

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2021

NEW ISSUE — BOOK ENTRY ONLY

RATINGS: See “Ratings” herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the City of Goodyear, Arizona, the portion of each Payment made by the City under the agreement and denominated as an comprising interest income pursuant to the Agreement and received by the owners of the Obligations is exempt from Arizona Income Taxes. Aforementioned interest income on the Obligations is subject to federal income taxes. See “TAX MATTERS” herein.

\$25,490,000*

**CITY OF GOODYEAR, ARIZONA
TAXABLE EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2021**

**DRAFT
02-23-21**

Dated: Date of Initial Delivery

Due: July 1, as shown on inside front cover

The \$25,490,000* principal amount of Taxable Excise Tax Revenue Refunding Obligations, Series 2021 (the “Obligations”) will be executed and delivered to (i) refund in advance of maturity the Bonds Being Refunded (as defined herein), and (ii) pay the costs of execution and delivery of the Obligations. See “PLAN OF REFUNDING” herein.

The Obligations will be dated their date of initial delivery and will be in the form of fully registered securities without coupons, 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 specific payment 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, Participants (as defined in APPENDIX D – “Book-Entry-Only System”) of DTC. 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 Participant of DTC to receive payment of principal and interest with respect to such Obligations. See APPENDIX D – “Book-Entry-Only System” herein.

The Obligations will mature on the dates and in the principal amounts and will bear interest from their date at the rates set for on the inside front cover page hereof. Interest on the Obligations will accrue from their dated date and be payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2021*.

See Inside Front Cover for Maturity Schedule and Additional Information

The Obligations will not be subject to redemption prior to maturity. See “THE OBLIGATIONS – No Prior Redemption” herein.

The Obligations will be payable from installment payments (“Payments”) to be made by the City of Goodyear, Arizona (the “City”) pursuant to an Agreement, to be dated as of __ 1, 2021*, between the City and U.S. Bank National Association. The Payments will be secured by a first lien pledge of the Excise Taxes (as defined herein). Such pledge will be on parity with certain outstanding obligations secured by a parity pledge of Excise Taxes and any Parity Obligations (as defined herein) that may be incurred in the future. 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 DO NOT CONSTITUTE A GENERAL OBLIGATION OR AN INDEBTEDNESS 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 IS NOT PLEDGED TO PAY THE PRINCIPAL OF OR INTEREST ON THE OBLIGATIONS.

The Obligations will be offered when, as and if executed and delivered and accepted by the Underwriter identified below (the “Underwriter”), subject to receipt of the approving legal opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, as to validity and tax matters. Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriter. It is anticipated that the Obligations will be delivered to DTC on or about May __, 2021*.

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

STIFEL

* Subject to change.

\$25,490,000*
CITY OF GOODYEAR, ARIZONA
TAXABLE EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2021

MATURITY SCHEDULE

Maturity (July 1)	Principal Amount	Interest Rate	Yield	CUSIP® (a) (Base No.)
2021	\$ 740,000	%	%	
2022	515,000			
2023	4,770,000			
2024	4,810,000			
2025	4,840,000			
2026	4,880,000			
2027	4,935,000			

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* Subject to change.

CITY OF GOODYEAR, ARIZONA

CITY COUNCIL

Georgia Lord, *Mayor*
Bill Stipp, *Vice Mayor*
Joe Pizzillo, *Councilmember*
Sheri Lauritano, *Councilmember*
Wally Campbell, *Councilmember*
Brannon Hampton, *Councilmember*
Laura Kaino, *Councilmember*

CITY ADMINISTRATIVE OFFICERS

Julie Arendall, *City Manager*
Wynette Reed, *Deputy City Manager*
Dan Cotterman, *Deputy City Manager*
Doug Sandstrom, *Finance Director*
Roric Massey, *City Attorney*
Darcie McCracken, *City Clerk*

SPECIAL COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

FINANCIAL ADVISOR

Hilltop Securities Inc.
Phoenix, Arizona

TRUSTEE AND DEPOSITORY TRUSTEE

U.S. Bank National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, inside front cover page hereof and appendices hereto, does not constitute an offering of any security other than of the City of Goodyear, Arizona (the “City”), Taxable Excise Tax Revenue Refunding Obligations, Series 2021 (the “Obligations”). 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 herein has been provided by representatives of the City, the Maricopa County Assessor’s, Finance and Treasurer’s offices, the State of Arizona Department of Revenue, and other sources that 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 Hilltop Securities Inc., serving as the financial advisor to the City (the “Financial Advisor”) or Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The presentation of information, including tables of receipts from taxes and other revenue 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 or will be realized. All beliefs, assumptions, estimates, projections, forecasts and matters of opinion contained herein are forward looking statements that must be read with an abundance of caution and which may not be realized or may not occur 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 of the other parties or matters described herein since the date hereof.

The Obligations will not be registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon the exemptions provided thereunder pertaining to the issuance and sale of municipal securities, nor will the Obligations be qualified under the Securities Act of Arizona in reliance upon various exemptions contained in such act. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Obligations for sale.

The Underwriter has provided the following sentence for inclusion herein: The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities with respect to this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The City, the Financial Advisor, the Underwriter, counsel to the Underwriter, and Special Counsel (as defined herein) are not actuaries, nor have any of them performed any actuarial or other analysis of the City’s unfunded liabilities under the Arizona State Retirement System or the Arizona Public Safety Personnel Retirement System.

The City will covenant to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING SECONDARY MARKET DISCLOSURE” and in APPENDIX F – “Form of Continuing Disclosure Certificate,” pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OBLIGATIONS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE OBLIGATIONS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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OFFICIAL STATEMENT
\$25,490,000*
CITY OF GOODYEAR, ARIZONA
TAXABLE EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2021

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page hereof and appendices hereto has been prepared by the City of Goodyear, Arizona (the “City”), in connection with the original issuance of \$25,490,000* principal amount of its Taxable Excise Tax Revenue Refunding Obligations, Series 2021 (the “Obligations”). Certain information concerning the authorization, purpose, terms, conditions of sale, security for and sources of payment of the Obligations is set forth in this Official Statement. See APPENDICES A, B and C for certain information relative to the City.

All financial and other information presented in this Official Statement has been provided by, among others, representatives of 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 recent historical information and is not intended to indicate future or continuing trends in the financial position, results of operations, or other affairs of the City. No representation is made that past experience, as shown by such financial or other information, will necessarily continue or be repeated in the future.

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

As used in this Official Statement, “County” means Maricopa County, Arizona and “State” or “Arizona” means the State of Arizona.

A brief description of the security for the Obligations is included in this Official Statement together with a summary of select provisions of the Trust Agreement and the Agreement (each as defined herein). Such descriptions do not purport to be comprehensive or definitive. All references to the 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 all of which are available for inspection at the designated corporate trust office of the Trustee (as defined herein).

THE OBLIGATIONS

Authorization and Purpose

The Obligations will be payable solely from installment payments (the “Payments”) to be made by the City pursuant to an Agreement, to be dated as of ____ 1, 2021* (the “Agreement”), between the City, as buyer, and the Trustee, in its capacity as seller. The Obligations will be executed and delivered pursuant to a Trust Agreement, to be dated as of ____ 1, 2021* (the “Trust Agreement”), between the City and the Trustee.

All of the Trustee’s interest under the 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. See APPENDIX H – “Summary of Select Provisions of the Trust Agreement and Agreement” herein.

The Payments to be made by the City under the Agreement will be payable from and secured by a first lien on the Excise Taxes (as hereinafter defined) received by the City. This pledge will be on a parity with the City’s pledge of Excise Taxes made in connection with the City of Goodyear, Arizona Public Improvement Corporation (the “PIC”) Municipal Facilities Revenue Refunding Bonds, Series 2016A, currently outstanding in the aggregate principal amount of \$34,480,000 (the “2016A Bonds”) and the PIC Municipal Facilities Revenue Refunding Bonds, Series 2016B, currently outstanding in the aggregate principal amount of \$23,885,0000 (the “2016B Bonds,” and collectively with the 2016A Bonds, the “Existing Parity Obligations”), and any additional obligations issued on a parity basis in the future (“Additional Parity Obligations” and, together with the Obligations and the Existing Parity Obligations, the “Parity Obligations”). As shown under the

* Subject to change.

heading “PLAN OF REFUNDING,” on the date of delivery of the Obligations, the PIC Municipal Facilities Revenue Refunding Bonds, Series 2011A (the “2011A Bonds”) will be defeased and no longer secured by a pledge of the Excise Taxes.

The City has made a subordinate pledge of the Excise Taxes in connection with the PIC Municipal Facilities Revenue Bonds, Taxable Series 2017 (the “Existing Subordinate Obligations” and, together with the Existing Parity Obligations, the “Existing Obligations”), currently outstanding in the aggregate principal amount of \$7,825,000. See “SECURITY AND SOURCES OF PAYMENT” for a more complete description of the foregoing as well as a description of the circumstances pursuant to which such Excise Taxes may be further encumbered in the future. See also “CITY OF GOODYEAR, ARIZONA – FINANCIAL DATA – Excise Tax Obligations Outstanding and to Be Outstanding” in APPENDIX B.

The Obligations are to be executed and delivered for the purpose of providing funds to (i) refund in advance of maturity the Bonds Being Refunded (as defined herein), and (ii) pay the costs of execution and delivery of the Obligations.

Other Expected Debt Offering

In addition to the Obligations, the City expects to offer approximately \$43,075,000* General Obligation Bonds, Series 2021 (the “2021 General Obligation Bonds”) concurrently with the Obligations, pursuant to a separate official statement.

General Provisions

The Obligations will be dated the date of initial delivery, and will bear interest from such date payable initially on July 1, 2021*, and semiannually thereafter on January 1 and July 1 of each year (each an “Interest Payment Date”) until maturity. The Obligations will mature on the dates and in the principal amounts and will bear interest at the rates set forth on the inside front cover page of this Official Statement.

Initially, the Obligations will be administered under a book-entry-only system (the “Book-Entry-Only System”) by The Depository Trust Company, a registered securities depository (“DTC”). Unless and until the Book-Entry-Only System is discontinued, the Obligations will be registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in the Obligations will be offered for sale in the amount of \$5,000 of principal due on a specific maturity date and integral multiples thereof, and payments of principal of and interest on the Obligations will be made to DTC and, in turn, through participants in the DTC system. See APPENDIX D – “Book-Entry-Only System.”

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE OBLIGATIONS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE OBLIGATIONS, EXCEPT THOSE UNDER THE HEADING “TAX MATTERS” WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE OBLIGATIONS.

U.S. Bank National Association will act as the initial trustee under the Trust Agreement (the “Trustee”). The City may change the Trustee at any time as provided in the Trust Agreement.

If the Book-Entry-Only System is discontinued, interest on the Obligations will be payable by check drawn on the Trustee and mailed on or prior to each Interest Payment Date to the registered owners of the Obligations at the addresses shown on the books of the register as of the 15th day of the month preceding an Interest Payment Date (the “Record Date”), unless such date is not a Business Day as defined in the Trust Agreement, in which event the Record Date shall be the previous Business Day. Principal of the Obligations will then be payable at maturity upon presentation and surrender on the Obligations to the designated corporate trust office of the Trustee. Additionally, if the Book-Entry-Only System is discontinued, payment of interest may also be made by wire transfer upon 20 days prior written request delivered to the Trustee specifying a wire transfer address in the continental United States by any owner of at least \$1,000,000 aggregate principal amount of the Obligations. Interest will be computed on the basis of a year comprised of 360 days consisting of 12 months of 30 days each.

No Prior Redemption

The Obligations will not be subject to call for redemption prior to maturity.

* Subject to change.

SECURITY AND SOURCES OF PAYMENT

General

The Obligations will be special revenue obligations of the City, payable solely from the Payments to be paid by the City, as buyer, to the Trustee, as seller, pursuant to the Agreement. The Trustee will hold its right, title and interest in the Agreement in trust for the benefit of the owners of the Obligations pursuant to the Trust Agreement. The Obligations, the Agreement and the obligation to make the Payments do not represent or constitute a general obligation of the City, the State of Arizona or any of its political subdivisions.

Under the terms of the Trust Agreement, the Obligations are payable by the Trustee from the Payments received by the Trustee from the City under the Agreement, certain amounts from time to time deposited in the funds created under the Trust Agreement, and investment earnings on such funds. See APPENDIX H – “Summary of Select Provisions of the Trust Agreement and the Agreement.”

The Payments to be made by the City will be secured by a pledge of the Excise Taxes, on a first lien basis. The pledge of the Excise Taxes is on a parity pledge with the Existing Parity Obligations.

“Excise Taxes” shall mean all amounts received from the imposition of unrestricted fines and forfeitures, license and permit fees, transaction privilege (sales) taxes, other transaction privilege, excise and business taxes, franchise fees and taxes, bed and rental taxes which the City now or in the future imposes and collects, and all state shared sales and income taxes and state revenue-sharing collected and allocated or apportioned, now or hereafter, to the City by the State or any political subdivision thereof, or by any other governmental unit or agency and which are not required by State law, rule or regulation to be expended for other purposes, such as the motor vehicle fuel tax. Excise Taxes shall not include revenue from development fees or building permit fees. The City may impose taxes, license and permit fees 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 Agreement.

For a description of the City revenues comprising the Excise Taxes, and for a record of the City’s recent tax collection experience for each component of the Excise Taxes, see “SECURITY AND SOURCES OF PAYMENT – Excise Tax Receipts” below and APPENDIX G – “Excise Taxes.”

