

RESOLUTION 2018-1862

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GOODYEAR, ARIZONA AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF ITS MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT REFUNDING BONDS, SERIES 2018, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000, AND NOT TO EXCEED \$1,500,000 PAYMENT AMOUNT OF CERTIFICATES OF OWNERSHIP OF SUPPLEMENTAL INTEREST PAYMENTS; DELEGATING AUTHORITY TO THE CITY FINANCE DIRECTOR TO DETERMINE THE METHOD OF SALE OF THE BONDS AND CERTIFICATES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT RELATING TO THE BONDS AND CERTIFICATES, A BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT, A DEPOSITORY TRUST AGREEMENT AND CERTAIN OTHER DOCUMENTS RELATING TO AND SECURING THE PAYMENT OF THE BONDS AND CERTIFICATES; AWARDED THE BONDS AND CERTIFICATES TO THE PURCHASER THEREOF; AS APPLICABLE RATIFYING AND APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS AND CERTIFICATES; AS APPLICABLE AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS AND CERTIFICATES; APPROVING THE ASSESSMENTS ON THE ASSESSED PROPERTY IN THE CITY FOR THE PAYMENT OF THE BONDS AND CERTIFICATES; AUTHORIZING THE TAKING OF OTHER ACTIONS RELATING TO THE BONDS AND CERTIFICATES; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Title 48, Chapter 4, Article 2, Arizona Revised Statutes ("A.R.S."), as amended, the Cardinal Waiver and Development Consent Agreement, dated October 18, 2006, the Globe Land Investors, LLC Waiver, Development and Consent Agreement, dated November 9, 2006, the Westcor Waiver and Development Agreement, dated November 13, 2006, and the Tang Property Right-of-Way and Development Agreement, dated November 28, 2006, and recorded on November 22, 2006, by and between the City of Goodyear, Arizona (the "*City*") and the persons who have an interest in all the real property within the hereinafter defined Improvement District (collectively, the "*Owners*"), and Resolution 06-1098 adopted by the Mayor and City Council of the City (the "*Mayor and City Council*") on November 13, 2006, Resolution 06-1110 adopted by the Mayor and City Council on December 11, 2006, the Mayor and City Council formed the McDowell Road Commercial Corridor Improvement District (the "*Improvement District*") and authorized the issuance, sale and delivery of its McDowell Road Commercial Corridor Improvement District Improvement Bonds (the "*Prior Bonds*") to provide funds for a portion of certain public purposes within the boundaries of the Improvement District and payable from the levy of certain Assessments (as defined herein) against the real property within the boundaries of the Improvement District; and

WHEREAS, the Mayor and City Council have determined that it is expedient to refund all or a portion of the outstanding Prior Bonds (the "*Bonds Being Refunded*") and that the issuance, sale and delivery by the McDowell Road Commercial Corridor Improvement District,

Refunding Bonds, Series 2018 (the "*Bonds*"), and certificates of ownership of supplemental interest payments pertaining to the Bonds (the "*Certificates*") and the application of the net proceeds of the Bonds and Certificates, together with, as applicable, moneys on deposit in the bond fund established in connection with the Prior Bonds, to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and in the best interests of the City; and

WHEREAS, pursuant to Title 48, Chapter 4, Article 4, Arizona Revised Statutes, as amended (the "*Refunding Act*"), the City may refinance the Bonds Being Refunded with all or a portion of the proceeds of the Bonds and Certificates; provided, however, that pursuant to the Refunding Act, the total amount of principal of and interest on the Bonds and Certificates in the aggregate shall not exceed the total amount of remaining principal of and interest on the Bonds Being Refunded; and

WHEREAS, the Mayor and City Council hereby find that the total amount of principal of and interest on the Bonds and Certificates in the aggregate does not exceed the total amount of remaining principal of and interest on the Bonds Being Refunded; and

WHEREAS, the firm of Hilltop Securities Inc. will serve as the City's financial advisor (the "*Financial Advisor*") with respect to the Bonds Certificates, and by this resolution the Mayor and City Council shall delegate authority to the Finance Director to determine, with the advice of the Financial Advisor, the method of sale for the Bonds and Certificates; and

WHEREAS, pursuant to Resolution 07-1183 adopted by the Mayor and City Council on October 9, 2007, the Mayor and City Council approved an assessment diagram and the levying of an assessment (the "*Assessment*" or the "*Assessments*") against the real property within the boundaries of the Improvement District in an aggregate amount of \$43,601,444.81 and recorded the assessment diagram and the Assessments in the Office of the Superintendent of Streets of the City; and

WHEREAS, the Assessments were recorded on October 30, 2007, in the Office of the Superintendent of Streets of the City and, as applicable, the Assessments have subsequently been modified as necessary when the Owners subdivided certain assessed parcels within the Improvement District; and

WHEREAS, pursuant to the Refunding Act, if the Bonds and Certificates are sold to the Underwriter (as defined herein), the City has determined to enter into a Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of May 1, 2018 (the "*Registrar Contract*") (or such other date as set forth in the hereinafter defined Underwriter Purchase Contract), in substantially the form now on file with the City Clerk, by and between the City and U.S. Bank National Association, acting as registrar, transfer agent and paying agent (the "*Registrar*" and the "*Paying Agent*", as the case may be), to process the issuance, registration, transfer and payment of the Bonds and Certificates; and

WHEREAS, the Mayor and City Council have determined by this resolution to authorize the issuance of the Bonds and Certificates and, in order to provide terms for the Bonds

and Certificates and to provide for authentication and delivery of the Bonds and Certificates, to authorize the execution and delivery of the Registrar Contract; and

WHEREAS, if the Bonds and Certificates are sold directly to the Bank Purchaser (as defined herein), the Registrar Contract may not be required as set forth in the Bank Purchase Contract (as defined herein); and

WHEREAS, pursuant to the Refunding Act, the Mayor and City Council have also determined to enter into a Depository Trust Agreement, to be dated as of May 1, 2018 (the "*Depository Trust Agreement*") (or such other date as set forth in the Underwriter Purchase Contract or Bank Purchase Contract, as applicable), in substantially the form now on file with the City Clerk, by and between the City and U.S. Bank National Association, as depository trustee (the "*Depository Trustee*"), with respect to the safekeeping and handling of money and obligations, if any, to be held in trust for the payment of the Bonds Being Refunded; and

WHEREAS, alternatively, the Finance Director, with the advice of the Financial Advisor, may determine that the Depository Trust Agreement is not necessary and the Finance Director may direct the application of the proceeds of the Bonds and Certificates as necessary for the payment of the Bonds Being Refunded; and

WHEREAS, depending on the method of sale determined by the Finance Director, the Bonds and Certificates will be (1) directly sold to one or more financial institutions with the aid of the Placement Agent (as defined herein), or (2) sold to Stifel, Nicolaus & Company, Incorporated (acting in this capacity, referred to herein as the "*Underwriter*"), through negotiation with the Underwriter and pursuant to a Bond Purchase Contract, to be dated of even date with the sale of the Bonds and Certificates to the Underwriter (the "*Underwriter Purchase Contract*"), in substantially the form now on file with the City Clerk, executed and delivered by and between the City and the Underwriter, on such terms as may hereafter be approved by the City Manager or Finance Director; and

WHEREAS, if the Bonds and Certificates are sold directly to one or more financial institutions, Stifel, Nicolaus & Company, Incorporated, will serve as the City's placement agent (acting in this capacity, referred to herein as the "*Placement Agent*") with respect to the Bonds and Certificates and the City will enter into a Placement Agent Agreement (the "*Placement Agent Agreement*"), in substantially the form now on file with the City Clerk; and

WHEREAS, if the Bonds and Certificates are sold directly to one or more financial institutions, the City Council, with the aid of the Placement Agent, shall receive a proposal for the purchase of the Bonds and Certificates from one or more financial institutions and the City Manager, Finance Director or other authorized City officer may award the Bonds and Certificates for purchase to one or more financial institutions (the "*Bank Purchaser*") in the form of a Purchase Contract (the "*Bank Purchase Contract*") (or other agreement required by the Bank Purchaser) executed by and between the City and the Bank Purchaser, and on such terms as may hereafter be approved by the City Manager or Finance Director, with the advice of the Financial Advisor; and

WHEREAS, if the Bonds and Certificates are sold directly to one or more financial institutions, the Bank Purchaser will execute a Certificate of Qualified Investor in form and substance satisfactory to the City Manager, Finance Director and Bond Counsel (as defined herein) ; and

WHEREAS, there have been placed on file with the City Clerk (1) the proposed form of the Registrar Contract, (2) the proposed form of the Bank Purchase Contract, (3) the proposed form of Underwriter Purchase Contract, (4) the proposed form of the Placement Agent Agreement, (5) the proposed form of a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") relating to the Bonds and Certificates and applicable if the Bonds and Certificates are sold to the Underwriter, to be dated the date of delivery thereof, (6) the proposed form of the Depository Trust Agreement, and (7) as applicable if the Bonds and Certificates are sold to the Underwriter, the proposed form of the Preliminary Official Statement relating to the Bonds and Certificates, to be dated the date determined by the City Manager (the "*Preliminary Official Statement*"), and which, with such completions and changes as may be necessary will constitute the form of the Final Official Statement (the "*Final Official Statement*"). (The documents described in clauses (1) through (7), inclusive, of this paragraph are referred to, collectively, as the "*Bond Documents*"); and

WHEREAS, within and by the parameters set forth in this resolution, the Mayor and City Council shall authorize the execution, issuance and sale of the Bonds and Certificates and their delivery to the Bank Purchaser or the Underwriter in accordance with the Bank Purchase Contract or the Underwriter Purchase Contract, as applicable, and at such prices, interest rates, maturities and redemption features as may be hereafter determined;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GOODYEAR, MARICOPA COUNTY, ARIZONA, as follows:

Section 1. Approval of Issuance and Sale of Bonds and Certificates; Method of Sale.

(a) The Bonds are hereby authorized to be issued in one series of tax-exempt assessment refunding bonds of the City in an aggregate original principal amount not to exceed \$35,000,000 to be designated "McDowell Road Commercial Corridor Improvement District, *Refunding Bonds, Series 2018*" and Certificates of Ownership of Supplemental Interest Payments appertaining thereto in an aggregate payment amount not to exceed \$1,500,000. The Bonds and the Certificates shall be issued and sold in accordance with the Refunding Act and this resolution and delivered against payment therefor by the Bank Purchaser or the Underwriter, as applicable.

(b) The Bonds and the Certificates shall be issued for the purpose of providing funds to be used to refund the Bonds Being Refunded and to pay the costs of issuance of the Bonds and Certificates. The Mayor and City Council finds and determines that it is expedient, necessary and advisable that the City refund some or all of its Prior Bonds to lower the interest expense related to the Assessments for the owners of real property within the boundaries of the Improvement District. The Mayor and City Council hereby requires that the present value of the

debt service savings, net of all costs associated with the Bonds and Certificates, shall be not less than three percent (3.00%) of the principal amount of the Bonds Being Refunded. The Finance Director is hereby authorized and directed to determine, upon consultation with the Financial Advisor, the amount and identity of the Prior Bonds to be refunded.

(c) This resolution shall evidence the exercise by the City of its option to redeem and defease the Bonds Being Refunded.

(d) The Finance Director is hereby authorized and directed to determine, upon consultation with the Financial Advisor, the method of sale of the Bonds and Certificates. If the Finance Director determines to sell the Bonds and Certificates directly to one or more financial institutions, the Finance Director is hereby authorized to prepare a request for proposals or similar document with the assistance of the Placement Agent and to receive bids from potential purchasers. In such method of sale, the Finance Director, with the assistance of the Financial Advisor and the Placement Agent, is hereby authorized and directed to review the bids received and select the most qualified bidder and enter into the Bank Purchase Contract with such winning bidder. The Finance Director may engage in negotiations with one or more bidders as the Finance Director deems appropriate. The Finance Director may also reject all bids received. If the Finance Director determines to sell the Bonds and Certificates to the Underwriter via a negotiated sale, the Finance Director shall, with the assistance of the Financial Advisor, negotiate the prices, interest rates, maturities, redemption features in conformance with the parameters of this resolution and the City shall execute and deliver the Underwriter Purchase Contract.

Section 2. Form, Terms and Provisions and Execution and Delivery of Bonds and Certificates.

(a) The Bonds shall be issued in fully registered form and shall be dated such date as set forth in the Bank Purchase Contract or the Underwriter Purchase Contract, as applicable. The Bonds will mature on January 1 in some or all of the years 2019 to 2032, inclusive, and will bear interest from their dated date to the maturity or prior redemption date of each of the Bonds at the rate or rates set forth in the Bank Purchase Contract or Underwriter Purchase Contract, as applicable, provided that the bond yield, calculated in the manner bond yield is determined for arbitrage rebate purposes pursuant to United States Treasury Regulations, shall not exceed six percent (6.00%). Interest will be payable semiannually, commencing on July 1, 2018 (or on such other date as set forth in the Bank Purchase Contract or Underwriter Purchase Contract, as applicable) and on each succeeding January 1 and July 1 (each such date shall be referred to as an "*Interest Payment Date*") during the term of the Bonds. Any default rate or taxable interest rate in the Bank Purchase Contract shall not exceed twelve percent (12.00%).

As initially issued, the Bonds shall be in denominations of \$5,000 each or any integral multiple thereof (or in such other denominations as described in the Bank Purchase Contract or Underwriter Purchase Contract, as applicable). If sold via a negotiated sale to the Underwriter, the Bonds shall be in book-entry-only form and administered in the Book-Entry-Only System described herein. If necessary to accommodate a prior redemption of Bonds as set forth herein, the Bonds may be in denominations of less than \$5,000 in integral multiples of \$0.01, as determined by the Finance Director.

The principal amount maturing in each year, the special optional, optional and mandatory redemption provisions and any other final terms of the Bonds, including series designation, purchase price and provision for original issue discount and original issue premium, shall be as set forth in the Bank Purchase Contract or the Underwriter Purchase Contract, as applicable, and approved as set forth in this resolution and such approval shall be evidenced by the execution and delivery of the Bank Purchase Contract or the Underwriter Purchase Contract, as applicable.

(b) The Bonds may also bear supplemental interest which shall be payable to persons who are the registered owners of the detached Certificates. Ownership of the supplemental interest payments shall be evidenced by Certificates. Interest payments to the registered owners of the Certificates are hereby designated as supplemental interest payments. For purposes of any disclosure document interest payable to the registered owners of the appertaining Bonds may be designated as "A" interest and supplemental interest payments may be designated as "B" interest.

The Certificates shall be paid on the dates and in the amounts and have the other final terms as set forth in the Bank Purchase Contract or the Underwriter Purchase Contract, as applicable. The supplemental interest represents interest on the outstanding Bonds commencing on the January 1 or July 1, as applicable, immediately preceding the specified payment date and ending on the day immediately prior to the specified payment date (except that any Certificates payable within six months of the date of initial issuance and delivery of the Bonds and Certificates shall represent interest on the Bonds from the date of initial issuance and delivery of the Bonds and the Certificates to the day immediately preceding payment date), at the interest rates therefor which produce the payment amounts as set forth in the Bank Purchase Contract or the Underwriter Purchase Contract, as applicable.

(c) If the Bonds and the Certificates are sold to the Bank Purchaser, the Bonds and the Certificates may be registered in the name of the Bank Purchaser. In the event the Bonds and Certificates are sold to the Bank Purchaser, the Bonds and Certificates may not be transferred unless (i) to a transferee that is a Qualified Investor (as defined herein) and provides the City with a completed and Certificate of Qualified Investor and (ii) the Qualified Investor agrees to comply with all applicable federal and state securities laws. For purposes of the Bonds and Certificates, if sold to the Bank Purchaser, "*Qualified Investor*" means a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor (excluding natural persons) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, who executes the Certificate of Qualified Investor. The City and the Bank Purchaser may provide other terms and provisions for the signatures, authentication, registration, transfer and exchange of the Bonds and Certificates in the Bank Purchase Contract.

If the Bonds and Certificates are sold to the Underwriter, the Bonds and Certificates shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("*DTC*"), and administered under DTC's Book-Entry-Only System as further described herein.

(d) If the Bonds and Certificates are sold to the Bank Purchaser, the principal and premium, if any, on the Bonds and Certificates shall be payable upon surrender thereof at the designated office of the City.

If the Bonds and Certificates are sold to the Underwriter, interest due on each Interest Payment Date shall be payable by check mailed, when due, to the persons (the "Bondholders") in whose names the Bonds and Certificates are registered by the Registrar at the close of business on the fifteenth (15th) day of the month (other than a Saturday, a Sunday or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the place of payment or in the City where the principal corporate trust office of the Paying Agent is located (a "Business Day")) next preceding the applicable Interest Payment Date, or if such day is not a Business Day, the previous Business Day (the "Record Date"). If the Bonds and Certificates are sold to the Bank Purchaser, interest on the Bonds and Certificates will be payable on each Interest Payment Date by the City by check mailed to the Bank Purchaser, or subsequent transferee, at the address on file with the City. Upon written request made twenty (20) days prior to an Interest Payment Date by a Bondholder or the Bank Purchaser (and any subsequent transferee) of at least \$1,000,000 in principal amount of Bonds outstanding, all payments of interest and, if adequate provision for surrender is made, principal and premium, if any, shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Bondholder or Bank Purchaser (and any subsequent transferee).

The City and the Bank Purchaser or the Underwriter, as applicable, may provide for other terms for the payment and redemption of the Bonds and Certificates in the Bank Purchase Contract or Underwriter Purchase Contract, as applicable.

(e) The Bonds shall have such other terms and provisions as are set forth in Exhibit A attached hereto, the Certificates shall have such other terms and provisions as are set forth in Exhibit B attached hereto, and the Bonds and Certificates shall be sold in accordance with the terms and conditions set forth in the Underwriter Purchase Contract or Bank Purchase Contract, as applicable.

Section 3. Prior Redemption.

(a) *Special Optional Redemption.* All Bonds are subject to redemption prior to their stated maturity dates, on or after January 1, 2019, in whole or in part, on any Interest Payment Date, at random, at the option of the City, from proceeds received from: (i) the prepayment of any Assessment by the owner of any assessed real property within the boundaries of the Improvement District, or (ii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an Assessment installment. Such proceeds shall be deposited with the Paying Agent or the Bank Purchaser, or its subsequent transferees, as applicable, at least two (2) Business Days prior to the date of redemption. The special optional redemption shall be at a redemption price of par plus interest accrued to the date of redemption, without premium.

(b) *Optional Redemption.* The Bonds shall be subject to call for redemption prior to their stated maturity dates, at the option of the City, on such dates and at such price (the

"Redemption Price") as are set forth in the Underwriter Purchase Contract or the Bank Purchase Contract, as applicable.

(c) *Mandatory Redemption.* The Bonds shall be subject to mandatory redemption prior to their stated maturity dates, by lot, at a Redemption Price of par plus interest accrued to the date of redemption, but without premium, on such dates and in such amounts as are set forth in the Underwriter Purchase Contract, or the Bank Purchase Contract, as applicable.

Whenever Bonds which are subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or are delivered for cancellation (i) by the City to the Registrar (if the Bonds are sold to the Underwriter), or (ii) by the Bank Purchaser or its subsequent transferees, to the City, the principal amount of the Bonds so retired shall satisfy and be credited against any mandatory redemption requirements for the Bonds for such years as the City may direct.

(d) *Notice of Redemption.* If the Bonds are sold to the Underwriter, and so long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Registrar not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. If the Book-Entry-Only System is discontinued, selection of bonds to be redeemed will be by lot. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

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

If the Bonds are sold to the Bank Purchaser, notice of any redemption will be mailed by first class mail, postage prepaid, to the registered owner, at the address on file with the City, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Failure to properly give notice of redemption shall not affect the redemption of any Bond for which notice was properly given. The Bank Purchaser and the City may agree to additional notice provisions in the Bank Purchase Contract.

In either case of a sale to the Underwriter or the Bank Purchaser, if moneys for the payment of the Redemption Price and accrued interest are not held in separate accounts by the City or the Paying Agent prior to sending notice of redemption, such redemption shall be

conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force or effect.

(e) *Effect Call for Redemption.* On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds on such date, and, if moneys for payment of the Redemption Price are held in separate accounts by the Paying Agent, interest on such Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the Bondholders shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and such Bonds shall be deemed paid and no longer outstanding.

(f) *Redemption of Less than All of a Bond.* The City may redeem an amount which is included in a Bond in integral multiples of \$1.00. In that event, the registered owner shall submit the Bond for partial redemption and the City or Paying Agent, as applicable, shall make such partial payment and the Registrar or City, as applicable, shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

(g) *Certificates Not Subject to Prepayment Prior to Maturity.* The Certificates are not subject to payment in advance of their stated payment dates.

Section 4. Form of Bonds and Certificates. The Bonds and Certificates shall be in substantially the form of *Exhibit A* and *Exhibit B*, respectively, attached hereto and incorporated by reference herein, with such necessary and appropriate omission, insertions and variations as are permitted or required hereby or by the Underwriter Purchase Contract or the Bank Purchase Contract, as applicable, and are approved by those officers executing the Bonds and Certificates; execution thereof by such officers shall constitute conclusive evidence of such approval.

As applicable, the Bonds and Certificates may have notations, legends or endorsements required by law, securities exchange rule or usage. As applicable, the Bonds and Certificates shall show both the date of the issue and the date of such Bond's or Certificate's authentication and registration.

The Bonds and Certificates are prohibited from being converted to coupon or bearer bonds without the consent of the Mayor and City Council and approval of Bond Counsel.

Section 5. Forms, Terms and Provisions and Execution and Delivery of Bond Documents. The forms, terms and provisions of the Bond Documents in substantially the forms of the Bond Documents (including the exhibits thereto) currently on file with the City Clerk are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the officers authorized to execute the Bond Documents, which approval will be conclusively demonstrated by the execution thereof, and the Mayor (or any other member of the City Council in the event the Mayor is absent or such signature cannot be

obtained), the City Manager, the Finance Director and the City Clerk or any of such officers are each hereby authorized and directed to execute the Bond Documents, as may be required.

In the event the Mayor or any member of the City Council is unavailable or unable to discharge any obligation or duty with respect hereto, including the approval, execution or attestation of the Bonds or other documents, then any member of the City Council may act in the capacity of such member for the purpose of discharging such obligation or duty.

Section 6. Authorization to Execute and Deliver Order to Refunded Trustee; Instruction to Refunded Trustee. The City Manager and Finance Director are each hereby authorized to direct the respective registrar or trustees of the Prior Bonds as to matters pertaining to the transaction contemplated hereby, including the distribution of redemption notices. Furthermore the City Manager, Finance Director or other officer of the City is each hereby authorized and directed to (i) enter into any necessary agreements with the registrar or trustee of the Prior Bonds and (ii) direct such registrar or trustee of the Prior Bonds to take such action or provide such notices to effectuate the transactions contemplated by this resolution and the Bond Documents.

Section 7. Mutilated, Lost or Destroyed Bonds or Certificates. In case any Bond or Certificate becomes mutilated or destroyed or lost, the Registrar or the City, as applicable, shall cause to be executed and delivered a new Bond or Certificate of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or Certificate or in lieu of and in substitution for such Bond or Certificate destroyed or lost, upon the registered owner's paying the reasonable expenses and charges of the City and the Registrar, as applicable, in connection therewith and, in the case of the Bond or Certificate destroyed or lost, filing with the City Clerk and the Registrar, as applicable by the registered owner evidence satisfactory to the City and the Registrar, as applicable, that such Bond or Certificate was destroyed or lost, and furnishing the City and the Registrar, as applicable, with a sufficient indemnity bond pursuant to A.R.S. § 47-8405, as amended.

Section 8. Acceptance of Proposal. As applicable, the Bank Purchaser or the Underwriter shall purchase the Bonds and Certificates pursuant to the form of Bank Purchase Contract or Underwriter Purchase Contract, as applicable, submitted to and on file with the City Clerk and such proposal, as supplemented by the final terms as contemplated by this resolution, is hereby authorized and approved. When the final terms of the Bonds and Certificates are known, the Bank Purchase Contract or Underwriter Purchase Contract, as applicable, shall be finalized. The Mayor, any member of the City Council, the City Manager or the Finance Director is each hereby authorized and directed to cause the Bank Purchase Contract or Underwriter Purchase Contract to be completed and executed and to finalize the terms thereof, including, but not limited to, establishing the principal amount of Bonds and Certificates sold, the maturity amounts, maturity dates, interest rates and optional and mandatory redemption provisions; provided, however, that the parameters of this resolution shall govern the Bank Purchase Contract or Underwriter Purchase Contract, as applicable, as finalized; and provided further, that none of the Mayor, any member of the City Council, the City Manager and the Finance Director are authorized to insert in the Bank Purchase Contract or Underwriter Purchase Contract, as applicable, any terms or conditions which would be contrary to this resolution.

Upon the completion, execution and delivery of the Bank Purchase Contract or Underwriter Purchase Contract, as applicable, the Bonds and Certificates are ordered sold to the Bank Purchaser or Underwriter. The execution and delivery of the Bank Purchase Contract or the Underwriter Purchase Contract as completed shall be conclusive evidence of such approval of the final terms and provisions.

The Finance Director is hereby authorized and directed to cause the Bonds and Certificates to be delivered to or upon the order of the Bank Purchaser or Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the Bank Purchase Contract or Underwriter Purchase Contract.

Section 9. Funds and Accounts. The Finance Director shall create the following funds and accounts which shall be held separate and apart from other funds and accounts of the City and used only as provided herein:

- (a) Bond Fund, which shall include:
 - (i) Principal Account
 - (ii) Interest Account
 - (iii) Prepayment Account.

- (b) Costs of Issuance Account.

The money deposited to the various funds and accounts create hereby, together with all investments thereof and investment income therefrom, shall be held in trust by the City and applied solely as herein provided.

Section 10. Deposits to and Application of Bond Fund.

(a) The City shall deposit or shall cause, at the applicable times set forth below, to be immediately deposited to the Bond Fund to the credit of the applicable accounts:

(i) to the Principal and Interest Accounts, as applicable, upon receipt, all amounts collected by or remitted to the City from the collections of the installments of principal and interest, respectively, on the Assessments;

(ii) to the Prepayment Account, upon receipt, all amounts remitted to the City as prepayments of the Assessments;

(iii) to the Prepayment Account, upon receipt, all amounts remitted to the City as proceeds from any foreclosure sale of any assessed real property;

(iv) such other funds as the City shall, from time to time, at its option deem advisable.

(b) The Principal, Interest and Prepayment Accounts of the Bond Fund shall be applied solely to pay principal of (including any mandatory redemption amount then due), interest on and the Redemption Price with respect to the Bonds or Certificates, respectively.

Section 11. Costs of Issuance Account. If the Finance Director, with the advice of the Financial Advisor, determines that the Depository Trust Agreement is not necessary, the creation of a Costs of Issuance Account pertaining to the Bonds and Certificates is hereby authorized. The money deposited to the Costs of Issuance Account, together with all investments thereof and investment income therefrom, shall be held in trust by the City. The City shall deposit to the Costs of Issuance Account Bond and Certificate proceeds in the amounts provided in the City Tax Certificate. Upon a request for disbursement, amounts on deposit in the Costs of Issuance Account shall be applied to pay all costs of the issuance and sale of the Bonds and Certificates identified in a request signed by the Mayor, City Manager or the Finance Director. On August 30, 2018, the City shall transfer any moneys in the Costs of Issuance Account to the Bond Fund.

Section 12. Investment of and Security for Funds. Money held for the credit of any fund or account created pursuant to this resolution shall be invested in accordance with A.R.S. §35-323.

Section 13. Registrar and Paying Agent.

(a) *Sale to Bank Purchaser.* If the Bonds and Certificates are sold to the Bank Purchaser, the City shall function as the registrar and the paying agent for the Bonds and Certificates.

(b) *Sale to Underwriter.* If the Bonds and Certificates are sold to the Underwriter, this Section 13(b) shall apply. Pursuant to the Registrar Contract, the Registrar will maintain an office or agency where Bonds or Certificates may be presented for registration of transfer and the Paying Agent will maintain an office or agency where Bonds may be presented for payment. The City may appoint one or more co-registrars or one or more additional paying agents. The Registrar and the Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the Bondholders.

Initially, U.S. Bank National Association will act as the initial Registrar and the initial Paying Agent with respect to the Bonds and Certificates. The City may change the Registrar or the Paying Agent without notice to or consent of the Bondholders and the City may act in any such capacity.

The Paying Agent, and any subsequent paying agent, will be required to agree in writing that the Paying Agent will hold in trust for the benefit of the Bondholders all moneys held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds and interest on the Certificates.

The Registrar may appoint an authenticating agent acceptable to the City to authenticate Bonds and Certificates. An authenticating agent may authenticate Bonds and Certificates whenever the Registrar may do so. Each reference herein to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

The Registrar shall keep a separate register of the Bonds and the Certificates. The register shall show the Owners of the Bonds and any transfer of the Bonds and one registrar shall show the Owners of the Certificates any transfer of the Certificates. When Bonds or Certificates are presented to the Registrar or a co-Registrar with a request to register transfer, the Registrar will register the transfer on the Register if its requirements for transfer are met and will authenticate and deliver one or more Bonds or Certificates registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds or Certificates. Bonds or Certificates presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee but the interest payment will be made to the registered Bondholders shown on the Register maintained by the Registrar as of the close of business on the Record Date.

The Registrar may but need not register the transfer of a Bond or Certificate which has been selected for redemption and need not register the transfer of any Bond or Certificate for a period of fifteen (15) days before a selection of Bonds or Certificates to be redeemed; if the transfer of any Bond or Certificate which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the Bond or Bonds.

The Registrar shall authenticate Bonds for original issue up to \$35,000,000 in aggregate principal amount and Certificates up to \$1,500,000 in aggregate payment amount upon the written request of the Finance Director or other authorized City officer. The aggregate principal amount of Bonds and Certificates outstanding at any time may not exceed that amount except for replacement Bonds and Certificates as to which the requirements of the Registrar and the City are met.

The amounts which are segregated by the City or deposited with the Paying Agent to pay the principal of, premium, if any, or interest on any Bonds or interest on any Certificates becoming due on any due date shall be held in trust for the benefit of the owner of such Bonds or Certificates. Amounts so segregated or deposited and held in trust shall constitute a separate trust fund for the benefit of the owner of such Bonds or Certificates entitled to such principal or interest, as the case may be. Amounts held by the City or Paying Agent for the payment of the principal of, premium, if any, or interest on the Bonds, or interest on the Certificates, need not be segregated from other funds, except to the extent required by law.

The City may at any time direct any Paying Agent to pay to the City all money held by such Paying Agent, such amounts to be held by the City upon the same trusts as those upon which such money was held by such Paying Agent, and, upon such payment by any Paying Agent to the City, such Paying Agent shall be released from all further liability with respect to such money.

In the event any check for payment of interest on a Bond or Certificate is returned to any Paying Agent unendorsed or is not presented for payment within two (2) years from its

payment date or any Bond is not presented for payment of principal at maturity or redemption date, if amounts sufficient to pay such interest or principal due upon such Bond or Certificate shall have been made available to such Paying Agent for the benefit of the owner thereof, it shall be the duty of such Paying Agent to hold such funds or invest the same in Government Obligations (as defined herein), without liability for interest thereon, for the benefit of the owner of such Bond or Certificate who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or Certificate or amounts due thereunder. Such obligation of the Paying Agent to hold such funds shall continue for two (2) years and six (6) months following the date on which such interest or principal payment became due, whether at maturity or stated maturity, or at the redemption date, or otherwise, at which time such Paying Agent shall surrender such unclaimed funds so held to the City, whereupon any claim of whatever nature by the owner of such Bond or Certificate arising under such Bond or Certificate shall be made upon the City.

