler Municipal Airport has approximately 430 based aircraft and two parallel runways, 4,870 feet and 4,401 feet, respectively. The Chandler Municipal Airport offers various services including full-service maintenance facilities, flight schools, and aircraft hangars. The Stellar Airpark is a private airport that is open to public use and is located west of the central business district of the City. The Stellar Airpark has a 4,000 foot runway and provides various services. The Phoenix-Mesa Gateway Airport is owned and operated by the Williams Gateway Airport Authority that includes the City of Mesa, City of Phoenix (scheduled to withdraw in June 2024), Town of Gilbert, Town of Queen Creek, the Gila River Indian Community and the City of Apache Junction. The Phoenix-Mesa Gateway Airport has three expansive runways (10,401 feet; 10,201 feet; and 9,300 feet), a passenger terminal, and convenient parking. Phoenix-Mesa Gateway Airport is positioned to be a dynamic reliever airport to Phoenix's Sky Harbor International Airport. Phoenix Sky Harbor International Airport is located 15 miles to the northwest of the City.

Education

Arizona State University ("ASU") is the largest public university in the Southwest by enrollment. ASU spans five campuses in the metro Phoenix area and has an enrollment of approximately 119,951 students including ASU online programs. ASU's main campus remains in the bordering City of Tempe, Arizona and is home to the Ira A. Fulton Schools of Engineering, a nationally recognized research and innovation institution designed to meet the growing needs of the engineering and technology industries. Adjacent to Phoenix-Mesa Gateway Airport, the Polytechnic Campus serves approximately 5,243 students. Chandler is home to the ASU Chandler Innovation Center where ASU provides technology-based education and operates a community makerspace. The University of Arizona's Chandler campus is housed in the City's community center, where it offers a number of tech-focused undergraduate and graduate level degrees, a professional MBA, and graduate programs in education, school psychology, and legal studies. Located in the City is the Chandler-Gilbert Community College, which offers a complete educational program and serves nearly 20,000 students. The Chandler Unified School District provides primary and secondary education to residents in the City area through 32 elementary schools, 9 middle school programs, 6 high schools and 4 alternative schools. A number of private and charter schools are also located in the City.

[PLACEHOLDER FOR CLIMATE CHANGE/DROUGHT DISCLOSURE – TO BE UPDATED]

APPENDIX B

CITY OF CHANDLER, ARIZONA - FINANCIAL DATA

2023-24 Fiscal Year –Estimated Net Full Cash and Assessed Values

Estimated Net Full Cash Value (a)(b)	$61,704,952,635
Net Assessed Limited Property Value (b)	3,900,085,513
Net Assessed Full Cash Value (b)	6,280,177,157

(a) Estimated Net Full Cash Value is the total market value of the property, less unsecured personal property and less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes.

(b) See "PROPERTY TAXES" herein for an explanation of these values.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and *Property Tax Rates and Assessed Values,* Arizona Tax Research Association and the City.

STATEMENTS OF BONDS OUTSTANDING

General Obligation Bonds Outstanding and to be Outstanding (a)

Issue Series	Original Amount	Maturity Dates Outstanding	Balance Outstanding
2014REF	$214,540,000	7-1-24/25	$ 43,095,000
2016REF	39,050,000	7-1-25/27	39,050,000
2017	58,740,000	7-1-24/32	32,790,000
2019	30,400,000	7-1-24/35	24,800,000
2021REF	48,205,000	7-1-24/35	46,190,000
2021	31,295,000	7-1-24/35	6,150,000
Total General Obligation Bonds Outstanding			$ 192,075,000
Plus: The Series 2023 GO Bonds			117,415,000 *
Less: Water and Wastewater Funds Supported General Obligation Bonds (b)			(49,480,841)
Net General Obligation Bonds Outstanding and to be Outstanding			$ 260,009,159 *

(a) The Series 2023 GO Bonds will be issued in December 2023* pursuant to separate official statement.

(b) The City intends to pay the debt service requirements of the following general obligation bonds with funds provided by the Water and Wastewater Funds of the City: $16,370,000 aggregate principal amount of the City's General Obligation Refunding Bonds, Series 2014 and $13,550,000 aggregate principal amount of the City's General Obligation Refunding Bonds, Series 2016 and $19,560,841 aggregate principal amount of the City's General Obligation Refunding Bonds, Taxable Series 2021. In the event that revenues available for payment of such annual debt service requirements from the respective enterprise funds proves to be insufficient, or the City elects not to pay debt service requirements on such general obligation bonds from the Water and Wastewater Funds, the debt service requirements of such bonds will become payable from the annual levy of an ad valorem tax upon all of the taxable property located within the City.

* Preliminary, subject to change.

Water and Wastewater Revenue Bonds Outstanding and to be Outstanding (a)

	Balance Outstanding
Total Water and Wastewater Revenue Bonds Outstanding	$ -
Plus: Water and Wastewater Funds Supported General Obligation Bonds (b)	49,480,841*
Plus: Water and Wastewater Funds Supported Excise Revenue Tax Obligations (c)	185,450,000*
Plus: The Obligations	71,955,000*
Total Water and Wastewater Supported Bonds Outstanding	$ 306,885,841*

(a) Excludes the debt service requirements for the City's refunded and defeased bonds currently outstanding which are secured by obligations issued by the United States Government being held in their respective irrevocable trust accounts.

(b) The City intends to pay the debt service requirements of the Water and Wastewater Funds Supported General Obligation Bonds with funds provided by the Water and Wastewater Funds of the City. In the event that revenues available for payment of such annual debt service requirements from the respective enterprise funds proves to be insufficient, or the City elects not to pay debt service requirements on such general obligation bonds from the Water and Wastewater Funds, the debt service requirements of such bonds will become payable from the annual levy of an ad valorem tax upon all of the taxable property located within the City.

(c) The City intends to pay the debt service requirements of the Obligations with funds provided by the Water and Wastewater Funds of the City.

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* Preliminary, subject to change.

Excise Tax Revenue Obligations Outstanding and to be Outstanding (a)

Issue Series	Purpose	Original Principal Amount	Maturity Dates Outstanding	Principal Balance Outstanding
2015	Various Projects	$ 66,660,000	7-1-24/35	$ 49,850,000
2016	Refunding	19,510,000	7-1-24/28	13,590,000
2017	Various Projects	36,220,000	7-1-24/37	31,100,000
2019	Various Projects	13,000,000	7-1-24/28	8,195,000
2021	Refunding	85,460,000	7-1-24/33	82,715,000
Total Excise Tax Revenue Obligations Outstanding				$185,450,000
Plus: The Obligations				71,955,000*
Less: Water and Wastewater Funds Supported Excise Tax Revenue Obligations				(257,405,000)*
Net Excise Tax Revenue Obligations Outstanding and to be Outstanding				$ 0*

(a) The City intends to pay the debt service requirements of the following obligations with funds provided by the Water and Wastewater Funds of the City: $49,850,000 aggregate principal amount of the City's Excise Tax Revenue Obligations, Series 2015, $13,590,000 aggregate principal amount of the City's Excise Tax Revenue Refunding Obligations, Series 2016, $31,100,000 aggregate principal amount of the City's Excise Tax Revenue Obligations, Series 2017, $8,195,000 aggregate principal amount of the City's Excise Tax Revenue Obligations, Series 2019, $82,715,000 aggregate principal amount of the City's Excise Tax Revenue Refunding Obligations, Taxable Series 2021, and the Obligations.

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Direct General Obligation Bonded Debt, Legal Limitation and Unused Borrowing Capacity [to be updated]

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed six percent (6%) of the net assessed full cash property valuation of the taxable property in that city. In addition to the six percent (6%) limitation for general municipal purpose bonds, cities may issue general obligation bonds in an amount up to an additional twenty percent (20%) of the net assessed full cash property valuation for supplying such city with water, artificial light or sewers, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and streets and transportation facilities.

General Municipal Purpose Bonds		Water, Light, Sewer, Open Space, Public Safety, Law Enforcement, Fire and Emergency Services, Park, Street, and Transportation Bonds	
Total 6% General Obligation Bonding Capacity	$376,810,629	Total 20% General Obligation Bonding Capacity	$1,256,035,431
Less: 6% General Obligation Bonds Outstanding	(8,882,850)*(a)	Less: 20% General Obligation Bonds Outstanding	(304,667,150)*(a)
Less: Original Issue Premium	(________)*(b)	Less: Original Issue Premium	(________)*(b)
Less: Unamortized Original Issue Premium	(201,289)*(b)	Less: Unamortized Original Issue Premium	(11,183,993)*(b)
Net 6% General Obligation Bonding Capacity	$367,786,490*	Net 20% General Obligation Bonding Capacity	$944,184,288*

(a) Includes the Series 2023 GO Bonds that the City intends to issue concurrently with the Obligations under a separate official statement. See "STATEMENTS OF BONDS OUTSTANDING – General Obligation Bonds Outstanding and to be Outstanding."

(b) This amount reduces the City's borrowing capacity pursuant to State statutes and the Arizona Constitution, and the principal amount of bonds authorized of the City. Such capacity (but not authorization) will be recaptured as premium is amortized.

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* Preliminary, subject to change.