Additional Parity Obligations

In the Trust Agreement and the Agreement, the City covenants and agrees that, so long as any of the Obligations remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, neither the Trustee nor the City will further encumber the Excise Taxes on a parity basis unless the Excise Taxes collected in the next preceding fiscal year of the City (currently ending each June 30) shall have amounted to at least two times the combined Debt Service (as defined below) requirements for any succeeding fiscal year for all Parity Obligations then Outstanding (as defined in APPENDIX H), including the Additional Parity Obligations proposed to be secured by a pledge of the Excise Taxes. Subject to the foregoing and the other terms and conditions of the Agreement, the City shall have the right to incur future obligations payable from and secured by the Excise Taxes on parity with the Obligations.

“Debt Service” means with respect to any Parity Obligations, as of any date of calculation and with respect to any period, the sum of (i) the interest falling due during such period (except to the extent that such interest is payable from proceeds of Parity Obligations or other amounts set aside for such purpose at the time Parity Obligations are incurred), and (ii) the principal (or mandatory sinking fund or installment purchase price or lease rental or similar) payments or deposits required with respect to such Parity Obligations during such period; such sum to be computed on the assumption that no portion of such Parity Obligations shall cease to be Outstanding during such period except by reason of the application of such scheduled payments.

Covenant to Maintain Debt Service Coverage

In the Agreement, the City covenants and agrees that the Excise Taxes it presently imposes will continue to be imposed in each fiscal year so that the amount of Excise Taxes, all within and for such fiscal year of the City, shall be equal to at least two times the total Debt Service for all Parity Obligations then Outstanding in such fiscal year. The City further covenants and agrees that if such receipts for any such fiscal year shall not equal two times such 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 fiscal year’s actual Debt Service, the City will either impose new Excise Taxes or will increase the rates of such taxes currently imposed in order that (i) the current fiscal year’s receipts will be sufficient to meet all such fiscal year’s Debt Service requirements and (ii)

the next succeeding fiscal year's receipts will be equal to at least two times the next succeeding fiscal year's Debt Service requirements. See "ESTIMATED DEBT SERVICE REQUIREMENTS AND COVERAGE" herein.

Excise Tax Receipts

The City's Excise Taxes are currently levied at the maximum rate. Accordingly, any additional increase in the Excise Tax rate would require voter approval and be subject to any legal and constitutional restrictions.

The following table contains a list of the sources of City revenues that comprise Excise Taxes, as well as a record of the respective actual amounts of such revenues received by the City for the most recent five audited Fiscal Years for which such information is available. For descriptions of the City's revenue components comprising the Excise Taxes, see APPENDIX G – "Excise Taxes." Also, see APPENDIX A for certain economic and demographic information about the City.

**City of Goodyear, Arizona
Excise Taxes
Receipts by Revenue Source (a)**

	2015/16	2016/17	2017/18	2018/19	2019/20
City Transaction Privilege (Sales Tax)	\$49,309,600	\$52,085,570	\$58,831,503	\$64,940,363	\$89,722,744
State-Shared Sales Tax	6,258,721	7,217,395	7,151,224	8,121,305	8,558,218
State-Shared Income Tax	7,859,101	9,665,448	9,613,508	9,670,794	10,711,765
State-Shared Vehicle License Tax	2,729,966	3,106,615	3,202,962	3,452,313	3,515,873
Fines and Forfeitures	839,108	925,314	1,044,317	1,044,516	869,101
Franchise Tax	2,832,759	2,941,175	3,181,840	3,274,113	3,207,164
Total Revenues	<u>\$69,829,255</u>	<u>\$75,941,517</u>	<u>\$83,025,354</u>	<u>\$90,503,404</u>	<u>\$116,584,865</u>

(a) This table has not been the subject of any separate audit procedures.

PLAN OF REFUNDING

A portion of the proceeds of the Obligations, together with cash contribution from the City, will be placed in an irrevocable depository trust with the Depository Trustee (as defined in Appendix H) under the Depository Trust Agreement (as defined herein). Such funds will be used to acquire noncallable obligations issued or guaranteed by the United States of America (the "Government Obligations"), the principal of and interest on which, when due, are calculated to be sufficient to provide moneys to pay the principal of and interest due on the Bonds Being Refunded (defined below). See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

The Government Obligations will be held by the Depository Trustee in trust for the payment of such principal of, and interest on the Bonds Being Refunded, pursuant to the terms of a Depository Trust Agreement related to the Obligations, by and between the City and the Depository Trustee to be dated ____ 1, 2021 (the "Depository Trust Agreement").

Bonds Being Refunded

The stated maturity dates, principal amounts outstanding and to be redeemed, redemption dates, redemption prices and CUSIP numbers of the 2011A Bonds refunded by Obligations (the "Bonds Being Refunded"), are set forth in the following table:

Refunded Issue *	Maturity Date (July 1)	Principal Amount Outstanding	Amount Being Refunded *	Redemption or Maturity Date (July 1) *	Redemption Price	CUSIP® (a) No. (Base No. 382512)
2011A Bonds	2021	\$ 255,000	\$ 255,000	2021	N/A	DM0
	2023	4,250,000	4,250,000	2022	100%	DN8
	2024	4,470,000	4,470,000	2022	100	DP3
	2025	4,700,000	4,700,000	2022	100	DQ1
	2026	4,925,000	4,925,000	2022	100	DR9
	2027	5,170,000	5,170,000	2022	100	DS7
		<u>\$23,770,000</u>	<u>\$23,770,000</u>			

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See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein. On delivery of the Obligations and the deposit of the proceeds with the Depository Trustee, the Bonds Being Refunded will no longer be Outstanding under the documents pursuant to which they were issued (and will no longer be secured by a pledge of the Excise Taxes).

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Public Finance Partners LLC will deliver to the City, on or before the delivery date of the Obligations, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Bonds Being Refunded.

Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the City. In addition, Public Finance Partners LLC has relied on any information provided to it by the City’s retained advisors, consultants or legal counsel.

SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount of the Obligations	\$25,490,000.00 *
City Contribution	
[Net] Original Issue Premium [(a)]	
Total Sources of Funds	<u>\$</u>

Uses of Funds

Trust Account	
Delivery Costs Fund (b)	
Total Uses of Funds	<u>\$</u>

- (a) [Net original issue premium consists of original issue premium on the Obligations less original issue discount on the Obligations.]
- (b) Includes compensation of the Underwriter and certain costs incurred by the City in connection with the execution and delivery of the Obligations.

* Subject to change.

ESTIMATED DEBT SERVICE REQUIREMENTS AND COVERAGE (a)

The table below sets forth (i) the annual debt service requirements of the Existing Subordinate Obligations, (ii) the annual debt service requirements of the Existing Parity Obligations, (iii) the estimated annual debt service requirements of the Obligations, (iv) the City's estimated combined annual debt service requirements after issuance of the Obligations, (v) the estimated debt service coverage ratio for the Parity Obligations and (vi) the estimated debt service coverage ratio for such combined estimated annual debt service requirements.

City of Goodyear, Arizona Existing Subordinate Obligations, Existing Parity Obligations and Obligations Estimated Debt Service Requirements

Period Ending (07-01)	Existing Subordinate Obligations	Existing Parity Obligations	The Obligations *		Estimated Combined Annual Debt Service *	Estimated Parity Obligation Debt Service Coverage (c)	Estimated Combined Debt Service Coverage (d)*
			Principal	Interest (b)			
2021	\$1,269,008	\$7,753,350	\$ 740,000	\$135,920	\$ 9,898,278	13.51x	11.78x
2022	1,270,577	8,017,100	510,000	989,800	10,787,477	12.25x	10.81x
2023	1,270,987	3,764,850	4,760,000	969,400	10,765,237		
2024	1,270,239	3,756,100	4,805,000	779,000	10,610,339		
2025	1,273,333	3,763,600	4,840,000	586,800	10,463,733		
2026	1,270,102	3,771,350	4,885,000	393,200	10,319,652		
2027	1,270,713	3,774,100	4,945,000	197,800	10,187,613		
2028		9,151,850			9,151,850		
2029		9,150,600			9,150,600		
2030		9,150,600			9,150,600		
2031		9,148,800			9,148,800		
2032		6,138,800			6,138,800		
			<u>\$25,485,000</u>		<u>\$115,772,979</u>		

(a) Prepared by the Financial Advisor.

(b) The first interest payment on the Obligations is due on July 1, 2021*. Thereafter, interest payments will be made semiannually on January 1 and July 1, until maturity. Interest is estimated at 4.00%.

(c) Parity Obligation Debt Service Coverage is computed using the audited Excise Taxes of \$116,584,865 for Fiscal Year 2019/20. See "EXCISE TAX RECEIPTS." The Fiscal Year 2019/20 Excise Taxes provide coverage of approximately 13.51x for the total annual debt service requirement in Fiscal Year 2021/22 and approximately 12.25x for the maximum annual debt service in Fiscal Year 2022/23 payable on the Existing Parity Obligations and the Obligations.

(d) Combined Debt Service Coverage is computed using the audited Excise Taxes of \$116,584,865 for Fiscal Year 2019/20. See "EXCISE TAX RECEIPTS." The Fiscal Year 2019/20 Excise Taxes provide coverage of approximately 11.78x for the total annual debt service requirement in Fiscal Year 2021/22 and approximately 10.81x for the maximum annual debt service in Fiscal Year 2022/23 payable on the Existing Subordinate Obligations, the Existing Parity Obligations and the Obligations.

* Subject to change.

OBLIGATION HOLDERS' RISKS

The discussion herein of risks to the owners of the Obligations is not intended as dispositive, comprehensive or definitive, but rather is to summarize certain matters that could affect payment on the Obligations. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein.

Excise Taxes and Economic Conditions in the City and the State

The Obligations are payable from the Payments by the City to the Trustee pursuant to the Agreement and may be paid, at the option of the City, from revenues from the water and wastewater utility system of the City 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.

Legislative Ability to Eliminate or Reduce State-Shared Sales Taxes and Income Taxes

The State has shared transaction privilege tax receipts with Arizona cities and towns continuously since 1942 and shared income tax receipts continuously since 1972. However, the State Legislature may eliminate State-shared sales and income taxes and any other State-shared revenues, may change the amount and timing of State-shared sales and income taxes and any other State-shared revenues and is under no legal obligation to maintain the amount of State-shared sales and income taxes or any other State-shared revenues distributed to the City at any amount or level. Accordingly, the City is unable to maintain its State-shared sales and income taxes at any particular level for payment of the Obligations and other outstanding obligations. See "SECURITY AND SOURCES OF PAYMENT– Covenant to Maintain Debt Service Coverage" regarding the City's covenants to maintain overall Excise Tax receipts at certain levels.

From time to time, bills are introduced in the Arizona Legislature to make changes to the formulas used to allot State-shared sales taxes and State revenue sharing or other potential changes, such as those described in the following paragraph. The possibility of changes in this regard 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 the revenues that comprise the Excise Taxes. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law that repeal or modify State sales taxes and State income taxes (the major sources 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.

Legislative Changes Regarding State-Shared Revenues

Beginning Fiscal Year 2017/18, State-shared revenues were re-allocated annually using the most recent population estimates of the U.S. Census Bureau. Previously, these revenues were allocated either using a mid-decade or decade census. This new approach provides a more timely allocation of State-shared Revenues.

Legislation currently in effect ("SB 1487"), permits to the State to withhold certain State-shared revenues from a city, town or county (a "Local Jurisdiction") if such Local Jurisdiction has passed an ordinance, regulation or other official action (a "Local Enactment") that violates State law or the State constitution, in the determination of the State Attorney General. Under SB 1487, any member of the State Legislature may ask the State Attorney General to investigate a Local Enactment. On being notified of a determination by the State Attorney General, the Local Jurisdiction will have 30 days to resolve the violation as determined by the State Attorney General, or if not, the State Attorney General is required to notify the State Treasurer to withhold State-shared sales taxes and State-shared income taxes from such Local Jurisdiction until the State Attorney General determines that no violation of State law exists. In withholding any such distributions of such State-shared revenues, the State Treasurer may not withhold any amount that the affected Local Jurisdiction certifies to the State Attorney General and the State Treasurer as being necessary to make any required deposits or payments for debt service on bonds or other long-term obligations of such Local Jurisdiction that were issued or incurred before committing the violation.

The City is not aware of any current or proposed Local Enactment of the City that would potentially violate State law. If the City received a determination that an adopted Local Enactment violated State law in the determination of the State Attorney General, the City expects it would take whatever actions may be necessary to address the issue within the 30 day period permitted by SB 1487. Such actions would include notifying the State Attorney General and the State Treasurer of the amounts of State-shared income taxes necessary to make required deposits or debt service payments on

the City's long-term obligations secured by such funds or incurred before the violation occurred and which could not be withheld.

In January 2017, the Arizona Department of Revenue ("ADOR") became the single point of administration for licensing, filing and payment of all State, county and municipal transaction privilege taxes. ADOR maintains and administers a single online portal so that taxpayers can pay all State, county or municipal transaction privilege taxes online. The City began receiving remittances of transaction privilege taxes from ADOR in February 2017, and weekly thereafter.

The law allows ADOR, subject to statutory guidelines, to disclose confidential information related to transaction privilege taxes collected by the department from any jurisdiction to any county, city, or town official if it relates to a taxpayer who is subject to an ADOR audit. The law stipulates that taxpayers are subject to a single audit, eliminating possible subsequent or joint audits by cities and towns. The law also stipulates a variety of requirements for the audit, most of which generally require ADOR's active involvement. The law has not had a significant impact on the administration, collection or enforcement of the City's transaction privilege taxes or amounts to be collected therefrom.