So long as the Bonds and Certificates are administered under DTC's Book-Entry-Only System and DTC is the securities depository for the Bonds and Certificates described herein, interest payments and principal payments that are part of periodic principal and interest payments shall be paid to Cede & Co. or its registered assigns in same-day funds no later than the time of payment established by DTC on each interest or principal payment date or Certificate Payment Date (or in accordance with then existing arrangements between the City and DTC). The City has previously entered into an agreement (the "*Letter of Representations*") with DTC in connection with the issuance of its bonds and, while the Letter of Representations is in effect, the procedures established therein shall apply to the Bonds and Certificates.

If the Book-Entry-Only System is discontinued, the Registrar's registration books will show the registered Bondholders. While the Bonds are subject to the Book-Entry-Only System, the Bonds and Certificates shall be registered in the name of Cede & Co., or its registered assigns. The Bonds and Certificates will be administered by the Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Registrar in the manner set forth in the Bonds and Certificates.

If the Book-Entry-Only System is discontinued, interest on the Bonds (other than supplemental interest represented by the Certificates) will be payable on each Interest Payment Date by the Paying Agent by check mailed to the Owner thereof at such Owner's address as shown on the registration books maintained by the Registrar on or before the close of business of the Registrar the fifteenth (15th) day of the month preceding an Interest Payment Date

If the Book-Entry-Only System is discontinued, principal of the Bonds and the payment amount evidenced by the Certificates and representing supplemental interest on the Bonds will be payable, when due, only upon presentation and surrender of the Bond or Certificates at the designated corporate trust office of the Paying Agent.

Notwithstanding any other provision of this resolution, payment of principal of and interest on any Bond, and payment of interest on any Certificate, that is held by a securities depository or Bonds or Certificates subject to a Book-Entry-Only System may be paid by the Paying Agent by wire transfer in "same day funds."

Section 14. Other Actions Necessary. The Mayor (or any other member of the City Council in the event the Mayor is absent or unable to take the desired action), the City Manager, the Finance Director, the City Clerk and the officers of the City shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Bond Documents and the Final Official Statement, as applicable, including without limitation, the acquisition of credit enhancement for the Bonds and Certificates, the execution and delivery of the closing and other documents required to be delivered in connection with the sale and delivery of the Bonds and Certificates. (The persons who shall so take such actions shall be the persons holding such offices at the time of the initial issuance and delivery of the Bonds and Certificates.) The City Manager or Finance Director may agree, on behalf of the City, to provide annual continuing disclosure regarding the City to the Underwriter or the Bank Purchaser, as applicable, and such parties as the Underwriter or the Bank Purchaser may request and to use the services of a dissemination agent to satisfy such request.

Section 15. Distribution of Disclosure Documents. If the Bonds and Certificates are sold to the Underwriter, the Preliminary Official Statement is hereby deemed final for all purposes of SEC Rule 15c(2)(12), its distribution by the Underwriter is hereby authorized and approved, and the City Manager or any member of the City Council is hereby authorized and directed to complete, execute and deliver the Final Official Statement in substantially the form presented at the meeting at which this resolution was adopted, with such completions and changes as may be acceptable to such City Manager or member of the City Council, and the distribution and use of the Final Official Statement by the Underwriter is hereby approved.

Section 16. Assessment Levy and Procedures.

(a) The Assessments were previously levied and recorded in the Office of the Superintendent of Streets of the City against each lot comprising the parcels of real property within the boundaries of the Improvement District.

(b) Pursuant to the Refunding Act, the Bonds and Certificates will be secured and payable from the Assessments levied to pay the Bonds Being Refunded. For each year while any Bond or Certificate is outstanding, the Mayor and City Council shall semiannually cause to be collected such portion of the Assessment, sufficient, together with any moneys from any sources so authorized, to pay principal and interest on the Bonds, and interest on Certificates, when due. Moneys received from the collection of the Assessments when collected constitute funds to pay principal of and interest on the Bonds, and interest on Certificates, when due and shall be kept separately from other funds in the Bond Fund of the City. The amounts due pursuant to the Assessments and unpaid are and shall be a first lien on the property so assessed in the Improvement District, subject only to general property taxes and prior special assessments and shall be collected as prescribed by A.R.S. §§ 48-599 and 600, as amended. Notwithstanding the foregoing, the Assessments may be collected by the Maricopa County Treasurer in a similar manner and together with the collection of real property taxes, should the Finance Director so direct. In the event of nonpayment of amounts due pursuant to the Assessment, the City shall follow the procedures for collection of delinquent amounts and sale of delinquent property prescribed by A.R.S. §§ 48-601 through 48-607, as amended.

(c) If any Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the City shall be satisfied that any such Assessment is so irregular or defective that the same cannot be enforced or collected, or if the City shall have omitted to make such Assessment when it might have done so, the City shall either (a) take all necessary steps to cause a new assessment to be made for the whole or any part of the public improvements financed by the Prior Bonds or against any property benefited by said public improvements, or (b) in its sole discretion, request the owner of the assessed property to make up the amount of such Assessment, which moneys shall be deposited into the Bond Fund, as applicable. In case such an Assessment shall be annulled, the City shall obtain and make other Assessments until a valid Assessment shall be made.

Section 17. Temporary Loans. Pursuant to A.R.S. § 48-609, the City may, but is not so obligated to, make good any deficiency in the funds collected from the Assessments by a temporary loan from some other fund. The City hereby covenants, to the extent such covenant is permitted by law and to the extent the funds therefor are included in the City's adopted budget for the applicable fiscal year, to make such temporary loans from any funds available for that purpose to make good any deficiency in the funds collected from the Assessments as may be necessary to make payment of principal and interest on the Bonds when due.

Section 18. Approval of Modified Assessments. Pursuant to the Refunding Act, the Assessments are approved and confirmed by the Mayor and City Council. If the Assessments require modification in connection with the transactions contemplated hereby, so long as the modified Assessments do not increase the Assessment on any parcel or lot, the Mayor, or any other member of the City Council, is hereby authorized and directed to approve the modified Assessments in a closing certificate related to the Bonds and Certificates without providing notice or a hearing to the owners of the affected parcels or lots.

Section 19. Resolution a Contract. This resolution shall constitute a contract between the City and the registered owners of the Bonds and Certificates and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds and Certificates until the Bonds and Certificates and the interest thereon shall have been fully paid, canceled and discharged. The performance by the Mayor and City Council of the obligations in this resolution, the Bonds and Certificates, the Bond Documents and other agreements pertaining to the transactions contemplated hereby, is hereby authorized, approved and it is ordered and directed to execute, delivery and perform such documents.

Section 20. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 21. Compliance with Federal Law.

(a) The City recognizes that the purchasers of the Bonds and Certificates will have accepted them on, and paid therefore a price which reflects, the understanding that interest thereon is excludable from gross income of the owner thereof for federal income tax purposes under laws in force at the time the Bonds and Certificates shall have been delivered. In this connection the City agrees that it shall take no action which may render the interest on any of the Bonds and Certificates to be includable in gross income for federal income tax purposes. The City agrees that, to the extent possible under State of Arizona law, it will comply with whatever federal law is now in effect or which shall be adopted in the future which applies to the Bonds and Certificates and is necessary to prevent interest on the Bonds and Certificates from becoming included as gross income for purposes of calculating federal income taxes.

(b) The City authorizes the creation of a fund which is hereinafter referred to as the "*Rebate Fund*". The City will comply with the rebate requirement ("*Rebate*") set forth in the City's Tax Certificate delivered in connection with the delivery of the Bonds and Certificates.

(c) The Mayor or her designee is hereby authorized to make certain truthful certifications, representations, agreements and elections as required by law to assure the purchasers and owners of the Bonds and Certificates that the proceeds of the Bonds and Certificates will not be used in a manner which would or might result in the Bonds and Certificates being "arbitrage bonds" under Section 148 of the Code or the regulations of the United States Treasury Department currently in effect or proposed. The certifications, representations and agreements of the City may be made by executing and delivering certificates and agreements required by Bond Counsel. The certificates and agreements shall constitute an agreement of the City to follow covenants and requirements set forth therein which may require the City to take certain actions (including the payment of certain amounts to the United States Treasury) or which may prohibit certain actions (including the establishment of certain funds) under certain conditions.

(d) The City further recognizes that Section 149(a) of the Code requires the Bonds and Certificates to be issued and to remain in fully registered form in order for interest thereon to be excludable from gross income for purpose of federal income taxation under laws in force at the time the Bonds and Certificates are delivered. In this connection, the City agrees that it will not take any action to permit the Bonds and Certificates to be issued in, or converted into, bearer or coupon form if such action would cause interest on the Bonds and Certificates to be included in gross income for federal income tax purposes.

Section 22. Defeasance. Any Bond shall be deemed to be no longer outstanding when payment of the principal of such Bond, plus interest thereon to the maturity thereof (whether such maturity be by reason of the stated maturity thereof or call for redemption, if notice of such call has been given or waived or irrevocable arrangements therefor satisfactory to the Registrar or the Bank Purchaser, as applicable, have been made) shall have been provided for by depositing for such payment from funds of the City under the terms provided in this Section: (1) money sufficient to make such payment or (2) money and direct or indirect obligations of the United States of America (as approved by Bond Counsel) ("*Government*

Obligations") certified by an independent accountant of national reputation to mature as to principal and interest in such amounts and at such times as shall, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom be sufficient to make such payment, provided that all necessary and proper fees, compensation, and expenses of the Bank Purchaser or the Registrar and the Paying Agent, as applicable, pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Bank Purchaser or the Registrar. Any such deposit shall be made either with the Paying Agent or, if notice of such deposit is given to the Bank Purchaser or the Registrar and the Paying Agent, as applicable, with a state or nationally chartered bank with a minimum combined capital and surplus of \$50,000,000, as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Bank Purchaser or the Registrar or the Paying Agent, as applicable, in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the maturity thereof and of such interest or the stated maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then outstanding, the outstanding Bonds shall be selected in the same manner as provided in this resolution for the selection of Bonds to be redeemed.

Notwithstanding anything herein to the contrary however, no such deposit shall have the effect hereinabove described (1) if made during the existence of default hereunder unless made with respect to all of the Bonds then outstanding and (2) unless there shall be delivered to the Registrar or the Bank Purchaser, as applicable, an opinion of counsel to the effect that such deposit shall not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Government Obligations deposited with the Paying Agent or escrow agent for such purpose shall be held by the Paying Agent or escrow agent in a segregated account in trust for the owners of the Bonds with respect to which such deposit is made and together with any investment income therefrom, shall be disbursed solely to pay the principal of and interest on the Bonds when due. No money or Government Obligations so deposited pursuant to this Section shall be invested or reinvested unless in Government Obligations and unless such money not invested, such Government Obligations not reinvested, and such new investments are together certified by an independent accountant of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this resolution, except for purposes of any such payment from such money or Government Obligations.

Section 23. Authority to Transfer Funds. The Finance Director is hereby authorized and directed to transfer such amounts of money from the bond fund for the Prior Bonds, and such other authorized sources of the City as are or may be necessary to complete the refunding of the Bonds Being Refunded.

Section 24. Bond Insurance or Credit Enhancement. The City Manager or the Finance Director is each hereby authorized to expend or cause to be expended Bond proceeds to purchase a municipal bond insurance policy or other credit enhancement for the Bonds and


Certificates if it is determined, with the advice of the Financial Advisor, to be in the best interests of the City.

Section 25. Appointment of Depository Trustee. As applicable, U.S. Bank National Association is hereby appointed as Depository Trustee for the purpose of the Depository Trust Agreement. If necessary, the City Manager and Finance Director are each hereby authorized and directed to receive proposals and select an alternative depository trustee that is qualified to serve in such capacity. The Finance Director, with advice from the Financial Advisor, may alternatively determine that the Depository Trust Agreement is not necessary, and is hereby authorized and directed to administer the application of the proceeds of the Bonds and Certificates to refund the Bonds Being Refunded.

Section 26. Emergency. The immediate operation of this Resolution is necessary because the exigencies of the municipal bond market, and the need for an immediate sale and early closing to secure the most favorable interest rates on the Bonds require that the Bonds be issued and delivered as soon as possible; therefore, an emergency is hereby declared to exist.

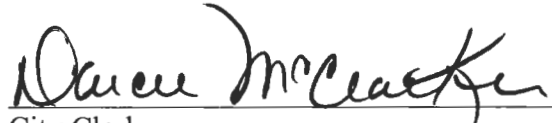
PASSED, ADOPTED AND APPROVED by the Mayor and City Council of the City of Goodyear, Arizona on April 23, 2018.

CITY OF GOODYEAR, ARIZONA



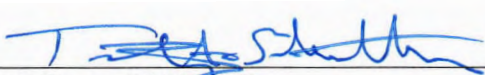
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:

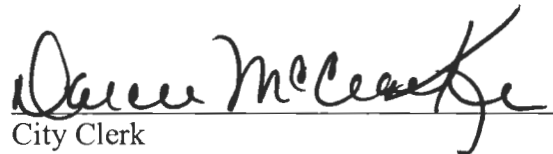


Gust Rosenfeld P.L.C.
Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing resolution was duly passed by the Mayor and City Council of the City of Goodyear, Arizona at a regular meeting held on April 23, 2018, and that a quorum was present thereat and that the vote thereon was 5 ayes and 0 nays; 2 did not vote or were absent.





City Clerk

EXHIBIT A

Number: R-1

Denomination: \$ _____,000

[FOR UNDERWRITER: UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE CITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.]

[FOR BANK PURCHASER: RESTRICTIONS ON TRANSFER. THIS BOND MAY BE TRANSFERRED ONLY IN WHOLE AND ONLY TO A "QUALIFIED INVESTOR," AS SUCH TERM IS DEFINED IN RULE 144A OF THE SECURITIES ACT OF 1933, AS AMENDED, OR AN ACCREDITED INVESTOR (EXCLUDING NATURAL PERSONS) AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, WHO EXECUTES THE CERTIFICATE OF QUALIFIED INVESTOR.]

UNITED STATES OF AMERICA
STATE OF ARIZONA

**CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT,
REFUNDING BONDS, SERIES 2018**

<u>Interest Rate</u> _____ %	<u>Maturity Date</u> July 1, 20__	<u>Original Dated Date</u> _____, 2018
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Registered Owner: _____

Principal Amount: _____ AND NO/100 DOLLARS (\$ _____,000)

THE CITY OF GOODYEAR, ARIZONA, (the "*City*"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, an amount not to exceed the principal amount set forth above, and to receive semiannually on January 1 and July 1 of each year commencing _____, 20__ (each, an "*Interest Payment Date*"). Interest will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original dated date set forth above. Interest shall be payable at the interest rate specified above.

[For Bank Purchaser - Interest shall be payable at the interest rate described above, or at the Taxable Rate as defined in the Purchase Contract dated as of _____, 2018, by and between the City and [_____], of ___% due to a Determination of Taxability (as defined in the Purchase Contract), or at the Default Rate (as defined in the Purchase Contract) of ___%, if the Default Rate is then in effect due to a non-payment Event of Default (as defined in the Purchase Contract) or the combination of a non-payment Event of Default and a Determination of Taxability.]

Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.

Principal of and interest on this bond are payable in lawful money of the United States of America. As provided in a resolution adopted by the Board of Directors of the City on April 23, 2018 (the "*Bond Resolution*"), the interest, principal and Redemption Price (as such term and all other capitalized terms used herein and not defined are defined in the Bond Resolution) payable on the bonds shall be paid to CEDE & Co. or its registered assigns in same-day funds no later than the time established by DTC on the date due (or in accordance with the end existing arrangements between the City and DTC).

Payments will be made to the registered owner on the registration books maintained by the Registrar at the close of business of the Registrar on the fifteenth (15th) day of the calendar month (other than a Saturday, Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the place of payment or in the City where the principal corporate trust office of the Paying Agent is located (a "business day")) next preceding the applicable Interest Payment Date, or if such day is not a business day, the previous business day.

[For Bank Purchaser - Interest payments and principal payments that are part of periodic principal and interest payments shall be received by the registered owner hereof, as shown on the registration books maintained by the City, at the address appearing therein at the close of business on the first day of the calendar month next preceding the interest payment date. Annual payments of principal represented by mandatory sinking fund installments shall not require the surrender of this bond.]

The bonds are executed and delivered only in fully registered form in principal denominations of \$5,000, or integral multiples thereof. If necessary to accommodate a prior redemption of Bonds, the Bonds may be in denominations of less than \$5,000 in integral multiples of \$1.00.

The bonds will be redeemed at the option of the City in whole or in part on any Interest Payment Date, upon not more than sixty (60) nor less than thirty (30) days prior notice, upon payment of the applicable Redemption Price which shall consist of the principal amount of the bonds so redeemed, plus interest, if any, on the bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium (i) from the prepayment of any Assessment by the owner of any Assessed Property, or (ii) from the proceeds from the sale of any delinquent Assessments.

[Optional Redemption Clause - The bonds maturing on or after July 1, 20__, will also be redeemable, on or after July 1, 20__, at the option of the City prior to the applicable maturity in whole on any date or, from time to time, in part on any Interest Payment Date as randomly determined by the [City/Registrar] within the applicable maturity upon not more than sixty (60) nor less than thirty (30) days prior notice, upon payment of the applicable redemption price which will consist of the principal amount of the bonds so redeemed plus interest, if any,

on the bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium.]

The bonds are subject to mandatory redemption prior to their stated maturity, at random or such other manner as selected by the City, as shown below, and in the following principal amounts, at a redemption price equal to the principal amount thereof plus interest accrued to the date of redemption but without premium:

Principal Payment Date (July 1)	Principal Amount
20__	\$ ____,000
20__	____,000
20__	____,000
20__	____,000
20__*	____,000

*Maturity.

Whenever bonds subject to mandatory redemption are redeemed or are delivered to the City for cancellation, the principal amount of bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity as designated by the City.

Notice of redemption of the bonds shall be mailed by first class mail to the registered owner of each bond to be redeemed in whole or in part at the registered owner's address shown on the registration book for the bonds maintained by the [City/Registrar] at least thirty (30) days, but not more than sixty (60) days, prior to the redemption date. Failure to properly give notice of redemption shall not affect the redemption of any bonds for which notice was properly given.

Unless the Certificate of Authentication hereon has been executed by the Registrar, by manual signature, this bond shall not be entitled to any benefit under the Bond Resolution or be valid or obligatory for any purpose.

This bond is issued in pursuance of law, and is one of a series of [] bonds of like tenor and date for the total sum of \$[] dollars issued for to refinance the costs of acquiring certain public improvements, including particularly the acquisition by the City of the improvements (the "Improvements") described in the Bond Resolution to which reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the registered owner of the bonds and the City, and the terms upon which the bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this bond hereby consents. All bonds issued pursuant to the Bond Resolution are equally and ratably secured by the amounts thereby pledged and assigned.

The Bonds are limited obligations of the City payable only out of the special fund to be collected from a special assessment (the "*Assessment*") levied only against the lots or parcels of land fronting on or benefited by the Improvements (the "*Assessed Property*"). The Assessed Property represents property within the McDowell Road Commercial Corridor Improvement District within the City. Said special fund is set apart in accordance with the laws of the State of Arizona and pursuant to the Bond Resolution for the payment of the bonds and can be used for no other purpose.

It is hereby certified and declared that the improvement for which this series of bonds is issued is authorized by law, that all the acts, conditions and things required to be done, precedent to and in the issuing of this series of bonds, have been done and performed in regular and due form as required by the laws of the state of Arizona, the charter of (name of municipality), and all ordinances and resolutions thereof, that the special assessments out of which said bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments, and any bona fide purchaser for value of this bond has the right to rely on the recitals herein contained. For the assessment or reassessment, collection and payment of said special assessments, the full faith and diligence of said municipality are hereby irrevocably pledged.

In case any provision in this bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This bond shall be construed in accordance with and governed by the laws of the State of Arizona.

Notwithstanding any provision hereof or of the Bond Resolution, the obligation of the City to make money available to pay this bond may be defeased by the deposit of money and/or certain direct or indirect obligations of the United States of America (such obligations to be approved by the Issuer's bond counsel) sufficient for such purposes, as described in the Bond Resolution.

The bonds shall initially be issued as a single fully-registered bond for each maturity and so long as the ownership of the bonds is maintained in the book-entry-only system by DTC or a nominee thereof, this bond may be transferred in whole but not in part only to DTC or a nominee thereof or to a successor to DTC or its nominee.

The City will not have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person not shown on the registration books of the Registrar as being a holder with respect to: (1) the bonds; (2) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (3) the timely or ultimate payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or Redemption Price of or interest on the bonds; (4) the delivery by any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Resolution to be given to the holders; (5) the selection of the Beneficial Owner to receive payment in the event of any partial redemption of the bonds; or (6) any consent given or other action taken by DTC as the holder.

If ownership of this bond is not maintained in the book-entry-only system, as provided in the Bond Resolution and subject to certain limitations therein set forth, this bond is transferable on the Register maintained by the Registrar, upon surrender of this bond for transfer to the Paying Agent at the Paying Agent's designated office, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the registered holder hereof or his attorney duly authorized in writing, and thereupon one or more new fully registered bonds of authorized denominations and for the same aggregate principal amount shall be issued to the designated transferee or transferees.

If ownership of this bond is not maintained in the book-entry-only system, as provided in the Bond Resolution and subject to certain limitations therein set forth, bonds are exchangeable for a like aggregate principal amount of bonds in authorized denominations, as requested by the holder, upon surrender of the bonds to be exchanged to the Paying Agent at the Paying Agent's designated office.

The Paying Agent may require payment of a sum sufficient to cover any tax or other charges payable in connection therewith.

The City, the Registrar, the Paying Agent, and any agent of any of them may treat the Person in whose name this bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this bond be overdue, and none of the City, the Registrar, the Paying Agent, and any such agent shall be affected by notice to the contrary.

[For Bank Purchaser - This Bond may be transferred only in whole and only to a "qualified investor," which means a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor (excluding natural persons) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, who executes a Certificate of Qualified Investor in the form attached hereto as Exhibit 1, and who agrees to comply with all applicable federal and state securities laws.]

The Registrar, the Paying Agent and the City may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

The City has caused this bond to be executed by the Mayor of the City, attested by the City Clerk, and countersigned by the Finance Director which signatures may be facsimile signatures. This bond is not valid or binding upon the City without the manually affixed signature of an authorized representative of the registrar. This bond is prohibited from being issued in coupon or bearer form without the consent of the City and the occurrence of certain other conditions.

CITY OF GOODYEAR, ARIZONA

Mayor

ATTEST:

City Clerk

COUNTERSIGNED:

Finance Director

DATED: _____, 2018

CERTIFICATE OF AUTHENTICATION

This is one of the bonds referred to in the within-mentioned Bond Resolution.

[_____] , as Registrar

By _____
Authorized Representative

Date: _____, 2018.

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT _____
(Cust.)
Custodian for _____ (Minor)
Under Uniform Gifts/Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:)

(Print or typewrite Social Security or other identifying number of transferee: _____) the
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (Print or
typewrite name of attorney) _____, attorney, to transfer the within bond on the books kept
for registration thereof, with full power of substitution in the premises.

DATED: _____
Signature guarantee should be made by a
guarantor institution participating in the
Securities Transfer Agents Medallion Program
or in such other guarantee program acceptable
to the Registrar

NOTICE: The signature(s) on this assignment must
correspond with the name(s) of the registered owner(s)
appearing on the face of the within bond in every
particular

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR

EXHIBIT 1

(Form of Certificate of Qualified Investor – For Bank Purchaser)

CITY OF GOODYEAR, ARIZONA

Re: \$_____,000 McDowell Road Commercial Corridor Improvement
District, Refunding Bonds, Series 2018

1. Please be advised that the undersigned is a Qualified Investor (as hereinafter defined) and is purchasing directly the captioned bonds (hereinafter referred to as the "Bonds"), such Bonds being in the original aggregate principal amount of \$_____,000, bearing the number R-1. Such purchase is solely for the account of the undersigned, for the purpose of investment and not with an intent for or view to distribution or resale.

2. In the event that the undersigned transfers such Bonds or any part thereof, the undersigned shall comply with all provisions of the resolution of City of Goodyear, Arizona (the "City") authorizing the issuance of the Bonds, adopted on April 23, 2018 (the "Resolution"). The undersigned understands that, unless the transfer restrictions terminate pursuant to the Resolution, a transferee shall be a Qualified Investor (as hereinafter defined), and must sign a letter in the form of this letter and provide such letter to the City before any transfer of any Bonds to such transferee will be registered.

3. The undersigned acknowledges that it is a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor (other than a natural person) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission) (either of which shall constitute a "Qualified Investor").

4. The undersigned understands that: (i) the Resolution and the Bonds are not being registered under the Securities Act of 1933, as amended, in reliance upon certain exemptions set forth in that act, (ii) the Resolution and the Bonds are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) any transfer of the Bonds must comply with federal and state securities laws, (iv) any sale or transfer of the Bonds, or interests therein, must be to Qualified Investors, (v) the Bonds will not be listed on any stock or other securities exchange, (vi) the Bonds will not carry any bond rating from any rating service and (vii) the Bonds are not likely to be readily marketable.

5. The undersigned assumes all responsibility for complying with any applicable federal and state securities laws with respect to any transfer of the Bonds or an interest therein by the undersigned, and agrees to hold the City harmless for, from and against any and all liabilities claims, damages or losses resulting directly or indirectly from such undersigned's failure to comply.

6. The undersigned acknowledges that the undersigned has had an opportunity and has obtained all information necessary and has evaluated the factors associated with its investment decision and after such evaluation, the undersigned understood and knew that investment in the Bonds involved certain risks, including, but not limited to, limited security and source for payment of the Bonds, the status of development and its impact on the collection of

assessments for payment of the Bonds, the potential that proceeds of foreclosure of certain parcels may not be sufficient to pay delinquent assessments, and the probable lack of any secondary market for the Bonds. The undersigned acknowledges that it is experienced in transactions such as those relating to the Bonds and that the undersigned is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds. The undersigned is not relying on the City in making its decision to purchase the Bonds.

7. The undersigned acknowledges that the City and the respective officers, directors, council members, advisors, employees and agents thereof have not undertaken to furnish, nor has the undersigned requested, any information to ascertain the accuracy or completeness of any information that may have been furnished by any other party.

8. This certificate and all rights and responsibilities described in it shall be governed by, and interpreted in accordance with, the laws of the State of Arizona. The federal and state courts of the State of Arizona shall have sole and exclusive jurisdiction over any dispute arising from the purchase and sale of the Bonds.

9. The undersigned has indicated to the City that it intends to hold and book the Bonds as a loan in its loan portfolio and that the undersigned acknowledges that the use of the word "Bonds" in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933.

[PURCHASER]

By: _____

Printed Name: _____

Title: _____

EXHIBIT B

Number: RC-_____

Denomination: \$ _____

[FOR UNDERWRITER: UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.]

[FOR BANK PURCHASER: RESTRICTIONS ON TRANSFER. THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN WHOLE AND ONLY TO A "QUALIFIED INVESTOR," AS SUCH TERM IS DEFINED IN RULE 144A OF THE SECURITIES ACT OF 1933, AS AMENDED, OR AN ACCREDITED INVESTOR (EXCLUDING NATURAL PERSONS) AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, WHO EXECUTES THE CERTIFICATE OF QUALIFIED INVESTOR.]

UNITED STATES OF AMERICA
STATE OF ARIZONA

**CERTIFICATE OF OWNERSHIP OF
SUPPLEMENTAL INTEREST PAYMENT**

APPERTAINING TO

**CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT
REFUNDING BONDS, SERIES 2018**

Certificate Payment
Date _____

CUSIP

Registered Owner: [CEDE & Co.]

SUPPLEMENTAL INTEREST AMOUNT: \$ _____

THE CITY OF GOODYEAR, ARIZONA (the "*City*"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns as provided herein, on the Certificate Payment Date specified above, the Supplemental Interest Amount specified above. Such amount represents a portion of the supplemental interest payments authorized by the resolution of the Board of Directors of the City authorizing the issuance of \$_____,000 aggregate principal amount of the McDowell Road Commercial Corridor Improvement District, *Refunding Bonds, Series 2018* (the "*Bonds*"). The Supplemental Interest Amount represents a portion of the interest at the supplemental interest rate on the outstanding principal amount of the Bonds, for the period commencing on the January 1 or July 1, as applicable, immediately preceding the Certificate Payment Date specified above and ending on the day immediately preceding the Certificate Payment Date specified above. The initial period shall be from the date of delivery of the Bonds to [July 1, 20__]. Supplemental interest payments that are part of periodic interest payments shall be received by CEDE & Co., as nominee of DTC or its registered assigns in same-day funds on the Certificate Payment Date in accordance with existing arrangements between the City and DTC.

[For Bank Purchaser – Supplemental interest payments that are part of periodic interest payments shall be received by the registered owner specified above in accordance with the Purchase Contract, dated as of _____, 2018, by and between the City and _____.]

Payment of the supplemental interest pursuant hereto shall be payable in lawful money of the United States of America.

This Certificate and the Bonds are limited obligations of the City payable only out of the special fund to be collected from a special assessment levied only against the lots or parcels of land fronting on or benefited by certain improvements and public infrastructure (the "*Assessed Property*"). The Assessed Property represents property within the McDowell Road Commercial Corridor Improvement District within the boundaries of the City. Said special fund is set apart in accordance with the laws of the State of Arizona and pursuant to the resolution passed and adopted by the Board of Directors of the City on April 23, 2018 (the "*Authorizing Resolution*"). Capitalized terms used but not defined herein are defined in the Authorizing Resolution.

The owner of this Certificate shall have no claim to the payment of principal or non-supplemental interest on the Bonds unless such person shall also be the owner of such Bonds at such Bonds' maturity, prior maturity or interest payment date, as applicable. This Certificate is not subject to payment prior to its scheduled Certificate Payment Date.

So long as the book-entry-only system is in effect, this Certificate is non-transferable. If the book-entry-only system is discontinued, this Certificate is transferable by the registered owner in person or by attorney duly authorized in writing and at the designated office of the registrar which will be appointed by the City at that time, upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates of the same Certificate Payment Date and aggregate Supplemental Interest Amount will be issued to the transferee in exchange. The registrar and paying agent may be changed by the City without notice to the owner of this Certificate.

[For Bank Purchaser – This Certificate may only be transferred in whole and only to a "qualified investor," which means a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor (excluding natural persons) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, who executes a Certificate of Qualified Investor in the form attached hereto as Exhibit 1, and who agrees to comply with all applicable federal and state securities laws.

The City, the Registrar and the Paying Agent may treat the registered owner of this Certificate as the absolute owner for the purpose of receiving payment hereof and for all other purposes and none of them shall be affected by any notice to the contrary.

The City has caused this Certificate to be executed by the Chair of the Board of Directors of the City, attested by the City Clerk and countersigned by the Finance Director, which signatures may be facsimile signatures. This Certificate is not valid or binding upon the City without the manually affixed signature of an authorized representative of the Registrar. This Certificate is prohibited from being issued in bearer form without the consent of the Board of Directors of the City and the occurrence of certain other conditions.

CITY OF GOODYEAR, ARIZONA

Mayor

ATTEST:

City Clerk

COUNTERSIGNED:

Finance Director

DATED: _____, 2018

CERTIFICATE OF AUTHENTICATION

This is one of the Certificates referred to in the within-mentioned Authorizing Resolution.

[_____], as Registrar

By _____
Authorized Representative

Date: _____, 2018.

The following abbreviations, when used in the inscription on the face of the within certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of
survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT _____
(Cust.)
Custodian for _____ (Minor)
Under Uniform Gifts/Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:)

(Print or typewrite Social Security or other identifying number of transferee: _____) the
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (Print or
typewrite name of attorney) _____, attorney, to transfer the within certificate on the books
kept for registration thereof, with full power of substitution in the premises.