Direct and Overlapping General Obligation Bonded Debt Outstanding

Overlapping Jurisdiction	Overlapping General Obligation Bonded Debt (b)		Proportion Applicable to City of Chandler (a) Approximate Percent	Net Debt Amount	
State of Arizona	None		4.974%	None	
Maricopa County	None		7.127%	None	
Maricopa County Community College District	$ 87,320,000		7.127%	$ 6,223,353	
Maricopa County Special Health Care District	574,205,000		7.127%	40,923,964	
Kyrene Elementary School District No. 28	180,475,000		19.370%	34,958,169	
Mesa Unified School District No. 4	264,330,000		4.424%	11,692,948	
Gilbert Unified School District No. 41	131,680,000		2.607%	3,433,169	
Chandler Unified School District No. 80	329,256,000		75.142%	247,410,038	
Tempe Union High School District No. 213	111,280,000		16.487%	18,346,626	
East Valley Institute of Technology District No. 401	None		14.555%	None	
City of Chandler (c)	260,009,159	*	100.000%	260,009,159	*
Total Direct and Overlapping General Obligation Bonded Debt to be Outstanding				$ 622,997,426	*

(a) Proportion applicable to the City is computed on the ratio of 2023-24 net assessed limited property value for the overlapping jurisdiction within the City to the total net limited assessed property valuation of the overlapping jurisdiction.

Does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages have been fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of Net Assessed Limited Property Value, of which fourteen cents is being currently levied. (See Arizona Revised Statutes, Sections 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

Does not include the obligation of the Maricopa County Flood Control District to contribute $70 to $80 million to the CAP. The Maricopa County Flood Control District's sole source of revenue to pay the contribution will be *ad valorem* taxes on real property and improvements.

*Preliminary, subject to change.

(b) Includes total general obligation bonds outstanding, less estimated funds irrevocably pledged for the redemption of general obligations. Does not include presently authorized but unissued general obligation bonds of such jurisdictions listed herein, which may be issued in the future. Authorized but unissued amounts in the following table may be subject to additional reductions based on net premium amounts but such reductions are not reflected in the table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

[To be updated post-election]

Overlapping Jurisdiction	**General Obligation Bonds Authorized but Unissued**
Chandler Unified School District No. 80	$ 95,250,000
Tempe Union High School District No. 213	48,840,000
Kyrene Elementary School District No. 28	19,450,000
Mesa Unified School District No. 4	None
Gilbert Unified School District No. 41	None
City of Chandler (c)	272,075,000*

(c) Includes the Series 2023 GO Bonds that the City intends to issue concurrently with the Obligations under a separate official statement. Includes Water and Wastewater Funds Supported General Obligation Bonds. In the event that the net revenues would prove to be insufficient or the City elects not to pay debt service requirements on the Water and Wastewater Funds Supported General Obligation Bonds from revenues from these enterprises, this debt would become payable from ad valorem taxes.

Direct and Overlapping General Obligation Bonded Debt Ratios

	Per Capita Bonded Debt Population Estimated @ 282,891	As % of City's Total 2023-24 Net Full Cash Value	As % of City's 2023-24 Estimated Net Full Cash Value
Net Direct General Obligation Bonded Debt Outstanding and to be Outstanding* (a)	$919.11	4.14%	0.42%
Net Direct and Overlapping General Obligation Bonded Debt Outstanding and to be Outstanding* (a)	$2,202.25	9.92%	1.01%

(a) Includes the Series 2023 GO Bonds.

Source: The Arizona Department of Economic Security, Research Administration Population and Statistical Unit and U.S. Census Bureau, Arizona Department of Administration.

* Preliminary, subject to change.

Direct and Overlapping Tax Rates per $100 Assessed Value

Inside the City, East Valley Institute of Technology and:	Tax Rate
Gilbert Unified School District No. 41	$9.9837
Mesa Unified School District No. 4	$11.3251
Tempe Union High School District No. 213 and Kyrene Elementary School District No. 28	$10.2353
Chandler Unified School District No. 80	$10.1301

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance.

Expenditure Limitation; One-Year and Multi-Year Overrides

Since fiscal year 1982-83, all cities in Arizona have been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The Constitution exempts certain expenditures from the limitation. The principal exemptions for the City are payments for debt service on bonds and other long-term obligations, as well as expenditures of federal funds and certain state-shared revenues.

The Constitution provides four processes, all requiring voter approval, for cities to modify the expenditure limitation:

1. A four-year home rule option.
2. A permanent adjustment to the 1979-80 base.
3. A one-time override for the following fiscal year.
4. An accumulation for pay-as-you-go capital expenditures.

City voters have approved four-year home rule options on a regular basis since the implementation of the expenditure limitation. To the extent that the home rule option is not approved by the voters, the City would be subject to the expenditure limitations prescribed by the Constitution. On August 2, 2022, the City's voters approved a four-year home rule option to exceed the expenditure limitation by the City beginning in Fiscal Year 2023-24. This four-year home rule option will be in effect through fiscal year 2026-27.

City Retirement Systems Update

All full-time employees of the City, the Mayor and City Council participate in one of the three pension plans administered by the State described below. The Arizona State Retirement System is for the benefit of the employees of the state and certain other governmental jurisdictions. All benefited City employees, except sworn fire and police personnel and the City Council, are included in the plan that is a multiple employer cost-sharing defined benefit pension plan. All sworn fire and police personnel participate in the Public Safety Personnel Retirement System that is an agent multiple-employer defined benefit pension plan. The Mayor and City Council contribute to the State's Elected Officials Retirement Plan ("EORP") that is also a multiple-employer cost-sharing pension plan. The EORP is not described herein because of its relative insignificance to the City's financial statements. See Note 10 in APPENDIX D for further discussion of the retirement plans of the City.

Arizona State Retirement System

All full-time City employees (except public safety personnel and elected officials) participate in the Arizona State Retirement System (the "System"), a multiple-employer cost-sharing defined benefit pension plan. The System was established in 1953 and became effective in 1971. The System provides for retirement, disability, health insurance premium benefits, and death and survivor benefits. The System is administered in accordance with A.R.S. Title 38, Chapter 5. The System has reported increases in its unfunded liabilities as compared to both the smoothed value of plan assets and the market value of plan assets. The effect of the increase in the System's unfunded liabilities on the City, or on the City's and its employees' future annual contributions to the System, cannot be determined at this time. The most recent annual report for the ASRS may be accessed at: https://www.azasrs.govcontent/annual-reports.

The actuarially determined contribution rates for the fiscal year 2021-22 were 12.41% (12.22% retirement and 0.19% long-term disability) and for fiscal year 2022-23 were 12.17% (12.03% retirement and 0.19% long-term disability) for both employees and employers. The City's contribution to the System for the fiscal year 2021-22 was $9,580,356 and for fiscal year 2022-23 was $10,653,316 (unaudited) equal to the required contributions, not including alternate contributions.

Effective July 1, 2023, the City's annual contribution rates are 12.29% (12.14% retirement and 0.15% long-term disability) for fiscal year 2023-24 for both employees and employers.

Arizona Public Safety Personnel Retirement System (Full-Time Police and Firefighter Employees)

All full-time sworn police officers and firefighters are eligible to participate in the Public Safety Personnel Retirement System (the "PSPRS") in separate agent multiple-employer defined benefit retirement plans. The PSPRS provides for retirement, health insurance premium benefits, and death and survivor benefits. The PSPRS is administered in accordance with A.R.S. Title 38, Chapter 5, Article 4. The PSPRS has reported overall increases in its unfunded liabilities as compared to both the smoothed value of plan assets and the market value of plan assets. The most recent annual report for the PSPRS may be accessed at http://www.psprs.com/investments--financials/annual-reports.

As of June 30, 2022, the City reported the following unfunded liabilities to pensions:

Plan	Net Pension Liabilities
PSPRS – Fire	$43,663,661
PSPRS – Police	$92,797,033

In July 2022, the City made a $50 million payment to PSPRS to fund a significant portion of the City's unfunded pension liability with respect to its pension plans in the PSPRS. Additionally, in July 2023, the City made a $73 million payment to PSPRS to pay off the City's current unfunded pension liability with respect to its pension plans in the PSPRS. This will result in significantly reducing the City's future employer contribution rates for funding the City's actuarially required PSPRS contributions.

Healthcare Benefits for Retired Employees

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"). The City is required to report 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 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plans.

The City's employees, their spouses and survivors may be eligible for certain retiree healthcare benefits under healthcare programs provided by the City. Employees on long-term disability and their spouses may also qualify for retiree healthcare benefits through the City. It is expected that substantially all City employees that reach normal or early retirement age while working for the City will become eligible for such benefits. Currently, such retirees may obtain the healthcare benefits offered by the City by paying 100% of the applicable premium. Although the retirees pay 100% of their premium, the retirees' participation in the City's healthcare program affects the City's healthcare costs for its employees and results in an implicit rate subsidy.

The City provides other post-employment benefits to its retirees that consist of an implicit subsidy for healthcare and a retirement health savings (RHS) plan for reimbursement of eligible medical expenses. The City offers the RHS plan to employees and contributes toward a savings plan for each employee that they are eligible to use for medical expense reimbursement at separation from service. The City makes no contribution to the retirees' premiums other than allowing them to participate through the City's pooled benefits. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing an implicit subsidy to retirees. This implicit subsidy exists because, on average, retiree healthcare costs are higher than active employee healthcare costs. Because the City does not contribute anything toward this plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year.

The City's net OPEB liability as of June 30, 2022 was $81,921,795, was determined by an actuarial as of that date and is reflected on the Balance Sheet in the City's Financial Statements. This is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined which represents a level of funding that is paid on an ongoing basis, and projected to cover normal cost each year to amortize the unfunded actuarial liability over a period not to exceed thirty years.