Legislative Changes Regarding Certain Limitations on the Taxation of Services

Certain limitations exist on the City's ability to levy or increase City transaction privilege (sales) tax on certain business activities. Proposition 126, approved by Arizona voters at the November 6, 2018, general election, added Article IX, Section 25 to the Arizona Constitution, which now provides: "The state, any county, city, town, municipal corporation, or other political subdivision of the state ... shall not impose or increase any sales tax, transaction privilege tax, luxury tax, excise tax, use tax, or any other transaction-based tax, fee, stamp requirement or assessment on ... any service performed in this state." Article IX, Section 25's prohibition on the taxation of services applies only to a tax or tax increase imposed after December 31, 2017. Because Proposition 126 does not define "service," the scope of the Article IX, Section 25 prohibition on the taxation of services is uncertain and remains subject to legislative and judicial interpretation.

Risks Related to COVID-19 (Coronavirus)

The outbreak of a novel strain of coronavirus and spread of Coronavirus Disease 2019 ("COVID-19"), which has been designated a global pandemic by the World Health Organization, is negatively impacting local, state and global economies, as governments, businesses, and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock markets in the United States and globally, have seen significant recent volatility and declines attributed to COVID-19 concerns. On March 11, 2020, as part of the State's response to address the outbreak, Arizona Governor, Doug Ducey (the "Governor"), declared a state of emergency. On March 13, 2020, President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. Following the expiration on May 15, 2020, of a six week stay home Executive Order, the State currently operates under the "Stay Healthy, Return Smarter, Return Stronger" Executive Order (the "Stay Healthy Order") (subject to further directives included in subsequent orders including those described below). The Stay Healthy Order promotes physical distancing, while encouraging social connectedness and allows businesses to open in compliance with federal guidelines as the State continues to attempt to limit the spread of COVID-19. Additionally, the Stay Healthy Order encourages vulnerable individuals to minimize their time away from home. On June 17, 2020, the Governor announced enhanced actions and issued an Executive Order 2020-40 (Continuing Arizona Mitigation Efforts) regarding testing, contact tracing, securing personal protective equipment (PPE), permitting local jurisdictions to adopt face covering policies and additional guidance for businesses.

On June 29, 2020, additional executive orders by the Governor provided limitations on large gatherings; pausing until July 27, 2020, the operations of bars, gyms, movie theatres, water parks, and tubing rentals; and delaying the start of in-person K-12 education until August 17, 2020. On July 9, 2020, Executive Order 2020-47 (Limiting Indoor Dining), further limited indoor dining at restaurants to less than 50% occupancy and Executive Order 2020-48 (Slowing the Spread of COVID-19) enhanced reporting requirements of COVID-19 patients and other data in hospitals, nursing homes, long-term care facilities and other medical facilities, ensuring hospital bed capacity and appropriate hospital staffing, and extended insurance coverage for COVID-19 treatment. As of July 23, 2020, the order pausing operations of the previously-specified activities has been extended, subject to a rolling two week review. While this order continues in effect, impacted business are allowed to apply for reopening with the State Department of Health Services as further described below.

On August 10, 2020, the State announced a rating system that allows businesses to partially reopen in counties where the spread of COVID-19 is deemed “moderate” or “minimal.” Businesses in counties rated “substantial” may apply to the State Department of Health Services to reopen. Businesses in counties rated “moderate” are not required to apply to reopen; provided, however, that businesses must still complete a filing with the State Department of Health Services declaring that the business will comply with rules set by the State Department of Health Services for operating in the pandemic. The rules determined by the State Department of Health Services vary depending on the type of business. Once a business completes this filing with the State Department of Health Services, it may reopen without further approval from the State, but may be subject to closure or other enforcement if found to be violating the rules set by the State Department of Health Services. In accordance with the State Department of Health Services Emergency Measure 2020-02 (Slowing the Spread of COVID-19: Phased Reopening), the State Department of Health Services bases the rating of each county on benchmarks reporting the (i) number of new cases per 100,000 residents, (ii) testing percent positivity, and (iii) percent of COVID-like illness. If the benchmarks increase from a lower category to a higher category for 14 consecutive days, businesses are required to comply with rules applicable to the higher category.

Potential Impact on the City. While the City does not currently anticipate a material effect on the collection of Excise Taxes, which is the security and source of payment of principal and interest due on the Obligations, should adverse economic conditions lead to a significant decrease in local business activity or tourism in the City, Excise Tax collections within the City could be adversely affected.

The City cannot predict how the spread of COVID-19, the Stay Healthy Order, or the various governmental or private actions taken in response thereto will affect its finances or operations, including the collection of Excise Taxes. The City cannot predict (i) the duration or extent of the COVID-19 pandemic; (ii) what effect the COVID-19 pandemic will continue to have on global, national, and local economies; (iii) the impact the COVID-19 pandemic will have on the property within the City, or (iv) what federal, state and local relief, if any, may become available in addition to the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by the United States Congress on March 26, 2020. There can be no assurance that COVID-19 will not have a materially negative impact on the collection of Excise Taxes for the payment of principal of and interest on the Obligations, or a materially negative impact on the Excise Tax generating activities in the City.

RATINGS

Moody’s Investors Service Inc. (“Moody’s”) and S&P Financial Service LLC (“S&P”) have assigned ratings of “__” and “__”, respectively, to the Obligations. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody’s at One Front Street, Suite 1900, San Francisco, California 94111, and S&P at One California Street, 31st Floor, San Francisco, California 94111. Such ratings may subsequently be revised downward or withdrawn entirely by Moody’s or S&P, if, in their respective judgment, circumstances so warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations. The City will covenant in its continuing disclosure certificate with respect to the Obligations that it will file notice of any formal change in the ratings relating to the Obligations. See “CONTINUING SECONDARY MARKET DISCLOSURE” below.

LITIGATION

To the knowledge of 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, sale or delivery of the Obligations 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 Obligations.

LEGAL MATTERS

The Obligations are sold with the understanding that the City will furnish the Underwriter (as defined herein) with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona (“Special Counsel”) addressing legal matters relating to the validity of the Obligations under Arizona law, and with regard to the status of the interest income on the Obligations for Arizona income tax purposes (see “TAX MATTERS”). The signed legal opinion of Special Counsel, dated and premised on the law in effect only as of the date of original delivery of the Obligations, will be delivered to the City at the time of original issuance.

The proposed form of the legal opinion is set forth as APPENDIX E. The legal opinion to be delivered may vary from the text of APPENDIX E if necessary to reflect the facts and law on the date of delivery. Special Counsel is to render its opinion, which will speak only as of its date, upon the validity and enforceability of the Obligations under Arizona law and of the exemption of the interest income on the Obligations from Arizona income taxes. (See “TAX MATTERS” herein.) The opinion will speak only as of their date and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to Obligations subsequent to the original delivery of the Obligations.

Special Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings “THE OBLIGATIONS,” “SECURITY AND SOURCES OF PAYMENT,” “PLAN OF REFUNDING,” “TAX MATTERS,” “CONTINUING SECONDARY MARKET DISCLOSURE” (except as it relates to the City’s compliance with prior continuing disclosure certificates), “RELATIONSHIP AMONG PARTIES” (but only as it applies to Special Counsel), and in APPENDICES E, F and H but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Special Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

The various legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the performance of parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction. Payment of the fees of Special Counsel, the Underwriter, the Financial Advisor (as defined herein), and counsel to the Underwriter are contingent on the execution and delivery of the Obligations.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona, counsel to the Underwriter.

TAX MATTERS

In the opinion of Special Counsel, interest income on the Obligations is exempt from Arizona income taxes. Additionally, in the opinion of Special Counsel, interest income on the Obligations will be included in the gross income of the Beneficial Owners, therefore subject to federal income tax. Special Counsel expresses no opinion as to any other tax consequences regarding the Obligations. INTEREST ON THE OBLIGATIONS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. THE LEGAL DEFEASANCE OF THE OBLIGATIONS MAY RESULT IN A DEEMED SALE OR EXCHANGE OF THE OBLIGATIONS UNDER CERTAIN CIRCUMSTANCES, AND OWNERS OF THE OBLIGATIONS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF OBLIGATIONS.

The following discussion is generally limited to “U.S. owners,” meaning Beneficial Owners of Obligations that for United States federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), and certain estates or trusts with specific connections to the United States. Partnerships holding Obligations, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Obligations (including their status as U.S. owners).

Original Issue Discount of Obligations

The initial public offering price of the Obligations maturing July 1, 20__ through and including July 1, 20__ (collectively, the “Taxable Discount Obligations”), are less than the respective amounts payable at maturity. As a result, the Taxable Discount Obligations will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Taxable Discount Obligations was sold (the “Taxable OID Issue Price”)) of the Taxable Discount Obligations, and the amount payable at maturity of the Taxable Discount Obligations will be treated as “original issue discount.” With respect to a Beneficial Owner who purchases a Taxable Discount Obligation in the initial public offering at the Taxable OID Issue Price and who holds the Taxable Discount Obligation to maturity, the full amount of original issue discount will constitute interest income which is includible in the gross income of the Beneficial Owner of the Taxable Discount Obligation for federal

income tax purposes, but not for Arizona income tax purposes, and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Taxable Discount Obligation at maturity.

The original issue discount on each of the Taxable Discount Obligations is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Taxable Discount Obligation on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner's tax basis for the Taxable Discount Obligation. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Taxable Discount Obligation. An initial Beneficial Owner of a Taxable Discount Obligation who disposes of the Taxable Discount Obligation prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Taxable Discount Obligation prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Taxable Discount Obligations. Beneficial Owners who do not purchase the Taxable Discount Obligations in the initial offering at the Taxable OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Taxable Discount Obligations.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Taxable Discount Obligation may result in certain collateral federal income tax consequences.

Beneficial Owners of Taxable Discount Obligations in states other than Arizona should consult their own tax advisors with respect to the state and local tax consequences of owning Taxable Discount Obligations.

Obligations Purchased at a Premium

The initial public offering price of the Obligations maturing on July 1, 20__ through and including July 1, 20__ (collectively, the "Taxable Premium Obligations") are greater than the amount payable on such Taxable Premium Obligations at maturity. An amount equal to the difference between the initial public offering price of a Taxable Premium Obligation (assuming that a substantial amount of the Taxable Premium Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Taxable Premium Obligations. The basis for federal income tax purposes of a Taxable Premium Obligation in the hands of such initial Beneficial Owner may be reduced each year by the amortizable obligation premium, if elected by such Beneficial Owner. If elected, the amount of amortizable obligation premium also will be treated as a federal income tax deduction. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Taxable Premium Obligation. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Taxable Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable obligation premium with respect to the Taxable Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning Taxable Premium Obligations.

Disposition of Obligations

A Beneficial Owner of Obligations will generally recognize gain or loss on the redemption, sale or exchange of an Obligation equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the Beneficial Owner's adjusted tax basis in the Obligations. Generally, the Beneficial Owner's adjusted tax basis in the Obligations will be the Beneficial Owner's initial cost, increased by the original issue discount previously included in the Beneficial Owner's income to the date of disposition and decreased by any amortized bond premium. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the Beneficial Owner's holding period for the Obligations.

Defeasance

Persons considering the purchase of an Obligation should be aware that a defeasance of an Obligation by the City could result in the realization of gain or loss by the Beneficial Owner of the Obligation for federal income tax purposes, without

any corresponding receipts of moneys by the Beneficial Owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange.

Information Reporting and Backup Withholding

General information reporting requirements will apply to payments of principal and interest made on an Obligation and the proceeds of the sale of an Obligation to non-corporate holders of the Obligations, and “backup withholding” at a rate of twenty-four percent (24%) will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A Beneficial Owner of an Obligation that is a U.S. owner generally can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Non-U.S. Owners

Holders who are not United States persons as defined for federal tax purposes may be subject to special rules and should consult their tax advisors.

Circular 230

THE FOREGOING DISCUSSION IN “TAX MATTERS” WAS NOT INTENDED OR WRITTEN BY SPECIAL COUNSEL TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF AN OBLIGATION. EACH PROSPECTIVE PURCHASER OF THE OBLIGATIONS SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE PURCHASER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has agreed to purchase the Obligations at an aggregate purchase price of \$_____, pursuant to an obligation purchase contract entered into by and between the City and the Underwriter. If the Obligations are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$_____. The Underwriter’s obligations are subject to certain conditions precedent, and the Underwriter is obligated to purchase all of the Obligations so offered if any Obligations are purchased. The Underwriter may offer and sell the Obligations to certain dealers (including dealers depositing Obligations into unit investment trusts) and others at prices lower or yields higher than the public offering prices stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed from time to time by the Underwriter.

CONTINUING SECONDARY MARKET DISCLOSURE

The City 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, 2022 (the “Annual Reports”), and to provide notices of the occurrence of certain listed events (the “Notices”). Such covenants will be made in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The Annual Reports, Notices and other information required to be filed by such covenants will be filed by the City with the MSRB, currently through EMMA as described in APPENDIX F – “Form of Continuing Disclosure Certificate.” The form of the undertaking that describes the content of the Annual Reports and the Notices and the method of their dissemination is included as APPENDIX F hereto. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Pursuant to Arizona law, the ability of the City to comply with such covenants is subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants. Should the City not comply with such covenants due to a failure to appropriate for such purpose, the City has covenanted to provide notice of such fact. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Obligations and specifically their market price and transferability.