DATED: _____
Signature guarantee should be made by a
guarantor institution participating in the
Securities Transfer Agents Medallion Program
or in such other guarantee program acceptable
to the Registrar

NOTICE: The signature(s) on this assignment must
correspond with the name(s) of the registered owner(s)
appearing on the face of the within certificate in every
particular

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR

EXHIBIT 1

(Form of Certificate of Qualified Investor – For Bank Purchaser)

CITY OF GOODYEAR, ARIZONA

Re: \$_____,000 Certificate of Ownership of Supplemental Interest Payments Appertaining to McDowell Road Commercial Corridor Improvement District, Refunding Bonds, Series 2018

1. Please be advised that the undersigned is a Qualified Investor (as hereinafter defined) and is purchasing directly the captioned certificates (hereinafter referred to as the "Certificates"), such Certificates being in the original aggregate payment amount of \$_____,000, bearing the number RC-_. Such purchase is solely for the account of the undersigned, for the purpose of investment and not with an intent for or view to distribution or resale.

2. In the event that the undersigned transfers such Certificates or any part thereof, the undersigned shall comply with all provisions of the resolution of City of Goodyear, Arizona (the "City") authorizing the issuance of the Certificates, adopted on April 23, 2018 (the "Resolution"). The undersigned understands that, unless the transfer restrictions terminate pursuant to the Resolution, a transferee shall be a Qualified Investor (as hereinafter defined), and must sign a letter in the form of this letter and provide such letter to the City before any transfer of any Certificates to such transferee will be registered.

3. The undersigned acknowledges that it is a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor (other than a natural person) as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission) (either of which shall constitute a "Qualified Investor").

4. The undersigned understands that: (i) the Resolution and the Certificates are not being registered under the Securities Act of 1933, as amended, in reliance upon certain exemptions set forth in that act, (ii) the Resolution and the Certificates are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) any transfer of the Certificates must comply with federal and state securities laws, (iv) any sale or transfer of the Certificates, or interests therein, must be to Qualified Investors, (v) the Certificates will not be listed on any stock or other securities exchange, (vi) the Certificates will not carry any bond rating from any rating service and (vii) the Certificates are not likely to be readily marketable.

5. The undersigned assumes all responsibility for complying with any applicable federal and state securities laws with respect to any transfer of the Certificates or an interest therein by the undersigned, and agrees to hold the City harmless for, from and against any and all liabilities claims, damages or losses resulting directly or indirectly from such undersigned's failure to comply.

6. The undersigned acknowledges that the undersigned has had an opportunity and has obtained all information necessary and has evaluated the factors associated with its investment decision and after such evaluation, the undersigned understood and knew that investment in the Certificates involved certain risks, including, but not limited to, limited

security and source for payment of the Certificates, the status of development and its impact on the collection of assessments for payment of the Certificates, the potential that proceeds of foreclosure of certain parcels may not be sufficient to pay delinquent assessments, and the probable lack of any secondary market for the Certificates. The undersigned acknowledges that it is experienced in transactions such as those relating to the Certificates and that the undersigned is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Certificates. The undersigned is not relying on the City in making its decision to purchase the Certificates.

7. The undersigned acknowledges that the City and the respective officers, directors, council members, advisors, employees and agents thereof have not undertaken to furnish, nor has the undersigned requested, any information to ascertain the accuracy or completeness of any information that may have been furnished by any other party.

8. This certificate and all rights and responsibilities described in it shall be governed by, and interpreted in accordance with, the laws of the State of Arizona. The federal and state courts of the State of Arizona shall have sole and exclusive jurisdiction over any dispute arising from the purchase and sale of the Certificates.

9. The undersigned has indicated to the City that it intends to hold and book the Certificates as a loan in its loan portfolio and that the undersigned acknowledges that the use of the words "Certificates" and "Bonds" in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933.

[PURCHASER]

By: _____

Printed Name: _____

Title: _____

DISTRICT FEDERAL TAXPAYER I.D. NO. [_____]

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT FOR BONDS OF CITY OF GOODYEAR, ARIZONA

This Bond Registrar, Transfer Agent and Paying Agent Contract dated as of May 1, 2018 (the "*Contract*"), made and entered into by and between the **CITY OF GOODYEAR, ARIZONA** (the "*City*") and **U.S. BANK NATIONAL ASSOCIATION** (hereinafter called the "*Bank*") witnesseth as follows:

The City will issue its bonds McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the "*Bonds*"). The Bonds will be issued in the aggregate principal amount of \$ _____), and \$ _____ payment amount of Certificates of Ownership of Supplemental Interest Payments appertaining thereto (the "*Certificates*"). The services of a registrar, transfer agent and paying agent are necessary and in the best interests of the City. Initially, the Bonds and Certificates will be issued in book-entry-only form through The Depository Trust Company ("*DTC*") and, so long as the book-entry-only system (the "*Book-Entry-Only System*") is in effect, the Bonds and Certificates will be registered in the name of Cede & Co., the nominee name of DTC.

The Bank desires to perform registrar, transfer agent and paying agent services during the life of the Bonds and Certificates.

For and in consideration of the mutual promises, covenants, conditions and agreements hereinafter set forth, the parties do agree as follows:

1. **Services**. The Bank hereby agrees to provide the following services:

A. Registrar services which shall include, but not be limited to, (1) authenticating and verifying Bonds and Certificates; (2) keeping registration books sufficient to comply with Section 149 of the Internal Revenue Code of 1986, as amended (the "*Code*"); (3) recording transfers of ownership of the Bonds and Certificates promptly as such transfers occur; (4) protecting against double or overissuance; (5) authenticating new Bonds prepared for issuance to transferees of original and subsequent purchasers; and (6) informing the City of the need for additional printings of the Bonds and Certificates should the forms printed prior to initial delivery prove inadequate.

B. Transfer agent services which shall include, but not be limited to, (1) receiving and verifying all Bonds and Certificates tendered for transfer; (2) preparing new Bonds and Certificates for delivery to transferees and delivering the same either by delivery or by mail, as the case may be; (3) destroying Bonds and Certificates submitted for transfer; and (4) providing proper information for recordation in the registration books.

C. Paying agent services which shall include, but not be limited to, (1) providing a billing to the City at least thirty (30) days prior to a Bond interest payment date setting forth the amount of principal and interest due on such date; (2) preparing, executing, wiring or mailing all interest payments to each registered owner of the Bonds and Certificates on or before the scheduled payment date and in no event later than the time established by DTC, on the date such payments are due, unless sufficient funds to make such payments have not been received by the Bank; (3) verifying all matured Bonds and Certificates

upon their surrender; (4) paying, or causing to be paid, all principal and premium, if any, due upon Bonds as they are properly surrendered therefor to the Bank; (5) preparing a semiannual reconciliation showing all principal and interest paid during the period and providing copies thereof to the City; (6) inventorying all documentation of payments made, including the amount, payee and wire confirmation or imaged information for six (6) years after payment; and (7) making proof of such payments available to the City or any owner or former owner.

2. **Record Date.** The "*Record Date*" for the payment of interest will be the close of business on the fifteenth (15th) day of the month (other than a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the place of payment or in the city where the principal corporate trust office of the Bank is located (a "*Business Day*") next preceding the applicable interest payment date, or if such day is not a Business Day, the previous Business Day. Normal transfer activities will continue after the Record Date but the interest payments will be mailed to the registered owners of Bonds and Certificates as shown on the books of the Bank on the close of business on the Record Date. Principal (and premium, if any) shall be paid only on surrender of the particular Bond at or after its maturity or prior redemption date, if applicable.

3. **Redemption Notices.** The Bank agrees to provide certain notices to the Bond owners as required to be provided by the Bank in, and upon being provided with a copy of, the Bond Resolution of the City approving the issuance, sale and delivery of the Bonds and Certificates. So long as the Book-Entry-Only System is in effect, the Bank shall send notices of redemption to DTC in the manner required by DTC. If the Book-Entry-Only System is discontinued, the Bank shall mail notice of redemption of any Bond to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bank not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

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

If the moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the City or the Bank prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Each redemption notice must contain, at a minimum, the complete official name of the issue with series designation, CUSIP number, certificate numbers, amount of each Bond called (for partial calls), date of issue, interest rate, maturity date, publication date (date of release to the general public, or the date of general mailing of notices to Bond owners and information services), redemption date, redemption price, redemption agent and the name and address of the place where Bonds are to be tendered, including the name and phone number of the contact person. Such redemption notices may

contain a statement that no representation is made as to the accuracy of the CUSIP numbers printed therein or on the Bonds.

4. **Issuance and Transfer of Bonds and Certificates.** The Bank will issue the Bonds and Certificates to registered owners, require the Bonds and Certificates to be surrendered and cancelled and new Bonds issued upon transfer, and maintain a set of registration books showing the names and addresses of the owners from time to time of the Bonds and Certificates. The Bank shall promptly record in the registration books all changes in ownership of the Bonds and Certificates.

5. **Payment Deposit.** The City will transfer immediately available funds to the Bank no later than one (1) Business Day prior to or, if agreed to by the parties hereto, on the date on which the interest, principal and premium payments (if any) are due on the Bonds, and interest on the Certificates, but in no event later than the time established by DTC, on the date such payments are due. The Bank shall not be responsible for payments to Bond and Certificate owners from any source other than moneys transferred, or caused to be transferred, to it by the City.

6. **Collateral.** The Bank shall collateralize the funds on deposit at the Bank in accordance with A.R.S. §§ 35-323 and 35-491.

7. **Turnaround Time.** The Bank will comply with the three (3) Business Day turnaround time required by Securities and Exchange Commission Rule 17Ad-2 on routine transfer items.

8. **Fee Schedule; Initial Fee.** For its services under this Contract, the City will pay the Bank in accordance with the fee schedule set forth in the attached *Exhibit A*, which is incorporated herein by reference. The fee for the Bank's initial services hereunder and services to be rendered until the end of the City's current fiscal year (2017/18) is \$____, and shall be due at the initial delivery of the Bonds and Certificates and shall be paid from proceeds of the Bonds and Certificates. Subsequent payments shall be made by the City in accordance with this Contract.

9. **Fees for Services in Subsequent Fiscal Years.** The Bank will bill the City prior to June 1, 2018, and prior to each June 1 thereafter.

10. **Costs and Expenses.** The City hereby agrees to pay all costs and expenses of the Bank pursuant hereto. If, for any reason, the amounts the City agrees to pay herein may not be paid from the assessments levied for debt service on the Bonds and Certificates, such costs shall be paid by the City from any funds lawfully available therefor and the City agrees to take all actions necessary to budget for and authorize expenditure of such amounts.

11. **Hold Harmless.** The Bank shall indemnify and hold harmless the City, its Mayor and Council, the Finance Director and all boards, commissions, officials, officers and employees of the City, individually and collectively, for claims determined by a court of competent jurisdiction to have directly resulted from the Bank's failure to perform to its standard of care as herein stated, provided that the City shall be requested to deliver to the Bank written notice of any such claim within thirty (30) calendar days of the City becoming aware of such claim.

12. **Standard of Care Required.** In the absence of bad faith on its part in the performance of its services under this Contract, the Bank shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized hereby or within the rights

and powers conferred upon it hereunder, nor for action taken or omitted to be taken by it in good faith and in accordance with advice of counsel, and shall not be liable for any mistakes of fact or errors of judgment or for any actions or omissions of any kind unless caused by its own willful misconduct or negligence.

13. **Entire Contract.** This Contract and Exhibit A attached hereto contain the entire understanding of the parties with respect to the subject matter hereof, and no waiver, alteration or modification of any of the provisions hereof, shall be binding unless in writing and signed by a duly authorized representative of all parties hereto.

14. **Amendment.** The Bank and the City each reserve the right to amend any individual service set forth herein or all of the services upon providing a sixty (60) day prior written notice. Any corporation, association or agency into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor bond registrar, transfer agent and paying agent under this Contract and vested with all or the same rights, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. **Resignation or Replacement.** The Bank may resign or the City may replace the Bank as bond registrar, transfer agent and paying agent at any time by giving thirty (30) days' written notice of resignation or replacement to the City or to the Bank, as applicable. The resignation shall take effect upon the appointment of a successor bond registrar, transfer agent and paying agent. A successor bond registrar, transfer agent and paying agent will be appointed by the City; provided, that if a successor bond registrar, transfer agent and paying agent is not so appointed within ten (10) days after a notice of resignation is received by the City, the Bank may apply to any court of competent jurisdiction to appoint a successor bond registrar, transfer agent and paying agent. Any resignation or replacement of the Bank pursuant to this Section shall be without cost to the City.

In the event the Bank resigns or is replaced, the City reserves the right to appoint a successor bond registrar, transfer agent and paying agent who may qualify pursuant to A.R.S. Title 35, Chapter 3, Article 5, or any subsequent statute pertaining to the registration, transfer and payment of bonds. In such event the provisions hereof with respect to payment by the City shall remain in full force and effect, but the Finance Director shall then be authorized to use the funds collected for payment of the costs and expenses of the Bank hereunder, provided that the Bank shall have been paid its fees and expenses due and owing to it, to pay the successor registrar, transfer agent and paying agent or as reimbursement if the Finance Director acts as registrar, transfer agent and paying agent.

16. **Reports to Arizona Department of Administration.** The Bank shall make such reports to the Arizona Department of Administration (or any other party designated to receive such reports pursuant to the applicable laws of the State (as defined herein)) pertaining to the retirement of any Bonds and Certificates and of all payments of interest thereon, within thirty (30) days of a request therefor, from the Arizona Department of Administration or the City, or the agents of either, to comply with the requirements of the Arizona Department of Administration pursuant to A.R.S. § 35-502.

17. **Form of Records.** The Bank's records shall be kept in compliance with standards as have been or may be issued from time to time by the Securities and Exchange

Commission, the MSRB, the requirements of the Code and any other securities industry standard. The Bank shall retain such records in accordance with the applicable record keeping standard of the Internal Revenue Service.

18. **Advice of Counsel and Special Consultants.** When the Bank deems it necessary or reasonable, it may apply to Gust Rosenfeld P.L.C. or such other law firm or attorney approved by the City for instructions or advice. Any fees and costs incurred shall be added to the next fiscal year's fees, costs and expenses to be paid to the Bank.

19. **Examination of Records.** The City, or its duly authorized agents may examine the records relating to the Bonds and Certificates at the office of the Bank where such records are kept at reasonable times as agreed upon with the Bank and such records shall be subject to audit from time to time at the request of the City, the Bank or the Auditor General of the State of Arizona.

20. **Payment of Unclaimed Amounts.** In the event any check for payment of interest on a Bond or Certificate is returned to the Bank unendorsed or is not presented for payment within two (2) years from its payment date, or any Bond or Certificate is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such interest or principal due upon such Bond or Certificate shall have been made available to the Bank for the benefit of the owners thereof, it shall be the duty of the Bank to hold such funds, without liability for interest thereon, for the benefit of the owners of such Bonds or Certificates who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or Certificate or amounts due thereunder. The Bank's obligation to hold such funds shall continue for two (2) years and six (6) months (subject to applicable escheat or unclaimed property law) following the date on which such interest or principal payment became due, whether at maturity or at the date fixed for redemption, or otherwise, at which time the Bank shall surrender such unclaimed funds so held to the City, whereupon any claim of whatever nature by the owner of such Bonds or Certificates arising under such Bond or Certificate shall be made upon the City and shall be subject to the provisions of applicable law.

21. **Invalid Provisions.** If any provision hereof is held to be illegal, invalid or unenforceable under present or future laws, this Contract shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision.

22. **Mutilated, Lost or Destroyed Bonds.** With respect to Bonds or Certificates which are mutilated, lost or destroyed, the Bank shall cause to be executed and delivered a new Bond or Certificate of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or Certificate or in lieu of and in substitution for such Bond or Certificate lost or destroyed, upon the registered owner's paying the reasonable expenses and charges of the Bank and the City in connection therewith and, in the case of any Bond or Certificate destroyed or lost, filing by the registered owner with the Bank and the City of evidence satisfactory to the Bank and the City that such Bond or Certificate was destroyed or lost, and furnishing the Bank and the City with a sufficient indemnity bond pursuant to A.R.S. § 47-8405.

23. **Conflict of Interest.** Each party gives notice to the other parties that A.R.S. § 38-511 provides that the State of Arizona (the "State"), its political subdivisions or any department or agency of either, may within three (3) years after its execution cancel any contract without penalty

or further obligation made by the State, its political subdivisions or any of the departments or agencies of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either, is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

24. **Covenants**. The City has agreed in its authorizing resolution to take all necessary actions required to preserve the tax-exempt status of the Bonds. Such actions may require the calculation of amounts of arbitrage rebate, which may be due and owing to the United States of America. The calculation of such rebate amount may be performed by an individual or firm qualified to perform such calculations and who or which may be selected and paid by the City. If the City does not retain a consultant to do the required calculations concerning arbitrage rebate and if, in the sole discretion of the City, a rebate calculation is required to permit interest on the City's Bonds to be and remain exempt from gross income for federal income tax purposes, the City may include, in addition to all other bills payable under this Contract, the costs and expenses and fees of an arbitrage consultant. The City may contract with a consultant to perform such arbitrage calculations as are necessary to meet the requirements of the Code. All fees, costs and expenses so paid may be deducted from moneys of the City or from tax levies made to pay the interest on the Bonds. Such costs, fees and expenses shall be considered as interest payable on the Bonds. This Contract shall be full authority to the City to cause to be levied and collected such amounts as may be necessary to make all rebates to the United States of America.

25. **Arbitrage Rebate Expenses**. Except for the initial fiscal year's costs and expenses, all costs and expenses incurred with respect to services for registration, transfer and payment of the Bonds or Certificates and, if applicable, for costs and expenses in connection with the calculation of arbitrage rebate shall be treated as interest on the Bonds or Certificates and the City agrees to include the same in the assessments levied for interest debt service during each of the ensuing fiscal years. The transferor of the Bonds or Certificates will be responsible for all fees and costs relating to the transfer of ownership of the Bonds or Certificates.

26. **Waiver of Trial by Jury**. Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Contract, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

27. **Governing Law**. This Contract is governed by the laws of the State.

28. **Transfer Expenses**. The transferor of any Bond or Certificate will be responsible for all fees and costs relating to such transfer of ownership.

29. **E-verify Requirements**. To the extent applicable under A.R.S. § 41-4401, the Bank and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). The Bank's, or its subcontractors', breach of the above-mentioned warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the City. The City retains the legal right to randomly inspect the papers and records of the Bank and its subcontractors who work

on this Contract to ensure that the Bank and its subcontractors are complying with the above-mentioned warranty.

The Bank and its subcontractors warrant to keep such papers, information, and records necessary to verify compliance with the above-mentioned warranty (collectively, the "*Information*") open for random inspection by the City during the Bank's normal business hours. The Bank and its subcontractors shall reasonably cooperate with the City's random inspections including granting the City entry rights onto its property to perform the random inspections, granting the City access to, and use of, the Information, provided that, the City agrees that it will use the Information solely for the purpose of verifying compliance with the E-verify requirements and the warranty of this Section 29 and, subject to the requirements of law, including the public records law of the State, the City will preserve the confidentiality of any information, records, or papers the City views, accesses, or otherwise obtains during any and every such random inspection, including, without limitation, the Information.

30. **Electronic Storage.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproduction of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

31. **No Boycott of Israel.** Pursuant to A.R.S. Title 35, Chapter 2, Article 9, the Bank hereby certifies it is not currently engaged in, and for the duration of this Contract will not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in A.R.S. § 35-393.

32. **Counterparts.** This Contract may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

This Contract is dated and effective as of May 1, 2018.

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

TREASURER

By _____

U.S. BANK NATIONAL ASSOCIATION

By _____
Its _____

Attach as Exhibit A the fee schedule of the Bank.

BOND AND CERTIFICATE PURCHASE AGREEMENT

\$____,000
**CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR
DISTRICT IMPROVEMENT BONDS, SERIES 2018
and
\$ _____
CERTIFICATES OF OWNERSHIP OF
SUPPLEMENTAL INTEREST PAYMENTS
PERTAINING THERETO**

_____, 2018

Mayor and Council
City of Goodyear, Arizona
190 North Litchfield Road
Goodyear, Arizona 85338

Upon the terms and conditions hereof and in reliance on the representations, warranties and covenants contained herein and in any certificates or other documents delivered pursuant hereto, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), hereby offers to enter into the following agreement with the City of Goodyear, Arizona (the "City"), which, upon the acceptance hereof by the City, shall be binding upon the City and the Underwriter. The offer made hereby is made subject to the written acceptance of this Bond and Certificate Purchase Agreement (this "Purchase Agreement") by the City on or before 11:59 P.M., Arizona time, on the date indicated hereinabove, and, if not so accepted, shall be subject to withdrawal by the Underwriter upon notice delivered to the City at any time after such time and prior to the acceptance of this Purchase Agreement by the City.

1. (a) The Underwriter shall purchase from the City, and the City shall sell to the Underwriter, all (but not less than all) of the \$____,000 aggregate principal amount of "City of Goodyear, Arizona McDowell Road Commercial Corridor District Improvement Bonds, Series 2018" (the "Bonds") and certificates of ownership of supplemental interest payments pertaining to the Bonds which are issued to evidence certain supplemental interest with respect to

the Bonds, designated as “B” interest in the aggregate payment amount of \$_____,000 (hereinafter referred to as the “Certificates”). The Bonds and the Certificates shall be as described in, and shall be issued and secured under the provisions of, a resolution adopted by the Mayor and Council of the City on April 17, 2018 (the “Bond Resolution”), and Title 48, Chapter 4, Article 3, Arizona Revised Statutes and the Arizona Constitution (collectively, the “Act”). The Underwriter has not previously made any final agreement with the City to purchase the Bonds and the Certificates in an offering within the meaning of the SEC Rule (as such term is hereinafter defined).

(b) (i) The Bonds shall be dated as of the date of initial authentication and delivery thereof, and shall mature on the dates and in the amounts, be redeemable, bear interest at the rates per annum and produce the yields or prices, in each case as set forth on the Schedule hereto, such interest being payable on _____ 1, 2019, and semiannually thereafter on each July 1 and January 1. The Certificates shall be dated as of the date of initial authentication and delivery thereof, and the payment dates of the Certificates, the amounts payable therefor, the prices thereof, the approximate yields thereof and the prepayment provisions therefor are set forth on the Schedule attached hereto.

(ii) The Bonds and the Certificates shall be issued for the purpose of refunding bonds (the “Bonds Being Refunded”) issued to finance certain of the improvements within and serving the area comprising McDowell Road Commercial Corridor District (the “District”) and paying a portion of the costs of issuance of the Bonds and the Certificates[, including the premium for the Policy (as hereinafter defined),] as described in the Bond Resolution.

(c) The purchase price for the Bonds and the Certificates shall be \$ _____ consisting of the principal amount of the Bonds, plus [net] original issue premium (\$ _____) with respect to the Bonds (including that represented by the Certificates (\$ _____)) less compensation for the Underwriter (which includes the fees and disbursements of the hereinafter described Counsel to the Underwriter) (\$ _____) payable by wire transfer in immediately available funds. The City hereby expressly acknowledges that such purchase price, if the Bonds and the Certificates are sold to the public at the approximate prices or yields set forth on the Schedule hereto and on the inside front cover page of the Final Official Statement (as hereinafter defined), shall result in remuneration to the Underwriter of \$ _____ which includes the fees and disbursements of Counsel to the Underwriter. The Underwriter shall also be reimbursed for its expenses as provided in Section 8. [For convenience, the Underwriter shall pay by the Closing (as hereinafter defined), on behalf of the City, \$ _____ from the proceeds of the Bonds and the Certificates to the Insurer (as hereinafter defined) as payment of the premium for the Policy.] The date of the payment for and delivery of the Bonds and the Certificates (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery of the Bonds and the Certificates herein sometimes called the “Closing”) shall be on _____, 2018, or on such other date as may be mutually agreeable to the Underwriter and the City.

(d) (i) The purchase and sale of the Bonds and the Certificates pursuant to this Purchase Agreement is an “arm’s-length,” commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and

proceedings leading up to the consummation of such transaction, the Underwriter is and has been acting for and on behalf of itself, solely as a principal for its own account and is not acting as the agent or fiduciary of the City or as a municipal advisor (with the meaning of Section 15B of the Securities Exchange Act of 1934, as amended), (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement and Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”), (iv) the Underwriter has financial and other interests that differ from those of the City, (v) the Underwriter has provided to the City prior disclosures under MSRB Rule G-17, which have been received by the City and (vi) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

2. (a) The Underwriter intends to make an initial *bona fide* public offering of all of the Bonds and the Certificates at not in excess of the public offering prices (or not less than the yields) set forth on the Schedule hereto and on the inside front cover page of the Final Official Statement of the City relating to the Bonds and the Certificates, dated even date herewith (including all appendices thereto, the “Final Official Statement”) and may subsequently change such offering prices (or yields). The Underwriter may offer and sell the Bonds and the Certificates to certain dealers (including dealers depositing Bonds and Certificates into investment trusts) and others at prices lower than the public offering prices (or higher than the yields) set forth on the Schedule hereto and on the inside front cover page of the Final Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds and the Certificates at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

(b) (i) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and the Certificates and shall execute and deliver to the City at Closing, an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached as the Exhibit hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Gust Rosenfeld P.L.C. (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds and the Certificates.

(ii) [Except as otherwise set forth in the Schedule attached hereto,] the City will treat the first price at which 10% of each maturity of the Bonds and each payment date of the Certificates (the “10% test”) is sold to the public as the issue price of that maturity or payment amount (if different interest rates apply within a maturity of the Bonds or yields apply with a payment date of the Certificates, each separate CUSIP number within that maturity or payment, as applicable, will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds and each payment date of the Certificates. If at that time the 10%

test has not been satisfied as to any maturity of the Bonds or payment date of the Certificates, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity or Certificates of that payment date to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until the 10% test has been satisfied as to the Bonds or Certificates of that payment date of that maturity or until all Bonds of that maturity or Certificates of that payment date have been sold to the public.

(iii) The Underwriter confirms that it has offered the Bonds and the Certificates to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the Schedule attached hereto, except as otherwise set forth therein. The Schedule attached hereto also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds or the Certificates, as applicable, for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity or payment date, as applicable, as of the sale date as the issue price of that maturity or payment date, as applicable, (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity or payment date, as applicable, of the Bonds the Certificates, as applicable, the Underwriter will neither offer nor sell unsold Bonds or Certificates of that maturity or payment date, as applicable, to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(I) the close of the fifth (5th) business day after the sale date; or

(II) the date on which the Underwriter has sold at least 10% of that maturity or payment date, as applicable, of the Bonds the Certificates, as applicable, to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Bonds or payment date of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(iv) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds and the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity and Certificates of each payment date allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or Certificates of

that payment date or all Bonds of that maturity or Certificates of that payment date have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds and the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds and the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. [The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds and the Certificates.]

(v) The Underwriter acknowledges that sales of any Bonds or Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(I) “public” means any person other than an underwriter or a related party,

(II) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds or the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds and the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds and the Certificates to the public),

(III) a purchaser of any of the Bonds or the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50%

common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(IV) “sale date” means the date of execution of this Purchase Agreement by all parties.

(c) The undersigned, on behalf of the Underwriter, but not individually, hereby represents and warrants:

(i) the Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(ii) this Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the City, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Purchase Agreement may be limited by application of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, “Creditors’ Rights Laws”); and

(iii) the Underwriter is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

3. (a) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved the distribution and use by the Underwriter of the Preliminary Official Statement of the City relating to the Bonds and the Certificates, dated _____, 2018 (including all appendices thereto, the “Preliminary Official Statement” and, together with the Final Official Statement, the “Official Statement”), and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds and the Certificates.

(b) The City caused the Preliminary Official Statement to be prepared and an authorized officer of the City, acting for and on behalf of the City, deemed the Preliminary Official Statement to be “final” for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended (the “SEC Rule”) by execution of the Certificate Deeming the Preliminary Official Statement Final, dated _____, 2018 (the “Deemed Final Certificate”).

(c) (i) WHILE THE UNDERWRITER HAS PARTICIPATED AND WILL PARTICIPATE WITH THE CITY IN THE PREPARATION AND ASSEMBLAGE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL

OFFICIAL STATEMENT, RESPECTIVELY, THE CITY IS PRIMARILY RESPONSIBLE FOR THE CONTENT OF THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT and (ii) as of the date thereof, and at the time of the acceptance by the City of this Purchase Agreement, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) The City shall provide to the Underwriter copies of the Official Statement in sufficient quantity to comply with the SEC Rule and the rules of the MSRB, particularly with respect to the Final Official Statement, within seven (7) business days after the date of this Purchase Agreement.

(e) The City authorizes the Underwriter to file, to the extent required by applicable Securities and Exchange Commission (the "SEC") or MSRB rule, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB's Electronic Municipal Market Access system ("EMMA")) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with Section 3(g) during the "primary offering disclosure period" (as defined in MSRB Rule G-32) and if required by applicable SEC or MSRB rule, the Underwriter also shall make the required submission of the amended Official Statement to EMMA.

(f) The Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the City and the Underwriter.

(g) During the period ending on the 25th day after the End of the Underwriting Period (as hereinafter defined) or such other period as may be agreed to by the City and the Underwriter, the City (i) shall not supplement or amend the Final Official Statement or cause the Final Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the City, that is reasonably likely to cause the Final Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter or the City, such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, the City shall prepare and furnish to the Underwriter, at the City's expense, such number of copies of the supplement or amendment to the Final Official Statement, in form and substance mutually agreed upon by the City and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the date of the Closing, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Final Official Statement.

(h) For purposes of this Purchase Agreement, the “End of the Underwriting Period” is used as defined in the SEC Rule and shall occur on the later of (i) the date of the Closing or (ii) when the Underwriter no longer retains an unsold balance of the Bonds or the Certificates; unless otherwise advised in writing by the Underwriter on or prior to the date of the Closing, or otherwise agreed to by the City and the Underwriter, the City may assume that the End of the Underwriting Period is the date of the Closing.

(i) The Underwriter shall provide to the City such information relating to the Bonds and the Certificates which is not within the scope of knowledge of the City (including, but not limited to, the selling compensation of the Underwriter, offering price(s), interest rate(s), delivery date and other terms of the Bonds and the Certificates dependent upon such matters). The Final Official Statement shall be substantially in the form of the Preliminary Official Statement with only such changes therein as shall be necessary to conform to the terms of this Purchase Agreement and with such other changes and amendments to the date thereof as have been accepted by the Underwriter. The execution and delivery of the Final Official Statement shall evidence the determination by the City that the Final Official Statement is “final” for all purposes of the SEC Rule.