PROPERTY TAXES

General

For tax purposes in Arizona, real property and improvements and personal property is either valued by the Maricopa County Assessor (the "Assessor of the County") or the Arizona 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 Arizona Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities.

Locally assessed property has two different values, Limited Property Value and Full Cash Value (both as defined below). Limited Property Value is used as the basis for taxation. Full Cash Value is used as the ceiling for determining Limited Property Value and for determining debt limits for certain local governmental entities including for school districts.

For centrally valued property and personal property (except mobile homes), Full Cash Value of the property is the basis for taxation of such property and for determining constitutional and statutory debt limits for most local governmental entities.

"Limited Property Value" means, for property in existence in the prior year, the lesser of (a) the Full Cash Value of the property or (b) an amount 5% greater than the Limited Property Value of such property determined for the prior year. Limited Property Value is established at a level or percentage of Full Cash Value comparable to properties of the same or similar use or classification for property erroneously totally or partially omitted from the property tax rolls in the prior year; property for which a change in use occurred; property 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 15% of the Full Cash Value; and property that has been split, subdivided or consolidated, with variations depending on when the change occurred. There is no limit on the growth of Full Cash Value.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes". These taxes are levied against the Net Assessed Limited Property Value (as defined below) of the taxing jurisdiction. "Net Assessed Limited Property Value" is determined by excluding the value of property exempt from taxation from the Limited Property Value of locally assessed property and from Full Cash Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by a 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 tax 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.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school districts' taxes. To offset the effects of reduced school district property taxes, the State compensates the school districts by providing additional state aid.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the City's bonds), voter-approved budget overrides and maintenance and operation of special service districts such as sanitary, water conservation, fire, road improvement and career technical education districts are "secondary taxes". Like primary taxes, secondary taxes also are levied against the Net Assessed Limited Property Value of the taxing jurisdiction. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and certain special district assessments.

Assessment Ratios

All property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each legal classification is defined by property use and has an assessment ratio (a percentage factor) that is multiplied by the taxable value of the property -- Limited Property Value or Full Cash Value, as applicable -- to obtain the "Assessed Limited Property Value" or the "Full Cash Assessed Value," respectively. The current assessment ratios for each class of property are set forth by tax year in the following table.

PROPERTY TAX ASSESSMENT RATIOS
Tax Year 2019 through Tax Year 2023

	Tax Year				
Property Classification (a)	**2019**	**2020**	**2021**	**2022**	**2023**
Mining, utilities, commercial and industrial (b)	18%	18%	18%	17.5%	17%
Agriculture 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 (c)	15	15	15	15	15

(a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) The assessment ratio for this property classification will decrease to 16.5% for tax year 2024, 16% for tax year 2025, 15.5% for tax year 2026 and 15% for each tax year thereafter.

(c) 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.

Tax Procedures

The Arizona tax year is defined as the calendar year, although tax procedures begin prior to January 1 of the prior fiscal year and continue through May of such fiscal year, when payment of the second installment of property taxes for the tax year becomes delinquent.

The first step in the tax process is the determination of the Full Cash Value of each parcel of real property within the State. "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." "Market Value" means that estimate of value that is derived annually by use of standard appraisal methods and techniques, which generally includes the market approach, the cost approach and the income approach. As a general matter, the various county assessors use a cost approach for commercial/industrial property and a market approach for residential property. Arizona law allows taxpayers to appeal the county assessor's valuations by providing evidence of a lower value, which may be based upon another valuation approach.

In valuing centrally valued property, the Arizona Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. Appeals are also allowed for such valuations.

On or before the third Monday in August of each year, the Board of Supervisors of the County prepares the tax roll that sets forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County. With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the fiscal 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.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Delinquent Tax Procedures

The property taxes due to the City are billed, along with State and other taxes, in September of the calendar tax year and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (However, delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Assessor of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event 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.

Three years after 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.

It should be noted that in the event of a taxpayer filing for relief pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pending 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 over secured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

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 bonds issued by the City. None of the City, the Financial Advisor or their respective attorneys, 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.

Property Taxes Levied and Collected (a)

Fiscal Year	Tax Levy (b)	Collected to June 30 of Initial Fiscal Year		Cumulative Collection to August 31, 2023	
		Amount	% of Levy	Amount	% of Levy
2023-24	$ 42,612,435	(c)	(c)	(c)	(c)
2022-23	40,975,432	$ 40,572,165	99.02 %	TO BE UPDATED IN THE FUTURE	
2021-22	38,850,141	38,698,830	99.61		
2020-21	36,369,791	36,041,018	99.10		
2019-20	33,975,079	33,597,309	98.89		
2018-19	32,095,589	31,714,236	98.81		

(a) Taxes are certified and collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum which is prorated at a monthly rate of 1.33%. Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment pays the entire year's tax bill by December 31. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County General Fund.

(b) The Tax Levy is adjusted downward in future years after the initial levy as a result of successful taxpayer appeals. The Tax Levy, net of resolutions (as presented in the Maricopa County Treasurer's Office report), is noted in this presentation.

(c) In the process of collection.

SPECIAL NOTE: The assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed valuation of the City in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the full cash value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the full cash value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the City have no recourse against the property of SRP and the City.

Since 1964, when the in lieu contribution was originally authorized in State statute, SRP has never failed to make that election. The fiscal year 2023-24 estimated in lieu assessed valuation of SRP within the City is $44,732,000 which represents approximately 1.12% of the combined Net Assessed Limited Property Value in the City. SRP's total contribution in lieu of property tax payments (primary & secondary) was $440,308 for fiscal year 2023-24.

Source: Treasurer of the County.

Direct and Overlapping Net Assessed Limited Property Value and Tax Rates Per $100 Assessed Valuation

Overlapping Jurisdiction	2023-24 Net Assessed Limited Property Value	2023-24 Combined Primary and Secondary Tax Rates Per $100 Net Assessed Limited Property Value
State of Arizona	$78,415,651,028	None
Maricopa County	54,722,310,149	$1.2044
Maricopa County Community College District	54,722,310,149	1.1388
Maricopa County Library District	54,722,310,149	0.0488
Maricopa County Flood Control District (b)	50,354,573,089	0.1536
Maricopa County Fire District Assistance Tax	54,722,310,149	0.0081
Maricopa County Special Health Care District	54,722,310,149	0.4519
Central Arizona Water Conservation District (c)	55,027,363,791	0.1400
East Valley Institute of Technology District No. 401(d)	26,795,538,826	0.0500
Chandler Unified School District No. 80	3,864,503,975	5.8419
Tempe Union High School District No. 213	4,582,133,019	2.4272
Kyrene Elementary School District No. 28	2,627,427,786	3.5199
Mesa Unified School District No. 4	3,879,526,341	7.0369
Gilbert Unified School District No. 41	2,652,529,469	5.6955
City of Chandler	3,900,094,692	1.0926

(a) The assessed value of the Maricopa County Flood Control District does not include the personal property assessed value of the County.

(b) Value shown for the Central Arizona Water Conservation District covers only the County portion of such district.

(c) Includes Net Assessed Limited Property Value for the East Valley Institute of Technology District No. 401 within Pinal County.

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance.

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Property Value by Property Classification

Set forth below is a breakdown of the Net Full Cash Assessed Property Valuation of the City by property classification.

Class	2019-20	2020-21	2021-22	2022-23	2023-24
Commercial, industrial, utilities and mines	$ 1,246,170,328	$1,412,928,374	$ 1,488,882,870	$1,534,793,910	$1,800,359,154
Agricultural and vacant	78,888,739	77,850,859	76,801,910	72,256,990	82,244,489
Residential (owner occupied)	1,681,112,768	1,837,472,779	1,990,237,285	2,135,013,774	2,824,334,410
Residential (rental)	738,411,405	847,104,454	946,787,996	1,052,393,288	1,346,567,408
Railroad	1,910,025	2,011,500	2,011,500	2,216,430	3,849,664
Historical property	124,084,500	130,572,188	177,317,246	215,617,419	222,807,895
Certain Government property improvements	400,055	477,042	520,137	529,079	14,138
Totals	$3,870,977,820	$4,308,417,196	$ 4,682,558,944	$5,012,820,890	$6,280,177,157

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Net Assessed Limited Property Value of Major Taxpayers

Taxpayer (a)	**Description**	**2022-23 Net Assessed Limited Property Value**	**As % of City's Total 2022-23 Net Assessed Limited Property Value**
Intel Corporation	Manufacturing Plant	$265,776,255	7.18%
CyrusOne LLC	Data Center	32,029,790	0.86
Wells Fargo Bank NA	Financial Services	26,470,865	0.71
TWC-Chandler LLC	Commercial Rental Property	18,204,358	0.49
CAZ 7 LLC	Manufacturing Plant	17,551,334	0.47
Microchip Technology Incorporated	Manufacturing Plant	16,592,946	0.45
Bank of America NA	Financial Services	16,521,887	0.45
CAZ 1 DE LLC	Commercial Rental Property	15,981,295	0.43
NXP USA Inc	Manufacturing Plant	12,571,668	0.34
Digital 2121 South Price LLC	Data Center	10,237,930	0.28
Total		**$431,938,328**	**11.66%**
Total City Net Assessed Limited Property Value		**$3,702,957,065**	

Some of the major taxpayers, including Intel Corporation, NXP, Bank of America, NA, and Wells Fargo Bank NA are subject to the informational requirements of the Exchange Act, and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copies are available at the public reference facilities maintained by the Commission. 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 database at http://www.sec.gov. Neither the City, nor the Financial Advisor or their respective agents or consultants has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: County Assessor's Office.