The City failed to timely file certain operating data in its Annual Report for Fiscal Year 2015/2016. Such missing operating data were later filed in March 2016 and October 2017. The City failed to provide notice of a defeasance with respect to one prior issue in connection with a refunding of two series of bonds. Until May 1, 2018, the operating data with respect to the fiscal year ended June 30, 2017, was not associated with certain of the nine-digit CUSIP numbers for the City’s previously-issued bonds. The City did not timely file event filings for rating upgrades for certain previously-issued bonds that occurred in 2017, 2018 and 2019. The City has established procedures to facilitate timely and complete filing of its Annual Reports and Notices as required by the Rule.

RELATIONSHIP AMONG PARTIES

Special Counsel has previously represented the Financial Advisor and the Underwriter with respect to other financings and has acted or is acting as bond counsel in other transactions involving the Financial Advisor and the Underwriter and will continue to do so in the future if requested. Special Counsel also serves as bond counsel for political jurisdictions whose boundaries include all or part of the City. Additionally, Special Counsel serves as special counsel to the City on various legal matters. Counsel to the Underwriter has represented, or is currently representing, the Financial Advisor and the Underwriter with respect to other financings and will continue to do so in the future if requested. Counsel to the Underwriter also acts as bond counsel for other financings underwritten by the Underwriter and the Financial Advisor.

FINANCIAL ADVISOR

Fee for services rendered by Hilltop Securities Inc. (the “Financial Advisor”) with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. The Financial Advisor has not verified, and does not assume any responsibility for, the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

FINANCIAL STATEMENTS

The audited financial statements of the City for the fiscal year ended June 30, 2020, a copy of which is included in APPENDIX C of this Official Statement, have been audited by HintonBurdick, PLLC, certified public accountants, to the extent and for the period indicated in their report thereon. The City is not aware of any facts that would make such audited financial statements misleading. The audited financial statements are for the fiscal year ending June 30, 2020, and are not current. The City neither requested nor obtained the consent of HintonBurdick, PLLC to include the report, and HintonBurdick, PLLC, has performed no procedures subsequent to rendering its opinion on the financial statements.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statements have been or will be realized. Information set forth in this Official Statement has been derived from the records of the City and from certain other sources, as referenced, and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as a part of a contract with the original purchasers or subsequent owners of the Obligations.

This Official Statement has been prepared at the direction of the City and executed for and on behalf of the City by its Finance Director.

CITY OF GOODYEAR, ARIZONA

By: _____
Finance Director

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CITY OF GOODYEAR, ARIZONA
General Economic and Demographic Information

General

The City (also referred to herein as “Goodyear”), which incorporated in 1946, is a suburban community that lies approximately 17 miles southwest of metro Phoenix. The City was founded in 1916 by the Goodyear Tire & Rubber Company for the farming of cotton. Later, a naval air station was established in Goodyear and a subsidiary, Goodyear Aircraft (now Lockheed Martin), began manufacturing flight decks for Navy sea planes. The City has grown from a one-industry, agricultural-based community into a diversified manufacturing and service center for the far west valley area.

The City annexed 67 square miles south of its former southern boundary, which annexation expanded the City to approximately 190 square miles. The annexed area is expected to be primarily utilized in future years for residential land uses.

TABLE A-1**Population Statistics**

Year	City of Goodyear	Maricopa County	State of Arizona
2020 Estimate (a)	92,865	4,439,220	7,294,587
2010 Census	65,275	3,817,117	6,392,017
2000 Census	18,911	3,072,149	5,130,632
1990 Census	6,258	2,122,101	3,665,339

(a) Estimate as of July 1, 2020 (published December 2020).

Source: Arizona Office of Economic Opportunity, and U.S. Census Bureau.

Municipal Government Organization and Services

The City’s charter government provides for six Council Members and a Mayor elected at large. A Vice Mayor is elected by the Mayor and Council Members. Council Members serve four-year staggered terms and the Mayor serves a four-year term. The Mayor is limited to two four-year terms and Council Members are limited to three four-year terms. The City Manager, who is appointed by the City Council, is responsible for the overall operation and supervision of all governmental functions. The operations of City government are provided by a staff of approximately 644 employees.

The City, along with other private utilities, provides refuse collection and public safety (police and fire) to its residents. The City and Liberty Water Company provide water and sewer service to a majority of the City’s residents. Electricity is provided by Arizona Public Service Company, and natural gas is supplied by Southwest Gas Corporation.

The following are certain members of the administrative staff of the City:

Julie Arendall, City Manager. Julie Arendall was appointed City Manager in February 2018. Ms. Arendall has more than 18 years local government experience and is a Credentialed City Manager (ICMA-CM) through the International City Management Association. Prior to joining the City, Ms. Arendall served as a deputy city manager for the City of Peoria, Arizona. She joined that organization in 2012 as the human resources director after 12 years with Yavapai County, Arizona, first as human resources director, and in 2007, as county administrator. Ms. Arendall was an executive-level human resources professional in the private sector before transitioning to local government. Ms. Arendall earned a Master’s degree in public administration from Grand Canyon University and a Bachelor’s degree in business management from Arizona State University. She was honored to attend the Senior Executives in Local Government Program at JFK School of Government at Harvard University, is a Certified Public Manager through Arizona State University and is a Senior Professional in Human Resources (SPHR) through the Society for Human Resources Management.

Doug Sandstrom, Finance Director. Mr. Sandstrom was appointed Finance Director in May 2016. Mr. Sandstrom previously served as the Finance Director for the City of Casa Grande, Arizona from 2013 to 2016, Administrative Services Director for the City of Show Low, Arizona from 2010 to 2013 and in various capacities for the City of Surprise, Arizona from 1999 to 2009, including Budget/Grant Analyst, Budget Manager, Management & Budget Director and Assistant City Manager. Mr. Sandstrom has also served as Finance Director for the Town of Gila Bend, Arizona and as a Financial Analyst for the City of Rockford, Illinois. Mr. Sandstrom holds a Master’s degree in public administration from the University of Wisconsin-Milwaukee and a Bachelor’s degree in political science/economics from St. Cloud State University in Minnesota.

Economy

Historically agriculture was a major contributor to the City’s economic base. Agriculture still plays a role in the City’s economy, however, it no longer dominates the area’s economy. Today much of the City’s economy centers around the aerospace industry and retail services. Arizona’s Airline Training Center and Lockheed Martin are located on the Phoenix-Goodyear Airport Campus. Industrial, commercial and residential developments have also become a significant part of the economy.

Goodyear Ballpark is the spring training and player development home of both of Ohio’s Major League Baseball teams – the Cleveland Indians* and the Cincinnati Reds. The Cleveland Indians* started spring training in the City in 2009; the Cincinnati Reds started spring training in the City in 2010. Each team has a year-round presence in Arizona, through Spring Training, extended Spring Training, Rookie League, Fall Instructional League and rehabilitation of injured players at their training complexes. The teams’ Development Complexes each include a 42,000 square foot clubhouse, six full-size practice fields, two infields, batting cages, pitching mounds, hitting tunnels and observation towers. Both teams have made Arizona their second home, and are actively engaged in the City and surrounding communities, participating in charity activities, youth sports programs and other events.

TABLE A-2 (a)

Unemployment Rate Averages

Year	City of Goodyear	Maricopa County	State of Arizona	United States
2020 (b)	7.2%	7.3%	7.9%	8.1%
2019	4.3	4.0	4.7	3.7
2018	4.2	4.1	4.7	3.9
2017	4.3	4.2	4.9	4.4
2016	4.8	4.6	5.4	4.9

(a) This table includes restated data: Local Area Unemployment Statistics (“LAUS”) program data is intermittently revised to incorporate new population controls, updated inputs, re-estimation of models, and adjustment to new census division and national control totals.

(b) Data is not seasonally adjusted, is preliminary and is an average through December 2020 for the National Unemployment rate and through November 2020 for LAUS data. Data accessed January 13, 2021.

Source: *Local Area Unemployment Statistics* and *National Labor Force Statistics*, U.S. Department of Labor, Bureau of Labor Statistics.

* The Cleveland Indians have announced an anticipated team name change after the 2021 season.

A list of major employers with respect to the City is set forth in the following table.

TABLE A-3

**Major Employers
City of Goodyear, Arizona**

Employer	Product/Service	Approximate Employment
United Parcel Service	Transportation & Distribution	1,860
Chewy	Transportation & Distribution	1,200
Abrazo Healthcare	Health Care	1,010
Macys	Transportation & Distribution	1,010
Amazon	Retail	980
State of Arizona	Government	840
Western Regional Medical Center	Health Care	770
City of Goodyear	Government	681 (a)
Subzero Freezer Co	Consumer Goods Manufacturing	590
Walmart	Retail	360
Mclane Sunwest	Transportation & Distribution	350
Recreational Equipment Inc	Transportation & Distribution	330

(a) City estimated employment as provided in the in the City of Goodyear Fiscal Year 2019/20 CAFR.

Source: 2020 Maricopa Association of Governments Employer Database, employers with five or more employees, and the City's Economic Development Office. Accessed January 13, 2021.

Construction

The following charts illustrate a building permit summary for residential and non-residential construction and new housing starts for the City.

TABLE A-4

**Value of Building Permits
City of Goodyear, Arizona
(\$000s omitted)**

Fiscal Year	Residential	Commercial and Industrial	Total
2020/21 (a)	\$348,604	\$170,147	\$ 518,751
2019/20	465,608	758,832	1,224,440
2018/19	284,955	250,906	535,861
2017/18	366,500	208,056	574,556
2016/17	307,380	111,939	419,319

(a) Partial fiscal year data from July 2020 through January 2021.

Source: The City. Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

TABLE A-5

**New Housing Starts
City of Goodyear, Arizona**

<u>Fiscal Year</u>	<u>Total New Housing Starts</u>
2020/21 (a)	1,098
2019/20	1,490
2018/19	1,230
2017/18	1,292
2016/17	1,068

(a) Partial fiscal year data from July 2020 through January 2021.

Source: The City. The date of new housing starts is the date on which the permit is issued and is not to be construed as the date of construction.

Transportation

The City is readily accessible via ground and air transportation. Highway access is provided by County Highway 85, State Route 303 and Interstate 10. Other freeways, including State Route 101, Interstate 17 and Interstate 8 are readily accessible to the City. The City is approximately 25 miles from Phoenix Sky Harbor International Airport, which offers service from major airlines, commuter airlines and charter companies. The Phoenix-Goodyear Airport, located within the City, is classified as a reliever airport to Phoenix Sky Harbor International Airport. The airport has an 8,500-foot lighted and paved runway and offers various airport-related facilities. The City is also served by the major bus companies and rail service is provided by the Union Pacific Railroad.

Education

Elementary and secondary education is provided to residents of the City by Mobile Elementary School District, Avondale Elementary School District, Liberty Elementary School District, Litchfield Elementary School District, Littleton Elementary School District, Buckeye Union High School District, Tolleson Union High School District and Agua Fria Union High School District. Post-secondary education is provided by the Maricopa County Community College District, which provides two-year and professional degrees through a number of facilities located throughout the County and the greater Phoenix metropolitan area, including the campus of Estrella Mountain Community College located in the neighboring City of Avondale. Four-year degrees are attainable through Arizona State University located in Phoenix, Glendale, Mesa and Tempe, Grand Canyon University located in Phoenix and other universities located in the greater Phoenix metropolitan area which offer flexible class schedules to the working individuals of the County. Franklin Pierce University located in Goodyear offers doctorate programs through its College of Graduate and Professional Studies.

CITY OF GOODYEAR, ARIZONA
Financial Data

TABLE B-1

Current Year Statistics (For Fiscal Year 2020/21)
City of Goodyear, Arizona

Total General Obligation Bonds Outstanding and to Be Outstanding	\$ 145,790,000	*(a)
Total Senior Lien and Subordinate Lien Water and Sewer Revenue Obligations Outstanding	143,992,194	(b)
Total Excise Tax Obligations Outstanding and to Be Outstanding	91,650,000	*(c)
Total Annual Appropriation Obligations Outstanding	2,762,278	(d)
Total Improvement District Bonds Outstanding	28,050,000	(e)
Net Assessed Limited Property Value	1,026,917,731	(f)
Net Full Cash Assessed Value	1,360,568,112	(g)
Estimated Net Full Cash Value	11,595,565,044	(h)
Estimated Net Assessed Limited Property Value (For Fiscal Year 2021/22)	\$1,170,620,728	(i)

-
- (a) See “Statements of Bonds Outstanding – General Obligation Bonds Outstanding and to Be Outstanding” in this appendix. Such amount is subject to change as described in footnote (a) of TABLE B-2.
- (b) See “Statements of Bonds Outstanding – Water and Sewer Revenue Obligations Outstanding” in this appendix.
- (c) See “Statements of Bonds Outstanding – Excise Tax Obligations Outstanding and to Be Outstanding” in this appendix.
- (d) See “Statements of Bonds Outstanding – Annual Appropriation Obligations Outstanding” in this appendix.
- (e) See “Statements of Bonds Outstanding – Improvement District Bonds Outstanding” in this appendix.
- (f) Net Assessed Limited Property Value is determined by excluding the value of property exempt from taxation from the assessed limited property value (a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes) of residential, agricultural and traditional commercial and industrial property and from the assessed full cash assessed value (statutorily defined to mean “the value determined as prescribed by statute” or if a statutory method is not prescribed it is “synonymous with market value, which means the estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach) of property valued by the Arizona Department of Revenue, generally large mine and utility entities, and combining the resulting two amounts.
- (g) Net Full Cash Assessed Value is determined by excluding the value of property exempt from taxation from the assessed full cash value of residential, agricultural and traditional commercial and industrial property and property valued by the Arizona Department of Revenue, generally large mine and utility entities, and combining the resulting two amounts.
- (h) Estimated net full cash value is the total market value of the property less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes (“Estimated Net Full Cash Value”).
- (i) Estimated valuations for Fiscal Year 2021/22 provided by the Arizona Department of Revenue. Valuations for Fiscal Year 2021/22 are not official until approved by the Board of Supervisors of the County on the third Monday in August for the following fiscal year. Although the final official valuations are not expected to differ materially

* Subject to change.

from the estimated valuations, they are subject to positive or negative adjustments until approved by the Board of Supervisors of the County.