4. (a) The undersigned on behalf of the City, but not individually, hereby represents and warrants that:

(i) the City is a municipal corporation of the State and is duly incorporated and validly existing under the Constitution and laws of the State, and the District is an improvement district duly formed and validly existing under the Act;

(ii) the Mayor and Council of the City has duly (A) adopted the Bond Resolution; (B) authorized the appropriate officials of the City to approve and execute the Final Official Statement on behalf of the City; (C) authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in, the Bond Resolution, the Bonds, the Certificates, a written undertaking by the City to provide ongoing disclosure for the benefit of certain owners of the Bonds and the Certificates as required under paragraph (b)(5) of the SEC Rule, in form and substance satisfactory to the Underwriter and Counsel to the Underwriter which shall be substantially in the form set forth in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter (the “Continuing Disclosure Undertaking”), a bond registrar, transfer agent and paying agent contract with respect to the Bonds and the Certificates, to be dated as of _____ 1, 2018 (the “Agency Agreement”) by and between the City and _____, as such agent (the “Paying Agent”), the Letter of Representations (the “DTC Letter”) to The Depository Trust Company (“DTC”), the Depository Trust Agreement to be dated as of _____ 1, 2018 (the “Trust Agreement”), by and between the City and the Paying Agent, in its separate capacity as depository trustee (the “Trustee”), and this Purchase Agreement, and (D) authorized and approved the consummation of all other transactions contemplated by the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement, this Purchase Agreement and the Preliminary Official Statement;

(iii) the City is not in material breach of or in material default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America (the “United States”) or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument material to its existence, operation or ability to meet its obligations as they come due to which the City is a party or to which it is otherwise subject or to which any of its property is otherwise subject because such property is property of the City;

(iv) the City is, and at the Closing shall, to the extent possible, be or shall thereafter cause itself to be, in compliance in all material respects with the Bond Resolution and this Purchase Agreement;

(v) the City has, and at the date of the Closing will have, full legal right, power and authority under the Bond Resolution and the Act (A) to enter into the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement and this Purchase Agreement, (B) to cause the Mayor and Council of the City to adopt the Bond Resolution, (C) to deliver the Bonds and the Certificates to the Underwriter pursuant to the Bond Resolution as provided herein and (D) to carry out and consummate the transactions contemplated on its part by the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement, this Purchase Agreement and the Official Statement, including the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the Bonds and the Certificates pursuant to Section 8;

(vi) the City has made all required filings with, and has obtained all approvals, consents and orders of, any governmental authority, board, agency or commission having jurisdiction (including with respect to the requirements of Section 35-501(B), Arizona Revised Statutes) which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City of the obligations of the City pursuant to this Purchase Agreement and pursuant to the Bonds, the Certificates, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement and the Bond Resolution;

(vii) the Bonds, the Certificates, the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter and the Trust Agreement shall conform to the descriptions thereof to be contained in the Official Statement;

(viii) the Bonds and the Certificates, when issued, executed, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, shall be validly issued and outstanding assessment obligations of the City, entitled to the benefits of the Constitution and laws of the State and the Bond Resolution, and all actions necessary for principal of and interest on the Bonds (including that evidenced by the Certificates) to be payable solely from special assessments levied upon the lots, pieces and parcels of land contained within the District (the “Assessments”) and other amounts available as provided in the Bond Resolution, as more fully described in the Official Statement, shall have been or shall be taken to the

extent such action may be taken at or prior to the Closing, the Assessments being first liens on such lots, pieces and parcels of land; subject only to the lien for general property taxes;

(ix) the execution and delivery of the Bonds, the Certificates, the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement and this Purchase Agreement, and the compliance with the provisions of each, shall not conflict with or constitute a material breach of or default pursuant to any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the City is a party or to which the City is otherwise subject or to which any of the property of the City is otherwise subject because such property is property of the City;

(x) this Purchase Agreement constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms; the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter and the Trust Agreement, when duly executed and delivered, will constitute the legal, valid and binding obligations of the City, enforceable in accordance with their respective terms; and the Bonds and the Certificates, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will be the legal, valid and binding obligations of the City enforceable in accordance with their terms; in all cases, except as the enforceability of this Purchase Agreement, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement, the Certificates and the Bonds may be limited by Creditors' Rights Laws;

(xi) except as otherwise described in the Official Statement, there is neither any action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body, pending, nor is there any basis therefor, (A) in any way affecting the powers of the City, the existence of the City or the title to office of any of the officials of the City, (B) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the Certificates, or the levy, assessment and collection of the Assessments, (C) in any way contesting or affecting the validity or enforceability of the Bonds, the Certificates, the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement or this Purchase Agreement, (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement, (E) contesting the power of the City or the authority of the City with respect to the Bonds, the Certificates, the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement or this Purchase Agreement, (F) questioning the status of the exclusion of interest on the Bonds (including the interest evidenced by the Certificates) from gross income for federal income taxation, or (G) wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the City or would result in any material adverse change in the ability of the City to pay debt service on the Bonds;

(xii) except as otherwise disclosed in the Official Statement, the City has been during the previous five years and is currently in material compliance with

continuing disclosure undertakings which the City has entered into pursuant to paragraph (b)(5) of the SEC Rule, if any; and

(xiii) the financial statements of the City contained in the Official Statement fairly present the financial position and results of operations of the City as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles as applied to municipal corporations, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the City.

(b) The City hereby agrees with the Underwriter that:

(i) unless the Final Official Statement is amended or supplemented pursuant to Section 3(g), at the time of the acceptance by the City of this Purchase Agreement and at all times subsequent thereto, up to and including the End of the Underwriting Period, the Final Official Statement (including the financial and statistical data included therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) if the Final Official Statement is amended or supplemented pursuant to Section 3(g), at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the date of the End of the Underwriting Period (unless the Final Official Statement is further amended or supplemented pursuant to subparagraph (iv) of this subparagraph), the Final Official Statement as so supplemented or amended (including the financial and statistical data provided or reviewed by the City included therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(iii) between the date of this Purchase Agreement and the Closing, the City shall not issue any bonds, notes or other obligations for borrowed money payable from the same source of payment as the Bonds and the Certificates pursuant to the Bond Resolution, and subsequent to the respective dates as of which information is given in the Official Statement up to and including the Closing, the City has not incurred and will not incur any material liabilities, except those liabilities arising in the normal course of business or incurred with the consent of the Underwriter; and

(iv) the City shall furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds and the Certificates for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may reasonably designate; provided, however, that the City shall not incur any additional expense with respect to such actions and further that the City shall not be required to subject itself or any of its

agents or employees to service of process outside the State through or in connection with any of the foregoing.

(c) The City shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Bonds (including the interest evidenced by the Certificates).

5. At the Closing, the City shall cause the Bonds and the Certificates to be delivered to the Underwriter in definitive form, registered in the name of Cede & Co., as nominee of DTC pursuant to the DTC Letter, bearing CUSIP numbers (provided, however, that lack of such CUSIP numbers shall not relieve the Underwriter from its obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds or the Certificates), duly executed and authenticated, together with the other documents hereinafter mentioned and subject to the terms and conditions of this Purchase Agreement. The Underwriter shall accept such delivery and pay the purchase price for the Bonds and the Certificates as set forth in Section 1 of this Purchase Agreement in immediately available federal funds. Delivery and payment as aforesaid shall be made at DTC or, in the case of a "Fast Automated Securities Transfer," with the Paying Agent through DTC, or at such other place as may have been mutually agreed upon by the City and the Underwriter.

6. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained in this Purchase Agreement and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of the obligations of the City pursuant to this Purchase Agreement at or prior to the date of the Closing. Accordingly, the obligation of the Underwriter pursuant to this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds and the Certificates is subject to the performance by the City of the obligations of the City to be performed pursuant to this Purchase Agreement and pursuant to such aforesaid documents and instruments at or prior to the Closing and is also subject to the fulfillment to the reasonable satisfaction of the Underwriter of the following conditions, that:

(i) the representations, warranties and agreements of the City contained in this Purchase Agreement shall be true, complete and correct on the date of this Purchase Agreement and on and as of the date of the Closing, as if made on the date of Closing;

(ii) at the time of the Closing, the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, and the Final Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter;

(iii) at the time of the Closing, the City shall have adopted and there shall be in full force and effect such resolutions as in the opinion of Bond Counsel and the Underwriter shall be necessary in connection with the transactions contemplated

by this Purchase Agreement, and all necessary action of the City relating to the issuance of the Bonds and the Certificates shall have been taken, shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter and there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the City, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds or the Certificates on the terms and in the manner contemplated in the Official Statement;

(iv) the Underwriter may terminate the obligations of the Underwriter pursuant to this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds and the Certificates by notifying the City of the election of the Underwriter to do so if at any time after the execution of this Purchase Agreement and at or prior to the Closing, in the Underwriter's sole and reasonable judgment, any of the following events shall occur:

(A) the market price or marketability of the Bonds or the Certificates, or the ability of the Underwriter to enforce contracts for the sale of the Bonds or the Certificates, shall be materially adversely affected by any of the following events:

(I) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds and the Certificates; provided that, this paragraph (A)(I) shall not apply if the Bonds and the Certificates are being issued as taxable obligations; or

(II) there shall have occurred (a) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (b) any other calamity or crisis in the financial markets of the United States or elsewhere, (c) the sovereign debt rating of the United States is downgraded by any major credit rating

agency or a payment default occurs on United States Treasury obligations, or (d) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population of over 500,000; or

(III) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(IV) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds or the Certificates or the Bond Resolution, or any comparable securities of the City, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, or otherwise, or would be in violation of any provision of the federal securities laws; or

(V) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City shall have occurred; or

(VI) any rating on general obligation bonds of the City is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(B) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Final Official Statement (other than any statement provided by the Underwriter) or is not reflected in the

Final Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the City refuses to permit the Final Official Statement to be supplemented to supply such statement or information, or the effect of the Final Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the Certificates or the ability of the Underwriter to enforce contracts for the sale of the Bonds or the Certificates; or

(C) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(D) a material disruption in securities settlement, payment or clearance services affecting the Bonds or the Certificates shall have occurred; or

(E) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(F) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds or the Certificates, including the underlying obligations as contemplated by this Purchase Agreement or by the Final Official Statement, or any document relating to the issuance, offering or sale of the Bonds or the Certificates, is or would be in violation of any provision of the federal securities laws at the date of the Closing, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended; or

(G) the debt ceiling of the United States is such that the government obligations required to fund the Trust Agreement are not available for delivery on the date of the delivery of the Bonds;

(v) at or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(A) (I) the approving opinion, dated the date of the Closing and addressed to the City, of Bond Counsel in form and content satisfactory to the Underwriter, in substantially the form attached as Appendix _____ to the Preliminary Official Statement; (II) a letter from Bond Counsel, dated the date of Closing and addressed to the Underwriter, permitting the Underwriter to rely upon the approving opinion of Bond Counsel for that period during which the Underwriter is the lawful owner of the Bonds and the Certificates and (III) opinions or letters of Bond Counsel and the City Attorney of the City, dated the date of Closing and addressed to the Underwriter, to the effect cumulatively that (a) the City is duly authorized and validly existing as a municipal corporation and political subdivision under the Constitution and laws of the State of Arizona, and has all requisite power and authority thereunder (i) to adopt the Bond Resolution and to enter into and perform its covenants and agreements under the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement and this Purchase Agreement, (ii) to approve and authorize the use and distribution of the Official Statement, (iii) to sell, execute and issue the Bonds and the Certificates as provided in the Bond Resolution and (iv) to carry out and consummate all other transactions contemplated by the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement and this Purchase Agreement; (b) the City has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the Official Statement; (c) the Bond Resolution was duly and properly adopted by the Mayor and Council of the City at duly called and held meetings thereof and remains in full force and effect as of the date hereof, and no petition to modify, revoke or alter the Bond Resolution has been filed with any authorized representative of the City; (d) the City has duly authorized (i) the Bond Resolution and the due performance of the obligations of the City under the Bond Resolution, (ii) the sale, execution, delivery and issuance, as applicable, of, and the due performance of its obligations under, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement, this Purchase Agreement, the Bonds and the Certificates and (iii) the taking of any and all actions as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement, this Purchase Agreement, the

Bonds, the Certificates and the Official Statement; (e) the adoption of the Bond Resolution, the execution, delivery and performance by the City of the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement and this Purchase Agreement and the sale and issuance of the Bonds and the Certificates shall not result in a violation or breach of, conflict with or constitute a default under any agreement or other document to which the City is a party or any law, rule or regulation or decree, order, rule or award of any court or other governmental authority or arbitrator which is binding upon the City or its property; (f) except as described in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened (i) in any way affecting the powers of the City, the existence or boundaries of the City or the District, or the title to office of any of the officials of the City, (ii) seeking to restrain or enjoin the sale or issuance of the Bonds or the Certificates, or the levy, assessment or collection of the Assessments, (iii) in any way contesting or affecting the validity or enforceability of the Bonds, the Certificates, the Assessments, the Bond Resolution or any of the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Trust Agreement or this Purchase Agreement, (iv) contesting in any way the completeness or accuracy of the Official Statement, (v) which may adversely affect the City or the District or the properties within the District or (vi) questioning the tax-exempt status of the Bonds (including the interest evidenced by the Certificates); nor, is there any reasonable basis therefor; (g) the information contained in the Official Statement and in the tax caption on the cover page thereof, under the headings entitled "THE BONDS AND THE CERTIFICATES," "PLAN OF REFUNDING," "TAX EXEMPTION," "BOND PREMIUM," "ORIGINAL ISSUE DISCOUNT" and "CONTINUING DISCLOSURE" (excluding any statements about the City's compliance with previous continuing disclosure undertakings) therein, in Appendices ___ and ___ thereto as it relates to the Bonds, the Certificates, the Bond Resolution, the Trust Agreement and the Continuing Disclosure Undertaking fairly and accurately summarizes the information which it purports to summarize and the information contained in "RELATIONSHIP AMONG PARTIES" relating to Bond Counsel is correct in all material respect and that, nothing has come to their attention that would lead them to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date of sale of the Bonds and the Certificates, and the Final Official Statement, as of its date and as of the date of such opinion, contained or contain any untrue statement of a material fact or

omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the financial statements of the City, any other financial, forecast, technical or statistical data, and any information in the Official Statement respecting DTC; (h) the offer and sale of the Bonds and the Certificates shall be exempt from registration under the Securities Act of 1933, as amended, and the Bond Resolution does not need to be qualified pursuant to the Trust Indenture Act of 1939, as amended; (i) the Bond Resolution, the Agency Agreement, the DTC Letter, the Trust Agreement and this Purchase Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of the Agency Agreement, the Trust Agreement and this Purchase Agreement by the other parties thereto, are legal valid and binding obligations of the City, enforceable in accordance with their terms subject to customary exceptions for Creditors' Rights Laws; (j) the Continuing Disclosure Undertaking has been duly authorized, executed and delivered by the City and, subject to annual appropriation to provide for the costs of compliance therewith, is a legal, valid and binding obligation of the City enforceable in accordance with its terms and (k) the Assessments have been duly and properly imposed and constitute first liens upon the lots, pieces and parcels of land upon which imposed, subject only to liens for general property taxes;

(B) the opinion of Greenberg Traurig, LLP, "Counsel to the Underwriter," addressed to the Underwriter, dated the date of the Closing, to the effect that: (I) the Bonds and the Certificates are exempt from registration under the Securities Act of 1933, as amended and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (II) the Continuing Disclosure Undertaking meets the requirements of paragraph (b)(5)(i) of the SEC Rule and stating that, without having undertaken to determine independently, or to assume responsibility for, the accuracy, completeness or fairness thereof, and based solely on Counsel to the Underwriter's participation in meetings and telephone conferences at which representatives of the City, Bond Counsel and the Underwriter were at various times present, nothing has come to the attention of Counsel to the Underwriter that would lead Counsel to the Underwriter to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date of sale of the Bonds and the Certificates, and the Final Official Statement, as of its date and as of the date of such opinion or letter, contained or contain any untrue statement of a material fact or omitted or omit to state a

material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the financial statements of the City, any other financial, forecast, technical or statistical data, and any information in the Official Statement respecting DTC;

(C) a certificate, dated the date of the Closing and signed on behalf of the City by the Manager or the Finance Director of the City or other authorized officer with respect to matters relating to the City, to the effect that (I) the representations and warranties contained in this Purchase Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (II) except as otherwise to be described in the Final Official Statement, no litigation of any nature is then pending or, to their knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Bonds and the Certificates or the levy, assessment or collection of the Assessments to pay the principal thereof and interest thereon, questioning the proceedings and authority by which the levy is made, affecting the validity of the Bonds or the Certificates or contesting the corporate existence or boundaries of the City or the title of the present officers to their respective offices; (III) no authority or proceedings for the issuance of the Bonds or the Certificates has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Bonds and the Certificates has been filed with or received by any of the signors; (IV) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing and (V) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect as of the date of the Closing;

(D) A copy of a special report prepared by Grant Thornton LLP, independent certified public accountants, addressed to the City, Bond Counsel and the Underwriter, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the government obligations and uninvested cash on hand under the Trust Agreement to pay, when due, the principal of and interest on the Bonds Being Refunded and (ii) the computation of the yield with respect to such government obligations and the Bonds;

(E) A certificate of the Trustee to the effect that moneys or government obligations sufficient to effectuate the refunding of the Bonds Being Refunded have been received and the such moneys or government obligations have been deposited pursuant to the Trust Agreement;

(F) a counterpart original of the Final Official Statement manually executed on behalf of the City by the President of the Mayor and Council of the City and an executed copy of a “deemed final certificate” with respect thereto;

(G) specimen Bonds and Certificates;

(H) a certified copy of the Bond Resolution;

(I) the items required by the Bond Resolution as conditions for issuance of the Bonds and the Certificates;

(J) a non-arbitrage certificate of the City, in form and substance satisfactory to Bond Counsel setting forth, among other things, in the manner permitted by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the reasonable expectations of the City as of the date of the Closing as to the use of proceeds of the Bonds and the Certificates and of any other funds of the City expected to be used to pay debt service on the Bonds and the facts and estimates on which such expectations are based, and stating that, to the best of knowledge and belief of such certifying officer, the expectations set forth therein are reasonable;

(K) an executed copy of the Report of Bond and Security Issuance Pursuant to Section 35-501(B), Arizona Revised Statutes;

(L) an executed copy of the Continuing Disclosure Undertaking, the Agency Agreement, the Trust Agreement and the DTC Letter;

(M) the filing copy of the Information Return Form 8038-G (IRS) for the Bonds;

() [evidence that _____ (the “Insurer”) has issued its municipal bond insurance policy with respect to the Bonds (the “Policy”) as well as appropriate opinions and certificates from the Insurer relating to the Policy;]

() evidence that Standard & Poor’s Financial Services LLC [(“S&P”)] has issued a rating for the Bonds and the

Certificates of ["AA" based on issuance of the Policy and that S&P has issued an underlying rating for the Bonds and the Certificates of] "___" ([collectively,] the "Rating[s]"), and that the Rating[s] [is/are] then in effect and

() such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date of this Purchase Agreement and as of the date of the Closing, of the representations, warranties and covenants of the City contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions of this Purchase Agreement if, but only if, they are in form and substance satisfactory to the Underwriter and Counsel to the Underwriter; provided, however, that acceptance by the Underwriter of the Bonds and the Certificates shall be deemed by the Underwriter to be satisfaction of the foregoing.

7. If the City is unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds and the Certificates contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds and the Certificates are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement (except the obligations set forth in Section 8(c)) shall terminate and neither the Underwriter nor the City shall be under further obligation hereunder.

8. (a) If the Closing shall take place hereunder, the City shall pay, but solely from the proceeds of the sale of the Bonds and the Certificates, (i) the cost of the preparation and printing of the Bond Resolution, the Continuing Disclosure Undertaking, the Agency Agreement, the DTC Letter, the Preliminary Official Statement and the Final Official Statement (including any amendments or supplements thereto); (ii) the cost of preparation and printing of the Bonds and the Certificates; (iii) the fees and disbursements of Bond Counsel; (iv) the initial fees and disbursements of the Paying Agent and the Trustee, provided, however, that the City shall be responsible for all other fees and disbursements of the Paying Agent and the Trustee; (v) the fees and expenses incurred by the City or the Underwriter for [the Policy] and the Rating[s]; (vi) the initial fees incurred by the dissemination agent; and (vii) reasonable miscellaneous, normally occurring, "out-of-pocket" expenses incurred by the Underwriter in connection with the issuance and sale of the Bonds and the Certificates, including any meals and travel of City officials paid for by the Underwriter, but not entertainment expenses.

(b) The Underwriter shall pay, if any, (i) all advertising expenses in connection with the public offering of the Bonds and the Certificates, (ii) the fees and disbursements of Counsel to the Underwriter and (iii) all other expenses incurred by the

Underwriter in connection with the Underwriter's public offering and distribution of the Bonds and the Certificates.

(c) If this Purchase Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the City to comply with the terms or to fulfill any of the conditions of this Purchase Agreement, the City shall reimburse the Underwriter for all "out-of-pocket" expenses (including the fees and disbursements of Counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Purchase Agreement or the offering contemplated hereunder.

9. As required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the State, its political subdivisions (including the City) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the City hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Purchase Agreement and covenants that it shall take no action which would result in a violation of such Section.

10. (a) Any notice or other communication to be given pursuant to this Purchase Agreement must be given by delivering the same in writing to:

If to the City at:

Mayor and Council
City of Goodyear, Arizona
190 North Litchfield Road
Goodyear, Arizona 85338
Attention: Finance Director

If to the Underwriter at:

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016
Attention: Mr. Gran Hamill, Managing Director

(b) This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter), and no other person may acquire or have any right hereunder or by virtue of this Purchase Agreement.

(c) All of the representations, warranties, and covenants of the City and the Underwriter contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds and the Certificates pursuant to this Purchase Agreement or (iii) termination of this Purchase Agreement.

(d) If any section, paragraph, subdivision, sentence, clause or phrase of this Purchase Agreement shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions of this Purchase Agreement. The parties to this Purchase Agreement declared they would have executed this Purchase Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase of this Purchase Agreement, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Purchase Agreement may be held to be illegal, invalid, or unenforceable. If any provision of this Purchase Agreement contains any ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

(e) This Purchase Agreement expresses the entire understanding and all agreements of the parties to this Purchase Agreement with each other with respect to the subject matter of this Purchase Agreement, and no party to this Purchase Agreement has made or shall be bound by any agreement or any representation to any other party which is not expressly set forth in this Purchase Agreement.

(f) This Purchase Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(g) This Purchase Agreement shall become effective upon the execution of the acceptance of this Purchase Agreement by the undersigned member of the Mayor and Council on behalf of the City and shall be valid and enforceable as of the time of such acceptance.

(h) The electronic signature of a party to this Purchase Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Purchase Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an electronic mail or internet message.

[Remainder of page left blank intentionally.]

(i) This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

STIFEL NICOLAUS & COMPANY,
INCORPORATED

By.....
Grant Hamill, Managing Director

ACCEPTED THIS _____ DAY OF
_____, 2018 at P.M.

CITY OF GOODYEAR, ARIZONA

By.....
Its Mayor

ATTEST:

.....
City Clerk

APPROVED AS TO FORM:

.....
Bond Counsel

PHX 332690149v1

SCHEDULE

THE BONDS

Maturity Dates <u>(July 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>Yields</u>
--------------------------------------	------------------------------	---------------------------	---------------

* Yield calculated to first optional redemption date: July 1, 20__.

[Conform from POS]

The Bonds maturing before or on _____ 1, 20__ will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after January 1, 2024 will be subject to redemption prior to their stated maturity dates, at the option of the City, in whole or in part from maturities selected by the City on _____ 1, 20__ or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption plus interest accrued to the date fixed for redemption, without a premium.

The Bonds will be subject to a special redemption prior to maturity, in whole on any date or in part on any date from amounts collected pursuant to the sale of delinquent Assessments in the manner described in the Official Statement under “_____” at a redemption price equal to the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, without premium.

The Bonds maturing on January 1, 20__, shall be subject to mandatory redemption prior to maturity at the price of par plus accrued interest to the redemption date, without premium, on January 1 of each of the years and in the amounts shown below:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT TO BE REDEEMED</u>
20__	\$____,000
20__	____,000
20__	____,000
20__*	____,000

*Maturity

The Bonds maturing on _____ 1, 20__, shall be subject to mandatory redemption prior to maturity at the price of par plus accrued interest to the redemption date, without premium, on January 1 of each of the years and in the amounts shown below:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT TO BE REDEEMED</u>
20__	\$____,000
20__	____,000
20__	____,000
20__	____,000
20__	____,000
20__*	____,000

*Maturity

THE CERTIFICATES

<u>Payment Dates</u>	<u>Amount Payable on Payment Dates</u>	<u>Price</u>	<u>Approximate Yield to Payment</u>
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Optional Prepayment. The Certificates are not subject to prepayment prior to their stated payment dates.

EXHIBIT

FORM OF UNDERWRITER'S CERTIFICATE

\$____,000
CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR DISTRICT IMPROVEMENT
BONDS, SERIES 2018
and
\$ _____
CERTIFICATES OF OWNERSHIP OF
SUPPLEMENTAL INTEREST PAYMENTS/
PERTAINING THERETO

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("Stifel"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "Bonds") and certificates (the "Certificates").

1. Bond and Certificate Purchase Agreement. On _____, 2018 (the "Sale Date"), Stifel and the City of Goodyear, Arizona (the "Issuer"), executed a Bond and Certificate Purchase Agreement (the "Purchase Contract") in connection with the sale of the Bonds and the Certificates. Stifel has not modified the Purchase Contract since its execution on the Sale Date.

2. Price (Bonds).

(a) As of the date of this Certificate, for each [Maturity] [of the _____ Maturities] of the Bonds, the first price or prices at which at least 10% of [each] such Maturity of the Bonds was sold to the Public (the "10% Test") are the respective prices listed in Schedule A attached hereto.

(b) **[To be used if not using Hold-the-Offering-Price Rule and 10% was not sold for all Maturities]** ****** With respect to each of the _____ Maturities of the Bonds:

(i) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any price or prices.

(ii) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached Schedule A as the "Reasonably Expected Sale Prices for Undersold Maturities."

(iii) Stifel will provide actual sales information (substantially similar to the information contained on Schedule B) as to the price or prices at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.

(iv) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as Schedule C with respect to any remaining Maturities for which the 10% Test has not been satisfied as of [Closing Date].**]

(b) **[To be used if using Hold-the-Offering-Price Rule] [Alternative 1 - All Maturities Use Hold-the-Offering-Price Rule:** Stifel offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] **[Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule:** Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

[Alternative 1 - All Maturities use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period (Bonds) for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period (Bonds) . **[Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule:** As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period (Bonds) for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period (Bonds).]

3. Price. (Certificates)

(a) As of the date of this Certificate, for each [Payment Date] [of the _____ Payment Dates] of the Certificates, the first price or prices at which at least 10% of [each] such Payment Date of the Certificates was sold to the Public (the “10% Test”) are the respective prices listed in Schedule A attached hereto.

(b) **[To be used if not using Hold-the-Offering-Price Rule and 10% was not sold for all Payment Dates]** [** With respect to each of the _____ Payment Dates of the Certificates:

(i) As of the date of this Certificate, Stifel has not sold at least 10% of the Certificates of these Payment Dates at any price or prices.

(ii) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Certificates of these Payment Dates will be at or below the respective price or prices listed on the attached Schedule A as the “Reasonably Expected Sale Prices for Undersold Payment Dates.”

(iii) Stifel will provide actual sales information (substantially similar to the information contained on Schedule B) as to the price or prices at which the first 10% of each such Payment Date (i.e., the Undersold Payment Date or Payment Dates) is sold to the Public.

(iv) On the date the 10% Test is satisfied with respect to all Payment Dates of the Certificates, Stifel will execute a supplemental certificate substantially in the form attached hereto as Schedule C with respect to any remaining Payment Dates for which the 10% Test has not been satisfied as of the Closing Date.**]

(b) **[To be used if using Hold-the-Offering-Price Rule]** [Alternative 1 - All Payment Dates Use Hold-the-Offering-Price Rule: Stifel offered the Certificates to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.] [Alternative 2 - Select Payment Dates Use Hold-the-Offering-Price Rule: Stifel offered the Hold-the-Offering-Price Payment Dates to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.]

[Alternative 1 - All Payment Dates use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Payment Date of the Certificates, it would neither offer nor sell any of the Certificates of such Payment Date to any person at a price that is higher than the Initial Offering Price for such Payment Date during the Holding Period (Certificates) for such Payment Date (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Payment Date of the Certificates at a price that is higher than the respective Initial Offering Price for that Payment Date of the Certificates during the Holding Period (Certificates). **[Alternative 2 - Select Payment Dates Use Hold-the-Offering-Price Rule:** As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Payment Date of the Hold-the-Offering-Price Payment Dates, it would neither offer nor sell any of the Certificates of such Payment Date to any person at a price that is higher than the Initial Offering Price for such

Payment Date during the Holding Period (Certificates) for such Payment Date (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Payment Date of the Hold-the-Offering-Price Payment Dates at a price that is higher than the respective Initial Offering Price for that Payment Date of the Certificates during the Holding Period (Certificates).]

4. Defined Terms.

- (a) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]
- (b) [*Hold-the-Offering-Price Payment Dates* means those Payment Dates of the Certificates listed in Schedule A hereto as the “Hold-the-Offering-Price Payment Dates.”]
- (c) [*Holding Period (Bonds)* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]
- (d) [*Holding Period (Certificates)* means, with respect to a Hold-the-Offering-Price Payment Date, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Payment Date to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Payment Date.]
- (e) *Issuer* means the City of Goodyear, Arizona.
- (f) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (g) *Payment Date* means Certificates with the same credit and payment terms. Certificates with different payment dates, or Certificates with the same maturity date but different stated yields, are treated as separate Certificates.
- (h) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

- (i) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds or Payment Date of the Certificates. The Sale Date of the Bonds and the Certificates is [_____, 2018].
- (j) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds and the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds and the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds and the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds and the Certificates, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds (including that evidenced by the Certificates) is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds and the Certificates.

STIFEL NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By:.....
[banker]

By:
[underwriter]

Dated: [Closing Date]

SCHEDULE A

Actual Sales Information as of Closing Date

The Bonds

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
-----------------------	---------------	------------------	------------------	-------------------	-------------------

The Certificates

<u>Payment Date/CUSIP</u>	<u>Yield</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Face Amount</u>	<u>Sale Price</u>
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****Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date**

The Bonds

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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**]

The Certificates

<u>Payment Amount/CUSIP</u>	<u>Yield</u>	<u>Face Amount</u>	<u>Offering Prices</u>
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**]

SCHEDULE B

[Actual Sales for Undersold Maturities as of the Closing Date

The Bonds

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
-----------------------	------------------	------------------	-------------------	-------------------

**]

The Certificates

<u>Payment Date/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Face Amount</u>	<u>Sale Price</u>
-------------------------------	------------------	------------------	------------------------	-------------------

**]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]

(Attached)

SCHEDULE C

SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER

\$____,000
CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR
DISTRICT IMPROVEMENT BONDS, SERIES 2018
and
\$ _____
CERTIFICATES OF OWNERSHIP OF
SUPPLEMENTAL INTEREST PAYMENTS/
PERTAINING THERETO

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”) and certificates (the “Certificates”).

1. *Issue Price (Bonds).*

(a) Stifel sold at least 10% of the _____ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of [Closing Date] (the “10% Test”). With respect to each of the _____ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of [Closing Date] (the “Undersold Maturities”).

(b) As of the date of this Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on Exhibit A attached hereto.

2. *Issue Price (Certificates).*

(a) Stifel sold at least 10% of the _____ Payment Dates of the Certificates to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the _____ Payment Dates of the Certificates, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Payment Dates”).

(b) As of the date of this Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Payment Dates. The first price or prices at which at least 10% of each such Undersold Payment Date was sold to the Public are the respective prices listed on Exhibit A attached hereto.

3. *Defined Terms.*

(a) “Issuer” means the City of Goodyear, Arizona.

(b) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “Payment Date” means Certificates with the same credit and payment terms. Certificates with different payment dates, or Certificates with the same payment date but different stated yields, are treated as separate Payment Dates.

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

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds and the Certificates, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds (including that evidenced by the Certificates) is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds and the Certificates.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By:.....
[banker]

By:.....
[underwriter]

Dated: [Closing Date]

EXHIBIT A
TO
SUPPLEMENTAL ISSUE PRICE CERTIFICATE

The Bonds

The Certificates

**]

PLACEMENT AGENT AGREEMENT

\$____,000
CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR
DISTRICT IMPROVEMENT BONDS, SERIES 2018
and
\$ _____
CERTIFICATES OF OWNERSHIP OF
SUPPLEMENTAL INTEREST PAYMENTS
PERTAINING THERETO

_____, 2018

Mayor and Council
City of Goodyear, Arizona
190 North Litchfield Road
Goodyear, Arizona 85338

Upon the terms and conditions and based upon the representations, warranties and covenants set forth herein, Stifel, Nicolaus & Company, Incorporated (the "Placement Agent") offers to enter into this Placement Agent Agreement (this "Agreement") with the City of Goodyear, Arizona (the "Issuer"), which, upon acceptance of this offer, shall be binding upon the Issuer and the Placement Agent. This offer is made subject to acceptance of this Placement Contract by the Issuer before or on _____, 2018, and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered to your office at any time prior to acceptance hereof. If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Issuer shall be under further obligation hereunder.