Property Values

The tables below list the various property values for the City for fiscal year 2019-20 through 2023-24. **All values herein are net of the estimated value of property exempt from taxation.**

Property Values for Fiscal Year 2019-20 through 2023-24

Fiscal Year	Net Assessed Limited Property Value	Net Full Cash Assessed Value	Estimated Net Full Cash Value (a)
2023-24	$ 3,900,094,692	$ 6,280,177,157	$ 61,704,952,635
2022-23	3,702,957,065	5,012,820,890	48,805,511,338
2021-22	3,463,794,661	4,682,558,944	40,751,143,934
2020-21	3,243,434,243	4,308,417,196	36,949,424,457
2019-20	3,011,152,689	3,870,977,820	33,312,389,044

(a) Estimated Net Full Cash Value is the total estimated "market value" of taxable property, which is calculated by multiplying the Full Cash Value by the ratio of Net Assessed Full Cash Value divided by the Assessed Full Cash Value. Each value as reported by the Assessor of the County in the State Abstract.

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

Net Assessed Limited Property Value and Net Full Cash Assessed Value Comparisons and Trends

The tables below are shown to indicate for fiscal year 2019-20 through 2023-24, the (i) Net Assessed Limited Property Values and (ii) Net Full Cash Values of the City, the County and the State of Arizona, each on a comparative basis.

Comparative Net Assessed Limited Property Value Histories

Fiscal Year	City of Chandler	Percent Increase/ (Decrease)	Maricopa County	Percent Increase/ (Decrease)	State of Arizona	Percent Increase/ (Decrease)
2023-24	$3,900,094,692	5.32%	$54,722,310,149	6.10%	$83,026,530,244	5.89%
2022-23	3,702,957,065	6.90	51,575,018,189	5.85	78,415,651,028	5.67
2021-22	3,463,794,661	6.79	48,724,126,672	6.61	74,200,360,570	6.13
2020-21	3,243,434,243	7.71	45,704,969,813	5.81	69,914,763,468	5.68
2019-20	3,011,152,689	8.17	43,194,326,395	6.86	66,157,223,639	6.14

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

Comparative Net Full Cash Value Histories

Fiscal Year	City of Chandler	Percent Increase/ (Decrease)	Maricopa County	Percent Increase/ (Decrease)	State of Arizona	Percent Increase/ (Decrease)
2023-24	$6,280,177,157	25.28%	$91,557,158,470	26.74%	$129,473,530,919	24.65%
2022-23	5,012,820,890	7.05%	72,238,314,892	6.96%	103,872,223,919	6.77%
2021-22	4,682,558,944	8.68%	67,535,008,138	9.24%	97,282,221,465	8.08%
2020-21	4,308,417,196	11.30%	61,824,712,434	9.25%	90,007,317,461	8.80%
2019-20	3,870,977,820	10.93%	56,588,192,576	8.94%	82,730,928,616	8.23%

Source: *Maricopa County 2023 Tax Levy*, Maricopa County Department of Finance and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

APPENDIX C

FORM OF OPINION OF SPECIAL COUNSEL

[Closing Date]

U.S. Bank Trust Company,
National Association
Phoenix, Arizona

Re: Excise Tax Revenue Obligations, Series 2023 Evidencing Proportionate Interests of the Owners Thereof in Purchase Payments to be Made by the City of Chandler, Arizona to U.S. Bank Trust Company, National Association as Trustee, Dated the Date Hereof

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by U.S. Bank Trust Company, National Association (the "Trustee") of the Excise Tax Revenue Obligations, Series 2023 (the "Obligations"), pursuant to the Series 2023 Trust Agreement, dated as of December 1, 2023* (the "Trust Agreement"), between the Trustee and the City of Chandler, Arizona (the "City"). Each of the Obligations is an undivided, participating, proportionate interest in certain payments to be made by the City pursuant to the Series 2023 Purchase Agreement, dated as of December 1, 2023* (the "Purchase Agreement"), between the Trustee and the City to finance certain projects for the City. In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of the City Attorney delivered even date herewith as to the matters provided therein.

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

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

2. The obligations of the City pursuant to the Purchase Agreement with respect to payment of principal and interest with respect to the Obligations are solely from the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure such payments. Those revenues and other moneys include payments required to be made by the City pursuant to the Purchase Agreement, and the obligation of the City to make those payments is secured by a limited pledge of revenues from "Excise Taxes" as described in, and provided by, the Purchase Agreement. Such payments are not secured by an obligation or pledge of any moneys raised by taxation other than the

* Preliminary, subject to change.

specified taxes; the Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Purchase Agreement, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. (a) Based on the representations and covenants of the City and subject to the assumption stated in the last sentence of this paragraph, under existing statutes, regulations, rulings and court decisions, the portion of each payment made by the City pursuant to the Purchase Agreement, denominated and comprising interest and received by the beneficial owners of the Obligations (the "Interest Portion"), is excludable from the gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the Interest Portion on, or ownership or disposition of, the Obligations. The Code includes requirements which the City must continue to meet after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of execution and delivery. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. (Subject to the same limitations in the first numbered paragraph hereof as they would relate to such covenants, the City has full legal power and authority to comply with such covenants.) In rendering the opinion expressed in this paragraph, we have assumed continuing compliance with the tax covenants referred to hereinabove that must be met after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal tax purposes.

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

Our 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 D

SUMMARIES OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined elsewhere herein, the following terms shall, for all purposes of the Trust Agreement and the Purchase Agreement have the following meanings:

"**Acquisition Fund**" means the fund of that name established pursuant to the Trust Agreement.

"**Additional Parity Obligations**" means any additional obligations which may hereafter be issued or incurred by the City (or any financing conduit acting on behalf of the City) having a lien upon and payable from revenues from Excise Taxes on a parity with, and in compliance with the terms of, the then-outstanding Parity Obligations.

"**Annual Debt Service**" means the amount to be paid in any Fiscal Year with respect to the Parity Obligations for payment of principal and interest requirements.

"**Available Revenues**" means, for any Fiscal Year, revenues from Excise Taxes actually received in such Fiscal Year.

"**Business Day**" means any day of the week other than a Saturday, Sunday or a day which shall be in the State a legal holiday or a day on which the Trustee is authorized or obligated by law or executive order to close or a day on which the Federal Reserve is closed as modified by the effect of Section 9.6 of the Trust Agreement.

"**Certificate of Completion**" means the notice of completion, filed with the Trustee by the City Representative, stating that the Project has been substantially completed.

"**City Representative**" means the City Manager, the Deputy City Manager/Chief Financial Officer or any other person authorized by the City Manager, the Deputy City Manager/Chief Financial Officer or the Mayor and Council to act on behalf of the City with respect to the Trust Agreement.

"**Completion Date**" means the date on which the Certificate of Completion is filed with the Trustee by the City Representative.

"**Defeasance Obligations**" means, to the extent permitted by law, (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, or (4) any combination thereof.

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

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

"**Depository Trustee**" means any bank or trust company, which may include the Trustee or its affiliate, designated by the City, with a combined capital and surplus of at least Fifty Million Dollars ($50,000,000) and subject to supervision or examination by federal or State authority.

“**Event of Default**” means an event of default under the Purchase Agreement.

“**Excise Taxes**” means all unrestricted excise, transaction, franchise, privilege and business taxes, state-shared sales and income taxes, fees for licenses and permits, and state revenue-sharing, now or hereafter validly imposed by the City or contributed, allocated and paid over to the City and not earmarked by the contributor for a contrary or inconsistent purpose. Excise Taxes include, without limitation, all fines and forfeitures. Revenues generated by the City from development impact fees will not be deemed Excise Taxes for the purposes of the Purchase Agreement and Trust Agreement. Revenues received by the City from vehicle license taxes charged by the State of Arizona will not be deemed Excise Taxes for purposes of the Purchase Agreement and the Trust Agreement. The City may impose taxes for restricted purposes the revenues from which will not be Excise Taxes and will not be pledged to the payment of the amounts due pursuant to the Purchase Agreement and the Trust Agreement.

“**Fiscal Year**” means the fiscal year of the City, currently the period July 1, through June 30.

“**Fitch**” means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency that may be designated by the City by written notice to the Trustee.

“**Interest Payment Date**” means each January 1 and July 1, while any Obligations are Outstanding provided that, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment.

“**Market Value**” means the indicated bid value of the investment or investments to be valued as shown in The Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation (on which the Trustee may conclusively rely, without liability).