Source: *State and County 2020 Abstract of the Assessment Roll*, Arizona Department of Revenue and *Maricopa County 2020 Tax Levy*, County Department of Finance.

Statements of Bonds Outstanding

TABLE B-2

General Obligation Bonds Outstanding and to Be Outstanding City of Goodyear, Arizona

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding
2016	Refunding	54,975,000	7-1-17/37	\$ 44,355,000
2017	Various Purpose	25,015,000	7-1-18/37	19,850,000
2019	Various Purpose	26,960,000	7-1-20/38	25,305,000
2019	Refunding	4,225,000	7-1-19/29	4,105,000
2020	Refunding	9,250,000	7-1-20/30	8,990,000
Total General Obligation Bonds Outstanding				\$102,605,000
Plus the 2021 General Obligation Bonds				43,185,000 * (a)
Total General Obligation Bonds to Be Outstanding				<u>\$145,790,000 *</u>

(a) The City expects to offer the 2021 General Obligation Bonds concurrently with the Obligations, pursuant to a separate official statement.

TABLE B-3

Water and Sewer Revenue Obligations Outstanding City of Goodyear, Arizona

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding
<i>Senior Lien Bonds</i>				
2009	Refunding	\$ 325,000	7-1-49	\$ 325,000
2009	WIFA Loan (a)	5,716,315	7-1-10/29	2,772,194
<i>Subordinate Lien Obligations</i>				
2016	Subordinate Lien Obligations and Refunding	11,540,000	7-1-17/45	7,545,000
2020	Subordinate Lien Obligations	77,530,000	7-1-21/49	77,530,000
2020	Subordinate Lien Obligations	30,950,000	7-1-30/49	30,950,000
2020	Refunding	12,290,000	7-1-20/39	11,975,000
2020	Refunding	13,540,000	7-1-20/41	12,895,000
Total Water and Sewer Revenue Obligations Outstanding				<u>\$143,992,194</u>

(a) Represents the City's 2009 financial obligations to the Arizona Water Infrastructure Finance Authority ("WIFA").

* Subject to change.

TABLE B-4

**Excise Tax Obligations Outstanding and to Be Outstanding
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding	
Public Improvement Corporation Obligations (a)					
<i>Excise Tax – Secured Obligations (b)</i>					
2011A	PIC Refunding	\$25,295,000	7-1-14/27	\$23,770,000	
2016A	PIC Refunding	40,530,000	7-1-19/32	34,480,000	
2016B	PIC Refunding	31,165,000	7-1-17/31	23,855,000	
Total Excise Tax – Secured Obligations				\$82,105,000	
Less Bonds Being Refunded				(23,770,000)	*
Total PIC Excise Tax – Secured Obligations Outstanding and to be Outstanding				\$58,335,000	*
<i>Subordinate-Lien Excise Tax – Secured Obligations (c)</i>					
2017	PIC, Taxable	\$10,645,000	7-1-27	\$ 7,825,000	
Total PIC Subordinate Lien Excise Tax Secured Obligations				\$ 7,825,000	
City of Goodyear Obligations					
The Obligations (b)		\$25,490,000	7-1-21/27	\$25,490,000	*
Total City Excise Tax Revenue Obligations Outstanding and to be Outstanding				\$25,490,000	*
Total Excise Tax Obligations Outstanding and to be Outstanding				\$91,650,000	*

(a) The City of Goodyear, Arizona Public Improvement Corporation (the “Public Improvement Corporation” or “PIC”).

(b) These obligations are secured by a first lien pledge of the Excise Taxes.

(c) These obligations are secured by a second lien pledge of the Excise Taxes.

TABLE B-5

**Annual Appropriation Obligations Outstanding
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding	
Public Improvement Corporation Obligations					
2012A	PIC, Tax Exempt	\$ 9,390,000	6-15-13/23	\$ 2,460,882	
2012B	PIC, Taxable	1,110,000	6-15-13/23	301,396	
Total Annual Appropriation Obligations Outstanding				\$2,762,278	*

TABLE B-6

**Improvement District Bonds Outstanding (a)
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding	
2018	Assessment Bond Refunding	\$34,870,000	1-1-19/31	\$28,050,000	
Total Improvement District Bonds Outstanding				\$28,050,000	

* Subject to change.

- (a) Improvement District bonded debt is payable from special assessments levied on the property benefited by the financed improvements. Such bonds are a contingent liability of the City to the extent of any delinquent assessments.

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED INDEBTEDNESS

The Arizona Constitution provides that the general obligation bonded indebtedness for a city for general municipal purposes may not exceed six percent of the Net Full Cash Assessed Value in that city. In addition, an incorporated city may become indebted in an amount not exceeding an additional twenty percent of the Net Full Cash Assessed Value of the city for supplying such city with water, artificial light, or sewers, when the works for supplying such water, light, or sewers are or shall be owned and controlled by the city, and for the acquisition and development by the city of land or interests therein for open space preserves, parks, playgrounds and recreational facilities, public safety, law enforcement, fire and emergency services facilities and streets and transportation facilities.

TABLE B-7

**Direct General Obligation Bonded Debt, Legal Limitation
And Unused General Obligation Bonding Capacity (a)
City of Goodyear, Arizona**

General Municipal Purpose Bonds	
Total 6% General Obligation Bonding Capacity	\$81,634,087
Less 6% Original Issue Premium	-
Less 6% General Obligation Bonds Outstanding	-
Net 6% General Obligation Bonding Capacity	<u>\$81,634,087</u>
Water, Light, Sewer, Open Space, Streets, Parks, Transportation and Public Safety Bonds	
Total 20% General Obligation Bonding Capacity	\$272,113,622
Less 20% Original Issue Premium (b)	(11,750,000)
Less 20% General Obligation Bonds to be Outstanding	(145,790,000) *
Net 20% General Obligation Bonding Capacity	<u>\$114,573,622</u>

- (a) General obligation bonding capacity is calculated using the City's Fiscal Year 2020/21 Net Full Cash Assessed Value of \$1,360,568,112. Capacity is reduced by applicable amount in connection with the issuance of the 2021 General Obligation Bonds.
- (b) \$1,895,000 of this amount is premium on previous refunding bonds and reduces the borrowing capacity, but not authorization, of the City under the Arizona Constitution. \$9,855,000* of this amount is premium on the 2021 General Obligation Bonds and reduces (i) the borrowing capacity of the City under the Arizona Constitution and (ii) the principal amount of general obligation bonds authorized at the elections May 17, 1988, March 8, 1994, September 12, 2000, and September 7, 2004. The City's borrowing capacity (but not authorization) will be recaptured as premium is amortized. The City plans to amortize such premium as shown in TABLE B-8.

* Subject to change.

TABLE B-8

**Original Issue Premium Amortization
General Obligation Bonds
City of Goodyear, Arizona**

Maturity	The 2021 General Obligation Bonds*	General Obligation Refunding Bonds, Series 2020	General Obligation Refunding Bonds, Series 2019	Combined
7/1/2021		\$ 85,000	\$ -	\$ 85,000
7/1/2022	\$ 570,000	90,000	-	660,000
7/1/2023	670,000	100,000	-	770,000
7/1/2024	260,000	105,000	-	365,000
7/1/2025	270,000	110,000	-	380,000
7/1/2026	285,000	115,000	-	400,000
7/1/2027	300,000	125,000	240,000	665,000
7/1/2028	315,000	130,000	250,000	695,000
7/1/2029	330,000	140,000	260,000	730,000
7/1/2030	345,000	145,000		490,000
7/1/2031	360,000			360,000
7/1/2032	380,000			380,000
7/1/2033	400,000			400,000
7/1/2034	420,000			420,000
7/1/2035	435,000			435,000
7/1/2036	455,000			455,000
7/1/2037	470,000			470,000
7/1/2038	490,000			490,000
7/1/2039	1,520,000			1,520,000
7/1/2040	1,580,000			1,580,000
Total	\$9,855,000	\$1,145,000	\$750,000	\$11,750,000

TABLE B-9

**Direct and Overlapping General Obligation Bonds
Outstanding and to be Outstanding
City of Goodyear, Arizona**

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion applicable to City of Goodyear (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	1.469%	None
Maricopa County	None	2.247	None
Maricopa County Community College District	\$250,065,000	2.247	\$ 5,618,561
Maricopa County Special Health Care District	429,125,000	2.241	9,617,119
Western Maricopa Education Center District No. 402	157,075,000	6.100	9,582,148
Avondale Elementary School District No. 44	33,510,000	84.294	28,246,996
Liberty Elementary School District No. 25	34,375,000	59.779	20,548,915
Litchfield Elementary School District No. 79	41,220,000	45.797	18,877,702
Littleton Elementary School District No. 65	24,975,000	0.019	4,726
Mobile Elementary School District No. 86	None	45.398	None
Agua Fria Union High School District No. 216	132,210,000	58.043	76,738,950
Buckeye Union High School District No. 201	72,010,000	22.365	16,105,162
Tolleson Union High School District No. 214	169,815,000	0.004	6,977
Centerra Community Facilities District	2,728,000	100.000	2,728,000
Goodyear Community Facilities General District No. 1	7,070,000	100.000	7,070,000
Goodyear Community Facilities Utilities District No. 1	30,080,000	100.000	30,080,000
Cortina Community Facilities District	1,625,000	100.000	1,625,000
Cottonflower Community Facilities District	1,530,000	100.000	1,530,000
Estrella Mountain Ranch Community Facilities District	11,200,000	100.000	11,200,000
Palm Valley Community Facilities District No. 3	4,980,000	100.000	4,980,000
Wildflower Ranch Community Facilities District No. 1	300,000	100.000	300,000
Wildflower Ranch Community Facilities District No. 2	545,000	100.000	545,000
City of Goodyear	145,790,000	100.000	145,790,000
Total Direct and Overlapping General Obligation Bonded Debt Outstanding and to Be Outstanding			<u>\$391,195,256</u> *(c)

(a) Proportion applicable to the City is computed on the ratio of Net Assessed Limited Property Value for Fiscal Year 2020/21 of the portion of the overlapping jurisdiction lying within the City divided by the total Net Assessed Limited Property Value of such jurisdiction. Total may not add due to rounding.

(b) Does not include presently authorized but unissued general obligation bonds of such jurisdictions that may be issued in the future nor amounts that may be authorized at future elections. Additional bonds may be authorized by voters within such jurisdictions pursuant to future elections.

Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of bonded debt payable from special assessments, as such debt is presently being paid from such special assessments against affected property owners residing within the various improvement districts.

Also does not include the obligation of the Central Arizona Water Conservation District (“CAWCD”) to the United States Department of the Interior (the “Department of the Interior”), for repayment of 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

* Subject to change.

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 Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Assessed Limited Property Value, of which 14 cents is currently being levied. (See A.R.S., 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 master 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.

- (c) Includes the 2021 General Obligation Bonds.

Source: The various entities.

TABLE B-10

**Direct and Overlapping General Obligation Bonds
Authorized but Unissued
City of Goodyear, Arizona**

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
Maricopa County Special Health Care District	\$304,000,000
Avondale Elementary School District No. 44	9,365,000
Liberty Elementary School District No. 25	26,750,000*
Litchfield Elementary School District No. 79	7,000,000
Littleton Elementary School District No. 65	14,000,000
Tolleson Union High School District No. 214	65,000,000
Centerra Community Facilities District	15,692,000
Goodyear Community Facilities General District No. 1	119,260,000
Goodyear Community Facilities Utilities District No. 1	111,760,000
Cortina Community Facilities District	845,000
Cottonflower Community Facilities District	415,000
Estrella Mountain Ranch Community Facilities District	181,895,000
Palm Valley Community Facilities District No. 3	116,460,000
Wildflower Ranch Community Facilities District No. 1	600,000
Wildflower Ranch Community Facilities District No. 2	510,000
City of Goodyear	62,641,616*

Source: The various entities.

* Subject to change.

Other Indebtedness
City of Goodyear, Arizona

The City currently has no other material indebtedness.

CITY EMPLOYEE RETIREMENT SYSTEM

All benefitted employees of the City are covered by one of three pension systems. The Arizona State Retirement System (“ASRS”) is for the benefit of the employees of the state and certain other governmental jurisdictions. All benefitted 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 (“PSPRS”) that is an agent multiple-employer defined benefit pension plan.

In addition, eligible employees are covered by other post employment benefit plans. All sworn fire and police personnel participate in the PSPRS that is an agent multiple-employer defined benefit health insurance premium benefit (“OPEB”) plan. Eligible City employees also participate in the City’s defined benefit medical plan OPEB plan. Eligible City employees covered by Arizona State Retirement System also participate in the ASRS OPEB plan.