The above-captioned bonds (the "Bonds") and certificates (the "Certificates" and, together with the Bonds, the "Obligations") are to be issued pursuant to a Resolution adopted on April 17, 2018 (the "Resolution").

1. Purchase, Sale and Delivery of Obligations. On the basis of the representations and agreements contained herein, but subject to the terms and conditions herein

set forth, the Placement Agent agrees, on a best efforts basis, to locate a purchaser for the Obligations (the "Purchaser") at a purchase price equal to the principal amount of the Bonds plus original issue premium equal to the amount paid with respect to the Certificates of \$_____ (the "Purchase Price") and on terms consistent with the Resolution. The maturities, principal amounts, interest rates and other terms and conditions of the Obligations shall be as set forth in the Resolution.

For its services hereunder, and upon payment of the Purchase Price by the Purchaser to the Issuer (the date of such payment herein, the "Closing Date"), the Placement Agent shall receive compensation, payable by the Issuer, equal to \$_____ (the "Fee"). On the Closing Date, the Issuer shall pay or cause to be paid the Fee to the Placement Agent by wire transfer of immediately available funds. The Fee does not include any services the Placement Agent may render in the future to the Issuer with respect to any offering or placement of municipal securities other than the Obligations.

2. Representations, Warranties, and Covenants of the Issuer. The undersigned, on behalf of the Issuer, but not individually, hereby represents and warrants to the Placement Agent (and it shall be a condition of the obligation of the Placement Agent to perform under this Agreement that it shall be represented and warranted on the Closing Date) that:

(a) The Issuer is duly organized and validly existing under the laws of the State of Arizona (the "State") with the power to adopt the Resolution, perform the agreements on its part contained therein and in the agreements approved thereby and cause the issuance of the Obligations.

(b) The Issuer has complied materially and, in all respects on the Closing Date will be in material compliance, with all of the provisions of applicable law of the State.

(c) The Issuer has duly adopted the Resolution, and the Issuer has duly authorized and approved the execution and delivery of this Agreement as well as the performance of its obligations contained in the Obligations and the consummation by it of all other transactions contemplated hereby.

(d) This Agreement has been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other party thereto, constitutes a legal, valid and binding agreement of the Issuer enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against the Issuer in the State.

(e) The Issuer is not in material breach of or material default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or

decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under this Agreement, and the execution and delivery of this Agreement, the adoption of the Resolution and the issuance of the Obligations and compliance with the provisions of each will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under this Agreement.

(f) No action, suit, proceeding or investigation at law or in equity before or by any court of governmental agency or body is pending or overtly threatened in any way affecting the existence of the Issuer or the title of the members of the legislative body of the Issuer to their respective offices or seeking to restrain or to enjoin the sale or issuance of the Obligations, or the payment or collection of any amounts to pay the principal of and interest on the Obligations, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution or this Agreement, or contesting the powers of the Issuer or the members of the legislative body of the Issuer with respect to the Obligations.

(g) The Issuer has furnished the Placement Agent with certain information and materials concerning the Issuer and the Obligations that the Placement Agent requested (the "Information Package"). The following documents and information comprise the Information Package: _____

_____. To the extent necessary under applicable law if any, the Issuer represents and warrants that all information contained in the Information Package is, and will at all times during the period of the engagement of the Placement Agent hereunder be, true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in light of the circumstances under which such statements are made.

3. Conditions to Closing. The obligations of the Placement Agent under this Agreement shall be subject, at the option of the Placement Agent, to the accuracy in all material respects of the representations, warranties and covenants on the part of the Issuer contained herein as of the date hereof and as of the Closing Date and to the performance by the issuer of its obligations to be performed hereunder and under the documents at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Obligations and this Agreement shall have been duly issued, authorized, executed and delivered, as applicable, by the respective parties thereto, in substantially the forms heretofore submitted to the Placement Agent with only such changes as shall have been agreed to by the Placement Agent, and this Agreement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Placement Agent, and there shall have been taken in

connection therewith, with the issuance of the Obligations and with the transactions described therein and in this Agreement, all such action as the Placement Agent and hereinafter defined Bond Counsel shall deem to be necessary and appropriate;

(b) At or prior to the Closing Date, the Placement Agent shall have received the following documents, in each case satisfactory in form and substance to the Placement Agent:

(1) This Agreement (or certified copies thereof) duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to by the Placement Agent;

(2) The opinion of Gust Rosenfeld P.L.C., Bond Counsel, dated the Closing Date in form and substance satisfactory to the Placement Agent, relating to the validity of the Obligations and the tax-exempt status of the Obligations including that evidenced by supplemental interest certificates, together with a letter from such counsel, dated the Closing Date and addressed to the Placement Agent to the effect that the foregoing opinion may be relied upon by the Placement Agent to the same extent as if such opinion was addressed to them;

(3) A certificate of the Issuer, dated the Closing Date, in form and substance satisfactory to the Placement Agent, to the effect that:

(i) the Issuer has complied with and satisfied all the conditions on its part to be performed or satisfied under this Agreement at or prior to the Closing Date and

(ii) the representations, warranties and covenants of the Issuer contained in this Agreement are true and correct as if made on the Closing Date.

(4) An Investor Letter, in the form attached to this Agreement as the Exhibit and in form and substance acceptable to the Placement Agent, executed by the purchaser of the Obligations and addressed to the Placement Agent; and

(5) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Placement Agent or its counsel, if any, and Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Issuer, and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

4. Termination. This Agreement may be terminated by either party upon ten (10) business days' prior written notice; provided, however, that, to the extent the Issuer may agree to do so pursuant to applicable law, the Fee shall be immediately due and payable by the Issuer if the Issuer terminates this Agreement and sells the Obligations to an investor identified

by the Placement Agent to the Issuer prior to such termination and such sale occurs within six (6) months after termination of this Agreement.

5. Expenses. In addition to the Fee as provided in Section 1, hereof, there shall be paid solely from the proceeds of the sale of the Obligations, upon or promptly after the Closing Date: (a) the cost, if any, of the preparation and printing of the Obligations and (b) the fees and disbursements of Bond Counsel and of any other counsel or consultants retained by the Issuer. The Placement Agent shall be under no obligation to pay any expenses incident to this Agreement.

6. Regulatory Disclosure. The Issuer acknowledges that, in connection with the purchase and sale of the Obligations, the offering of the Obligations for sale and the discussions and negotiations relating to the terms of the Obligations pursuant to and as set forth in this Agreement that (a) the Placement Agent has acted at “arm’s length”, is acting solely for its own account and is not agent of or advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)) and owes no fiduciary duty to, the Issuer or any other person, (b) the Placement Agent’s duties and obligations to the Issuer shall be limited to those contractual duties and obligations set forth in this Agreement, (c) the Placement Agent may have interests that differ from those of the Issuer, and (d) the Issuer has consulted its legal and financial advisors to the extent it deemed appropriate in connection with the offering and sale of the Obligations. The Issuer further acknowledges and agrees that it is responsible for making its judgment with respect to the offering and sale of the Obligations and the process leading thereto. The Issuer agrees that it will not claim that the Placement Agent acted as a Municipal Advisor to the Issuer or rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer, in connection with the offering or sale of the Obligations or the process leading thereto.

7. Survival of Certain Representations and Obligations. The respective agreements, covenants, representations, warranties and other statements of the Issuer and its officers set forth in or made pursuant to this Agreement shall survive delivery of and payment for the Obligations and shall remain in full force and effect, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Placement Agent.

8. Notices. Any notice or other communication to be given to the Issuer under this agreement may be given by delivering the same in writing to the Issuer at its address set forth above. Any notice or other communication to be given to the Placement Agent under this Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2325 East Camelback Road, Suite 750, Phoenix, Arizona 85016, attention: Grant Hamill, Managing Director.

9. No Assignment. This Agreement has been made by the Issuer and the Placement Agent, and no person other than the foregoing shall acquire or have any right under or by virtue of this Agreement.

10. Applicable Law.

(a) This Agreement shall be interpreted, governed and enforced in accordance with the laws of the State.

(b) This Agreement as required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section is not intended to expand or enlarge the rights of the Issuer hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Agreement and covenants that it shall take no action which would result in a violation of such Section.

11. Effectiveness. This Agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.

12. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

[Remainder of page left blank intentionally.]

13. Counterparts. This Agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By.....
Grant Hamill, Managing Director

ACCEPTED THIS _____ DAY OF
_____, 2018 at P.M.

CITY OF GOODYEAR, ARIZONA

By.....
Its Mayor

ATTEST:

.....
City Clerk

APPROVED AS TO FORM:

.....
Bond Counsel

EXHIBIT
FORM OF INVESTOR LETTER

City of Goodyear, Arizona) (the “Issuer”)

Stifel, Nicolaus & Company, Incorporated

Re: \$____,000
City of Goodyear, Arizona
McDowell Road Commercial Corridor
District Improvement Bonds, Series 2018
and
\$ _____
Certificates of Ownership of
Supplemental Interest Payments
Pertaining Thereto

The undersigned (the “Investor”) hereby acknowledges that it is purchasing \$.....,000 aggregate principal amount of the captioned Bonds and \$.....,000 aggregate face amount of the captioned Certificates (together, the “Obligations”) pursuant to a Resolution (the “Resolution”) adopted April 17, 2018.

This letter is being provided pursuant to a Placement Agent Agreement, dated, 2018 (the “Placement Agreement”), between the Issuer and Stifel, Nicolaus & Company, Incorporated (the “Placement Agent”).

The Obligations were issued to refund certain outstanding bonds of the Issuer, and principal of the Obligations, together with interest thereon shall be payable from special assessments on certain property in the Issuer.

In connection with the sale of the Obligations to the Investor, the Investor hereby makes the following certifications, representations and warranties upon which you may rely:

1. The Investor has the authority and is duly authorized to purchase the Obligations and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with its purchase of the Obligations.

2. The Investor is (a) a “qualified institutional buyer” as that term is defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), or (b) an “accredited investor” as that term is defined in Regulation D under the Securities Act.

3. The Investor is not purchasing the Obligations for more than one account. The Obligations are being acquired by the Investor solely for investment and not with a view to, or for resale in connection with, any distribution of the Obligations, and the Investor intends to hold the Obligations solely for its own account for investment purposes for an indefinite period of time, and does not intend to dispose of all or any part of the Obligations. However, the Investor may sell the Obligations at any time the Investor deems appropriate, subject to the transfer restrictions set forth in the Obligations. The Investor understands that it may need to bear the risks of this investment for an indefinite period of time, since a sale of the Obligations, or any portion thereof, prior to maturity may not be possible.

4. The Investor understands that the Obligations are not, and are not intended to be, registered under the Securities Act and that such registration is not legally required as of the date hereof and further understands that the Obligations (a) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency, and (d) will be delivered in a form that may not be readily marketable.

5. The Investor acknowledges that it has either been supplied with or been given access to information, financial statements and other financial information. The Investor has conducted its own due diligence regarding the Obligations and the Issuer. The Issuer has provided the Investor with all information the Investor considers necessary for it to make an informed decision with respect to the purchase of the Obligations, including but not limited to such information material to or otherwise important in making its investment decision. The Investor has been offered the opportunity to ask questions of officials and such representatives of the Issuer as it has determined to be necessary regarding such information and other matters that came to its attention during the course of its due diligence, and such questions, if any, have been answered to its satisfaction. The Investor has not looked to or relied upon others in order to make its investment decision.

6. The Investor acknowledges that the Obligations are payable solely from, and secured solely by, special assessments on certain property within the boundaries of the Issuer.

7. The Investor has made its own inquiry and analysis with respect to the Obligations and the security therefor, and other material factors affecting the security and payment of the Obligations. The Investor is aware that there may be various economic and regulatory variables and risks that could adversely affect the security for the Obligations. The Investor has reviewed the documents executed in conjunction with the issue of the Obligations, or summaries thereof, including, without limitation, the Resolution.

8. The Investor acknowledges and agrees that the Issuer takes no responsibility for, and makes no representation to the Investor, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Obligations in violation of the provisions hereof, or any securities law or income tax law consequences thereof. The Investor also acknowledges that, with respect to the Issuer's obligations and liabilities, the Investor is solely responsible for compliance with the sales restrictions on the Obligations in connection with any

subsequent transfer of the Obligations made by the Investor, and the Investor agrees to hold the Issuer harmless for, from and against any and all liabilities claims, damages or losses resulting directly or indirectly from the Investor's failure to comply with applicable federal and state securities laws with respect to any subsequent transfer.

9. The Investor agrees that it is bound by and will abide by the provisions of the Resolution relating to transfer, the restrictions noted on the face of the Obligations and this Investor Letter. The Investor shall comply with all applicable federal and state securities laws, rules and regulations in connection with any resale or transfer of the Obligations by the Investor.

10. The Investor acknowledges that the sale of the Obligations to the Investor is made in reliance upon the certifications, representations and warranties herein by the addressees hereto.

The interpretation of the provisions hereof shall be governed and construed in accordance with the laws of the State of Arizona without regard to principles of conflicts of laws.

All representations of the Investor contained in this letter shall survive the execution and delivery of the Obligations to the Investor as representations of fact existing as of the date of execution and delivery of this Investor Letter.

Date:, 2018

Very truly yours,

Investor:

By:
Printed Name:
Title:

DEPOSITORY TRUST AGREEMENT

This Depository Trust Agreement (this "*Agreement*") dated as of May 1, 2018, by and among the **CITY OF GOODYEAR, ARIZONA** (the "*City*"), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association authorized to do trust business in the State of Arizona, as depository trustee (the "*Depository Trustee*") and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as trustee of the bonds being refunded (the "*Refunded Trustee*");

WITNESSETH:

WHEREAS, the following bonds of the District have been issued and are currently outstanding (the "*Bonds Being Refunded*"):

CUSIP (Base No. 38251U)	Issue (Dated Date)	Name of Issue	Original Principal Amount	Maturities Being Refunded (January 1)	Principal Amount Being Refunded	Redemption Date (July 1)	Redemption Price on Bonds Being Refunded (as a Percentage of Principal)
AL3	12/6/2007	City of Goodyear,	\$3,590,000	2020	\$3,590,000	2018	100%
AS8		Arizona McDowell	13,260,000	2026	13,260,000	2018	100
AY5		Road Commercial Corridor Improvement District Improvement Bonds (the " <i>Bonds Being Refunded</i> ")	18,020,000	2032	18,020,000	2018	100

*Term Bond

; and

WHEREAS, pursuant a resolution adopted on April 23, 2018 (the "*Bond Resolution*"), the City has authorized the issuance, sale and delivery of \$[] in aggregate principal amount of the City's McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the "*Bonds*"), and \$[] payment amount of Certificates of Ownership of Supplemental Interest Payments appertaining thereto (the "*Certificates*"); and

WHEREAS, the Bonds and Certificates were issued on May __, 2018 (the "*Closing Date*"), to refund the Bonds Being Refunded; and

WHEREAS, the Bond Resolution authorizes and directs the District to enter into an irrevocable trust agreement with the Depository Trustee for the safekeeping and handling of the moneys and securities to be held in trust to pay the Bonds Being Refunded; and

WHEREAS, the Depository Trustee agrees to accept and administer the trust created hereby;

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements hereinafter set forth it is hereby agreed as follows:

Section 1. Deposit With Depository Trustee. Pursuant to this Agreement, the Depository Trustee has received on the Closing Date for deposit to the account of the District a portion of the proceeds of the Bonds and Certificates in the amount of \$_____ calculated as follows:

Par Amount of Bonds	\$35,000,000
Payment Amount of Certificates	\$[_____]
Less: [Bank Origination Fee]	
Less: [Underwriter's Discount/ Placement Agent Fee]	[_____]
TOTAL	\$[_____]

The transferred funds and proceeds of the Bonds and Certificates shall be applied as follows: (a) \$[_____] to currently refund the Bonds Being Refunded on July 1, 2018, and (b) \$[_____] shall be deposited in the Costs of Issuance Account (as defined herein) and applied to pay certain costs of issuance of the Bonds and Certificates.

Section 2. Trust Account. Excluding the \$[_____] that shall be held by the Depository Trustee in a Costs of Issuance Account separate from the Trust Account and used to pay costs of issuance, the Depository Trustee shall hold the moneys so deposited, all investments made with such moneys and all earnings from investment and reinvestment of such moneys and all other moneys received by the Depository Trustee hereunder in an irrevocable segregated and separate trust account separate from all other funds and investments deposited with the Depository Trustee (the "*Trust Account*") for the sole and exclusive benefit of the holders of the Bonds Being Refunded until final payment thereof.

Section 3. Government Obligations. On the date of initial delivery of the Bonds, the Depository Trustee shall invest the Trust Account in (a) obligations issued by or the principal of and interest on which are unconditionally guaranteed by the United States of America or (b) any of the senior debt of any of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities, including, without limitation: (i) United States Treasury Obligations - State and Local Government Series; (ii) United States Treasury bills, notes and bonds, as traded on the open market; (iii) Zero Coupon United States Treasury Bonds; or (iv) shares in an investment management company that invests solely in obligations issued by or the principal of and interest on which are unconditionally guaranteed by the United States of America (the "*Government Obligations*") as follows: \$[_____] of the proceeds of the Bonds and Certificates shall be applied to create a portfolio of Government Obligations as described in *Exhibit A* hereto and \$[_____] will be held uninvested as an initial cash balance in the Trust Account for the refunding of the Bonds Being Refunded.

The investment income from the Government Obligations shall be collected and received by the Depository Trustee and credited to the applicable subaccount of the Trust Account. The Depository Trustee shall keep accurate records of such moneys, Government Obligations and investment earnings so as to permit the portfolio to be accounted for separately.

The Depository Trustee shall not sell or redeem such Government Obligations in advance of their maturity dates except as provided in Section 5 hereof.

Section 4. Code Provisions. The parties recognize that amounts credited to the Trust Account and invested in the Government Obligations are, at the time of execution and delivery of this Agreement, subject to restrictions as to investment under the Internal Revenue Code of 1986, as amended (the "*Code*"), in order for the interest on the Bonds, Certificates and the Bonds Being Refunded to be, or continue to be, excluded from gross income for purposes of calculating federal income taxes. In order to comply with such currently applicable restrictions, and subject to the provisions of Section 5 hereof, the following provisions shall apply with respect to reinvestment of amounts credited to the Trust Account:

(a) Amounts received as maturing principal of or interest on the Government Obligations credited to the portfolio prior to the date such amounts are to be used to pay principal of or interest on the Bonds Being Refunded and are not to be reinvested.

(b) Yields are to be calculated by means of an actuarial method of yield calculation whereby "yield" means the discount rate that, when used in computing the present value as of the date the investment is first allocated to the Bonds and Certificates of all unconditionally payable receipts from the investment (using the same compounding intervals and financial conventions used to compute the yield on the Bonds and Certificates), produces an amount equal to the present value of all unconditionally payable payments for the investments. The Depository Trustee will not be responsible for the calculation of any yield.

(c) The purchase price of a Government Obligation used in determining its yield must be the market price of the Government Obligation on an established market. This means that a premium may not be paid to adjust the yield and that a lower interest rate than is usually paid may not be accepted. At the time of execution and delivery of this Agreement, if a Government Obligation cannot be purchased on an established market or a bona fide bid price cannot be established at a yield that does not exceed the yield restriction applicable to the moneys to be invested regarding the Government Obligations, investments are limited to United States Treasury Certificates of Indebtedness, Notes and Bonds—State and Local Government Series which yield no more than the restricted yield.

(d) Notwithstanding the foregoing, and subject to the terms of Section 5 hereof, any amounts held in the Trust Account and Government Obligations, respectively, may be invested in investments having any yield if the parties hereto receive an opinion in form and substance satisfactory to the District of bond counsel experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds to the effect that such investment will not cause any of the Bonds, Certificates or the Bonds Being Refunded to become arbitrage bonds within the meaning of Section 148 of the Code, and will not otherwise cause the interest on the Bonds, Certificates or the Bonds Being Refunded to become included as gross income for purposes of calculating federal income taxes.

(e) Amounts received from reinvestment of maturing principal of and interest on Government Obligations prior to the date such amounts are to be used to make payments on the Bonds Being Refunded pursuant to this Section 4 and which are not needed to provide for payments on the Bonds Being Refunded may be withdrawn from the Trust Account by the District and returned to the District.

(f) The District waived its ability to invest certain portions of the Government Obligations without restriction pursuant to Section 148 of the Code.

Section 5. Investment Instructions. The Depository Trustee may sell or redeem Trust Account investments in advance of their maturity dates and invest the proceeds thereof or redemption or other moneys credited to the Trust Account in Government Obligations only upon receipt by the Depository Trustee of written instructions from the District Chair or District Treasurer to do so, and receipt by the parties hereto of:

(a) An opinion in form and substance satisfactory to the District of bond counsel selected by the District experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds to the effect that such action will not cause the interest on the Bonds Being Refunded or the Bonds to be included in gross income for federal income tax purposes and will not cause the Bonds Being Refunded or the Bonds to become "arbitrage bonds" within the meaning of Section 148 of the Code, and will not adversely affect the right of the District to issue obligations the interest on which is excluded from gross income for federal income tax purposes; and

(b) A report from a nationally recognized certified public accountant or firm of accountants selected by the District verifying the accuracy of the arithmetic computations of the adequacy of the proceeds from the liquidation together with any other moneys and the maturing principal of and interest on any Government Obligations to be credited to the Trust Account in accordance with the District's instructions, to pay, when due, the principal of and interest on the Bonds Being Refunded as the same becomes due at maturity or upon prior redemption.

Upon any such sale or redemption of investments and reinvestment any amounts not needed in the Trust Account to provide for payment of the Bonds Being Refunded, as shown by the accountant's report, may be withdrawn from the Trust Account by the District and returned to the District.

(c) The parties hereto acknowledge and agree that on the date the Bonds and Certificates are issued and delivered against payment therefor (the "*Delivery Date*"), the Depository Trustee is to receive the Government Obligations referred to above in Section 3 and *Exhibit A*. If the Depository Trustee shall not receive any of the obligations (the "*Failed Escrow Securities*"), the Depository Trustee shall accept, as temporary substitutes cash or, at the same purchase price, other Government Obligations ("*Substitute Escrow Securities*") the payments on which are scheduled to provide, as determined by an independent certified public accountant, along with such cash, at least the same amounts of moneys on or before the same dates as the Failed Escrow Securities for which they are substituted. (The Depository Trustee may rely upon a report of an independent firm of certified public accountants that the condition in the preceding sentence is satisfied.) If Substitute Escrow Securities are delivered, thereafter, upon delivery to the Depository Trustee of Failed Escrow Securities, together with any amounts paid thereon subsequent to the Delivery Date, the Depository Trustee shall return an amount of such cash and Substitute Escrow Securities, and any amount paid thereon subsequent to the Delivery Date, corresponding to the Failed Escrow Securities which the Substitute Escrow Securities replaced.

Section 6. Moneys Not Invested. Any Trust Account moneys which are not at any time invested in Government Obligations shall be held uninvested.

Section 7. Timely Payments. The Depository Trustee shall make timely payments from the Trust Account to the Refunded Trustee in the amounts and on the dates sufficient to pay principal and interest coming due on each series of the Bonds Being Refunded. Unless otherwise directed by the District Treasurer in order to determine the amounts and the dates on which principal and interest is due on each series of the Bonds Being Refunded, the Depository Trustee may rely upon the debt service schedules with respect to each series of the Bonds Being Refunded as such debt service schedules appear in the Verification Report (the "*Verification Report*"), prepared by [____], certified public accountants, in connection with the issuance of the Bonds and Certificates.

Section 8. Notices. (a) The District hereby irrevocably instructs the Depository Trustee and the Refunded Trustee that amounts due on the Bonds Being Refunded shall be transferred by the Depository Trustee to the Refunded Trustee from the Trust Account on July 1, 2018 and applied by the Refunded Trustee to refund the Bonds Being Refunded on such date. The Refunded Trustee shall, as soon as possible, mail a notice of refunding of the Bonds Being Refunded in substantially the form attached hereto as *Exhibit B* to all registered owners of the Bonds Being Refunded and to the Municipal Securities Rulemaking Board (the "*MSRB*"), currently through the MSRB's Electronic Municipal Market Access system ("*EMMA*").

(b) Not more than sixty nor less than thirty days prior to July 1, 2018, the District hereby irrevocably instructs the Refunded Trustee to mail to the owners of the Bonds Being Refunded and submit electronically to the MSRB, currently through EMMA, the notice of redemption in substantially the form of *Exhibit C* hereto.

(c) The District agrees to pay the expenses of the Refunded Trustee in giving all notices required hereunder pursuant to the trust indentures relative to the Bonds Being Refunded. The Depository Trustee shall not have any liability to any party in connection with any failure to timely file such notices of refunding and optional redemption with the MSRB via EMMA and the sole remedy available shall be an action by the holders of the Bonds Being Refunded in mandamus for specific performance or similar remedy to compel performance.

Section 9. Insufficient Funds. If at any time or times there are insufficient funds on hand in the Trust Account to pay the principal of and interest on the Bonds Being Refunded as the same becomes due, as shown in the debt service schedules appearing in the Verification Report, or for the payment of the fees and expenses of the Depository Trustee or the Refunded Trustee, the Depository Trustee shall promptly notify the District of such deficiency. The Depository Trustee and the Refunded Trustee shall have no liability for any such deficiency.

Section 10. Reports. On each January 15 and July 15, or as shortly thereafter as practicable, during the term hereof until [____ 15, 20__], the Depository Trustee shall submit to the District a report covering all moneys it has received and all payments it has made under the provisions during the six-month period ending on the preceding June 30 and December 31 (except for the first such report, due [____ 15, 20__], which will cover the period commencing with the date on which the Bonds were issued to and including [____ 14, 20__]). Such report shall also list all investments and moneys on deposit with the Depository Trustee hereunder as of the date of the report.

Section 11. Transfer Upon Full Payment. When all amounts payable on the Bonds Being Refunded have become due, as shown in the debt service schedules appearing in the Verification Report, and the Depository Trustee has transferred to the Refunded Trustee all moneys

necessary for the payment of such amounts, and in any event on the business day preceding the date on which the last of the Bonds Being Refunded matures or is to be redeemed on July 1, 2018, the Depository Trustee shall transfer all moneys and investments credited to the Trust Account not required for payment of principal and interest with respect to the Bonds Being Refunded to the Trustee, and the Trustee will deposit such amounts to the Bond Fund established pursuant to the Bond Resolution and apply such amounts to pay interest on the Bonds on the next succeeding interest payment date.

Section 12. Agreement Irrevocable. The parties recognize that the owners of the Bonds Being Refunded have a beneficial vested interest in the moneys and investments held in the Trust Account hereunder and that the Bonds will be delivered to and accepted by the owners thereof in reliance upon the irrevocable character of the trust so created. Therefore, this Agreement shall not be revoked, and shall not be amended in any manner which may adversely affect the rights herein sought to be protected, until the provisions hereof have been fully carried out.

Section 13. Non-Liability. The Depository Trustee shall be under no obligation to inquire into or be otherwise responsible for the performance or nonperformance by any paying agent for the Bonds Being Refunded of any of its obligations or to protect any of the rights of the District under any of the proceedings with respect to the Bonds Being Refunded or the Bonds and Certificates. The Depository Trustee shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing except for its negligence or its default in the performance of any obligation imposed upon it hereunder. The Depository Trustee shall not be liable or responsible for any loss resulting from any investment made pursuant hereto in compliance with the provisions hereof.

Section 14. Depository Trustee Fees. For services hereunder, the Depository Trustee shall be entitled to the Depository Trustee's fees set forth in Exhibit D, attached hereto and incorporated herein by reference, such fees being due upon the initial deposit of moneys with the Depository Trustee and representing payment of the Depository Trustee's initial fee and prepayment of the annual Depository Trustee's fees for services hereunder during the term hereof. The Depository Trustee shall not create or permit to be created any lien on moneys in the Trust Account for the failure to pay any such fees. The Depository Trustee shall be reimbursed for all out of pocket costs.

Section 15. Audit. The District shall have the right to audit the books, records and accounts of the Depository Trustee insofar as they pertain to the trust created hereunder.

Section 16. Costs of Issuance. The Depository Trustee is hereby authorized and directed to pay, solely from moneys deposited with the Depository Trustee for the purpose of paying the costs of issuance (\$[____]), the costs and expenses as set forth in Exhibit D hereto (the "Costs of Issuance Account"). Amounts deposited with the Depository Trustee for such purpose shall be held in the Costs of Issuance Account and not invested. Any amounts remaining on [CLOSING PLUS SIX MONTHS], shall be transferred to the Trustee and deposited to the Bond Fund established pursuant to the Indenture and used to pay interest on the Bonds and Certificates on the next succeeding interest payment date.

Section 17. Assignment; Merger. Neither this Depository Trust Agreement nor the trust created hereunder may be assigned by the Depository Trustee without the prior written consent of the District unless the Depository Trustee is required by law to divest itself of its interest in its trust department or unless the Depository Trustee sells or otherwise assigns all or substantially

all of its corporate trust business in which event the trust shall be continued by the Depository Trustee's successor in interest.

Any corporation into which the Depository Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Depository Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Depository Trustee, shall be the successor of the Depository Trustee hereunder, provided such corporation, association or agency shall be otherwise qualified and eligible under this Section 17, without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Depository Trustee, at any time prior to the first anniversary of the date hereof, may assign and transfer by written agreement all property, rights, interests, powers, duties and obligations of the Depository Trustee as established hereunder, to a bank or trust company that is duly qualified to conduct trust business, and has a corporate office in Phoenix, Arizona, that is under common corporate control with the Depository Trustee and that otherwise satisfies the qualification requirements hereunder for successor Trustees. Upon such assignment and transfer, the transferee bank or trust company shall become successor Trustee and receive, accept and hold all property, rights, interests, powers, duties and obligations thereof without further actions or approvals of any other person.

Section 18. Depository Trustee Responsibility. In the event the Depository Trustee is required or permitted hereby, or is requested hereunder, to take any action (or refrain from taking any action) as the Depository Trustee, the performance (or nonperformance) of which would, in the Depository Trustee's sole judgment, subject the Depository Trustee to unreasonable risk of liability or expense, the Depository Trustee shall have no duty to take (or refrain from taking) any such action until the Depository Trustee has been furnished with indemnity adequate, in its sole judgment, to protect the Depository Trustee, its directors, officers, employees, agents and attorneys for, from and against such liability or expense, and all reasonable costs and expenses (including reasonable attorneys' fees) in connection therewith, or until its duty as to any such action (or inaction) shall have been finally adjudicated by a court of competent jurisdiction and all applicable periods in which to appeal or seek appellate review have expired.

To the extent permitted by law, the District will indemnify and hold the Depository Trustee, its directors, officers, employees, agents and attorneys harmless for, from and against any loss, liability, judgment or expense (including reasonable attorneys' fees) arising from the Depository Trustee's performance of its obligations hereunder except any such loss, liability, judgment or expense resulting from the successful allegation of the Depository Trustee's negligence or willful misconduct or breach of trust. The rights of the Depository Trustee to such indemnification shall survive the termination of this Depository Trust Agreement or the earlier resignation or removal of the Depository Trustee.

The Depository Trustee may consult with independent counsel, chosen by it with reasonable care, and shall not be liable for action taken or not taken in good faith in reliance upon the written advice or opinion of such counsel. The Depository Trustee shall not be liable for the accuracy of any calculations provided by others to it under this Depository Trust Agreement as to the sufficiency of the moneys or Government Obligations deposited with it to pay the principal of and interest on the Bonds Being Refunded at the respective maturities or earlier redemption of the Bonds Being Refunded. Furthermore, the Depository Trustee may conclusively rely in good faith as to the truth, accuracy and correctness of, and shall be protected and indemnified in acting or refraining from acting upon, any written opinion, calculation, notice, instruction, request, certificate, document or

opinion furnished to the Depository Trustee in accordance herewith and signed or presented by the proper party pursuant hereto and it need not investigate the truth or accuracy of any fact or matter stated in such opinion, calculation, notice, instruction, request, certificate or opinion.