“**Maximum Annual Debt Service**” means the greatest Annual Debt Service in any Fiscal Year. For the purposes of calculating the Maximum Annual Debt Service with respect to any Fiscal Year in connection with the incurrence of Additional Parity Obligations and whether the City is required to fund the Reserve Fund, (i) the interest falling due during such Fiscal Year may be reduced to the extent that such interest is payable from the proceeds of the Additional Parity Obligations proposed to be incurred or other amounts set aside for such purposes at the time such Additional Parity Obligations are incurred) and (ii) the principal (or mandatory sinking fund, installment purchase price, lease-rental or similarly denoted principal payment obligation) payments or deposits required with respect to the Outstanding Parity Obligations during such period shall be computed on the assumption that no portion of such Parity Obligations shall cease to be Outstanding during such Fiscal Year except by reason of the application of such scheduled payments. Further, for purposes of the aforementioned calculation of Maximum Annual Debt Service, to the extent the interest on any Outstanding Parity Obligations or the Additional Parity Obligations proposed to be incurred is payable pursuant to a variable interest rate formula, the interest rate on such Parity Obligations for Fiscal Years when the actual interest rate on such Parity Obligations cannot yet be determined shall be assumed to be equal to the higher of (i) the average annual interest rate on such Parity Obligations over the last five Fiscal Years or since the date of execution and delivery of such Parity Obligations if less than five years; or (ii) if the terms of such Parity Obligations provide for conversion of the interest rate payable on such obligations to a fixed interest rate for the remainder of their term to maturity, an interest rate per annum determined in accordance with the provisions of such obligations as if the interest rate payable thereon were being converted to a fixed interest rate for the remainder of their term to maturity.

“**Moody’s**” means Moody’s Investors Service, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency that may be designated by the City by written notice to the Trustee.

“**Obligations**” means the City of Chandler, Arizona Excise Tax Revenue Obligations, Series 2023.

“**Outstanding**” refers to Obligations issued in accordance with the Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a mandatory redemption installment; (ii) Obligations which have been paid; (iii) Obligations which have become due and for the payment of which moneys have been duly provided to the Trustee; and (iv) Obligations for which there have been irrevocably set aside with a Depository Trustee sufficient moneys or obligations permitted by the Purchase Agreement bearing interest at such rates and with such maturities as will provide sufficient funds to pay the principal of and premium, if any, and interest on such Obligations, provided, however, that if any such Obligations are to be redeemed prior to maturity, the City shall have taken all action necessary to redeem such Obligations and notice of such redemption shall have been duly mailed in accordance with the proceedings under which such Obligations were issued or irrevocable instructions so to mail shall have been given to the Trustee.

"**Owner**" or any similar term, when used with respect to an Obligation means the person in whose name such Obligation shall be registered.

"**Parity Obligations**" means the 2015 Agreement, the 2016 Refunding Agreement, the 2017 Agreement, the 2019 Agreement, the 2021 Agreement and the Purchase Agreement and any Additional Parity Obligations.

"**Payment Fund**" means the fund of that name established pursuant to Trust Agreement.

"**Payments**" means the Payments required to be paid by the City pursuant to Section 1(c) of the Purchase Agreement and as set forth in the Schedule to the Purchase Agreement.

"**Permitted Investments**" means any investment permitted by Section 35-323, Arizona Revised Statutes, as amended, or any successor provision thereto.

"**Project**" means the [construction, expansion and improvement of certain capital improvements to the City's water and wastewater system].

"**Project Costs**" means, with respect to the Project, all architectural, engineering, soils, survey, archaeology, demolition, construction management fees, development fees, contingencies and other related costs of installation, construction and other matters necessary for the Project and all costs incurred by the Trustee or the City with respect to the transaction to which the Trust Agreement pertains.

"**Purchase Agreement**" means the Series 2023 Purchase Agreement, dated as of _______ 1, 2023, by and between the City and the Seller.

"**Rating Agency**" or "**Rating Agencies**" means S&P, Moody's and Fitch or any other nationally recognized securities rating agency requested by the City to rate the Obligations.

"**Reserve Fund**" means the City of Chandler [Water and Wastewater Project] Reserve Fund (2023) established pursuant to the Trust Agreement.

"**Reserve Fund Guarantor**" shall mean the issuer of the Reserve Fund Guaranty.

"**Reserve Fund Guaranty**" shall mean a letter of credit, surety bond or similar arrangement representing the irrevocable obligation of the Reserve Fund Guarantor to pay to the Trustee upon request made by the Trustee up to an amount stated therein for application as provided in the Trust Agreement.

"**Reserve Fund Guaranty Agreement**" shall mean the reimbursement agreement, loan agreement or similar agreement between the City and a Reserve Fund Guarantor with respect to repayment of amounts advanced under the Reserve Fund Guaranty.

"**Reserve Fund Guaranty Coverage**" shall mean the amount available at any particular time to be paid to the Trustee under the terms of the Reserve Fund Guaranty.

"**Reserve Fund Requirement**" means, if the Reserve Fund is required to be funded, an amount equal to the lesser of (a) ten percent (10%) of the stated principal amount of the Obligations at original issuance, (b) the Maximum Annual Debt Service requirement of the Obligations at original issuance, or (c) one hundred twenty-five percent (125%) of the average Annual Debt Service requirement of the Obligations at original issuance; provided, however, that at the time of issuance of any Additional Parity Obligations the Reserve Fund Requirement shall be increased so that the total amount held in the Reserve Fund shall not exceed the lesser of (i) ten percent (10%) of the stated principal amount of the Outstanding Parity Obligations at original issuance, (ii) the Maximum Annual Debt Service requirement of the Outstanding Parity Obligations, or (iii) one hundred twenty-five percent (125%) of the average Annual Debt Service requirement of the Outstanding Parity Obligations. During the 36-month buildup of the Reserve Fund described in Section 3.3, if funding of the Reserve Fund is required, the Reserve Fund Requirement on any date shall be that portion of the Reserve Fund Requirement which was required to have been deposited by such date. If the Reserve Fund is not required to be funded, the Reserve Fund Requirement is $0.00.

"**Reserve Fund Value**" means the aggregate of the Reserve Fund Guaranty Coverage and the value of moneys and investments credited to the Reserve Fund, the value of investments to be the Market Value.

"**Seller**" means the Trustee in its separate capacity as Seller pursuant to the Purchase Agreement.

"**Special Counsel's Opinion**" means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

"**State**" means the State of Arizona.

"**2015 Agreement**" means the Agreement, dated as of December 1, 2015, by and between the City and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association).

"**2016 Refunding Agreement**" means the Agreement, dated as of September 1, 2016, by and between the City and Zions Bank, a division of ZB, National Association.

"**2017 Agreement**" means the Agreement, dated as of December 1, 2017, by and between the City and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association).

"**2019 Agreement**" means the Agreement, dated as of December 1, 2019, by and between the City and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association).

"**2021 Taxable Agreement**" means the Agreement, dated as of December 1, 2021, by and between the City and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association).

TRUST AGREEMENT

The following, in addition to the information under the headings "THE OBLIGATIONS" and "SECURITY AND SOURCES OF PAYMENT," is a summary of certain provisions of the Trust Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Establishment and Application of Acquisition Fund.

The Trustee will establish the Acquisition Fund, shall keep Acquisition Fund separate and apart from all other funds and moneys held by it and shall administer such Acquisition Fund as provided in the Trust Agreement. The Trustee will pay the requested amount for Project Costs within three (3) business days following submission of an appropriate request form. On the Completion Date, all remaining moneys in the Acquisition Fund shall be transferred to the Payment Fund and applied by the Trustee to the Payments due from the City on the next succeeding Interest Payment Date and the Acquisition Fund shall be closed.

If any shortfall or deficiency occurs in the Acquisition Fund, the City will pay such amounts to the Trustee.

Amounts in the Acquisition Fund will be used to pay principal of and interest on the Obligations if insufficient funds are available to make such payments.

Establishment and Application of Delivery of Costs Fund. The Trustee will establish a Delivery Costs Fund, shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in the Trust Agreement. Amounts in the Delivery Costs Fund shall be disbursed for the payment of Delivery Costs. On the earlier of ______ 1, 2024, or when all Delivery Costs have been paid, the Trustee will transfer any amounts remaining in the Delivery of Costs Fund to the Payment Fund.

Reserve Fund. The Trustee will establish a Reserve Fund. So long as the aggregate amount of revenues from Excise Taxes pledged and received by or on behalf of the City in the immediately preceding Fiscal Year is at least two times the Maximum Annual Debt Service requirement for the current or any future Fiscal Year for all Outstanding Parity Obligations, then the City is not obligated to fund the Reserve Fund. If such revenues from Excise Taxes are less than two times such Maximum Annual Debt Service requirement, the City will, in addition to the other Payments required under the Purchase Agreement, pay to the Trustee for deposit into the Reserve Fund, on the first day of each month commencing the first month after the Available Revenues are below the required amount, one thirty-sixth (1/36th) of the Reserve Fund Requirement, until the amount in the Reserve Fund equals the Reserve Fund Requirement. If at the close of any Fiscal Year, Available Revenues are less than two times such Maximum Annual Debt Service requirement, the City shall so notify the Trustee in writing. Such notification will contain specifics as to the amount of the Reserve Fund Requirement and the payments that will be due each month. The Trustee shall have no duty to monitor or determine the amount of Available Revenues.

In lieu of funding the Reserve Fund with cash payments or in combination with funding with cash payments, the City may deliver to the Trustee a Reserve Fund Guaranty as described in the Trust Agreement. The Trustee is authorized and directed to execute (if requested by the City), deliver and comply with all of the terms and conditions of any Reserve Fund Guaranty and Reserve Fund Guaranty Agreements and related restrictions or directions in connection with the Obligations and any Additional Parity Obligations. The Trustee shall have no obligation to confirm that any Reserve Fund Guaranty meets the requirements of the Trust Agreement. If the City provides a Reserve Fund Guaranty in combination with the funding of cash payments, the City shall notify the Trustee in writing as to the amount of the cash payments that will be due each month thereafter. To the extent the City directs the Trustee to enter into any Reserve Fund Guaranty and Reserve Fund Guaranty Agreement, the City shall be deemed to have determined that such Reserve Fund Guaranty and Reserve Fund Guaranty Agreement meet the requirements of the Trust Agreement.