At June 30, 2020, the City reported the following unfunded liabilities related to pensions and OPEB for all plans to which it contributes (in thousands):

TABLE B-11

Net Pension and OPEB Liabilities
City of Goodyear, Arizona

Plan	Governmental Activities	Business-Type Activities
ASRS	\$31,501,267	\$5,717,115
PSPRS-Fire	15,540,856	-
PSPRS-Police	20,376,991	-
Total	<u>\$67,419,114</u>	<u>\$5,717,115</u>

For a more detailed description of these plans and the City contributions to the various plans, please refer to Note 13 of the City’s Audited General Purpose Financial Statements for the Year Ended June 30, 2020, contained in APPENDIX C of this Official Statement.

CITY OF GOODYEAR, ARIZONA

**AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2020**

The following audited financial statements are for the fiscal year ended June 30, 2020, have been audited by HintonBurdick, PLLC, certified public accountants, to the extent and for the period indicated thereon. The City has neither requested nor obtained the consent of HintonBurdick, PLLC, to include its report and HintonBurdick, PLLC, has performed no procedures subsequent to sending its report on the audited financial statements.

These are the most recent audited financial statements available to the City. THESE AUDITED FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITIONS OF THE CITY.

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APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

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BOOK-ENTRY-ONLY SYSTEM

This information concerning DTC and DTC's book-entry system has been obtained from DTC and the City, the Underwriter and the Financial Advisor take no responsibility for the accuracy thereof. The Beneficial Owners (defined below) should confirm this information with DTC or the DTC participants.

DTC will act as securities depository for the Obligations. The Obligations will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligation certificate will be executed and delivered for each maturity of the Obligations, each in the aggregate principal amount of such maturity, 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" and, together with Direct Participants, "Participants"). DTC has a rating of "AA+" from Standard & Poor's. 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 Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the 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 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 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 Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity 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 the City 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 and principal and interest 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 the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered through its Participant to the Trustee, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interests in the Obligations, on DTC's records, to the Trustee. The requirement for physical delivery of Obligations in connection with an optional tender or 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 the 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 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.

NONE OF THE CITY, THE UNDERWRITER OR THE FINANCIAL ADVISOR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, TO DIRECT PARTICIPANTS, OR TO INDIRECT PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE OBLIGATIONS UNDER THE AUTHORIZING RESOLUTION OR THE TRUST AGREEMENT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST OR PAYMENT AMOUNT DUE WITH RESPECT TO THE OBLIGATIONS; (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE OBLIGATIONS; OR (5) ANY OTHER MATTERS.

APPENDIX E

FORM OF APPROVING LEGAL OPINION

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[Closing Date]

U.S. Bank National Association
Phoenix, Arizona

Ladies and Gentlemen:

We have examined the proceedings relating to the execution and delivery by U.S. Bank National Association (the "*Trustee*"), of \$25,490,000* aggregate principal amount of City of Goodyear, Arizona, Taxable Excise Tax Revenue Refunding Obligations, Series 2021 (the "*Obligations*") dated Closing Date], pursuant to a Trust Agreement dated as of ____ 1, 2021* (the "*Trust Agreement*"), between the Trustee and the City of Goodyear, Arizona (the "*City*"). Each of the Obligations evidence a proportionate, undivided interest in an Agreement dated as of ____ 1, 2021* (the "*Agreement*"), between the Trustee, as payee, and the City, including certain payments (the "*Payments*") and all other amounts due and payable by the City under the Agreement over the period from the date hereof to July 1, 2027*. In accordance with the Trust Agreement and the Agreement, the Trustee has contracted to facilitate the financing of the prepayment of certain lease payments payable by the City pursuant to the First Amendment to Lease-Purchase Agreement (2007), dated as of November 1, 2011, and the refunding of the outstanding portion of the City of Goodyear Municipal Property Corporation Excise Tax Revenue Refunding Bonds, Series 2011A, and to pay for the costs of the execution and delivery of the Obligations. The Payments under the Agreement are secured by certain excise tax revenues pledged by the City pursuant to the Agreement and the Trust Agreement. All of the right, title and interest of the Trustee, as payee pursuant to the Agreement, in and to the Agreement and the Payments are pledged in trust to the Trustee to secure the payment of principal of and interest on the Obligations. We have also examined a form of the Obligations.

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

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

2. The obligations of the City under the Agreement and the Obligations are payable from and are secured by a pledge of and lien on the Excise Taxes (as defined in the Agreement), as provided in the Agreement and the Trust Agreement. The Agreement and the Trust Agreement create the first lien on the Excise Taxes they purport to create. The rights of the Owners of the Obligations to payment from Excise Taxes shall be on a parity with the rights to payment from such Excise Taxes of the holders of the Existing Parity Obligations and any additional Parity Obligations (both as defined in the Trust Agreement). Additional obligations may be issued in the future on a parity with the Obligations with respect to the lien on Excise Taxes.

* Subject to change.

3. Interest income on the Obligations is subject to federal income taxes. We express no opinion regarding other federal tax consequences arising with respect to either the Agreement or the Obligations.

4. Under existing laws, regulations, rulings and judicial decisions, the portion of each Payment made by the City under the Agreement and denominated as and comprising interest pursuant to the Agreement and received by the owners of the Obligations is exempt from Arizona income taxes.

As to questions of fact material to our opinion, we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certificates, covenants and representations furnished to us without undertaking to verify the same by independent investigation.

GUST ROSENFELD P.L.C.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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\$25,490,000*
CITY OF GOODYEAR, ARIZONA
TAXABLE EXCISE TAX REVENUE REFUNDING OBLIGATIONS,
SERIES 2021

CONTINUING DISCLOSURE CERTIFICATE
(CUSIP Base No. _____)

This Continuing Disclosure Certificate (this “*Disclosure Certificate*”) is undertaken by the City of Goodyear, Arizona (the “*City*”) in connection with the execution and delivery of \$25,490,000* in aggregate principal amount of the City’s Taxable Excise Tax Revenue Refunding Obligations, Series 2021 (the “*Obligations*”). In consideration of the initial sale, execution and delivery of the Obligations, the City covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is for the benefit of the Obligation Holders (as defined herein) and in order to assist the Participating Underwriter (as defined herein) in complying with the Rule (as defined herein).

Section 2. Definitions. Any capitalized term used herein shall have the following meanings, unless otherwise defined herein:

“*Annual Report*” shall mean the annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Audited Financial Statements*” shall mean the City’s annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the City intends to continue to prepare in substantially the same form.

“*Dissemination Agent*” shall mean the City or any person designated in writing by the City as the Dissemination Agent.

“*EMMA*” shall mean the Electronic Municipal Market Access system of MSRB, or any successor thereto approved by the United States Securities and Exchange Commission, as a repository for municipal continuing disclosure information pursuant to the Rule.

“*Financial Obligation*” shall mean (i) a debt obligation; (ii) a 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), except that “*Financial Obligation*” does not include municipal securities as to which a final official statement has been provided to the MSRB.

“*Listed Events*” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“*Obligation Holder*” shall mean any registered owner or beneficial owner of the Obligations.

“*Official Statement*” shall mean the final official statement dated _____ 2021 relating to the Obligations.

“*Participating Underwriter*” shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with offering of the Obligations.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*Special Counsel*” shall mean Gust Rosenfeld P.L.C. or such other nationally recognized Special Counsel as may be selected by the City.

* Subject to change.

Section 3. Provision of Annual Reports.

(a) Commencing February 1, 2022, and by no later than February 1 of each year thereafter (the “*Filing Date*”), the City shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by the MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

(b) If the City is unable or for any reason fails to provide electronically to EMMA an Annual Report or any part thereof by the Filing Date required in subsection (a) above, the City shall in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit A not later than the Filing Date.

(c) If the City’s Audited Financial Statements are not submitted with the Annual Report and the City fails to provide to EMMA a copy of its Audited Financial Statements within 30 days of receipt thereof by the City, then the City shall, in a timely manner, send a notice to EMMA in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall:

(i) Determine the proper electronic filing address of EMMA each year prior to the date(s) for providing the Annual Report and Audited Financial Statements; and

(ii) If the Dissemination Agent is other than the City, file a report or reports with the City certifying that the Annual Report and Audited Financial Statements, if applicable, have been provided pursuant to this Disclosure Certificate, stating the date such information was provided and listing where it was provided.

Section 4. Content of Annual Reports.

(a) The Annual Report may be submitted as a single document or as separate documents comprising an electronic package, and may incorporate by reference other information as provided in this Section, including the Audited Financial Statements of the City; provided, however, that if the Audited Financial Statements of the City are not available at the time of the filing of the Annual Report, the City shall file unaudited financial statements of the City with the Annual Report and, when the Audited Financial Statements of the City are available, the same shall be submitted to EMMA within thirty (30) days of receipt thereof by the City.

(b) The City’s Annual Report shall contain or incorporate by reference the following:

(i) Type of Financial and Operating Data to be Provided:

(A) Subject to the provisions of Sections 3 and 4(a) hereof, Audited Financial Statements for the City.

(B) Annually updated financial information and operating data of the type contained in the following tables of the Official Statement:

- []

(C) In the event of an amendment pursuant to Section 8 hereof not previously described in an Annual Report, an explanation, in narrative form, of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided and, if the amendment is made to the accounting principles to be followed, a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles, including a qualitative discussion of the differences, and the impact on the presentation and, to the extent feasible, a quantitative comparison.

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles currently followed in the preparation of the City’s Audited Financial Statements is contained in Note 1 of the Audited Financial

Statements included within the Official Statement. Notice of amendment to the accounting principles shall be sent within thirty (30) days to EMMA.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section shall govern the giving of notices by the City, either directly or by directing the Dissemination Agent to do so, of the occurrence of any of the following events with respect to the Obligations. The City shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service (the “IRS”) of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;
- (vii) Modifications to rights of Obligation Holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Obligations, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) 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;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Obligation Holders, if material; and
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) “Materiality” will be determined in accordance with the applicable federal securities laws.

Note to Section 5(a)(xii): For the purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when 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.

Section 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Obligations. Such termination shall not terminate the obligation of the City to give notice of such defeasance or prior redemption.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate if:

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

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Obligations, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Obligation Holders, as determined by Special Counsel.

Section 9. Filing with EMMA. The City shall, or shall cause the Dissemination Agent to, electronically file all items required to be filed with EMMA.

Section 10. Additional Information. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Obligation Holder may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Obligations or the resolution authorizing the Obligations.

Section 12. Compliance by the City. The City hereby covenants to comply with the terms of this Disclosure Certificate. The City expressly acknowledges and agrees that compliance with the undertaking contained in this Disclosure Certificate is its sole responsibility and the responsibility of the Dissemination Agent, if any, and that such compliance, or monitoring thereof, is not the responsibility of, and no duty is present with respect thereto for, the Participating Underwriter, Special Counsel or the City's financial advisor.

Section 13. Subject to Appropriation. Pursuant to Arizona law, the City's undertaking to provide information under this Disclosure Certificate is subject to appropriation to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Should funds that would enable the City to provide the information required to be disclosed hereunder not be appropriated, then notice of such fact shall, in a timely manner, be sent to EMMA in substantially the form attached as *Exhibit C*.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Obligation Holders, and shall create no rights in any other person or entity.

Section 15. Governing Law. This Disclosure Certificate shall be governed by the law of the State of Arizona and any action to enforce this Disclosure Certificate must be brought in an Arizona state court. The terms and provisions of this Disclosure Certificate shall be interpreted in a manner consistent with the interpretation of such terms and provisions under the Rule and the federal securities law.

[Signature Page to Follow]

Date: [Closing Date].

CITY OF GOODYEAR, ARIZONA

By _____
Finance Director

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Goodyear, Arizona
Name of Issue: \$25,490,000* Taxable Excise Tax Revenue Refunding Obligations, Series 2021
Dated Date of Obligations: [Closing Date] Base CUSIP: _____

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Obligations as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 2021. The City anticipates that the Annual Report for fiscal year ended June 30, _____ will be filed by _____.

Dated: _____

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

EXHIBIT B

NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS

Name of Issuer: City of Goodyear, Arizona
Name of Issue: \$25,490,000* Taxable Excise Tax Revenue Refunding Obligations, Series 2021
Dated Date of Obligations: [Closing Date] Base CUSIP: _____

NOTICE IS HEREBY GIVEN that the City failed to provide its audited financial statements with its Annual Report or, if not available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated _____, 2021 with respect to the above-named Obligations. The City anticipates that the audited financial statements for the fiscal year ended June 30, _____ will be filed by _____.

Dated: _____

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

EXHIBIT C

NOTICE OF FAILURE TO APPROPRIATE FUNDS

Name of Issuer: City of Goodyear, Arizona
Name of Issue: \$25,490,000* Taxable Excise Tax Revenue Refunding Obligations, Series 2021
Dated Date of Obligations: [Closing Date] Base CUSIP: _____

NOTICE IS HEREBY GIVEN that the City failed to appropriate funds necessary to perform the undertaking required by the Continuing Disclosure Certificate dated _____, 2021.

Dated: _____

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

[Exhibit Pages to Continuing Disclosure Certificate]

* Subject to change.