The Depository Trustee at any time may resign and be discharged of the duties and obligations created hereby. If the Depository Trustee resigns, or is dissolved, liquidated or in the process of being dissolved or liquidated or otherwise becomes incapable of acting hereunder, or is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed. No resignation or removal may become effective until a successor Trustee shall have been appointed. In the event that no appointment of a successor Trustee occurs within sixty (60) days, the holder of any of the Bonds Being Refunded or the retiring Depository Trustee may apply to any court of competent jurisdiction for the appointment of a successor Depository Trustee acceptable to the City, and such court may thereupon, after such notice as it shall deem proper, appoint a successor Depository Trustee acceptable to the City. Any successor Depository Trustee appointed under this Depository Trust Agreement shall execute, acknowledge and deliver to its predecessor and the District an instrument in writing accepting such appointment and, thereupon, such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all rights, estates, powers, trusts, duties and obligations of its predecessor; but, such predecessor shall, nevertheless, on the written request of such successor Depository Trustee, execute, acknowledge and deliver an instrument transferring to such successor Depository Trustee all of the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Depository Trustee shall deliver all securities and moneys held by it to the successor Depository Trustee.

Section 19. Severability. If any section, paragraph, subdivision, sentence, clause or phrase hereof shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions hereof. The parties hereby declare that they would have executed this Depository Trust Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases hereof may be held to be illegal, invalid or unenforceable. If any provision hereof contains an ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

Section 20. Applicable Laws. This Depository Trust Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Arizona. This Depository Trust Agreement expresses the entire understanding and all agreements of the parties hereto with each other with respect to the subject matter hereof and no party hereto has made or shall be bound by any agreement or any representation to any other party which is not expressly set forth herein.

Section 21. Counterparts. This Depository Trust Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

Section 22. Conflict of Interest. The District hereby gives notice to the Depository Trustee and the Refunded Trustee that Arizona Revised Statutes, Section 38-511, as amended, provides that the State of Arizona, its political subdivisions or any department or agency of either, may within three (3) years after execution thereof cancel any contract without penalty or further obligation, made by the State of Arizona, its political subdivisions or any department or

agency of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating such agreements on behalf of the State of Arizona, its political subdivisions or any department or agency of either, is at any time while such contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

Section 23. E-verify Requirements. To the extent applicable under Arizona Revised Statutes, Section 41-4401, the Depository Trustee, the Refunded Trustee and their respective subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under Arizona Revised Statutes, Section 23-214(A). The Depository Trustee's, the Refunded Trustee's or their respective subcontractor's breach of the above-mentioned warranty shall be deemed a material breach of this Depository Trust Agreement and may result in the termination of the Depository Trust Agreement by the District. The District retains the legal right to randomly inspect the papers and records of the Depository Trustee, the Refunded Trustee and their subcontractors who work on the Depository Trust Agreement to ensure that the Depository Trustee and its subcontractors are complying with the above-mentioned warranty.

The Depository Trustee, the Refunded Trustee and their respective subcontractors warrant to keep the papers and records open for random inspection by the District during the Depository Trustee's normal business hours. The Depository Trustee, the Refunded Trustee and their respective subcontractors shall cooperate with the District's random inspections including granting the District entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

Section 24. No Boycott of Israel. Pursuant to A.R.S. §35-393 et seq., the Depository Trustee and the Refunded Trustee certify they are not currently engaged in, and for the duration of this Agreement will not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in A.R.S. §35-393.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY OF GOODYEAR, ARIZONA

By _____
District Treasurer

**U.S. BANK NATIONAL ASSOCIATION, as
Depository Trustee**

By _____
Title: _____

**ACKNOWLEDGED AND AGREED FOR
PURPOSES OF SECTIONS 8, 22, 23 AND 24
HEREOF:**

The Bank of New York Mellon Trust Company,
N.A., as Refunded Trustee

EXHIBIT A

GOVERNMENT OBLIGATIONS

Government Obligations to be acquired with proceeds of the Bonds and Certificates in the amount of \$[_____]. \$[_____] shall be held uninvested as an initial cash balance.

<u>Security Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Coupon Rate</u>	<u>Total Cost</u>
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EXHIBIT B

NOTICE OF REFUNDING

**CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT,
REFUNDING BONDS, SERIES 2018**

CUSIP (Base No. 38251U)	Issue (Dated Date)	Name of Issue	Original Principal Amount	Maturities Being Refunded (January 1)	Principal Amount Being Refunded	Redemption Date July 1	Redemption Price on Bonds Being Refunded (as a Percentage of Principal)
AL3	12/6/200	City of Goodyear, Arizona	\$3,590,000	2020	\$3,590,000	2018	100%
AS8	7	McDowell Road	13,260,000	2026	13,260,000	2018	100
AY5		Commercial Corridor Improvement District Improvement Bonds (the "Bonds Being Refunded")	18,020,000	2032	18,020,000	2018	100

*Term Bond.

Such bonds are hereinafter referred to as the "Bonds Being Refunded".

Notice is hereby given that the Bonds Being Refunded have been refunded prior to maturity and that an irrevocable trust has been established and funded with obligations issued by or guaranteed by the United States of America in order to provide for the payment of the Bonds Being Refunded.

The Bonds Being Refunded will be paid on the dates and in the amounts (plus interest accrued thereon to the redemption date), as set forth above.

The Refunded Trustee shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness indicated in this notice of refunding or on any bond.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Refunded Trustee

THIS IS NOT A REDEMPTION NOTICE

The Refunded Trustee shall cause a notice of refunding to be mailed to the registered owner of each bond to be redeemed at the address shown on the registration book maintained by the Refunded Trustee. Additionally, the Refunded Trustee shall cause a notice of refunding of the Bonds Being Refunded to be sent via telecopy or other electronic means to the Depository Trust Company, and to the Municipal Securities Rulemaking Board (the "MSRB"), by the method required by the MSRB, currently through the Electronic Municipal Market Access system.

EXHIBIT C

**NOTICE OF REDEMPTION
of the following obligations:**

City of Goodyear, Arizona, City of Goodyear, Arizona McDowell Road Commercial Corridor Improvement District Improvement Bonds, dated December 6, 2007, maturing January 1, 2020, 2026, 2032.

Notice is hereby given that \$34,870,000 in the below-described aggregate principal amounts of the above-referenced bonds outstanding have been called for redemption and will be redeemed on July 1, 2018. The maturity dates and amounts of the bonds to be redeemed are as follows:

CUSIP (Base No. 38251 U)	Issue (Dated Date)	Name of Issue	Original Principal Amount	Maturities Being Refunded (January 1)	Principal Amount Being Refunded	Redemption Date	Redemption Price on Bonds Being Refunded (as a Percentage of Principal)
AL3	12/6/2007	City of Goodyear, Arizona	\$3,590,000	2020	\$3,590,000	2018	100%
AS8		McDowell Road	13,260,000	2026	13,260,000	2018	100
AY5		Commercial Corridor Improvement District Improvement Bonds (the "Bonds Being Refunded")	18,020,000	2032	18,020,000	2018	100

*Term Bond.

Owners of the above-described bonds called for redemption are notified to present the same at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Refunded Trustee"), on or after the date set for redemption, where redemption will be made by payment of the face amount of each such bond plus accrued interest to the date set for redemption. All bonds so called for redemption must be surrendered and no interest will be paid on the above-described bonds from and after the redemption date.

The Refunded Trustee shall not be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to its correctness indicated in this redemption notice or on any bond.

DATED: _____

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Refunded Trustee

The following is not part of this notice:

The Refunded Trustee shall cause a notice of redemption to be mailed to the registered owner of each bond to be redeemed at the address shown on the registration book maintained by the Refunded Trustee. Additionally, the Refunded Trustee shall cause a notice of any such redemption to be sent to the Municipal Securities Rulemaking Board (the "MSRB") by the method required by the MSRB, currently through the Electronic Municipal Market Access system.

EXHIBIT D

EXPENSES

Upon the District's prior receipt and approval of invoices, the following expenses are to be paid by the Depository Trustee from Bond and Certificate Proceeds deposited with the Depository Trustee for that purpose:

Bond Counsel's Fee and Costs (1)	\$ _____.00
Trustee, Bond Registrar and Paying Agent (2)	_____.00
Refunded Registrar and Paying Agent (3)	_____.00
CPA Verification (4)	_____.00
Financial Advisor (5)	_____.00
Depository Trustee (2)	_____.00
Placement Agent Counsel (6)	_____.00
Placement Agent Fee (7)	_____.00
Bank Counsel Fee (8)	_____.00
Miscellaneous	<u>_____.00</u>
 TOTAL:	 <u>\$ _____.00</u>

- (1) Gust Rosenfeld P.L.C.
- (2) U.S. Bank National Association
- (3) The Bank of New York Mellon Trust Company, N.A.
- (4) Grant Thornton, LLP
- (5) Hilltop Securities Inc.
- (6) Greenberg Traurig, LLP
- (7) Stifel, Nicolaus & Company, Incorporated
- (8)

\$[_____]
CITY OF GOODYEAR, ARIZONA,
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT,
REFUNDING BONDS, SERIES 2018

and

\$[_____]
CERTIFICATES OF OWNERSHIP OF
SUPPLEMENTAL INTEREST PAYMENTS

CONTINUING DISCLOSURE CERTIFICATE
(CUSIP Base No. 38251U)

This Continuing Disclosure Certificate (this "*Disclosure Certificate*") is undertaken by City of Goodyear, Arizona (the "*City*") in connection with the issuance of its \$[_____] McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the "*Bonds*"). In consideration of the initial sale and delivery of the Bonds, the City covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is for the benefit of the Bondholders (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.

"*Bondholder*" shall mean any registered owner or beneficial owner of the Bonds.

"*Bond Counsel*" shall mean Gust Rosenfeld P.L.C. or such other nationally recognized bond counsel as may be selected by the City.

"*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.

"*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.

"*Official Statement*" shall mean the final official statement dated _____, 2018 relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) Commencing February 1, 2019, 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 thirty (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 30 days of receipt 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:

- (i) Delinquencies on Payments for the Assessments;
- (ii) Owners of Assessed Parcels
- (iii) Table [13]; Direct and Overlapping General Obligation Bonds Outstanding, and
- (iv) Table [19]; Direct and Overlapping Assessed Valuations and Total Tax Rates

(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.

(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.

This Section 5 shall govern the giving of notices by the City of the occurrence of any of the following events with respect to the Bonds. 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:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service (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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;

- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

"Materiality" will be determined in accordance with the applicable federal securities laws.

Note to Section 5(12): For the purposes of the event identified in Section 5(12), 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 Bonds. 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 Bond Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, 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 Bondholders, as determined by Bond Counsel.

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

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. The City may, at the City's election, 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. If the City chooses to include such information, 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 Bondholder 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 Bonds or the resolution authorizing the Bonds.

Section 12. Compliance by 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 or Bond Counsel.

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 will be made in a timely manner to EMMA in the form of *Exhibit C* attached hereto.

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

Section 15. Governing Law and Interpretation of Terms. 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.

Date: _____, 2018.

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Goodyear, Arizona
Name of Bond Issue: \$[____], McDowell Road Commercial Corridor Improvement District Refunding Bonds,
Series 2018
Dated date of Bonds: _____, 2018 CUSIP: 38251U

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 20___. 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 Bond Issue: \$[____], McDowell Road Commercial Corridor Improvement District Refunding Bonds,
Series 2018
Dated date of Bonds: _____, 2018 CUSIP: 38251U

NOTICE IS HEREBY GIVEN that the City failed to provide its Audited Financial Statements with its Annual Report or, if not then available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated _____, 20__, with respect to the above-named Bonds. 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 Bond Issue: \$[____], McDowell Road Commercial Corridor Improvement District Refunding Bonds,
Series 2018
Dated date of Bonds: _____, 2018 CUSIP: 38251U

NOTICE IS HEREBY GIVEN that the City failed to appropriate funds necessary to perform the undertaking required by the Continuing Disclosure Certificate dated _____, 20__.

Dated: _____

City of Goodyear, Arizona

By _____
Its _____

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction

PRELIMINARY OFFICIAL STATEMENT DATED ____, 2018

NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS: See “RATINGS” herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond 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, as mentioned under “TAX EXEMPTION” herein, interest income on the Bonds (including that portion of the payment amount of the Certificates which is treated as interest income for federal income tax purposes) is excluded from gross income for federal income tax purposes and is exempt from Arizona income taxes. Interest income on the Bonds (including that portion of the payment amount of the Certificates which is treated as interest income for federal income tax purposes) is not an item of preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income may need to be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations with taxable years beginning before January 1, 2018. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See “TAX EXEMPTION,” “BOND PREMIUM” and “ORIGINAL ISSUE DISCOUNT” herein.

\$34,870,000*
CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT
REFUNDING BONDS, SERIES 2018
AND
\$ _____*
CERTIFICATES OF OWNERSHIP OF SUPPLEMENTAL INTEREST PAYMENTS
PERTAINING TO THE BONDS

DRAFT
4/9/18

Bonds Dated: Date of Delivery
Certificates Dated: Date of Delivery

Due: January 1, as shown on inside front cover page
Certificates Due: As shown on inside front cover page

The City of Goodyear, Arizona McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the “Bonds”) and Certificates of Ownership of Supplemental Interest Payments (the “Certificates”) will be issued by the City of Goodyear, Arizona (the “City”) to provide funds to (i) provide for payment of the Bonds Being Refunded (as defined herein), and (ii) pay costs of issuance of the Bonds and the hereinafter defined Certificates. Ownership interests in the Bonds may be purchased in amounts of \$5,000 of principal due on a specific maturity date or integral multiples thereof.

The Bonds will mature on the dates and in the in the principal amounts and will bear interest from their date at the rate, or rates, of interest set forth on the inside front cover page. Interest will be payable commencing July 1, 20__* and semiannually thereafter on each January 1 and July 1 of each year, until maturity or prior redemption of the Bonds.

See Inside Front Cover Page for Bond Maturity and Certificate Payment Schedule and Additional Information

The Bonds will also bear interest designated as “B” interest evidenced by the Certificates of Ownership of Supplemental Interest Payments pertaining to the Bonds (the “Certificates”). The Certificates will represent the right to receive portions of the interest designated as “B” interest when due on the Bonds and will be payable on the dates and in the amounts set forth on the inside front cover page. Ownership interests in the Certificates may be purchased in amounts of \$1,000 of payment amount due on a specific payment date or integral multiples thereof and are being offered independently of the Bonds at an original issue discount from their payment amount and will be payable on the dates and in the amounts set forth on the inside front cover page. *The interest designated as “B” interest on the Bonds has been stripped from the Bonds and will be evidenced by the Certificates. The purchasers of the Bonds will be entitled only to the principal and interest designated as “A” interest on the Bonds.*

The Bonds and the Certificates will be issued in the form of fully registered obligations, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository for the Bonds and the Certificates. Purchases will be made in book-entry form through DTC participants only. Except as herein described, purchasers of the Bonds and the Certificates will not receive certificates representing their beneficial interests in the Bonds or the Certificates. See APPENDIX G - “Book-Entry-Only System” herein.

The Certificates will not be subject to prepayment prior to their stated maturity dates. The Bonds will be subject to optional, special and mandatory redemption prior to their stated maturities. See “THE BONDS AND THE CERTIFICATES – Prepayment and Redemption Provisions.”

The Bonds and the Certificates will be secured and payable only from a special fund collected by the City from special assessments imposed upon the real property included within the McDowell Road Commercial Corridor Improvement District and assessed for the costs and expenses of the improvements acquired and constructed from proceeds of the Bonds Being Refunded. (See “THE BONDS – Security and Source of Payment” and “SPECIAL RISK FACTORS,” and “PLAN OF REFUNDING” herein.)

The Bonds are offered when, as and if issued by the City and received by the underwriter identified below (the “Underwriter”), subject to the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. Certain legal matters will also be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Bonds and the Certificates will be delivered through the facilities of DTC on or about ____, 2018*.

This cover page contains certain information for convenience of reference only. It is not a summary of material information with respect to the Bonds and the Certificates. 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 Bonds and the Certificates.

STIFEL

* Preliminary, subject to change.

\$34,870,000 *
CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT
REFUNDING BONDS, SERIES 2018

MATURITY SCHEDULE*

<u>Maturity (Jan 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP (a) (Base No. 38251U)</u>
2019	\$1,860,000	%	%	
2020	2,475,000			
2021	2,565,000			
2022	2,645,000			
2023	2,730,000			
2024	2,825,000			
2025	2,915,000			
2026	3,015,000			
2027	3,120,000			
2028	3,220,000			
2029	3,325,000			
2030	3,440,000			
2031	735,000			

\$ ____ Term Bonds @ ____% Due January 1, 20__, at a yield of ____ - CUSIP (a) No. ____

\$ _____ (Final Maturity Amount)*

**CERTIFICATES OF OWNERSHIP OF SUPPLEMENTAL INTEREST PAYMENTS
PERTAINING TO THE BONDS (EVIDENCING "B" INTEREST ONLY)**

<u>Payment Date*</u>	<u>Present Value*</u>	<u>Maturity Amount*</u>	<u>Yield to Payment Date</u>	<u>CUSIP (a) (Base No.382511U)</u>
7/1/2018	\$736,929.00	\$740,000	%	
1/1/2019	220,943.25	225,000		

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* Preliminary, subject to change.

CITY OF GOODYEAR, ARIZONA

CITY COUNCIL

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

CITY AND ADMINISTRATIVE OFFICERS

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

BOND COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

FINANCIAL ADVISOR

Hilltop Securities Inc.
Phoenix, Arizona

DEPOSITORY TRUSTEE / REGISTRAR / PAYING AGENT

U.S. Bank, National Association
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, including the Appendices hereto, does not constitute an offering of any security other than the City of Goodyear, Arizona, McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the "Bonds") and the Certificates of Supplemental Interest Payments Pertaining to the Bonds (the "Certificates"), identified on the cover page hereof. 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 Bonds and the Certificates 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 the City of Goodyear, Arizona (the "City"), the Maricopa County Assessor, the Maricopa County Treasurer, the State of Arizona Department of Revenue, and other sources which are considered to be reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or Hilltop Securities Inc. ("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 which 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 Underwriter has provided the following sentence for inclusion in the Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Bonds and the Certificates 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 by Sections 3(a)(2) and 3(a)(12), respectively, pertaining to the issuance and sale of municipal securities, nor will the Bonds and the Certificates 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 the Official Statement or approved this series of securities for sale.

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

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AND THE CERTIFICATE 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 BONDS AND THE CERTIFICATE TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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OFFICIAL STATEMENT

\$34,870,000*

**CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT
REFUNDING BONDS, SERIES 2018**

AND

\$ _____ *

**CERTIFICATES OF OWNERSHIP OF SUPPLEMENTAL INTEREST PAYMENTS
PERTAINING TO THE BONDS**

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, inside front cover page, and appendices hereto, provides certain information concerning the issuance by the City of Goodyear, Arizona (the "City") of \$34,870,000* principal amount of McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the "Bonds"), and \$ _____* payment amount of Certificates of Ownership of Supplemental Interest Payments Pertaining to the Bonds (the "Certificates"), appertaining thereto.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes or uncodified, or of the Arizona Constitution, are references to those current provisions. The provisions may be amended, repealed or supplemented.

This Official Statement contains financial and other information derived from the City's records, except for information expressly attributed to other sources. The presentation of historical information, including tables of receipts from taxes and other revenues, is intended to show recent historical information and is not to be construed as a projection or indication of future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future.

To the extent that any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated to be such, they are made as such and not as representation of fact or certainty, and no representation is made that any of these opinions or estimates have been or will be realized.

Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as part of a contract with any original purchaser or subsequent owner of any Bond or beneficial interest therein.

THE BONDS AND THE CERTIFICATES

Authorization and Use of Funds

The Bonds and the Certificates will be issued by the City pursuant to Title 48, Chapter 4, Article 4, of the Arizona Revised Statutes, as amended (the "Refunding Act"), and more specifically in accordance with the terms of an authorizing resolution approved by the Mayor and City Council of the City on ____, 2018*.

Proceeds from the sale of the Bonds and the Certificates will be used to (i) provide for payment of the Bonds Being Refunded (as defined herein), which Bonds Being Refunded financed acquisition and construction of certain of the improvements within and serving the area comprising the McDowell Road Commercial Corridor Improvement District (the "District") described under the heading "THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT" (collectively, the "Improvements") and to (ii) pay costs of issuance of the Bonds and the Certificates.

The boundaries of the District are set forth in APPENDIX A hereto. The Improvements, the District property subject to assessment therefore, and the commercial real estate projects that have been, or are expected to be, developed thereon, are described under the heading "THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT."

General Description

The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts and bear interest at the rates set forth on the inside front cover page hereof. Interest will be payable from the most recent January 1 or July 1 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided

* Subject to change.

for, from their date, which interest shall be payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 20__*, during the term of each of the Bonds.

The Bonds will also bear interest designated as "B" interest from the Bonds and evidenced by the Certificates. The Certificates will be dated the date of delivery, will represent the right to receive portions of the interest designated as "B" interest on the Bonds from the date of initial issuance through the day immediately prior to the payment date and will be payable on the dates and in the amounts set forth on the inside front cover. *The purchasers of interests in the Bonds will be entitled only to the principal of and interest designated as "A" interest on the Bonds.*

The Bonds will be issued only in fully registered form in the amount of \$5,000 of principal amount due on a specific maturity date and any integral multiples thereof. The Certificates will be issued only in fully registered form in the amount of \$1,000 of payment amount due on a specific payment date and any integral multiple thereof. The Bonds and the Certificates will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). For description of registration and transfer of the Bonds through DTC, see APPENDIX G – "Book-Entry-Only System."

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS AND THE CERTIFICATES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE BONDS AND THE CERTIFICATES, EXCEPT THOSE UNDER THE HEADING "TAX EXEMPTION," "BOND PREMIUM" AND "ORIGINAL ISSUE DISCOUNT", WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS AND THE CERTIFICATES.

If the book-entry-only system is discontinued, interest on the Bonds will be payable by check drawn on the Paying Agent, and mailed on or prior to each Interest Payment Date to the registered owners of the Bonds at the addresses shown on the books of the Registrar (the "Bond Register") on the 15th day of the month preceding each such Interest Payment Date (the "Record Date"). Principal of the Bonds will then be payable at maturity or upon redemption prior to maturity upon presentation and surrender of Bonds to the designated corporate trust office of the Paying Agent. Payment amounts of the Certificates will be payable on the specific payment dates upon presentation and surrender of the Certificates to the designated corporate trust office of the Paying Agent. Additionally, if the book-entry-only system is discontinued, payment of interest may also be made by wire transfer upon twenty (20) days prior written request delivered to the Paying Agent specifying a wire transfer address in the continental United States by any owner of at least \$1,000,000 aggregate principal amount of the Bonds. Interest will be computed on the basis of a year comprised of 360 days consisting of 12 months of 30 days each.

U.S. Bank National Association will act as the initial registrar and paying agent for the Bonds (the "Registrar" and the "Paying Agent"). The City may change the Registrar or the Paying Agent at any time without prior notice. The City may retain separate financial institutions to serve as Registrar and Paying Agent.

Security and Source of Payment

Pursuant to the Refunding Act, the principal of and interest on the Bonds, and the payment amount of the Certificates, will be payable only out of a special fund (the "Special Fund") collected by the City, from installments of special assessments (the "Assessments"), imposed upon certain parcels of land included within the District and assessed for the cost and expense of the Improvements (the "Assessed Parcels"). On issuance of the Bonds, pursuant to the Refunding Act, the remaining unpaid installments of the Assessments (which were originally levied to pay the Bonds Being Refunded) will be recalculated and modified so that the amounts to be collected equal the amounts needed to repay the Bonds. All provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes (the "Act") regarding the collection, payment, and enforcement of the Assessments and the validity and priority of the lien of the Assessments remain in full force and effect. Except as so modified, the Assessments survive the payments or defeasance of the Bonds Being Refunded and remain in full force and effect, securing the Bonds until the payment in full of the Bonds. The Assessments are first liens on the Assessed Parcels; subject only to the lien for general property taxes. See APPENDIX B – "City of Goodyear, Arizona – General Economic and Demographic Information and Financial Data – Property Taxes" for information about such taxes. The lien for the Assessments will not be extinguished as a result of enforcement of the lien for general property taxes. Each of the Assessments will be secured only by the Assessed Parcel upon which it is imposed. No Assessed Parcel secures amounts assessed against other Assessed Parcels. The rights and obligations of the City relating to collection and payment of the Assessments and the enforcement of remedies against the Assessments that become delinquent may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to judicial discretion in accordance with general principles of equity. The Assessed Parcels are currently owned

by the property owners as described herein under THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT.” See also “SPECIAL RISK FACTORS,” and “PLAN OF REFUNDING”.

The following is a summary of the certain provisions of the Act. The installments of principal on the Assessments are due on December 1 of each year and the installments of interest on the Assessments are due on June 1 and December 1 of each year. The installments of interest represented by the Certificates are due on June 1, 2018* and December 1, 2018*. If there is a deficiency in the funds collected from the Assessments to pay the principal of and interest (including that evidenced by the Certificates) on the Bonds when due, the City may, on or before December 31 and June 30 in each of the years in which the payments of the principal or interest (including that evidenced by the Certificates) on the Bonds are due, make good such deficiency by making a loan to the Special Fund, so that the principal of and interest (including that evidenced by the Certificates) on the Bonds will be paid when due on the next preceding January 1 and July 1 as the case may be. On the day succeeding the date on which the installment becomes due, all unpaid installments become delinquent and five percent is added to the amount of each delinquent installment.

The Superintendent of Streets of the City (the “Superintendent”) is required, within 20 days from the date of the delinquency, to begin publication of the list of the Assessments on which any installment is delinquent. The Superintendent is also required to append to and publish therewith a notice that unless each delinquent installment, together with the penalty and costs thereon, is paid, the whole amount of the corresponding Assessment will be declared due by him, and the Assessed Parcel upon which the Assessment is a lien (the “Delinquent Assessed Parcel”) will be sold at public auction at a time and place to be specified in the notice. The notice of the delinquent Assessment is required to be published and circulated in the City for a period of ten days in a daily newspaper, or for two weeks in a weekly newspaper so published and circulated. Before the date fixed for the sale or the date to which the sale has been postponed, the Superintendent is required to obtain a record search that shows the names and addresses of all lien claimants on, and other person with an interest in, all Delinquent Assessed Parcels. At least ten days before the sale date or the date to which the sale has been postponed, the Superintendent is required to mail notice of the sale to the owner and to each of the lien claimants and other interested persons with respect to the Delinquent Assessed Parcel. A final sale may not be held unless the Superintendent has mailed such notice. The time of sale will not be less than five days after the last publication, and the place of sale shall be in or in front of the office of the Superintendent, or in front of the usual place of meeting of the Mayor and Council of the City. The sale may be postponed.

On the day fixed for sale, the Superintendent will, at ten o’clock a.m., or at a time thereafter to which the sale may be adjourned, begin the sale of the Delinquent Assessed Parcels advertised, commencing at the head of the list and continuing in the numerical order of the Delinquent Assessed Parcels, until all are sold. He may postpone or continue the sale from day to day until all property is sold. Each Delinquent Assessed Parcel will be offered for sale separately. The sale will be for the entire Assessment including the delinquent installments, and the person who will take the least quantity of land and then and there pay the amount of the Assessment, penalty and costs due, including \$0.50 to the Superintendent for a certificate of sale, shall become the purchaser.

The City may provide by ordinance that if there is no purchaser other than the City who will pay the entire amount of the Assessment, penalty and costs, including \$0.50 to the Superintendent for a certificate of sale, the Superintendent will sell the Assessed Parcel or portion thereof to the person who will take the least quantity of land and then pay the amount of the Assessment then delinquent, including interest, penalty and costs due, and \$0.50 to the Superintendent for a certificate of sale, and deed will issue to the purchaser, subject to redemption, as provided by the Act. The City may also provide by ordinance that the lien on the Delinquent Assessed Parcel will continue to be in effect for the amount of the Assessment or portion thereof, including interest, penalties and costs, thereafter to become due and the Assessed Parcel may again be sold should the Assessment again become delinquent. When so provided by ordinance, such fact will be stated in the notice of sale and the Superintendent will comply with the provisions.

If there is no purchaser, the Delinquent Assessed Parcel shall be struck off to the City as the purchaser, and the Mayor and Council of the City shall appropriate from the general fund of the treasury of the City the amount bid for such purpose, and shall order the City to place the amount in the Special Fund. The Mayor and Council of the City, however, may direct the City to pay into the Special Fund only the sum required to pay the installment then due or to become due upon the Bonds and the Certificates, and thereupon the City shall be obligated to pay from the general fund of the City the succeeding installments and interest (including that evidenced by the Certificates) on the Bonds as are payable by the Assessment. Thereafter, the lien of the Assessment will not be extinguished for nonpayment of general taxes or prior special assessments, and the annual installments of principal and interest of the Assessment will constitute a first lien on the respective Delinquent Assessed Parcel, co-equal with the lien for general taxes. If the lien has not been extinguished

prior to the Delinquent Assessed Parcel being stricken off to the State of Arizona (the “State”), such lien will extinguish upon the sale of the Delinquent Assessed Parcel pursuant to Title 42, Chapter 2, Article 9, Arizona Revised Statutes, as amended, and the City will share pro rata in the proceeds of such sale to the extent of the delinquent Assessment. See “SPECIAL RISK FACTORS.”

To prepay an Assessment on any Assessed Parcel, the following amounts are required to be paid: (i) the principal amount of the Assessment on such Assessed Parcel remaining to be paid rounded up to the next highest integral multiple of \$5,000; (ii) the interest (including that evidenced by the Certificates) on such principal amount to the next optional redemption date or maturity for the Bonds; and (iii) if determined by the City, an administrative fee charged by the City for each prepaid Assessment.

See APPENDIX F – “Summary of Certain Provisions of the General Public Improvements and Improvement Bonds Law,” which sets forth portions of the Act with respect to the foregoing discussion.

Assessment Policy and Overlapping Assessment

The Assessed Parcels have been assessed on a benefit basis. Accordingly, the Assessed Parcels are assessed in varying amounts, depending on the cost of the Improvements and the benefits received by each Assessed Parcel. See “THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT.”

Currently, none of the Assessed Parcels are subject to any assessment liens of public entities whose boundaries overlap the District boundaries. The imposition of ad valorem property taxes or additional assessment liens in the future, however, may have an adverse impact on the ability of an owner of land in both the District and the overlapping jurisdiction to pay the Assessments. See “SPECIAL RISK FACTORS – Direct and Overlapping Indebtedness.”

The City has made no independent appraisal of the Assessed Parcels; however, the Superintendent has certified that the Assessed Parcels benefited by the Improvements in an amount at least equal to the amount so assessed. See “THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT – Land Subject to Assessment.”

For a further discussion of the Improvements and other matters, see “THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT” herein.

Prepayment and Redemption Provisions

No Prepayment of Certificates.

The Certificates will not be subject to prior prepayment prior to their stated payment date.

Special Optional Redemption

The Bonds will be redeemed at the option of the City, on or after January 1, 2019, in whole on any date, or in part on any Interest Payment Date, upon not more than sixty (60) nor less than thirty (30) days prior notice, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed, plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium (i) from the prepayment of any Assessment by the owner of any Assessed Parcel, and (ii) from the proceeds from the sale of any Delinquent Assessed Parcel.

Optional Redemption

Bonds maturing on or after January 1, 20__, will be subject to call for redemption prior to maturity, at the option of the City, in whole or in part, on any Interest Payment date on or after January 1, 20__, by the payment of a redemption price equal to the principal amount of each Bond called for redemption plus interest accrued to the date fixed for redemption, but without premium.