The Reserve Fund shall be an integrated and indivisible common Reserve Fund established and required under the Trust Agreement for all Parity Obligations except to the extent that the City establishes a separate reserve fund for any Additional Parity Obligations or no reserve fund is required for any Additional Parity Obligations. Amounts in the Reserve Fund shall be available to be applied as provided in the Trust Agreement.

Amounts in the Reserve Fund shall be drawn out by the Trustee and used to make payment of principal and interest on the Obligations, and on any Parity Obligations secured by the common reserve fund, in the event that amounts in the Payment Fund or other funds held for payment of principal and interest on such Parity Obligations are insufficient.

In the event that after the initial completed funding of the Reserve Fund the Reserve Fund Value is less than the Reserve Fund Requirement, the City shall, in addition to the other Payments provided under the Purchase Agreement, immediately pay to the Trustee an amount sufficient to cause the Reserve Fund Value to equal the Reserve Fund Requirement.

In connection with the execution and delivery of any Additional Parity Obligations, if the above conditions requiring the funding of the Reserve Fund have occurred and if the City elects to fund the reserve fund with respect to such Additional Parity Obligations, the Reserve Fund shall be funded in an amount equal to the Reserve Fund Requirement which applies after the execution and delivery of such Parity Obligations or the City shall deliver to the Trustee a Reserve Fund Guaranty complying with the requirements of Section 3.4 of the Trust Agreement, or a combination of the foregoing. Notwithstanding the foregoing, the City reserves the right to not require a reserve fund with respect to Additional Parity Obligations or to establish a separate reserve fund for any or all executions and deliveries of Additional Parity Obligations which may, in lieu of the Reserve Fund created in the Trust Agreement, be funded (if the above conditions for funding the Reserve Fund occur) with the Reserve Fund Requirement applicable to such issue or covered by a Reserve Fund Guaranty or a combination thereof, provided that amounts to be paid into any such separate reserve fund or to pay the Reserve Fund Guarantor, other than from proceeds of such issue, shall be made on a parity with payments into the Reserve Fund and shall not exceed, in any bond year, the proportionate deficit payment allocable to such separate reserve fund. For the purposes of the Trust Agreement, "proportionate deficit payment" means an amount which bears the same proportion to the deficit in a given separate reserve fund that the amount available to remedy deficits in the Reserve Fund and all separate reserve funds bears to the aggregate deficit or deficits in the Reserve Fund and all separate reserve funds.

With respect to the Obligations or any Parity Obligations with respect to which a Reserve Fund Guaranty is then in effect, if on the Business Day preceding any day on which Payments or other debt service is due on the Obligations or Parity Obligations there are not to the knowledge of the Trustee on deposit in the applicable payment fund and the Reserve Fund sufficient moneys to pay all Payments or debt service to become due on such date, the Trustee shall immediately notify the Reserve Fund Guarantor of such deficiency and shall do all things necessary under the terms of the Reserve Fund Guaranty to realize and receive on or before such date or as soon thereafter as is practicable moneys in the amount of such deficiency. All amounts received by the Trustee as payments under the Reserve Fund Guaranty shall be deposited to the Reserve Fund.

To the extent any moneys have been withdrawn from the Reserve Fund by the Trustee, no portion of the revenues from Excise Taxes shall be considered surplus revenues or available to the City until such Excise Taxes, or other available moneys, have first been applied to the extent required to reimburse the Reserve Fund for any such withdrawal or to increase the Reserve Fund Value to the Reserve Fund Requirement. If a Reserve Fund Guaranty is in effect with respect to any obligations, reimbursements to the Reserve Fund for such obligations shall be applied, first, to the extent a Reserve Fund Guaranty Agreement so requires, to pay to the Reserve Fund Guarantor any amounts owed to it pursuant to the Reserve Fund Guaranty Agreement and then to the Reserve Fund.

If on any January 1 or July 1, the Reserve Fund Value exceeds the Reserve Fund Requirement, such excess shall be transferred to the Payment Fund or other applicable payment fund in proportion to the amounts next to come due on Parity Obligations for which a separate reserve fund is not established or for which no reserve fund is required or to reimburse any amounts drawn on the Reserve Fund Guaranty and any interest thereon except, with respect to the Obligations or any issue of Additional Parity Obligations with respect to which a Reserve Fund Guaranty is in effect, as may otherwise be provided in the Reserve Fund Guaranty Agreement.

Any investment earnings allocated to the Reserve Fund pursuant to the Trust Agreement shall be used first to cause the amount on deposit in the Reserve Fund to equal the Reserve Fund Requirement or to reimburse any amounts drawn on the Reserve Fund Guaranty and any interest thereon and, to the extent not necessary for such purpose, shall be transferred by the Trustee to the Payment Fund or to any other payment fund for Outstanding Parity Obligations for which a separate reserve fund is not established.

Reserve Fund Guaranty. If at any time the City shall deliver to the Trustee (a) a Reserve Fund Guaranty, (b) an opinion of counsel delivered pursuant to Section 10.4 of the Trust Agreement stating that the delivery of such Reserve Fund Guaranty to the Trustee is authorized under the Trust Agreement and complies with the terms of the Trust Agreement and thereof, (c) evidence that the Reserve Fund Guarantor is rated "AA" or better by the Rating Agencies rating the Obligations, and (d) a letter from each Rating Agency stating that (i) the issuance of the Reserve Fund Guaranty to the Trustee and (ii) if a Reserve Fund Guaranty is then in effect with respect to the Reserve Fund, the substitution of the proposed Reserve Fund Guaranty for the Reserve Fund Guaranty then in effect, will not, by itself, result in a reduction or withdrawal of its rating on the Parity Obligations, and if such rating shall be in effect on the date of such issuance and, if applicable, substitution, then the Trustee shall accept such Reserve Fund Guaranty and promptly surrender the previously held Reserve Fund Guaranty, if any, to the issuer thereof for cancellation.

Establishment and Application of Payment Fund. The Trustee shall establish the Payment Fund. So long as any Obligations are Outstanding, the City shall have no beneficial right or interest in the Payment Fund or the moneys deposited therein, except only as provided in the Trust Agreement, and such moneys shall be used and applied by the Trustee as described in the Trust Agreement.

Separate Funds and Accounts. Monies and investments properly paid into and held in the funds and accounts established under the Trust Agreement shall not be subject to the claims of the owners of any Parity Obligations, except to the extent applicable for the Reserve Fund or moneys drawn on a Reserve Fund Guaranty, and the Owners of the Obligations shall have no claim or lien upon any monies or investments properly paid into and held in the funds and accounts established under the proceedings for any Parity Obligations other than the Reserve Fund (unless a separate reserve fund is established) or monies drawn on a Reserve Fund Guaranty (unless a separate reserve fund guaranty is obtained).

Held in Trust. The moneys and investments held by the Trustee under the Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Obligations, and for the purposes of the Trust Agreement specified, and such moneys, and any income or interest earned thereon, will be expended only as provided in the Trust Agreement and will not be subject to levy or attachment or lien by or for the benefit of any creditor of the City or any Owner of the Obligations.

Investments Authorized. Upon written order of the City Representative, moneys held by the Trustee will be invested and re-invested in certain investments permitted under the Trust Agreement having the highest yield reasonably obtainable. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the Trust Agreement. The Trustee may act as purchaser or agent in the making or disposing of any investment.

Allocation of Earnings Any income, profit or loss on such investments will be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds will be deposited in the fund from which such deposit was made, except as otherwise provided. At the direction of the City Representative, any such income, profit or interest will be transferred and applied if necessary to pay any rebate due with respect to the Obligations pursuant to the Internal Revenue Code.

Appointment of the Trustee. The City will maintain as the Trustee a bank or trust company with a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by federal or State authority so long as any of the Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority, then the combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Liability of Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute the Trust Agreement, the recitals of facts, covenants and agreements in the Trust Agreement, in the Purchase Agreement and in the Obligations will be taken as statements, covenants and agreements of the City, and the Trustee will assume no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Trust Agreement, the Purchase Agreement or the Obligations or will incur any responsibility in respect of the Trust Agreement, Purchase Agreement or Obligations, other than in connection with the duties or obligations in the Trust Agreement or in the obligations assigned to or imposed upon them, respectively. Prior to the occurrence of an Event of Default under the Trust Agreement, or after the timely cure of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Trust Agreement and no implied obligations or covenants should be read into the Trust Agreement against the Trustee. After the occurrence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent person would exercise under the circumstances in the conduct of its own affairs.

Merger or Consolidation. 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 that such company is eligible under the Trust Agreement, will be the successor to the Trustee without the execution or filing of any paper or further act, anything in the Trust Agreement to the contrary notwithstanding.

Protection and Rights of the Trustee. The Trustee will be protected and will incur no liability in acting or proceeding in good faith upon any document which it in good faith believes to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, and the Trustee will be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such document, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee will not be bound to recognize any person as an Owner of Obligations or to take any action at the request thereof unless such Obligation will be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation will be furnished to the Trustee. The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it in good faith.

Whenever in the administration of its duties under the Trust Agreement, the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action thereunder, such matter (unless other evidence in respect thereof be specifically prescribed) will be deemed to be conclusively proved and established by the certificate of the City Representative and such certificate will be full warranty to the Trustee for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may become the Owner of the Obligations with the same rights it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations, whether or not such committee will represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The Trustee will not be answerable for the exercise of any discretion or power under the Trust Agreement or for anything whatever in connection with the funds established thereunder, except only for its own willful misconduct or negligence.