EXCISE TAXES**City Transaction Privilege (Sales) Tax**

City Transaction Privilege (Sales) Taxes. The City's transaction privilege (sales) tax is levied by the City upon persons on account of their business activities within the City. Such taxes are levied for general municipal purposes upon entities engaging in business within the City by applying the tax rate against the gross proceeds of sales or gross income derived from business activities shown in the table below. Transaction privilege (sales) taxes are collected on a monthly basis.

The rates applied to the categories of business activities are as shown in the following table.

TABLE G-1**City Transaction Privilege (Sales) Tax****Rates by Category (a)****City of Goodyear, Arizona**

Taxable Activities Categories	City Tax Rate
Amusement	2.50%
Communication	2.50
Contracting	
Pre 1/1/05 Contracts	2.00
Post 1/1/05 Contracts	3.50
Hotel/Motel	
General	2.50
Transient Lodging (Additional Tax)	2.50
Job Printing	2.50
Lease	
Commercial	2.50
Residential	2.50
Publication	2.50
Personal Property Rental	2.50
Restaurant/Bar	4.00
Retail	
General	2.50
Single Item Over \$5,000	1.20
Food for Home Consumption	2.00
Utilities	2.50
Use Tax	
General	2.50
Single Item Over \$5,000	1.20

- (a) Revenues received by the City from imposition of development fees or building permit fees will not be considered revenues from Excises Taxes. In addition, the city's use of revenue generated by the future imposition of certain other taxes, licenses fees and permit fees may be limited to specific purposes. Such limited taxes or fees will not be Excise Taxes. Any revenue received by the City from these sources will not be pledged to the payment of Payments due under the Agreement, or be subject to the reporting requirements of the Continuing Disclosure Certificate described under the heading "CONTINUING SECONDARY MARKET DISCLOSURE."

See "SECURITY AND SOURCES OF PAYMENT – Excise Tax Receipts" and "OBLIGATION HOLDERS' RISKS – Legislative Changes Regarding Certain Limitations on the Taxation of Services" for a discussion of voter approval requirements and legal and constitutional restrictions related to increases in the City's transaction privilege (sales) tax.

The table below sets forth a record of City transaction privilege (sales) tax receipts by industry classification for the most recent audited five fiscal years for which such information is available.

TABLE G-2

**Transaction Privilege (Sales) Tax
Collections by Industry Classification
City of Goodyear, Arizona**

Industry Classification	Audited				
	2015/16	2016/17	2017/18	2018/19	2019/20
Mining & Government	\$ 6,534	\$ 1,411	\$ 2,064	\$ 4,740	\$ 1,344
Construction	7,545,663	7,276,208	9,248,956	13,142,689	26,950,513
Manufacturing	1,410,894	1,430,501	1,195,577	1,806,767	1,852,747
Utilities	4,077,652	4,088,382	4,143,475	4,257,678	4,274,132
Wholesale Trade	1,032,679	1,071,275	1,432,261	1,671,721	2,414,857
Retail Trade	17,279,498	18,204,620	19,381,848	21,332,016	28,447,707
Restaurant & Bar	7,032,111	7,551,936	8,567,822	8,765,915	9,162,844
Real Estate	5,575,550	6,043,628	6,485,025	7,313,314	8,406,177
Hotels	1,096,710	1,054,997	1,142,972	1,154,739	993,091
Services	2,833,590	2,900,952	3,209,135	3,820,523	4,010,399
Miscellaneous	839,592	1,256,834	1,804,279	1,936,161	2,574,593
Total	<u>\$48,730,473</u>	<u>\$50,880,744</u>	<u>\$56,613,413</u>	<u>\$65,206,263</u>	<u>\$89,088,402</u>

Source: City Finance Department.

State-Shared Revenues

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 the exception of food sales, which the State exempts from tax. As the following table indicates, the rate of taxation as it relates to such portion of the State-levied transaction privilege (sales) tax 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 current State law, 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 latest census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns.

TABLE G-3

State Transaction Privilege (Sales) Tax
Taxable Activities, Tax Rates and Distribution Share
State of Arizona

Taxable Activities	State Tax Rate	Distribution Share
Transporting	5.000%	20.00%
Utilities	5.000	20.00
Telecommunications	5.000	20.00
Pipeline	5.000	20.00
Private car line	5.000	20.00
Publication	5.000	20.00
Job printing	5.000	20.00
Prime contracting	5.000	20.00
Owner builder sales	5.000	20.00
Amusement	5.000	40.00
Restaurant	5.000	40.00
Personal property rental	5.000	40.00
Retail (excluding food sales)	5.000	40.00
Transient lodging	5.500	50.00
Mining – non-metal, oil/gas	3.125	32.00
Commercial lease	0.000	53.33
Severance – metalliferous mining	2.500	80.00
Use tax utilities	5.000	20.00
Jet fuel use tax	(a)	40.00

(a) Does not include the \$0.0305 per gallon State tax 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.

State-Shared Income Tax. 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 15% of State personal and corporate income tax collections. Distribution of such funds is made monthly based on the proportion of the population of each city and town to the total population of all incorporated cities and towns in the State as determined by the mid-decade special census.

State-Shared 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.

From time to time, bills are introduced in, and legislation enacted by, the Arizona Legislature to change the formulas used to allocate the State-shared sales taxes, State-shared income taxes and State-shared vehicle license tax, including proposed adjustments that would reduce the distribution to cities and towns. 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 the revenues which comprise the 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 sales taxes, State income taxes (the major source of funds for state revenue sharing) and vehicle license taxes. 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.

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SUMMARY OF SELECT PROVISIONS OF THE TRUST AGREEMENT AND THE AGREEMENT

The following is a summary of certain provisions of the Agreement and the Trust Agreement that are not described elsewhere in this Official Statement. These summaries do not purport to be comprehensive and reference should be made to the Agreement and the Trust Agreement for a full and complete statement of their provisions. All capitalized terms not defined in this Official Statement shall have the meaning set forth in the Trust Agreement and Agreement.

DEFINITIONS

For the purpose of the following summaries of the Agreement and the Trust Agreement, these words and phrases have the following meanings:

“Annual Current Principal Requirement” means for any Bond Year the amount of principal coming due during such Bond Year on Obligations or Parity Obligations.

“Annual Debt Service Requirement” means, for any Bond Year, the Annual Current Principal Requirement for that Bond Year and the amount required to be deposited to pay interest on any Parity Obligations and the Obligations in that Bond Year. For the purpose of compliance with the requirements of the Trust Agreement with respect to the proposed issuance of any Parity Obligations, such proposed Parity Obligations shall be treated as Outstanding for the determination of the annual Debt Service requirement. For the computation of annual Debt Service requirement, (i) debt service on Credit Enhanced Indebtedness shall be deemed to include any periodic fees payable to the issuer of any liquidity or credit facility as a condition to such issuer’s commitment to purchase such obligations upon tender or to provide moneys necessary for payment of principal of and interest on such obligations when due, and (ii) debt service on Credit Enhanced Indebtedness shall not be based upon the terms of any reimbursement obligation to the issuer of any liquidity or credit facility except to the extent and for periods during which payments are required to be made pursuant to such reimbursement obligation as a result of the issuer’s unreimbursed advances of funds thereunder.

“Authorizing Resolution” means Resolution No. _____, passed, adopted and approved by the Mayor and City Council of the City on _____, 2021.

“Bond Year” means, with respect to the Obligations, initially the period from the Closing Date to July 1, 2021, and thereafter the one-year period commencing each July 2 and ending on the next forthcoming July 1.

“Business Day” means a day of the year other than Saturday, Sunday or a day on which banks in the State of Arizona are authorized by law or executive order to close or on which the New York Stock Exchange is closed.

“City Representative” means the City Manager or Finance Director or any other person authorized by the City Manager or the Council of the City to act on behalf of the City with respect to the Trust Agreement.

“Credit Enhanced Indebtedness” means (i) any series of Parity Obligations payment when due of the principal of and interest on which is fully secured by an irrevocable letter of credit, surety bond, insurance policy or other credit facility or arrangement pursuant to which the City is obligated to reimburse the issuer thereof for advances made thereunder to pay such principal or interest, [or] (ii) any series of Parity Obligations, a feature of which is an option on the part of the owners thereof to tender, or a requirement that such owners tender, all or a portion of such Parity Obligations to the City, or a trustee or other fiduciary for such owners, or another party, for payment of a purchase price or similar payment prior to their specified maturity or due date, if and to the extent that a party other than the City has undertaken to provide the moneys necessary for such payment, [or (iii) the Obligations].

“Depository Trustee” means U.S. Bank National Association or any bank or trust company, which may include the Trustee, meeting the requirements of, and designated to act as, Depository Trustee pursuant to the Trust Agreement.

“Event of Default” means an event of default under the Agreement or under any Parity Obligations.

“Excise Tax Fund” means that certain special and separate fund established and created by the City designated the “City of Goodyear Excise Tax Fund.” Such fund is used by the City for receipt of all revenues from any applicable source of

the City's Excise Taxes and State Shared Revenues. Monies in the Excise Tax Fund are not commingled with any other funds of the City.

"Fiscal Year" means the period commencing each July 1 and ending June 30 of the succeeding calendar year, unless otherwise determined and designated by the City, and the Excise Taxes shall be accounted for on that basis.

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

"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 Trustee and generally accepted as a source of valuation.

"Outstanding", when used as of any particular time with respect to Obligations, means (subject to the provisions of the Trust Agreement) all Obligations theretofore executed and delivered by the Trustee hereunder except:

- (1) Obligations theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Obligations for the payment or redemption of which funds or noncallable United States Obligations in the necessary amount shall have theretofore been deposited with a Depository Trustee; and
- (3) Obligations in lieu of or in exchange for which other Obligations shall have been executed and delivered by the Trustee pursuant to the provisions related to transfer and exchange of obligations in the Trust Agreement.

When used as of any particular time with respect to Parity Obligations, Outstanding means all such Parity Obligations theretofore executed and delivered under the applicable authorizing document except: those which have been cancelled or surrendered for cancellation; those for which payment or redemption has been irrevocably provided for with funds or noncallable United States Obligations in the necessary amount and all other actions have been taken as required under the authorizing documents for the payment thereof; and those in lieu of or in exchange for which other Parity Obligations shall have been executed and delivered pursuant to the authorizing documents.

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

"Payment Date" means any date on which a Payment is due from City as designated in the Agreement.

"Payment Fund" means that special fund designated "City of Goodyear 2021 Payment Fund" established by the Trustee pursuant to the Trust Agreement.

"Permitted Investments" means any of the following, if and to the extent the same are at the time legal for the investment of the City's money:

- A. For all purposes, including defeasance investments in refunding escrow accounts:
 - (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
 - (2) Obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including:
 - United States Treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA)
 - State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. For all purposes other than defeasance investments in refunding escrow accounts:

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

- Export-Import Bank
- Rural Economic Community Development Administration
- United States Maritime Administration
- Small Business Administration
- United States Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

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

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies

(3) United States dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

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

(5) Investments in a money market mutual fund rated "AAAm" or "AAAm-G" or better by S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

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

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

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

redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(7) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.

“**United States Obligations**” means any bonds or other obligations which are direct obligations of or fully guaranteed as to timely payment of principal, interest and any premium by the United States of America (including Refcorp Strips).

AGREEMENT

Term and Payments. For the purpose of the prepayment and refinancing the Bonds Being Refunded, the City agrees to make the Payments to the Trustee, and the Trustee agrees to accept the Payments from the City.

City agrees to make the Payments to Trustee in advance of the Payment Dates set forth, and in the amounts set forth in the Agreement. The City’s obligation to make such Payments shall be limited to revenues from Excise Taxes pledged to the payment thereof by City. The City will transfer funds from its Excise Tax Fund. The obligations of City to make the payments from the sources described and to perform and observe the other agreements shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment. Until such time as all of the Payments have been made and any payments that are due and owing under the Obligations, the Agreement may not be terminated by City for any reason whatsoever.

Pledge of Excise Taxes and State Shared Revenues; Limited Obligations. The City irrevocably pledges and grants a first lien on all Excise Taxes as security for the Payments and other amounts to come due under the Agreement and under the Trust Agreement. The City intends that this pledge shall be a first lien pledge upon such amounts of said Excise Taxes as will be sufficient to make the Payments when due, and on parity with respect to amounts due pursuant to the Parity Obligations heretofore or hereafter issued. The City agrees and covenants to make said Payments from the revenues from said Excise Taxes, except to the extent it chooses to make the Payments from other funds. Said pledge of, and said lien on, the revenues from the Excise Taxes is irrevocably made and created for the prompt and punctual payment of the Payments. All of the Payments are coequal as to the pledge of and lien on the revenues from the Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from the revenues from the Excise Taxes or security therefor. The pledge and lien shall be on a parity with the pledge of and lien on such Excise Taxes for the payments due with respect to the Parity Obligations.

The City shall remit to Trustee from the Excise Taxes on deposit in the City’s special fund designated as the Excise Tax Fund all amounts due under the Agreement in the amounts and at the times and for the purposes as required in the Agreement. The City’s obligation to make payments of any amounts due under the Agreement, including amounts due after default or termination thereof, is limited to payment from the Excise Taxes and shall in no circumstances constitute a general obligation of, 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 taxes.

Providing for Payment.

- (a) City may provide for the payment of any Payment in one or more of the following ways:
 - (1) by paying the Payment as and when due at its scheduled due date;
 - (2) by depositing, in trust, at or before maturity, money which, together with the amounts then on deposit with Payee and available for such payment is fully sufficient to make, or cause to be made, the Payment; or
 - (3) by depositing, in trust, any noncallable United States Obligations, in such amount as shall be certified by a national firm of certified public accountants acceptable to both Trustee and 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 as and when the same becomes due and payable at maturity.