Mandatory Redemption

The Bonds maturing on January 1, 20__ will be subject to mandatory sinking fund redemption on January 1 of the following years (and as chosen by lot by the Bond Registrar and Paying Agent from such maturity) and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date of redemption, but without premium:

Term Bond Maturing January 1, 20__

<u>Year Redeemed</u>	<u>Principal Amount Redeemed</u>
20__	\$
20__ (maturity)	

Notice of Redemption

So long as the Bonds are held under the book-entry-only system, notices of redemption will be sent to DTC, in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Registrar not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Failure to properly give notice of redemption shall not affect the redemption of any Bond for which notice was properly given. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the City or by a Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the date set for redemption and if not so held by such date the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption.

Effect of Call for Redemption

Notice of redemption having been given in the manner described above, the Bonds or portions thereof called for redemption will become due and payable on the redemption date and if an amount of money sufficient to redeem all the Bonds or portions thereof called for redemption is held in separate accounts by the City or by a Trustee, then the Bonds or portions thereof called for redemption will cease to bear interest from and after such redemption date.

If a conditional redemption notice has been given and money sufficient to redeem all the Bonds or portions thereof called for redemption is not held in separate accounts by the City or by a Trustee on the day set for redemption, then such redemption shall be cancelled and be of no force or effect.

Redemption of Less Than All of a Bond

The City may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, if the Book-Entry-Only System is discontinued, the registered owner shall submit the Bond for partial redemption and the Trustee shall make such partial payment and the Trustee shall cause a new Bond in a principal amount which reflects the redemption so made to be authenticated, issued and delivered to the registered owner thereof.

Selection of the Bonds for Redemption

The maturity of the Bonds to be redeemed through optional or special redemption as described above will be chosen by the City, and the Bonds within any maturity to be redeemed through optional, special or mandatory redemption as described above will be chosen by DTC through the procedures of its book-entry-only system, or, if the book-entry only system is not in effect, then by lot from the maturity by the bond registrar and paying agent for the Bonds.

PLAN OF REFUNDING

A portion of the proceeds from the sale of the Bonds, along with certain amounts contributed by the City, if any, for such purpose, will be placed in an irrevocable trust account (the "Depository Trust") with U.S. Bank National Association, as depository trustee (the "Depository Trustee"), pursuant to the terms of the Depository Trust Agreement, to be dated as of May 1, 2018* (the "Depository Trust Agreement"), between the City and the Depository Trustee, and invested in certain

* Subject to change

non-redeemable obligations of the federal government (the “Governmental Obligations”), to be applied to payment of principal of and interest on the Bonds Being Refunded described below.

<u>Issue Series</u>	<u>Maturity Date (January 1)</u>	<u>Coupon</u>	<u>Principal Amount Outstanding</u>	<u>Bonds Being Refunded</u>	<u>Redemption Date</u>	<u>CUSIP (a) (Base No. 38251U)</u>
McDowell Road	2020 (b)	5.25%	\$ 3,590,000	\$ 3,590,000	7/1/2018	A13
Commercial Corridor Improvement District	2026 (c)	5.25	13,260,000	13,260,000	7/1/2018	AS8
Improvement Bonds	2032 (d)	5.25	18,020,000	18,020,000	7/1/2018	AY5

- (a) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor, the Underwriter (as such terms are defined herein) or their agents or counsel assume responsibility for the accuracy of such numbers.
- (b) Term bond with a final maturity of January 1, 2020.
- (c) Term bond with a final maturity of January 1, 2026.
- (d) Term bond with a final maturity of January 1, 2032.

SOURCES AND USES OF FUNDS

Proceeds of the sale of the Bonds, together will be applied approximately as set forth below.

Sources of Funds:

Principal Amount of the Bonds	\$
[Net] Original Issue Premium (a)	
Contribution by City	
Total Sources of Funds	\$

Uses of Funds:

Deposit to the Depository Trust	\$
Payment of Costs of Issuance	
Deposit to Bond Fund (Capitalized Interest)	
Total Uses of Funds	\$

- (a) Net original issue premium consists of original issue premium on the Bonds less Underwriter’s compensation.

ESTIMATED DEBT SERVICE SCHEDULE (a)

The following schedule sets forth (i) the estimated annual debt service requirements of the Bonds.

<u>Annual Period Ending (Jan 1)</u>	<u>Principal *</u>	<u>Estimated Interest (b) *</u>	<u>Annual Total *</u>
2019	\$ 1,860,000	1,783,007	3,643,007
2020	2,475,000	1,320,400	3,795,400
2021	2,565,000	1,221,400	3,786,400
2022	2,645,000	1,118,800	3,763,800
2023	2,730,000	1,013,000	3,743,000
2024	2,825,000	903,800	3,728,800
2025	2,915,000	790,800	3,705,800
2026	3,015,000	674,200	3,689,200
2027	3,120,000	553,600	3,673,600
2028	3,220,000	428,800	3,648,800
2029	3,325,000	300,000	3,625,000
2030	3,440,000	167,000	3,607,000
2031	735,000	29,400	764,400
	<u>\$34,870,000</u>		

(a) Prepared by Hilltop Securities Inc. (the “Financial Advisor”).

(b) The first interest payment on the Bonds is due on July 1, 20_*, representing interest from the dated date of the Bonds. Thereafter, interest payments will be made semiannually on each January 1 and July 1, until maturity or prior redemption of the Bonds. Interest is estimated at 4.00% per annum.

THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT

The Improvements

The Improvements consist of all street paving and widening, sidewalks, underground utilities, landscaping, lighting, traffic control and other improvements and all appurtenances and adjuncts thereto funded by proceeds of the sale of the Bonds Being Refunded. The Improvements have previously been completed and accepted by the City.

Land Subject to Assessment

The boundaries of the District and the District’s Assessed Parcels are depicted in the map in APPENDIX A hereto, providing visual detail to the location and dimensions of the Assessed Parcels corresponding to Assessor’s Parcel Numbers in the following table. All properties included in the District are within the jurisdictional boundary of the City. The table “McDowell Road Commercial Corridor ID – Assessment” also indicates the amounts of the Assessments currently borne by each of the Assessed Parcels:

* Subject to change.

MCDOWELL ROAD COMMERCIAL CORRIDOR ID – ASSESSMENT

Assessor's Parcel Number	Owner of Record (a)	Current Principal Balance	Full Cash Value 2019 Tax Year (b)
500-04-972C	HCL Goodyear Centerpointe LLC	\$1,605,106	\$34,606,700
500-10-637A	Goodyear Investors LLC	2,035,765	36,075
500-10-709	TRADECOR Partners Goodyear LLC	341,027	7,171
500-10-710	TRADECOR Partners Goodyear LLC	147,887	3,105
500-10-711	R&S Goodyear LLC	347,551	1,900,000
501-69-016L	Globe Land Investors LLC	3,511,423	59,449
501-69-966B	Globe Land Investors LLC	2,842,234	6,727,500
501-69-966E	Globe Land Investors LLC	610,883	1,654,100
501-69-977	The Market at Estrella Falls, LLC	2,690,089	27,877,900
501-69-978	The Market at Estrella Falls, LLC	1,088,214	3,862,600
501-69-980	Beef ST Real Estate LLC	179,758	2,499,700
501-69-981	The Market at Estrella Falls, LLC	148,062	
501-69-982	The Market at Estrella Falls, LLC	67,275	36,880
501-69-983	H E Heritage Inn of Wichita Inc	366,507	901,500
501-69-984	The Market at Estrella Falls, LLC	140,430	
501-69-987	McDowell & I-10 LLC	105,462	1,849,900
501-69-988	Osborne Investment Holdings LLC	75,088	989,100
501-71-977	Globe Land Investors LLC	210,142	779,100
501-71-978	Globe Land Investors LLC	108,523	797,200
501-71-979	Globe Land Investors LLC	113,438	2,446
501-71-980	Globe Land Investors LLC	439,753	9,480
501-71-981	Globe Land Investors LLC	343,490	7,404
501-71-982	Globe Land Investors LLC	410,040	8,839
501-71-983	Globe Land Investors LLC	1,259,683	2,416,600
501-71-984	Globe Land Investors LLC	130,169	848,000
501-71-985	WESTCOR Goodyear RSC LLC	15,552,001	27,108,800

- (a) Ownership of any of the Assessed Parcels could change at any time. The property owners are not restricted in their ability to transfer all or any portion of an Assessed Parcels to others. See “SPECIAL RISK FACTORS – Ownership Subject to Change.”
- (b) Gross full cash value established by the Assessor of Maricopa County, Arizona (the “County”). Does not represent the fair market value of the Assessed Parcels. Such information has not been independently verified by the City, the Financial Advisor, or the Underwriter (as defined herein) and should not be considered an indication of any trend in prices for the Assessed Parcels or real property in the District in the future. See “SPECIAL RISK FACTORS – Value of the Assessed Property.”

SPECIAL RISK FACTORS

Bankruptcy

The payment by property owners of the Assessments and the ability of the City to sell the lien of delinquent unpaid amounts thereof may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner could result in a delay in processing the sale proceedings. Unless the City is financially capable of advancing the funds necessary to make payments when due, and does advance such funds, as described above under “THE BONDS AND THE CERTIFICATES” – Security and Source of Payment,” such

delay would increase the likelihood of a default in payment of the principal of and interest on the Bonds on a timely basis.

It should be noted that in the event of bankruptcy of an owner of an Assessed Parcel pursuant to the United States Bankruptcy Code (the “Bankruptcy Code”), the law is currently unsettled as to whether a lien can be attached against the Assessed Parcel for the Assessment during the pendency of bankruptcy. Such Assessment might constitute an unsecured and possibly noninterest bearing administrative expense payable only to the extent that the secured creditors of an owner of an Assessed Parcel are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect the Assessment. Except as otherwise described hereinabove, proceeds to pay the Assessment come only from an owner of an Assessed Parcel or from a sale of the lien on the Assessed Parcel.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor’s estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy would be stayed pursuant to the Bankruptcy Code. While the stay of a bankruptcy court may not prevent the sale of liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a lien against real property of a debtor would be subject to the stay of a bankruptcy court. It is reasonable to conclude that “lien sale investors” may be reluctant to purchase liens under such circumstances, and therefore, the timeliness of post bankruptcy petition collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial condition of any owner of an Assessed Parcel, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the Financial Advisor, the City, Stifel Nicolaus & Company, Incorporated (the “Underwriter”) or their respective agents or consultants have undertaken any independent investigation of the operations and financial condition of any such owner, nor have they assumed responsibility for the same.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Value of the Assessed Property

The City has not investigated the market value of the Assessed Parcels within the District or the effect thereon of development of such property. See, however, “THE IMPROVEMENTS AND THE LAND SUBJECT TO ASSESSMENT.” No assurance can be given that the market value of the Assessed Parcels is or will be sufficient, when compared to the amount assessed thereon, to encourage the current or future owners thereof to pay the Assessments or encourage others to bid at the foreclosure sale with respect to the Assessments if such owners do not pay the amounts due with respect to the Assessments. The market value of the Assessed Parcels is dependent on the potential of the property to be developed. The City is legally obligated to purchase at the foreclosure sale regardless of market value. See “THE BONDS AND THE CERTIFICATES – Security and Source of Payment.”

Ownership Subject to Change

The City has no control over who may ultimately become an owner of any or all of the Assessed Parcels. Subsequent owners may not have the financial resources to pay the amounts due with respect to the Assessments. Additionally, the Assessed Parcels could be transferred to entities that would seek protection under bankruptcy or insolvency laws regardless of development of such property.

Limited Obligation of Each Property Owner

Neither the current owners nor any subsequent owners of any of the Assessed Parcels are obligated to pay the Assessments or the Bonds, and the assets of the current owners or any subsequent owners, other than the Assessed Parcels, do not secure such payment. The Assessments and the Bonds will be secured only by the Assessed Parcels, the obligation of the City to bid at the delinquent assessment sale and the willingness and ability of the City to advance money if necessary before the sale to provide timely payment of the Bonds. (The Assessments are not cross-defaulted.) The current property owners may not have the financial resources to pay the amounts due with respect to the Assessments. None of the Financial Advisor, the City nor the Underwriter has investigated, nor makes any representation concerning, the financial ability of any of such owners to pay the Assessments when due.

Property Undeveloped; Subject to Market Risks

The Assessed Parcels are currently comprised of mostly vacant land. [Short description of limited development to be added]. The timely payment of the Bonds depends upon the willingness and ability of the property owners, and any subsequent owners as noted above, to pay the amounts due with respect to the Assessments. An inability to develop the Assessed Parcels or a slowdown or stoppage in the development of the Assessed Parcels could reduce the willingness and the ability of such owners to pay the amounts due with respect to the Assessments and could greatly reduce the value of the Assessed Parcels in the event it has to be foreclosed upon.

Development of the Assessed Parcels is dependent on many factors, such as the real estate market, competition, surrounding development and the general and local economy, including the availability of financing for significant capital improvements. Difficulty in proceeding with development may increase the likelihood of non-payment of the amounts due with respect to the Assessments and reduce the likelihood of bidders at the foreclosure sale with respect to the Assessments. The City is obligated to bid at such sale regardless of the extent of development or economic conditions.

The development of the Assessed Parcels is also specifically contingent upon construction or acquisition of major public improvements such as arterial streets, drainage facilities, telephone and electrical facilities and street lighting, as well as local in-tract improvements, including site grading. If the owners of the Assessed Parcels or any purchasers therefrom are unable to complete or otherwise provide for these additional improvements, the ability of such owners or any purchasers therefrom to proceed with development could be affected adversely.

The City has not investigated, and makes no representations concerning, projected development plans within the District or the ability of any property owner to complete any development or to pay for or finance the necessary improvements.

The cost of additional improvements plus the public and private in-tract, on-site and off-site improvements may increase the public and private debt for which the Assessed Parcels are security including as described below under “Direct and Overlapping Indebtedness.” The burden of additional debt could be placed on the Assessed Parcels within the District to complete the necessary improvements.

The inability to develop or a slowdown of the development process for any of the foregoing reasons could adversely affect land values and reduce the ability or desire of the property owners to pay the amounts due with respect to the Assessments. In that event, there could be default in the payment of the amounts due with respect to the Assessments. See “THE BONDS AND THE CERTIFICATES – Security and Source of Payment.”

Vacant land also provides less security to the holders of the Bonds should it be necessary for the City to foreclose due to nonpayment of the amounts due with respect to any of the Assessments. Furthermore, an inability to develop the remaining land within the District will likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the amounts due with respect to the Assessments levied on the vacant property.

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay the amounts due with respect to the corresponding Assessment could be affected by the existence of other taxes and assessments imposed upon such land (as well as because of liens for private debt as described above under “Property Undeveloped; Subject to Market Risks.”) Public entities whose boundaries overlap those of the District could, without the consent of the city, and in certain cases, without the consent of the owners of the land within the District, impose ad valorem property taxes or additional assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. The lien created on the Assessed Parcels through the levy of ad valorem property taxes would be on a superior basis to the amounts due with respect to the Assessments, but the foreclosure thereof will not extinguish the Assessment. The imposition of additional liens may reduce the ability or willingness of the landowners to pay the amounts due with respect to the Assessments securing the Bonds as well as, in the case of failure of payment thereof, the likelihood of buyers of the Assessed Parcels at any foreclosure sale.

Evaluation of City

As described in the second paragraph under the subheading “THE BONDS AND THE CERTIFICATES– Security and Source of Payment,” the City may advance funds necessary to cover any deficiency in the event of non-payment of Assessments by the property owners under certain circumstances. Such payments by the City would be made from its

general fund. Also, as described in the third to the last paragraph under that subheading, the City must appropriate from the general fund the amount required to pay amounts due with respect to the Assessments on any Assessed Parcels that are sold for non-payment of delinquent Assessments, and as to which there is no purchaser other than the City willing to pay the amounts due. Accordingly, investors should take into consideration the creditworthiness of the City in their evaluation of the Bonds. See APPENDIX B – “City of Goodyear, Arizona – General Economic and Demographic Information and Financial Data” and APPENDIX E – “City of Goodyear, Arizona – Comprehensive Annual Financial Report for the fiscal Year Ended June 30, 2017.”

No Continuing Disclosure by Property Owners

Current and future property owners of the Assessed Parcels have no obligation to provide financial information for continuing secondary market disclosure. The City, as the ultimate obligor on the Bonds will provide continuing disclosure with respect to the City and the property subject to the Assessments. See “CONTINUING DISCLOSURE” and APPENDIX D – “Form of Continuing Disclosure Certificate.”

LITIGATION

No litigation or administrative action or proceeding is pending, restraining or enjoining, or seeking to restrain or enjoin, the issuance or delivery of the Bonds and the Certificates, the levy, collection or receipt of Assessments to pay the debt service on the Bonds and the Certificates, contesting or questioning the proceedings and authority under which the Assessments and the Bonds and the Certificates have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds and the Certificates. The appropriate representatives of the City will deliver a certificate to that effect at the time of the original issuance and delivery of the Bonds and the Certificates.

LEGAL MATTERS

Legal matters incident to the authorization, sale and execution and delivery by the City of the Bonds and the Certificates and with regard to the tax-exempt status of the interest thereon will be prepared by Gust Rosenfeld P.L.C., Phoenix, Arizona (“Bond Counsel”). A signed copy of that opinion, dated and speaking only as of the date of delivery of the Bonds and the Certificates, will be delivered to the City at the time of original execution and delivery of the Bonds and the Certificates.

The proposed text of the legal opinion is set forth as APPENDIX C hereto. The legal opinion to be delivered may vary from the text of APPENDIX C if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds and the Certificates.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Counsel to the Underwriter (“Counsel to the Underwriter”), excluding any financial or statistical statements.

The various legal opinions to be delivered concurrently with the delivery of the Bonds and the Certificates 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. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continued compliance with certain restrictions, conditions and requirements by the District as described below, interest income on the Bonds (including interest evidenced by the Certificates) is excluded from gross income for federal income tax purposes and is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of delivery of the Bonds and the Certificates. A form of such opinion is included herein in APPENDIX C – “Form of Opinion of Bond Counsel.”

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes,

including a requirement that the District rebate to the federal government certain of its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included in gross income for federal income tax purposes, under certain circumstances, from the date of issuance. The Bonds and the Certificates do not provide for an adjustment in interest rate or yield in the event of taxability, and an event of taxability does not cause an acceleration of the principal of the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants, restrictions, conditions and requirements.

The Code also imposes an “alternative minimum tax” (“AMT”) upon certain corporations and individuals. A taxpayer’s “alternative minimum taxable income” (“AMTI”) is its taxable income with certain adjustments. Interest income on the Bonds and the Certificates is not an item of tax preference to be included in the AMTI of individuals. .

Federal legislation passed in December 2017 eliminates the alternative minimum tax paid by corporations for tax years beginning on or after January 1, 2018. However, interest income on the Bonds and Certificates may be required to be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations for taxable years beginning before January 1, 2018.

Notwithstanding the preceding sentence, included in the adjustments of AMTI for corporations is an adjustment increasing any such corporation’s AMTI by 75% of the excess (if any) of such corporation’s “adjusted current earnings” over the corporation’s AMTI for the taxable year (determined without regard to such adjustment for excess current earnings and the alternative minimum tax net operating loss deduction). A corporation’s “adjusted current earnings” includes all tax-exempt interest, including the interest on the Bonds.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds and the Certificates, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder’s federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers purchasing the Bonds and the Certificates, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations should consult their tax advisors as to the applicability of such tax consequences to the respective bondholder. The nature and extent of these other tax consequences will depend upon the bondholder’s particular tax status and the bondholder’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such tax consequences.

The Bonds and the Certificates are not “private activity bonds” within the meaning of Section 141 of the Code.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds and the Certificates. Any such change that occurs before initial delivery of the Bonds and Certificates could cause Bond Counsel to deliver an opinion substantially different from the form of opinion in APPENDIX C. The extent of change in Bond Counsel’s opinion cannot be determined at this time. It cannot be predicted whether, or in what form, any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds and the Certificates) issued prior to enactment or effective date.

BOND PREMIUM

The initial public offering prices of the Bonds maturing on January 1, 20__, through and including January 1, 20__ (collectively, the “Premium Bonds”), are greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds 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 Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. 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 Premium Bond. 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 Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on January 1, 20__, through and including January 1, 20__ and the Certificates (collectively, the “Discount Bonds”), are less than the respective amounts payable at maturity. As a result, the Discount Bonds 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 Discount Bonds was sold (the “OID Issue Price”)) of the Discount Bond, and the amount payable at maturity, of the Discount Bonds will be treated as “original issue discount.” With respect to a Beneficial Owner (as defined in Appendix F – “BOOK-ENTRY-ONLY SYSTEM”) who purchases a Discount Bond in the initial public offering at the OID Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and 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 Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond 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 Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond 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 Discount Bond 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 Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the OID Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in “TAX EXEMPTION” herein.

Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local taxes.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings, a division of Standard and Poor’s Financial Services LLC (“S&P”) have assigned credit ratings of “__” and “__”, respectively, to the Bonds and the Certificates. Such ratings reflect only the views of Moody’s and S&P. An explanation of the significance of such ratings may be obtained from Moody’s at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and from S&P at 55 Water Street, New York, New York 10041. 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 and transferability of the Bonds and the Certificates. The City will covenant in its continuing disclosure certificate (see “CONTINUING DISCLOSURE” below) that it will cause notices to be filed with the MSRB of any formal change in the ratings relating to the Bonds and the Certificates. A securities rating is not a recommendation to buy, sell or hold securities, including the Bonds and the Certificates.

UNDERWRITING

The Bonds and the Certificates will be purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) at an aggregate purchase price of \$_____ (which consists of the principal amount of the Bonds of \$_____ plus/less a reoffering premium/discount of \$_____), plus proceeds of the Certificates in the amount of \$_____*, pursuant to a bond purchase contract executed by and between the City and the Underwriter (the “Purchase Contract”). The Underwriter will be paid compensation and reimbursed for its expenses relating to purchase of the Bonds and the Certificates in the aggregate amount of \$_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds and the Certificates so offered if any are purchased. The Underwriter may offer and sell the Bonds and the Certificates to certain dealers (including dealers depositing the Bonds and the Certificates into unit investment trusts) and others at yields higher than the public offering yields stated on the front cover hereof. The initial yields set forth on the front cover hereof may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE

The City, as the “obligated person” with respect to the Bonds and the Certificates, will covenant for the benefit of the owners of the Bonds and the Certificates to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2019 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices”). Such covenants will be made in order to assist the Underwriter in complying with the Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The form of the undertaking which describes the content of the Annual Reports and the Notices and method of their dissemination is included as APPENDIX D 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 Bonds and the Certificates in the secondary market. Absence of continuing disclosure could adversely affect the Bonds and the Certificates and their market price and transferability.

The City previously entered into continuing disclosure undertakings with respect to certain previously issued bonds which require the filing of audited financial statements, annual updates of certain financial information and operating data (“Operating Data”) related to the City and a special taxing district and notices of certain events as described in such undertakings. The City failed to include certain Operating Data in its annual filings for fiscal years 2013 through 2016. Portions of such missing Operating Data were filed in December 2014, December 2015, 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. The City has established procedures to facilitate timely and complete filing of its Annual Reports and Notices as required by the Rule.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Bonds and the Certificates, the City and the Underwriter are being represented by the law firms identified above under the heading “LEGAL MATTERS.” In other transactions not related to the Bonds, each of these law firms may have acted as Bond Counsel or represented the City, the Underwriter, the Financial Advisor or their affiliates, in capacities different from those described under “LEGAL MATTERS”, and there will be no limitations imposed as a result of the issuance of the Bonds and Certificates on the ability of any of these firms or attorneys to act as Bond Counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the City and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, are not currently engaged in, or will not after the issuance of the Bonds and the Certificates engage in other transactions with each other or with any affiliates of any of them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or these attorneys or law firms.

FINANCIAL ADVISOR

The Financial Advisor is financial advisor to the City in connection with the issuance of the Bonds and the Certificates. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds and the Certificates is contingent upon the issuance and delivery of the Bonds and the Certificates. 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 Bonds and the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the City for the fiscal year ended June 30, 2017, a copy of which is included in APPENDIX E of this Official Statement, have been audited by Heinfeld, Meech & Co., P.C., 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, 2017 and are not current. The City neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C. to include the report, and Heinfeld, Meech & Co., P.C., 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 opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as part of a contract with the original purchasers or subsequent owners of the Bonds and the Certificates.

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

CITY OF GOODYEAR, ARIZONA

By /s/ _____
Mayor

**CITY OF GOODYEAR, ARIZONA
MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT
ASSESSMENT DIAGRAM AND BOUNDARIES OF THE DISTRICT**

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APPENDIX A

**CITY OF GOODYEAR, ARIZONA
GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION AND FINANCIAL DATA**

General

The City (also referred to herein as “Goodyear”), which incorporated in 1946, is a suburban community which 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. See TABLE A-3. 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.

Population Statistics

TABLE B-1

Year	City of Goodyear	Maricopa County	State of Arizona
2017 Estimate (a)	81,447	4,221,684	6,965,897
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, 2017 (published December 2017).

Source: Arizona Department of Administration – Office of Employment and Population Statistics and U.S. Census Bureau.

Municipal Government Organization and Services

The City operates under a charter and is governed by a Mayor, who is elected at large and serves a four-year term, limited to two terms, and six City Councilmembers, who serve staggered four-year terms, limited to three terms. The Mayor and City Council also elect a Vice Mayor from among City Councilmembers. The City Manager, who is appointed by the City Council, is responsible for overall operations and supervision of all governmental functions. The operations City government are supported by a staff of approximately 530 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. 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, 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, first as human resources director, and in 2007, as county administrator. Arendall was an executive-level human resources professional in the private sector before transitioning to local government. 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 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 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 Indians and Reds 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.

Unemployment Rate Averages

TABLE B-2

Years	City of Goodyear (a)	Maricopa County (a)	State of Arizona (a)	United States
2018 (b)	-	-	-	4.1%
2017	4.1%	4.1%	4.9%	4.4
2016	4.7	4.5	5.4	4.9
2015	5.3	5.1	6.0	5.3
2014	5.9	5.8	6.8	6.2
2013	6.9	6.6	7.7	7.4

(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 February 2018. Data accessed March 2018.

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

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

**Major Employers
City of Goodyear, Arizona**

TABLE B-3

Employer	Product/Service	Approximate Employment
Abrazo Healthcare	Healthcare Services	1,010
Macy's Inc.	Distribution Center	1,010
State of Arizona	Public Administration	980
Amazon.com	Distribution Center	980
Western Regional Medical Center	Healthcare Services	770
Sub-Zero Freezer Co.	Appliance Manufacturing	498
City of Goodyear	Government	490
Avondale Elementary School District No. 44	Education	430
Agua Fria Union High School District No. 216	Education	370
McLane Sunwest	Grocery Distributor	345

Source: 2016 MAG Employer Database, employers with 5 or more employees and the City's Economic Development Office.

Construction

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

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

TABLE B-4

Years	Residential	Commercial and Industrial	Other	Total
2017/18	\$	\$		\$
2016/17	307,380	111,939		419,319
2015/16	285,986	90,407	-	376,393
2014/15	318,918	57,415	-	376,333
2013/14	222,280	38,883	-	261,163
2012/13	271,095	24,491	-	295,586

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.

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

TABLE B-5

Years	Total New Housing Starts
2017/18(a)	[REDACTED]
2016/17	1,068
2015/16	1,014
2014/15	894
2013/14	860
2012/13	1,006

(a) Partial year data through [REDACTED], 2018.

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 and Interstate 10. Other freeways, including State Route 101, State Route 303, 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 Maricopa County. Franklin Pierce University located in Goodyear offers doctorate programs through its College of Graduate and Professional Studies.

**Current Year Statistics (For Fiscal Year 2017/18)
City of Goodyear, Arizona**

TABLE B-6

Total General Obligation Bonds Outstanding	\$ 106,320,000	(a)
Total Senior Lien and Subordinate Lien Water and Sewer Revenue Obligations Outstanding	43,581,773	(b)
Total Public Improvement Corporation Obligations Outstanding	111,231,339	(c)
Total Improvement District Bonds Outstanding and to Be Outstanding	34,780,000	(d)

Property Valuations for Fiscal Year 2017/18 (e)

Net Assessed Limited Property Value	\$ 763,038,272
Net Full Cash Assessed Value	964,201,508
Estimated Net Full Cash Value	8,298,797,769 (f)

-
- (a) See "Statements of Bonds Outstanding – General Obligation Bonds Outstanding" in this appendix.
 - (b) See "Statements of Bonds Outstanding – Water and Sewer Revenue Obligations Outstanding" in this appendix.
 - (c) See "Statements of Bonds Outstanding – Public Improvement Corporation Obligations Outstanding" in this appendix.
 - (d) See "Statements of Bonds Outstanding – Improvement District Bonds to Be Outstanding" in this appendix.
 - (e) For more information on constitutional and statutory changes in the taxable values of property beginning in Fiscal Year 2015/16 and thereafter, see "Recent Constitutional and Statutory Changes Affecting Property Taxes" in this appendix.
 - (f) Estimated net full cash value is the total market value of the property less unsecured personal property and less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes.

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, *State and County 2017 Abstract of the Assessment Roll*, Arizona Department of Revenue and *Maricopa County 2017 Tax Levy*, Maricopa County Department of Finance.

Statements of Bonds Outstanding

**General Obligation Bonds Outstanding
City of Goodyear, Arizona**

TABLE B-7

Series	Description	Original Amount	Maturity Dates	Principal Outstanding
2008	Various Purpose	\$44,540,000	7-1-09/37	\$ 1,375,000
2009	Refunding	5,580,000	7-1-27/29	5,580,000
2010	Various Purpose	5,815,000	7-1-20/30	5,815,000 (a)
2010	Refunding	4,610,000	7-1-23/30	4,610,000
2012	Refunding	11,530,000	7-1-13/18	1,250,000
2014	Refunding	15,865,000	7-1-14/20	8,750,000
2016	Refunding	54,975,000	7-1-17/37	53,925,000
2017	Various Purpose		7-1-18/37	25,015,000
Total General Obligation Bonds Outstanding				<u>\$106,320,000</u>

(a) These bonds (the "Series 2010 Taxable General Obligation Bonds (Build America Bonds-Direct Pay)") were issued as taxable bonds under the Build America Bond program for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government. Bonds issued under the Build America Bonds program have had such subsidy payments reduced by 6.6%, 6.9% and 6.8% for the federal Fiscal Years 2017/18, 2016/17 and 2015/16, respectively, due to sequestration reductions imposed by the federal government. Additional sequestration reductions or other reductions may be imposed by the federal government in future years. The City is required to pay the shortfall in the interest payments caused by the reduction.

**Water and Sewer Revenue Obligations Outstanding
City of Goodyear, Arizona**

TABLE B-8

Issue Series	Description	Original/ Revised Total Principal Amount	Maturity Dates	Principal Outstanding
1999	Refunding and Improvement Bonds	\$ 3,335,000	7-1-99/18	\$ 160,000
2009	Refunding	325,000	7-1-49	325,000
2009	WIFA Loan (a)	5,716,315	7-1-10/29	3,591,773
2010	Subordinate Lien Obligations	14,950,000	7-1-22/39	14,950,000
2011	Subordinate Lien Obligations	15,480,000	7-1-12/41	13,960,000
2016	Subordinate Lien Revenue and Refunding Obligations	11,540,000	7-1-17/45	10,595,000
Total Water and Sewer Revenue Obligations Outstanding				<u>\$43,581,773</u>

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

**Public Improvement Corporation Obligations Outstanding
City of Goodyear, Arizona**

TABLE B-9

Series	Issue Description	Original Amount	Maturity Dates	Principal Outstanding
Excise Tax - Secured Obligations:				
2011A	Public Improvement Corporation Refunding	\$25,295,000	7-1-14/27	\$ 24,500,000
2011B	Public Improvement Corporation Refunding	1,515,000	7-1-18	1,515,000
2016A	Public Improvement Corporation Refunding	40,530,000	7-1-19/32	40,530,000
2016B	Public Improvement Corporation Refunding	31,165,000	7-1-17/31	28,190,000
Total Excise Tax - Secured Obligations Outstanding				<u>\$ 94,735,000</u>
Annual Appropriation Obligations:				
Senior-Lien:				
2012A	Public Improvement Corporation, Tax-Exempt	9,390,000	6-15-13/23	5,220,605
2012B	Public Improvement Corporation, Taxable	1,110,000	6-15-13/23	630,734
Subordinate-Lien Excise Tax-Secured Obligations:				
	Public Improvement Corporation, Taxable	10,645,000	7-1-2027	10,645,000
Total Annual Appropriation and Subordinate Lien Excise Tax Secured Obligations Outstanding				<u>\$ 16,496,339</u>
Total Public Improvement Corporation Obligations Outstanding				<u>\$111,231,339</u>

**Improvement District Bonds Outstanding and to Be Outstanding
City of Goodyear, Arizona**

TABLE B-10

Issue Series	Description	Original Amount	Maturity Dates	Principal Outstanding
2007	Public Infrastructure	\$47,165,000	1-1-10/32	\$36,530,000
Total Improvement District Bonds Outstanding				<u>\$36,530,000</u>
Less the Bonds Being Refunding				<u>(36,530,000)</u>
Plus the Bonds				<u>34,870,000</u>
Total Improvement District Bonds Outstanding and to be Outstanding				<u>\$34,870,000</u>

PROPERTY TAXES

As described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," for the purpose of paying the principal of and interest on the Bonds and costs of administration of the Bonds, the District will be required by law to cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all principal, interest, and costs of administration for the Bonds as the same become due.