No provision in the Trust Agreement will require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Trustee will not be required to take notice or be deemed to have notice of any default or an Event of Default, except for nonpayment of amounts due under the Trust Agreement or the Purchase Agreement, unless the Trustee has actual notice thereof or is specifically notified in writing of such default by the City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then Outstanding.

Compensation of Trustee. The City will from time to time, as agreed upon between the City and the Trustee, pay to the Trustee reasonable compensation for its services, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties. If the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Removal and Resignation of Trustee. The Trustee may be removed by the City (if not in default) or by the Owners of a majority in aggregate principal amount of the Obligations Outstanding, at any time upon thirty (30) days prior written notice.

The Trustee at any time may resign by giving written notice to the City. Such resignation will become effective upon the appointment of a successor Trustee by the City.

Amendments Permitted.

The Trust Agreement and the rights and obligations of the Owners of the Obligations and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement, which will become effective upon the written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of certain disqualified Obligations. No such modification or amendment will (1) extend or have the effect of extending the fixed maturity of any Obligation or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the redemption thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of the Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

The Trust Agreement and the rights and obligations of the Owners of the Obligations, and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement, without the consent of any such Owners, but only (1) to provide for additions or modifications to the Project, (2) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved to the Trustee (for its own behalf) or the City, (3) to secure additional revenues or provide additional security or reserves for payment of the Obligations, (4) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (5) to provide for the appointment of a successor trustee pursuant to the terms of the Trust Agreement, (6) to preserve the exclusion of the interest on the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to issue bonds or incur other obligations the interest on which is likewise exempt from federal and State income taxes, (7) to cure, correct or supplement any ambiguous or defective provision contained in the Trust Agreement or the Purchase Agreement, (8) to facilitate the incurrence of Additional Parity Obligations, (9) with respect to rating matters, or (10) in regard to questions arising under the Trust Agreement or under the Purchase Agreement, as the parties to the Trust Agreement or the Purchase Agreement may deem necessary or desirable and which will not materially adversely affect the interests of the Owners of the Obligations as evidenced by a Special Counsel's Opinion delivered by the City to the Trustee. Any such supplemental or amending agreement will become effective upon execution and delivery by the parties to the Trust Agreement or the Purchase Agreement.

Procedure for Amendment With Written Consent of Obligation Owners. A copy of the proposed supplemental or amending agreement, together with a consent request, must be mailed to each Owner of an Obligation, but failure to mail copies of such supplemental or amending agreement and request does not affect the validity of the supplemental or amending agreement when assented to by a majority in principal amount of the Obligations then Outstanding (exclusive of Obligations then disqualified). The supplemental or amending agreement will not become effective until the required Owners have consented and the Trustee has mailed notice to the Owners of the Obligations stating in substance that such supplemental or amending agreement has been consented to by the Owners of the required percentage of Obligations and will become effective (but failure to mail copies of said notice shall not affect the validity of such supplemental or amending agreement or consents thereto).

Disqualified Obligations. Obligations owned or held by or for the account of the City or by any person directly or indirectly controlled by, or under direct or indirect common control with the City (except any Obligations held in any pension or retirement fund) will not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations provided for in the Trust Agreement, and will not be entitled to vote upon, consent to, or take any other action provided therein.

No Liability of the City for Trustee Performance. The City will have no obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under the Trust Agreement.

Remedies Upon Default; No Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding and receiving indemnity satisfactory to it will, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything in the Trust Agreement or in the Purchase Agreement to the contrary, there will be no right under any circumstances to accelerate the maturities of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of the Trust Agreement or the Purchase Agreement and any moneys held as part of the trust estate shall be applied by the Trustee in the order following:

First, to the payment of the fees, costs and expenses of the Trustee and then of the Obligation Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel and any outstanding fees and expenses of the Trustee,

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations and, in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the

Obligations, 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.

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 principal amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, will, proceed to protect or enforce its rights or the rights of the Owners of the Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained in the Trust Agreement.

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, it will have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee will 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 principal amount of the Obligations Outstanding.

Limitation on Obligation Owners' Right to Sue. No Owner of any Obligation will have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Trust Agreement; (b) the Owners of at least a majority in aggregate principal amount of all Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity satisfactory to it 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 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.

No one or more Owners of Obligations will have any right in any manner whatever by his or their action to enforce any right under the Trust Agreement, except in the manner therein 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 therein provided and for the equal and proportionate benefit of all Owners of the Outstanding Obligations.

The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, will not be impaired or affected without the consent of such Owner.

Defeasance. If and when any Outstanding Obligation or portion thereof shall be paid and discharged in any one or more of the following ways:

(a) By paying or causing to be paid the principal of and interest and redemption premium, if any, with respect to such Obligations Outstanding, as and when the same become due and payable;

(b) By depositing with a Depository Trustee, in trust for such purpose, at or before maturity, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid such Obligations Outstanding, including all principal, interest and redemption premium, if any; or

(c) By depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable in such amount as shall be certified to the Trustee and the City in a report by an independent firm of nationally recognized certified public accountants acceptable to the Trustee and the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged such Obligations (including all principal, interest and redemption premium, if any) at their respective maturity or prior redemption dates; notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to such Outstanding Obligations will cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to paragraphs (b) or (c) above and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Obligations will continue to represent direct and proportionate interests of the Owners thereof in such funds.

If any Obligation or portion thereof will not mature within sixty (60) days of the deposit referred to in paragraphs (b) or (c) above, the Trustee shall give notice of such deposit by first class mail to the Owners.

PURCHASE AGREEMENT

The following, in addition to the information under the headings "INTRODUCTORY STATEMENT" and "SECURITY AND SOURCES OF PAYMENT," is a summary of certain provisions of the Purchase Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Term and Payments.

In order to finance the costs of the Project, City sells and conveys interests in the Project to the Trustee. For amounts payable under the Trust Agreement (including the Payments), Trustee sells and conveys back to City and City purchases and accepts from Trustee, any interests Trustee has in the Project. The City agrees to make Payments to Trustee on the dates and in the amounts set forth in the Purchase Agreement.

The City will also pay all amounts necessary to fund the Reserve Fund as described in the Trust Agreement.

The obligations of the City to make the Payments from the sources described and to perform and observe the other agreements contained in the Purchase Agreement will be absolute and unconditional and will not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach of Trustee of any obligation to City or otherwise, or out of indebtedness or liability at any time owing to City by the Trustee. Until such time as all of the Payments shall have been fully paid or provided for, City (i) will not suspend or discontinue the Payments, (ii) will perform and observe all other agreements contained in the Purchase Agreement, and (iii) will not terminate the Purchase Agreement for any cause.

Pledge; Limited Obligations. Revenues from Excise Taxes are pledged by City to the payment of all amounts described in Purchase Agreement (including the Payments), and such amounts shall be secured by a paramount and first lien on and pledge of revenues from Excise Taxes, on parity with the pledge and lien granted by City for the payment and security of the 2015 Agreement, the 2016 Refunding Agreement, the 2017 Agreement, the 2019 Agreement, the 2021 Taxable Agreement and any Additional Parity Obligations hereafter incurred. City shall make said payments from revenues from Excise Taxes (first making the Payments and thereafter making the other required payments). All of such payments are coequal as to the pledge of and lien on revenues from Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from revenues from Excise Taxes or security therefor.

City shall remit to Trustee from revenues from Excise Taxes all amounts due under the Purchase Agreement in the amounts and at the times and for the purposes as required therein. The obligation of City to make payments of any amounts due under the Purchase Agreement, including amounts due after default or termination of the Purchase Agreement, is limited to payment from revenues from Excise Taxes and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of City, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

City may, at the sole option of City, make payments due pursuant to the Purchase Agreement from its other funds as permitted by law and as City shall determine from time to time, but Trustee acknowledges that it has no claim to such other funds. No part of the purchase price payable pursuant to the Purchase Agreement shall be payable out of any *ad valorem* property taxes imposed by City or from bonds or other obligations, the payment of which City's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by City according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

Surplus and Deficiency of Revenues From Excise Taxes. Revenues from Excise Taxes in excess of amounts, if any, required to be deposited with or held by Trustee for payments due under the Purchase Agreement shall constitute surplus revenues and may be used by City for any lawful purpose for the benefit of City, including the payment of obligations to which revenues from Excise Taxes may from time to time be pledged on a subordinate basis. If at any time the moneys in the funds held for payment of amounts due under the Purchase Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of the Purchase Agreement and, with respect to payment from revenues from Excise Taxes, *pro rata*, as applicable, with amounts due with respect to the 2015 Agreement, the 2016 Refunding Agreement, the 2017 Agreement, the 2019 Agreement, the 2021 Taxable Agreement, this Agreement and any Additional Parity Obligations hereafter incurred, and the transfer of any such sum or sums to said fund as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant to the Purchase Agreement.

Additional Parity Obligations. Additional Parity Obligations may be incurred but only if revenues from Excise Taxes in the most recently completed Fiscal Year, shall have amounted to at least three (3) times the Maximum Annual Debt Service, including the Additional Parity Obligations proposed to be incurred. The calculation of Maximum Annual Debt Service may be subject to certain adjustments as described in the Trust Agreement.