Defaults and Remedies.

(a) Upon the occurrence of an Event of Default (as defined in the Trust Agreement) whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency the Trustee and the Owners of the Obligations Outstanding shall have such rights and obligations as set forth in the Trust Agreement.

(b) The obligation of the City to make Payments is not subject to acceleration and such Payments may not be made immediately due and payable for any reason.

Assignment. Without the prior written consent of Trustee, City shall not assign, transfer, pledge or hypothecate or otherwise dispose of the Agreement, or any interest therein,

Conflict of Interest. A.R.S. Section 38-511 provides that the City may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, the City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City from any other party to the contract arising as a result of the contract.

TRUST AGREEMENT

Providing for Redemption of the Bonds Being Refunded. The Trustee shall transfer to the Depository Trustee the amount necessary to provide for the prepayment of the Bonds Being Refund.

Payment Fund. 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. The City shall make the Payments from its Excise Tax Fund. There shall be deposited in the Payment Fund all Payments received by the Trustee. All amounts in the Payment Fund shall be used and withdrawn solely for the purpose of paying the principal of and interest with respect to the Obligations.

Pledge. Payments and all other amounts due under the Agreement are payable from a pledge of, and secured by a lien on, the Excise Taxes as may be necessary for their prompt and punctual payment. Said pledge of, and said lien on, the Excise Taxes is irrevocably made and created by the City pursuant to the Agreement for the prompt and punctual payment of amounts due under the Agreement according to its terms, and to create and maintain the funds as specified therein and herein. None of the Obligations shall be entitled to priority or distinction one over the other in the application of the Excise Taxes thereby pledged to the payment thereof, regardless of the delivery of any of the Obligations prior to the delivery of any other of the Obligations or regardless of the time or times the Obligations mature [or are called for redemption prior to maturity]. All of the Obligations are co-equal as to the pledge of and lien on the Excise Taxes pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Taxes or security therefor.

Protection of Lien. The Trustee and the City hereby agree not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien hereof upon the interests granted hereby or any part thereof. The Trustee and the City agree that no obligations the payment of which is secured by an equal claim on or interest in property or revenues pledged hereunder will be issued or delivered by either except in lieu of, or upon transfer of registration or exchange of, any Obligation as provided herein and except for Parity Obligations.

Existing Parity Pledge. The pledge of Excise Taxes under the Agreement is on a parity with the pledge of the Excise Taxes to payment due on or with respect to the Existing Parity Obligations.

Parity Obligations. Subject to the following, and to other terms and conditions set forth in the Agreement, the City shall have the right to incur additional Parity Obligations payable from and secured by the Excise Taxes, on a parity with the Obligations. Such additional Parity Obligations may include any long term obligation or deferred payment for property including, without limitation, installment purchase or lease purchase agreements. For the purpose of this Section, payments on installment purchase or lease purchase agreements shall be deemed to include a principal component and an interest component and references in this Trust Agreement to the payment of principal, interest and premium shall include the payment of lease purchase or installment purchase payments. So long as any of the Obligations remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, neither the Trustee nor the City will further encumber the Excise Taxes pledged under the Agreement on a basis equal to the pledge thereunder unless all of the following have been met:

(a) Coverage Requirement. As certified by the City, the Excise Taxes collected in the next preceding Fiscal Year shall have amounted to at least two times the Annual Debt Service Requirement for any succeeding Fiscal Year, including with respect to the Existing Parity Obligations and the additional Parity Obligations so proposed to be issued, as certified by the City in writing.

(b) Compliance with Covenants. The City shall be in compliance with all covenants and undertakings set forth in this Trust Agreement, as may have been amended or supplemented.

(c) Required Documents. Before the Trustee shall authenticate and deliver any additional Parity Obligations, the following items shall have been received by the Trustee:

(i) Original executed counterparts of any amendments or supplements to this Trust Agreement entered into in connection with the issuance of the additional Parity Obligations, which are necessary or advisable, in the opinion of nationally recognized bond counsel, to provide that the additional Parity Obligations will be issued in compliance with the provisions of this Trust Agreement.

(ii) A copy of the resolution of the City providing for the additional Parity Obligations, certified by the City Clerk.

(iii) A request and authorization to the Trustee on behalf of the City, signed by a City Representative, to authenticate and deliver the additional Parity Obligations to, or on the order of, the original purchaser thereof upon payment to the Trustee of the amount specified therein (including without limitation, any accrued interest which amount shall be deposited as provided in the applicable resolution or supplemental indenture).

(iv) The written opinion of counsel, who may be counsel for the City, to the effect that: (A) the documents submitted to the Trustee in connection with the request then being made comply with the requirements hereof; (B) the issuance of the additional Parity Obligations has been duly authorized; and (C) all conditions precedent to the delivery of the additional Parity Obligations have been fulfilled.

(v) A written opinion of nationally recognized bond counsel (who also may be the counsel to which reference is made in paragraph (iv) above), to the effect that: when executed for and in the name and on behalf of the City and when authenticated and delivered by the Trustee, those additional Parity Obligations will be valid and legal special obligations of the City in accordance with their terms and will be secured hereunder equally and, except as otherwise provided in this Section and in the supplemental indenture authorizing such additional Parity Obligations, on a parity with all other Obligations of any series at the time outstanding hereunder as to the assignment to the Trustee of the right, title and interest of the City in the moneys in the accounts of the funds created hereby (except as to any provision made by or pursuant to Article V relating to rebate) and the moneys and investments therein to provide for Payments of the Obligations.

(d) When (i) the documents listed above have been received by the Trustee and (ii) the additional Parity Obligations have been executed and authenticated, the Trustee shall deliver the additional Parity Obligations to or on the order of the original purchaser thereof, but only upon payment to the Trustee of the specified amount (including without limitation, any accrued interest) set forth in the request and authorization to which reference is made in paragraph (c)(iii) above.

Investments Authorized. Moneys held by Trustee shall be invested and reinvested to the maximum extent practicable in Permitted Investments having the highest yield reasonably obtainable. Permitted Investments credited to any fund shall be valued at Market Value.

Liability and Protection of Trustee. The recitals of facts, covenants and agreements in the Trust Agreement and in the Obligations contained shall be taken as statements, covenants and agreements of City, and Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Trust Agreement or of the Obligations nor shall Trustee incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or 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 shall perform only such duties as are specifically set forth in the Trust Agreement. After the occurrence of an Event of Default, the Trustee shall 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 indenture trustee would exercise under the circumstances in the conduct of the Trustee's affairs.

Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe 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 Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. Trustee shall not be bound to recognize any person as an Owner of any Obligation or to take any action at his request unless such Obligation shall be deposited with Trustee and satisfactory evidence of the ownership of such Obligation shall be furnished to Trustee. Trustee may consult with counsel, who may be counsel to City with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith in accordance therewith.

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

Trustee may become the Owner of the Obligations with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of City with the same rights it would have if it were not 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 shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The Trustee may execute any of the trusts or powers in the Trust Agreement and perform the duties required of it thereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty thereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Trust Agreement or for anything whatever in connection with the funds and accounts established thereunder, except only for its own willful misconduct or negligence.

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

Trustee shall not be deemed to have notice of any default, except a payment default, unless Trustee has actual notice thereof or is specifically notified in writing of such default by City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then Outstanding.

Removal of Trustee. City (but only if no Event of Default has occurred and is continuing) or the owners of a majority in aggregate principal amount of all Obligations Outstanding, by written directive, at any time and for any reason, may remove Trustee and any successor thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of Arizona, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by Federal or State authority.

Trustee may resign by giving written notice to City. Upon receiving such notice of resignation, City shall promptly appoint a successor trustee. In the event that City does not appoint a successor trustee within 30 days, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee.

Amendments Permitted.

(a) The Trust Agreement and the Agreement may be modified or amended upon written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of Obligations disqualified. Obligations owned or held by or for the account of City or by any person directly or indirectly controlled by, or under direct or indirect common control with City (except any Obligations held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of

Outstanding Obligations, and shall not be entitled to vote upon, consent to, or take any other action provided for in the Trust Agreement. No such modification or amendment shall (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, 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 Agreement, or (3) modify any of the rights or obligations of Trustee without its written assent thereto.

(b) The Trust Agreement and the Agreement may be modified or amended, without the consent of any such Owners, but only to (1) add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved to Trustee or City, (2) to cure, correct or supplement any ambiguous or defective provision contained therein or (3) in regard to questions arising thereunder, as the parties thereto may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the Obligations. The Trustee may rely upon an opinion of nationally recognized bond counsel as conclusive evidence that any such supplemental agreement complies with the Trust Agreement.

Procedure for Amendment. A copy of the supplemental agreement requiring consent of Obligation Owners, together with a request to the Obligation Owners for their consent thereto, shall be mailed by Trustee to each Owner of an Obligation at his address as set forth on the Obligation registration books, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in the Trust Agreement.

Such supplemental agreement shall not become effective except upon written consent of the Owners of a majority in principal amount of the Obligations then Outstanding (exclusive of Obligations disqualified) and notice shall have been mailed. The consent of an Owner of an Obligation shall be effective only if accompanied by proof of ownership of the Obligations for which such consent is given. Any such consent shall be binding upon the Owner of the Obligation giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with Trustee prior to the date when the notice has been mailed.

If Owners of the required percentage of Obligations file their consents to such supplemental agreement, Trustee shall mail a notice to the Owners stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Obligations and will be effective (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto).

Covenants. City will perform all obligations and duties imposed on it under the Agreement.

City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default under the Agreement. City will observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by City, including its right to exist and carry on business as a political subdivision.

Limitation of Liability. Except for the payment of Payments from Excise Taxes when due in accordance with the Agreement and the performance of the other covenants and agreements of City contained in the Agreement, City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the Trust Agreement, or the terms, execution, delivery or transfer of the Obligations, or the distribution of Payments to the Owners by Trustee.

City shall have no obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the performance by Trustee.

If it does so in good faith, Trustee shall be absolutely protected in relying upon an opinion of independent counsel which shall be made available to other parties on request or on a verified certificate of any party.

Events of Default.

(a) The occurrence of any of the following events is defined as and declared to be and to constitute an “Event of Default” under the Trust Agreement:

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

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

(iii) Failure by the City to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained herein or in the Obligations, which failure shall have continued for a period of 60 days after written notice of such failure, by registered or certified mail, shall have been given to the City, requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Owners of not less than 25% in aggregate principal amount of any series of Obligations then outstanding (provided that a greater percentage of such Owners has not given the Trustee a contrary direction).

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

The term “default” or “failure” as used in the paragraphs above means a default or failure by the City in the observance or performance of any of the covenants, agreements or obligations on its part to be observed or performed contained herein or in the Obligations, exclusive of any period of grace or notice required to constitute a default or failure an Event of Default, as provided above.

Remedy on Default. Upon an Event of Default, during the continuance of the Event of Default, the Trustee may and, upon request of Owners of twenty-five percent in aggregate amount of Obligations, and indemnified to its satisfaction shall exercise one or more of the following remedies:

- (i) Proceed to protect and enforce its rights and the rights of holders of the Obligations by a suit or suits in equity or law;
- (ii) Upon bringing suit to enforce any of its rights (a) have a receiver appointed and (b) seek and obtain injunctive relief.

Notwithstanding anything in the Trust Agreement or in the Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Obligations nor to declare any Payment not then past due to be immediately due and payable.

Application of Funds. All moneys received by Trustee pursuant to any right given or action taken upon default shall be applied by Trustee in the order following upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of Trustee and of the Obligation Owners in declaring such Event of Default; and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations for principal and interest, 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 any installment of interest over any other installment of interest, or any interest over any other principal or principal over 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, 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, shall proceed to protect or enforce its rights or the rights of the Owners of 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 Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, it shall 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 Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of, any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Obligations Outstanding.

Limitation on Obligation Owner's Right to Sue. No Owner of any Obligation shall 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 Trustee written notice of the occurrence of an Event of Default; (b) the Owners of at least a majority in aggregate principal amount of all the Obligations then Outstanding shall have made written request upon Trustee to exercise its powers or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to Trustee reasonable indemnity; and (d) Trustee shall have refused or omitted to comply with such request for a period of 60 days.

Defeasance. If and when all outstanding Obligations shall be paid and discharged in anyone or more of the following ways:

(a) by payment of the principal of and interest with respect to all Obligations Outstanding, as and when the same become due and payable;

(b) by depositing, in trust, at or before maturity, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to payor cause to be paid all Obligations Outstanding, including all principal and interest;

(c) by depositing, in trust, any noncallable Defeasance Obligations in such amount as shall be certified by a national firm of certified public accountants acceptable to both Trustee and 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 all Obligations (including all principal and interest) at their respective maturity dates; notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of Trustee and City with respect to all outstanding Obligations shall cease and terminate, except only the obligation of Trustee to payor cause to be paid, from funds deposited pursuant to paragraphs (b) and (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 e thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such Payments.

Conflict of Interest. A.R.S. Section 38-511 provides that the City may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In addition, the City may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City from any other party to the contract arising as a result of the contract.

Governing Law. The Trust Agreement shall be construed and governed in accordance with the laws of the State of Arizona.

No Boycott of Israel. To the extent A.R.S. §§ 35-393 through 35-393.03 are applicable, the Trustee hereby certifies that it is not currently engaged in, and agrees for the duration of the Trust Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in A.R.S. § 35-393.