City Control over Revenue Collection. To the extent permitted by applicable law, Excise Taxes shall be retained and maintained so that revenues from Excise Taxes, all within and for the next preceding Fiscal Year, will be equal to at least three (3) times the Maximum Annual Debt Service payable under the Purchase Agreement, and under any Outstanding Parity Obligations, for the current Fiscal Year. If revenues from Excise Taxes for any such Fiscal Year shall not have been equal to at least three (3) times the Maximum Annual Debt Service for the current Fiscal Year or if at any time it appears that revenues from Excise Taxes will not be sufficient to meet such requirements, City will, to the extent permitted by applicable law, impose new exactions of the type of the excise taxes which will be part of the Excise Taxes or increase the rates for the excise taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each Fiscal Year in order that (i) revenues from Excise Taxes will be sufficient to meet all current requirements under the Purchase Agreement, and (ii) revenues from Excise Taxes will be reasonably calculated to attain the level as required by the first sentence of this paragraph. Notwithstanding the foregoing, the amount of State-shared revenues is determined by the provisions of the Arizona Revised Statutes and City has not covenanted to, and has no power to, set or maintain rates or otherwise impose taxes to increase, replace or supplement State-shared revenues to provide for the payment of the amounts due under the Purchase Agreement or any other Parity Obligations.

Providing for Payment.

City may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying such Payment as and when the same becomes due and payable at its scheduled due date or on a date on which it can be prepaid;

(b) by depositing with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable, in such amount as shall be certified to Trustee and City, by a national firm of certified public accountants acceptable to City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with Trustee and available for such Payment, to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid.

Upon any partial payment of a Payment resulting in a redemption of Obligations, each installment of interest which will thereafter be payable as a part of the subsequent Payments will be reduced, taking into account the interest rate or rates on the Obligations remaining outstanding after the partial payment or redemption of Obligations from the proceeds of such payment so that the interest remaining payable as a part of the subsequent Payments will be sufficient to pay the interest on such outstanding Obligations when due.

Default; Remedies Upon Default.

(i) Upon (A) the nonpayment of the whole or any part of any of the amounts due pursuant to the Purchase Agreement at the time when the same are to be paid as provided in the Purchase Agreement or the Trust Agreement, (B) the violation by City of any other covenant or provision of the Purchase Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the 2015 Agreement, the 2016 Refunding Agreement, the 2017 Agreement, the 2019 Agreement, 2021 Taxable Agreement or any Additional Parity Obligations hereafter incurred, or (D) City becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the City or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for the City or a substantial part of its property; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the City and, if instituted against the City, is consented to or acquiesced in by the City, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the amounts as required under the Purchase Agreement or the Trust Agreement on the due date or the nonpayment of principal of or interest on the 2015 Agreement, the 2016 Refunding Agreement, the 2017 Agreement, the 2019 Agreement, the 2021 Taxable Agreement or any Additional Parity Obligations hereafter incurred on their due dates, (B) in the case of the breach of any other covenant or provision of the Trust Agreement or the Purchase Agreement not cured within twenty (20) days after notice in writing from Trustee specifying such default; provided, however, that if the breach cannot be corrected within the applicable time period, the Trustee will not unreasonably withhold its consent to an extension of one hundred eighty (180) days from the date of delivery of such written notice to the City by the Trustee if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected, and provided further that if the failure cannot be corrected within the initial one hundred eighty (180) day extension, the City may request, and the Trustee will not unreasonably withhold its consent to, successive additional one hundred eighty (180) day extensions so long as the City is diligently pursuing corrective action, and the Trustee shall be entitled to receive and shall be protected in relying upon one or more certificates of a City Representative in support of any request by the City for such extension, (C) in the case of any insolvency or bankruptcy as described above not discharged or dismissed within sixty (60) days and (D) in the case of any other default under the 2015 Agreement, the 2016 Refunding Agreement, the 2017 Agreement, the 2019 Agreement, the 2021 Taxable Agreement or any Additional Parity Obligations hereafter incurred after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by City under the Trust Agreement or the Purchase Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of City under the Trust Agreement or the Purchase Agreement, and with respect to revenues from Excise Taxes, without notice and without giving any bond or surety to City or anyone claiming under City, seek and obtain injunctive relief; provided, however, that under no circumstances may the Payments be accelerated.

No default by Trustee shall relieve City of its obligations to make the various payments required under the Purchase Agreement, so long as any of the Obligations remain outstanding; however, City may exercise any other remedy available at law or in equity to require Trustee to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to Trustee under the Trust Agreement.

Reserve Fund. If a Reserve Fund is required by the Trust Agreement, then City shall deposit, or cause to be deposited, to the Reserve Fund moneys, investments, a Reserve Fund Guaranty, or any combination thereof, equal to the Reserve Fund Requirement in accordance with the Reserve Fund funding schedule described in the Trust Agreement as additional amounts due under the Purchase Agreement. In the event the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement, no amount of revenues from Excise Taxes shall be considered surplus revenues or available to City until the Reserve Fund has been restored to the Reserve Fund Requirement.

APPENDIX E

CITY OF CHANDLER, ARIZONA

AUDITED FINANCIAL STATEMENTS OF THE CITY OF CHANDLER, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following audited financial statements are for the fiscal year ended June 30, 2022. These are the most recent audited financial statements available to the City. These audited financial statements may not represent the current financial conditions of the City. The City did not request the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its opinion on the audited financial statements.

APPENDIX F

$71,955,000[*]
CITY OF CHANDLER, ARIZONA
EXCISE TAX REVENUE OBLIGATIONS, SERIES 2023

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "*Undertaking*") is executed and delivered by the City of Chandler, Arizona (the "*City*"), in connection with the execution and delivery of $71,955,000[*] principal amount of Excise Tax Revenue Obligations, Series 2023 (the "*Obligations*"). The Obligations are being executed and delivered pursuant to the Series 2023 Trust Agreement, dated as of _______ 1, 2023 (the "*Trust Agreement*"), by and between the City and U.S. Bank Trust Company, National Association, as trustee (the "*Trustee*"). The City covenants and agrees as follows:

1. Definitions. In addition to those defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires:

"*Annual Financial Information*" means the financial information and operating data set forth in Exhibit I.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Final Official Statement*" means the Final Official Statement relating to the Obligations, dated _______, 2023.

"*Financial Obligation*" means 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 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 MSRB consistent with the Rule.

"*GAAP*" means generally accepted accounting principles, as applied to governmental units as modified by the laws of the State.

"*Listed Event*" means the occurrence of events set forth in *Exhibit II*.

"*Listed Events Disclosure*" means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

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[*] Preliminary, subject to change.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Obligations.

"*Purchase Agreement*" means the Series 2023 Purchase Agreement, dated as of ________, 2023, by and between the City and the Trustee.

"Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act.

"State" means the State of Arizona.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the requirements of the Rule. The City represents that it will be the only obligated person with respect to the Obligations at the time the Obligations are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after such delivery of the Obligations.

3. CUSIP Number. The CUSIP Numbers of the Obligations are as follows:

CUSIP No. (Base 158855)	Maturity Date (July 1)

4. Annual Financial Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), through EMMA.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate in a timely manner, but in not more than ten (10) business days after the occurrence of the event, its Listed Events Disclosure through EMMA. Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Obligation may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Purchase Agreement or the Trust Agreement, and the sole remedy available to such owners of the Obligations under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

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

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Obligations, as determined by parties unaffiliated with the City (such as the Trustee) or by approving vote of the owners of the Obligations pursuant to the Trust Agreement at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying GAAP to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the fiscal year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

8. Termination of Undertaking. This Undertaking shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Trust Agreement.

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

10. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

12. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. The City shall not transfer obligations under the Purchase Agreement unless the transferee agrees to assume all obligations of the City under this Undertaking or to execute an undertaking meeting the requirements of the Rule.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

[Signature page follows.]

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Dated: [Closing Date]

CITY OF CHANDLER, ARIZONA

By____________________________________
Deputy City Manager/Chief Financial Officer

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Final Official Statement in [[the subsection "Excise Taxes"]] (actual results for most recently completed fiscal year only).

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available from the MSRB. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2024. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the City.

Audited Financial Statements will be prepared according to GAAP.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the 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 City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan 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 City.
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
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 City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, 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 City, any of which reflect financial difficulties

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

The description set forth below of the procedures and record-keeping with respect to beneficial ownership interests in the Obligations, payment of principal of, premium, if any, and interest on, the Obligations to Direct Participants, Indirect Participants and Beneficial Owners (each as hereinafter defined), and other information concerning DTC and the book-entry-only system of registration and transfer of beneficial ownership interests in the Obligations is based solely on information furnished by DTC to the City for inclusion in this Official Statement. Neither the City, the Trustee, the Financial Advisor, nor their agents or counsel make any representations as to the accuracy or completeness thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligation will be issued for the Obligations in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities 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 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Security ("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 purchaser. 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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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.

Redemption notices shall be sent to DTC. If less than all of the Obligations within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Obligations will be made 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 Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to Trustee, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to Trustee. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to the City or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but the City, the Financial Advisor or their counsel or agents takes no responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE FINANCIAL ADVISOR, NOR THEIR AGENTS OR COUNSEL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE OBLIGATIONS, (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (III) THE TIMELY OR ULTIMATE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR OF INTEREST ON THE OBLIGATIONS; (IV) THE TRANSMITTAL BY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF OBLIGATIONS; (V) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER; OR (VI) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OBLIGATIONS.

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