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes." Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire, road improvement and joint technological education districts are "secondary taxes." See "Primary Taxes" and "Secondary Taxes" below. The State's *ad valorem* property tax levy and collection procedures are summarized under this heading "PROPERTY TAXES."

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the “Department of Revenue”). Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value (“Full Cash Value”) is statutorily defined to mean “that value determined as prescribed by statute” or if no statutory method is prescribed it is “synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques,” which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value (“Limited Property Value”) is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. For locally assessed property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. Prior to 2015, Limited Property Value for a specific property parcel in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, increased by the greater of either 10% of the prior year’s Limited Property Value or 25% of the difference between the prior year’s Limited Property Value and the current year’s Full Cash Value. A separate Limited Property Value was not and is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the “Limited Assessed Property Value” and the “Full Cash Assessed Value,” respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 5

Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2013	2014	2015	2016	2017
Mining, utilities, commercial and industrial	19.5%	19%	18.5%	18%	18%
Agriculture and vacant land	16	16	16	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (b)	15	16	15	14	15

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body’s total valuation

(b) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

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

Primary Taxes

Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). “Net Limited Assessed Property Value” is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year’s levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

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

Secondary Taxes

Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. (Prior to tax year 2015, secondary taxes were levied against “Net Full Cash Assessed Value” which is determined by excluding the value of property exempt from taxation from Full Cash Assessed Value of both locally assessed and centrally valued property and combining the resulting two amounts.) There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. **As Net Full Cash Assessed Value was used as the basis for levying taxes for payment of bonds like the Bonds in fiscal years prior to fiscal year 2015/16, this Official Statement compares Net Limited Assessed Property Value with Net Full Cash Assessed Value in applicable years under the heading “ASSESSED VALUATIONS AND TAX RATES” herein.**

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows

the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED INDEBTEDNESS

The Arizona Constitution provides that the general obligation bonded indebtedness for a municipality for general municipal purposes may not exceed six percent of the Net Full Cash Assessed Value in that municipality. In addition, an incorporated municipality may become indebted in an amount not exceeding an additional twenty percent of the Net Full Cash Assessed Value of the municipality for supplying such municipality 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 municipality, and for the acquisition and development by the municipality 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. Current statutes require that the Net Full Cash Assessed Value be used for such calculations.

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

TABLE B-12

General Municipal Purpose Bonds		Water, Light, Sewer, Open Space, Streets, Parks, Transportation and Public Safety Bonds	
Total 6% General Obligation Bonding Capacity	\$57,852,090	Total 20% General Obligation Bonding Capacity	\$192,840,301
Less 6% General Obligation Bonds Outstanding	0	Less 20% General Obligation Bonds Outstanding	(106,320,000)
Net 6% General Obligation Bonding Capacity	<u>\$57,852,090</u>	Net 20% General Obligation Bonding Capacity	<u>\$86,520,301</u>

(a) General obligation bonding capacity is calculated using the City’s Fiscal Year 2017/18 Net Full Cash Assessed Value of \$964,201,508. Includes the Bonds.

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

TABLE B-13

Overlapping Jurisdiction	General Obligation Bonded Debt (a)	Proportion Applicable to City of Goodyear (b)	
		Approximate Percent	Net Debt Amount
State of Arizona(b)(c)	None	1.38%	None
Maricopa County(b)(c)	None	2.02	None
Maricopa County Community College District(b)(c)	\$509,430,000	2.02	\$10,315,706
Maricopa County Special Health Care District(b)(c)	112,000,000	2.02	2,267,945
Western Maricopa Education Center District No. 402(b)(c)	138,655,000	4.54	6,301,415
Liberty Elementary School District No. 25	17,970,000	59.03	10,607,936
Avondale Elementary School District No. 44(b)(c)	28,885,000	83.00	23,975,126
Littleton Elementary School District No. 65	21,530,000	0.02	5,317
Litchfield Elementary School District No. 79(b)(c)	40,110,000	44.70	17,930,842
Mobile Elementary School District No. 86	0	44.36	0
Buckeye Union High School District No. 201	72,090,000	20.25	14,600,579
Tolleson Union High School District No. 214	21,200,000	0.01	1,153
Agua Fria Union High School District No. 216(b) (c)	100,305,000	56.55	56,726,997
Wildflower Ranch Community Facilities District No. 1	550,000	100.00	550,000
Wildflower Ranch Community Facilities District No. 2	775,000	100.00	775,000
Community Facilities General District No. 1(b)(c)	8,915,000	100.00	8,915,000
Community Facilities Utility District No. 1 (b)(c)	37,035,000	100.00	37,035,000
Estrella Mountain Ranch Community Facilities District	14,050,000	100.00	14,050,000
Cottonflower Community Facilities District	2,025,000	100.00	2,025,000
Centerra Community Facilities District	3,244,000	100.00	3,244,000
Cortina Community Facilities District	1,970,000	100.00	1,970,000
Palm Valley Community Facilities District No. 3	6,435,000	100.00	6,435,000
City of Goodyear	106,320,000	100.00	106,320,000 (d)
Total Direct and Overlapping General Obligation Bonded Debt Outstanding			\$324,052,017

(a) Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future nor amounts which 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 and the Department of the Interior. In April of 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 Arizona Revised Statutes, Sections 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract. Does not include the obligation of the Maricopa County Flood Control District to contribute \$70 to \$80 million to the CAP. The Maricopa County Flood Control District's sole source of revenue to pay the contribution will be ad valorem taxes on real property and improvements.

- (b) Proportion applicable to the City is computed on the ratio of Net Assessed Limited Property Value for Fiscal Year 2017/18 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.
- (c) Jurisdictions overlap the City and the Assessed Parcels.
- (d) Includes the Bonds.

Source: The various entities.

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

TABLE B-14

Overlapping Jurisdiction	General Obligation Bonds Authorized but Unissued
Maricopa County Community College District	\$3,000
Maricopa County Special Health Care District	829,000,000
Western Maricopa Education Center District No. 402	61,000,000
Community Facilities General District No. 1	119,260,000
Community Facilities Utilities District No. 1	111,760,000
Wildflower Ranch Community Facilities District No. 1	600,000
Wildflower Ranch Community Facilities District No. 2	510,000
Estrella Mountain Ranch Community Facilities District	181,895,000
Cottonflower Community Facilities District	4,150,000
Centerra Community Facilities District	15,692,000
Cortina Community Facilities District	8,450,000
Palm Valley Community Facilities District No. 3	116,460,000
Buckeye Union High School District No. 201	9,000,000
Agua Fria Union High School District No. 216	55,000,000
Avondale Elementary School District No. 44	23,665,000
Litchfield Elementary School District No. 79	23,000,000
City of Goodyear	142,645,449

Source: The various entities.

**Direct and Overlapping General Obligation Bonded Debt Ratios
City of Goodyear, Arizona**

TABLE B-15

	Per Capita Bonded Debt Population Estimated at 81,447 (a)	2017/18 Net	
		Assessed Limited Property Value	City's 2017/18 Estimated Full Cash Value
Net Direct General Obligation Bonds Outstanding (b)	\$1,305	13.93%	1.28%
Net Direct and Overlapping General Obligation Bonds Outstanding and to be Outstanding	\$3,979	42.47%	3.90%

(a) Arizona Department of Administration, Office of Employment and Population Statistics. Estimate as of July 1, 2016 (published December 1, 2016).

(b) Includes the Bonds.

**Other Indebtedness
City of Goodyear, Arizona**

TABLE B-16

The City currently has no other material indebtedness.

Source: The City.

**Direct and Overlapping Assessed Valuations and Total Tax Rates
Per \$100 Assessed Valuation**

TABLE B-18

Overlapping Jurisdiction	2017/18 Net Assessed Limited Property Value (a)	2017/18 Total Tax Rate Per \$100 Net Assessed Limited Property Value (a)
State of Arizona(e)	\$59,404,007,785	None
Maricopa County(e)	38,236,246,402	\$ 1.8971(d)
Maricopa County Community College District(e)	38,236,246,402	1.4096
Maricopa County Fire District Assistance Tax (b) (e)	38,236,246,402	0.0102
Maricopa County Library District (b) (e)	38,236,246,402	0.0556
Maricopa County Flood Control District (b) (e)	34,647,383,068	0.1792
Maricopa County Special Health Care District(e)	38,236,246,402	0.2851
Western Maricopa Education Center District No. 402(e)	13,997,643,711	0.1780
Central Arizona Water Conservation District (b) (e)	38,236,246,402	0.1400
Roosevelt Irrigation District (c)(e)	N/A	27.1000/acre
McMicken Irrigation District (c) (e)	N/A	1.0505/acre
Adaman Irrigation District No. 36 (c)	N/A	10.0500/acre
Wildflower Ranch Community Facilities District No. 1	4,998,286	2.8882
Wildflower Ranch Community Facilities District No. 2	4,963,724	3.0463
Estrella Mountain Ranch Community Facilities District No. 1	91,505,602	1.3000
Centerra Community Facilities District	11,903,217	2.6706
Cortina Community Facilities District	10,312,431	1.8877
Cottonflower Community Facilities District	9,467,324	2.5714
Community Facilities General District No. 1(e)	121,288,934	0.9600
Community Facilities Utilities District No. 1(e)	340,061,877	1.1500
King Ranch Community Facilities District	1,208,552	0.3000
Palm Valley Community Facilities District No. 3	79,457,687	0.8682
Liberty Elementary School District No. 25	242,901,538	3.7234
Avondale Elementary School District No. 44(e)	367,311,044	5.2170
Littleton Elementary School District No. 65	249,928,457	5.8808
Litchfield Elementary School District No. 79(e)	819,761,974	3.4763
Mobile Elementary School District No. 86	8470387	7.8876
Buckeye Union High School District No. 201	707,975,119	3.3382
Tolleson Union High School District No. 214	1,134,931,491	3.9377
Agua Fria Union High School District No. 216(e)	1,187,073,018	3.7145
City of Goodyear	763,038,272	1.7349

- (a) Any decrease in an assessed valuation below the amount shown could result in an increase in the applicable tax rate.
- (b) The assessed valuation of the Flood Control District does not include the personal property assessed valuation within the County. The Net Assessed Limited Property Value for CAWCD reflects the assessed valuation located within Maricopa County only. The County is mandated to levy a tax annually in support of County fire districts. All levies for library districts, hospital districts, fire districts, technology districts, water conservation districts and flood control districts are levied on the Net Full Cash Value.
- (c) Irrigation district levies are based on a per acre assessment upon the qualified land within the City.
- (d) Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in Fiscal Year 2017/18 has been set at \$0.4875 and is adjusted annually pursuant to Arizona Revised Statutes Section 41-1276.

(e) Jurisdictions overlap the City.

Source: Finance Department of the County and *State and County 2017 Abstract of the Assessment Roll*, Arizona Department of Revenue.

There are 28 taxing jurisdictions which overlap the City’s boundaries. The total overlapping property tax rate for property owners within the City, excluding community facilities districts, ranges from \$12.95 to \$17.87. Based on jurisdictions which overlap the District the overlapping ad valorem property tax rates on the Assessed Parcels for 2017/2018 ranges from \$9.3663 to \$15.9715.

Source: Finance Department of the County.

**Assessed Value by Property Classification
City of Goodyear, Arizona**

Below are breakdowns of the City’s Net Assessed Limited Property Value by property classification for Fiscal Years 2015/16 through 2017/18 utilizing new constitutional and statutory property valuation requirements and Net Assessed Secondary Value by property classification for the prior two fiscal years using the then applicable, but now replaced, Net Assessed Secondary Value. See “PROPERTY TAXES – Recent Constitutional and Statutory Changes Affecting Property Taxes.”

TABLE B-19

Class	Net Assessed Limited Property Value			Net Assessed Secondary Value	
	2017/18	2016/17	2015/16	2014/15	2013/14
Utilities, Commercial and Industrial	\$208,163,184	\$202,651,531	\$196,511,458	\$191,232,117	\$192,656,075
Agricultural and Vacant	49,683,775	44,411,960	46,926,177	51,621,958	55,755,067
Residential (owner occupied)	349,928,707	313,672,358	287,280,426	286,252,522	247,817,128
Residential (rental)	148,286,997	143,196,689	133,711,932	124,514,380	92,438,008
Railroads	1,208,387	1,035,798	1,044,905	1,087,890	238,073
Historic Property	5,662,551	5,431,869	5,395,228	4,855,080	1,320,403
Miscellaneous	104,671	134,117	82,772	24,950	33,898
	<u>\$763,038,272</u>	<u>\$710,534,322</u>	<u>\$670,952,898</u>	<u>\$659,588,897</u>	<u>\$590,258,652</u>

Source: *State and County 2017 Abstract of the Assessment Roll*, Arizona Department of Revenue.

**Assessed Valuation of Major Taxpayers (a)
City of Goodyear, Arizona**

The table below shows the major property taxpayers located within the City for Fiscal Year 2017/18 and their 2017/18 Net Assessed Limited Property Value, utilizing new constitutional and statutory property valuation requirements. See “PROPERTY TAXES – Recent Constitutional and Statutory Changes Affecting Property Taxes.”

TABLE B-20

Taxpayer (b)	2018/19 Net Assessed Limited Property Value	As % of City’s Total 2018/19 Net Assessed Limited Property Value
ARIZONA PUBLIC SERVICE COMPANY	\$22,442,569	2.94%
VHS OF SOUTH PHOENIX INC	12,688,526	1.66
MACYS CORPORATE SERVICES INC	8,127,000	1.07
HUHTAMAKI INC	5,874,152	0.77
HCL GOODYEAR CENTERPOINTE LLC (LEASE)	5,531,989	0.72
SOUTHWEST GAS CORPORATION (T&D)	5,157,219	0.68
HGREIT II GOODYEAR CROSSING LLC	5,153,163	0.68
THE MARKET AT ESTRELLA FALLS LLC	4,958,355	0.65
FR PV 303 LLC	4,898,853	0.64
FIRST AMERICAN TITLE INS CO TR 7854	4,748,781	0.62
	\$79,580,607	10.43%

- (a) Based upon data obtained from the Treasurer of the County. None of the City, the Underwriter, counsel to the Underwriter, the Financial Advisor, or Bond Counsel has made an independent determination of the financial condition of any of the major taxpayers or their ability to pay taxes.
- (b) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the “Commission”). Such reports, proxy statements and other information (collectively, the “Filings”) may be inspected, copied and obtained at prescribed rates at the Commission’s public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR data base at <http://www.sec.gov>. No representative of the City, the Financial Advisor, the Underwriter, counsel to the Underwriter, or Bond Counsel has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.

Source: Assessor of the County.

**Estimated Net Full Cash Value and Actual Value
City of Goodyear, Arizona**

TABLE B-21

Fiscal Year	Estimated Net Full Cash Value (a)
2017/18	\$8,298,797,769
2016/17	7,485,029,772
2015/16	6,715,108,500

Fiscal Year	Estimated Actual Value
2014/15	\$5,543,187,274
2013/14	4,770,427,729

(a) The estimated net full cash value is the total market value of property within the City less the estimated exempt property within the City.

Source: *Property Tax Rates and Assessed Values*, Arizona Property Tax Research Foundation and the Assessor of the County.

CITY EMPLOYEE RETIREMENT SYSTEM

Retirement Plan

The City contributes to the pension plans described below. See also APPENDIX F, Note 14 for additional information. The City reported \$13,332,569 of pension expenditures in the governmental funds and \$453,896 in the proprietary funds related to all pension plans to which it contributes.

Government Accounting Standards Board (“GASB”) adopted Statement Number 68, *Accounting and Financial Reporting for Pensions* (“GASB 68”), which requires cost-sharing employer’s pension expense component include its proportionate share of the Arizona State Retirement System’s (“ASRS”) pension expense, the net effect of annual changes in the employer’s proportionate share and the annual differences between the employer’s actual contributions and its proportionate share.

Arizona State Retirement System

City employees not covered by the other pension plans described after this section participate in the ASRS. The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members’ annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the members’ annual covered payroll. The City’s contributions to the pension plan for the year ended June 30, 2017 were \$2,566,332.

In addition for the current fiscal year, the City was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement and 0.21 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

The City's contributions for the current and two preceding years for the Arizona State Retirement System OPEB, all of which were equal to the required contributions, were as follows:

Fiscal Year Ended June 30	Health Benefit Supplement Fund	Long-Term Disability Fund
2017	\$133,316	\$33,329
2016	112,997	27,119
2015	128,393	26,114

Pension Liability. At June 30, 2017, the City reported a liability of \$39.1 million for its proportionate share of the ASRS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016 the City's proportion was .24 percent, which is the same as its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2017, the City recognized pension expense for ASRS of \$3,242,119 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 237,520	\$ 2,688,793
Changes of assumptions or other inputs		2,067,932
Net difference between projected and actual earnings on pension plan investments	4,235,561	
Changes in proportion and differences between contributions and proportionate share of contributions	1,437,774	
Contributions subsequent to the measurement date	2,566,332	
Total	\$ 8,477,187	\$ 4,756,725

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:

2018	\$ (822,475)
2019	(985,171)
2020	1,774,137
2021	1,187,639

Public Safety Personnel Retirement System

City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System ("PSPRS"). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

PSPRS issues publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS website at www.psprs.com.

On February 16, 2016, the Governor of Arizona signed into law pension overhaul legislation which makes several changes to the PSPRS. The changes, which only affect new hires starting work on or after July 1, 2017, will require new public employees to serve until the age of 55 before being eligible for full pension benefits. The new legislation will also cap pension benefits for new hires and split the cost of pensions 50/50 between employers and new employees, offer new hires the option of a 100% defined contribution plan and tie cost-of-living adjustments to the regional Consumer Price Index, with a cap of 2% (the “COLA Provision”). The COLA Provision also applies to current members of the PSPRS due to voter approval at a May 17, 2016 election.

Contributions and Annual OPEB Cost. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2017 are indicated below. Rates are a percentage of active members’ annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members – pension, hired on or before 7/19/11	7.65%	7.65%
Active members – pension, hired after 7/19/11	11.65%	11.65%
City of Goodyear:		
Pension	21.40%	14.37%
Health insurance	0.36%	0.37%

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2017, were:

	PSPRS Police	PSPRS Fire
Pension:		
Contributions made	\$1,791,402	\$1,191,487
Health insurance premium benefit:		
Contributions made	30,136	30,678

Pension Liability. At June 30, 2017, the City reported the following net pension liabilities:

PSPRS - Police	\$ 16,844,921
PSPRS - Fire	12,209,132

The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

On November 11, 2016, the City was notified by PSPRS that the Arizona Supreme Court overturned two provisions of state law designed to provide financial relief to the underfunded retirement plans managed by PSPRS to also include EORP. The 2011 legislative reforms to increase employee contribution rates and modest reductions to pension benefits were determined unconstitutional. As a result, partial refunds for any contributions rates above 7.65% and any retroactive benefit increases will be calculated under the previous permanent benefit formula. Beginning on April 16, 2017, at the direction of PSPRS, the City changed the employee contribution rate from 11.65 to 7.65 percent for employees hired on or before July 19, 2011, due to a mandate from the Arizona Supreme Court lawsuit ruling. The Arizona Supreme Court determined that the 2011 legislative reforms that increased contributions rates for employees hired prior to that date were unconstitutional. The employee contribution rate for employees hired after July 19, 2011 remained at 11.65 percent. The City accrued \$2,259,291.55 in pension contribution refunds on contribution amounts through June 30, 2017 that will be paid to members in the fiscal year ending June 30, 2018. As there is no reasonably accurate way to estimate required interest payments, no accrual was completed for interest earnings. It is anticipated that the court will decide the required interest rate and that the City will make these payments in the Fiscal Year 2017/2018.

Pension Expense. For the year ended June 30, 2017, the City recognized the following pension expense:

	Pension Expense
PSPRS - Police	\$ 5,350,832
PSPRS - Fire	5,293,950

Pension Deferred Outflows/Inflows of Resources. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	\$ 488,365	\$ 115,076
Changes of assumptions or other inputs	2,392,277	
Net difference between projected and actual earnings on pension plan investments	1,385,146	
Contributions subsequent to the measurement date	1,791,402	
Total	\$ 6,057,190	\$ 115,076
	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Fire:		
Differences between expected and actual experience	\$ 2,578,816	\$ 594,620
Changes of assumptions or other inputs	1,932,837	
Net difference between projected and actual earnings on pension plan investments	1,533,678	
Contributions subsequent to the measurement date	1,191,487	
Total	\$ 7,236,818	\$ 594,620

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	PSPRS Police	PSPRS Fire
2018	823,241	738,347
2019	823,242	738,348
2020	1,013,805	934,087
2021	846,642	755,960
2022	393,167	408,266
Thereafter	280,615	1,875,703

Agent Plan OPEB Trend Information. The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

Plan	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS - Police - Health Insurance			
30-Jun-17	30,136	100.00%	-
30-Jun-16	30,830	100.00%	-
30-Jun-15	65,983	100.00%	-
PSPRS - Fire - Health Insurance			
30-Jun-17	30,678	100.00%	-
30-Jun-16	33,706	100.00%	-
30-Jun-15	53,722	100.00%	-

Agent Plan OPEB Funded Status. The following table represents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2016.

	PSPRS-Police	PSPRS-Fire
Actuarial value of assets	\$ 799,252	\$ 605,878
Actuarial accrued liability	761,355	772,637
Unfunded actuarial accrued liability (funding excess)	(37,897)	166,759
Funded ratio	105.0%	78.4%
Annual Covered Payroll	\$ 7,375,148	\$ 8,291,489
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	-0.45 %	2.01%

Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan

The Goodyear Volunteer and Reserve Firefighter Retirement Trust Plan is a single-employer defined contribution plan, which was approved by the City Council on February 27, 1990, under A.R.S. Section 9-981. The authority to establish and amend benefit provisions rests with the City Council. In December 1999, the council revised the pension and benefit program for the part-time firefighters. The City discontinued using part-time firefighters as of December 1, 2005.

The assets of the plan are valued annually and the earnings or loss is distributed among the participant’s accounts in the plan. The only expenditures being made from this fund are administration fees, benefit payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from investment earnings. Retirement with full benefits can be at age fifty (50) or fifteen years of credited service. This plan was fully vested as of June 30, 2017. As of June 30, 2017, there were 5 eligible employees participating in the plan. The plan is administered by Innes Associates LTD.

As of June 30, 2017, the plan’s assets consisted of the following:

Investments	445,863
	\$ 445,863

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The market values of mutual funds are determined from readily available market quotations. The fund uses the accrual basis of accounting. Contributions are recognized when earned; benefits and refunds are expensed when incurred. Separate audited financial statements of this employee benefit plan are not available.

Beginning with the Fiscal Year that commenced on July 1, 2008, the City implemented GASB Statement Number 45, *Accounting by Employers for Other Post Employment Benefits (OPEB)* (“GASB45”), which will require the City to report the actuarially accrued cost of post-employment benefits, other than pensions, such as health and life insurance for current and future retirees. GASB 45 will require that such benefits be recognized as current costs over the working lifetime of employees, and to the extent such costs are not prefunded, GASB 45 will require the reporting of such costs as a financial statement liability. Under GASB 45, the City will be required to commission an actuarial valuation of its OPEB costs every two years. City contributions to OPEB costs that are less than an actuarially determined annual required contribution will result in net OPEB costs, which under GASB 45 will be required to be recorded as a liability in the City’s financial statements.

Other Post-Employment Benefits

The City does not currently offer any OPEB. The City employees, their spouses and survivors may, however, be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all the City employees that reach normal or early retirement age while working for the City will become eligible for such benefits. Currently, such retirees may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium; such plan is available to all retired participants.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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_____, 2018

Mayor and City Council
City of Goodyear, Arizona

Re: McDowell Road Commercial Corridor Improvement District Refunding Bonds,
Series 2018 and Certificates of Ownership of Supplemental Interest Payments

We have examined the transcript and proceedings relating to the sale, issuance and delivery of \$[_____] aggregate original principal amount of McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the “*Bonds*”), dated the date hereof, and \$[_____] payment amount of Certificates of Ownership of Supplemental Interest Payments pertaining thereto (the “*Certificates*” and, together with the Bonds, the “*Obligations*”), dated the date hereof, all as issued by City of Goodyear, Arizona (the “*City*”), relating to the McDowell Road Commercial Corridor Improvement District (the “*District*”).

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution _____, passed and adopted by the Mayor and City Council of the City on _____, 2018 (the “*Resolution*”). 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 certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Obligations against payment therefor, that:

1. The City is duly created and validly existing as a municipal corporation and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Obligations.
2. The Resolution has been duly passed and adopted by the Mayor and City Council and is valid and binding upon and enforceable against the City.
3. The Obligations and the proceedings leading to and including the issuance thereof, and the refunding of the Bonds Being Refunded (as defined in the Resolution), are legal and constitute a valid obligation payable by the City from the Bond Fund (as defined in the Resolution) provided for that purpose.
4. The Obligations are payable solely from the funds pledged pursuant to the Resolution and from payments of the unpaid assessments upon the real property within the boundaries of the District assessed for the improvements which have been validly levied.

5. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds, including the portion of the payment amount of the Certificates which is treated as interest income for federal income tax purposes, is excluded from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Bonds, including the portion of the payment amount of the Certificates which is treated as interest income for federal income tax purposes, is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income may need to be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations which income is subject to federal alternative minimum tax for such corporations with taxable years beginning before January 1, 2018. The Obligations are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). We express no opinion regarding other federal tax consequences arising with respect to the Obligations.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds, including the portion of the payment amount of the Certificates which is treated as interest income for federal income tax purposes, from gross income for federal income tax purposes, including a requirement that the City rebate to the federal government certain of the investment earnings with respect to the Obligations. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds, including the portion of the payment amount of the Certificates which is treated as interest income for federal income tax purposes, being included as gross income for federal income tax purposes from their date of issuance. The City has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the Bonds, including the portion of the payment amount of the Certificates which is treated as interest income for federal income tax purposes. For purposes of this opinion we have assumed continuing compliance by the City with such restrictions, conditions and requirements.

The rights of the owners of the Obligations and the enforceability of those rights and the rights and obligations of the City with respect to the Resolution and to collection of assessments may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and to the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

GUST ROSENFELD P.L.C.

Timothy A. Stratton
For the Firm

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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\$[_____]
**CITY OF GOODYEAR, ARIZONA,
 MCDOWELL ROAD COMMERCIAL CORRIDOR IMPROVEMENT DISTRICT,
 REFUNDING BONDS, SERIES 2018**

and

\$[_____]
**CERTIFICATES OF OWNERSHIP OF
 SUPPLEMENTAL INTEREST PAYMENTS**
CONTINUING DISCLOSURE CERTIFICATE
(CUSIP Base No. 38251U)

This Continuing Disclosure Certificate (this “*Disclosure Certificate*”) is undertaken by City of Goodyear, Arizona (the “*City*”) in connection with the issuance of its \$[_____] McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018 (the “*Bonds*”). In consideration of the initial sale and delivery of the Bonds, the City covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is for the benefit of the Bondholders (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.

“*Bondholder*” shall mean any registered owner or beneficial owner of the Bonds.

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

“*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.

“*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.

“*Official Statement*” shall mean the final official statement dated _____, 2018 relating to the Bonds.

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

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

Section 3. Provision of Annual Reports.

(a) Commencing February 1, 2019, 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 thirty (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 30 days of receipt 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:

[(i) Delinquencies on Payments for the Assessments;

(ii) Table [13]; Direct and Overlapping General Obligation Bonds Outstanding; and

(iii) Table [19]; Direct and Overlapping Assessed Valuations and Total Tax Rates]

(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.

(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.

This Section 5 shall govern the giving of notices by the City of the occurrence of any of the following events with respect to the Bonds. 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:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service (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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

"Materiality" will be determined in accordance with the applicable federal securities laws.

Note to Section 5(12): For the purposes of the event identified in Section 5(12), 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 Bonds. 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 Bond Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, 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 Bondholders, as determined by Bond Counsel.

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

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. The City may, at the City's election, 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. If the City chooses to include such information, 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 Bondholder 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 Bonds or the resolution authorizing the Bonds.

Section 12. Compliance by 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 or Bond Counsel.

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 will be made in a timely manner to EMMA in the form of *Exhibit C* attached hereto.

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

Section 15. Governing Law and Interpretation of Terms. 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.

Date: _____, 2018.

CITY OF GOODYEAR, ARIZONA

By _____
Its _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Goodyear, Arizona
Name of Bond Issue: \$[____], McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018
Dated date of Bonds: _____, 2018 CUSIP: 38251U

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 20___. 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 Bond Issue: \$[____], McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018
Dated date of Bonds: _____, 2018 CUSIP: 38251U

NOTICE IS HEREBY GIVEN that the City failed to provide its Audited Financial Statements with its Annual Report or, if not then available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated _____, 20___, with respect to the above-named Bonds. 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 Bond Issue: \$[____], McDowell Road Commercial Corridor Improvement District Refunding Bonds, Series 2018
Dated date of Bonds: _____, 2018 CUSIP: 38251U

NOTICE IS HEREBY GIVEN that the City failed to appropriate funds necessary to perform the undertaking required by the Continuing Disclosure Certificate dated _____, 20___.

Dated: _____

City of Goodyear, Arizona
By _____
Its _____

APPENDIX E

**CITY OF GOODYEAR, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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APPENDIX F

**SUMMARY OF CERTAIN PROVISIONS OF THE
GENERAL PUBLIC IMPROVEMENT BONDS LAW**

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**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL PUBLIC
IMPROVEMENTS AND IMPROVEMENT BONDS LAW**

The following constitutes summaries of certain sections of the General Public Improvements and Improvement Bonds law, Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended (the "Act"). The summaries do not purport to be complete and reference is hereby made to the full text of each section for a complete description thereof.

Section 48-582. Assessment of public property

When a lot belonging to the United States, the State, a county, city, school district or any political subdivision or institution of the State or county, fronts upon the proposed work or improvement, or is included within the district declared by the governing body ("Mayor and Council") in its resolution of intention to be the district to be assessed to pay the costs and expenses thereof, the Mayor and Council shall, in the resolution of intention, declare whether or not such lot shall be omitted from the assessment thereafter to be made. If the lot is omitted from the assessment, then the total expense of all work done shall be assessed in the remaining lots fronting on the work or improvement or lying within the assessment district, without regard to the omitted lot. If the Mayor and Council declares the lot included in the assessment, or if no declaration is made respecting the lot, then the municipality shall be liable for and shall pay such sum as thereafter may be assessed against the lot. The amount of the assessment levied against the lot may be included in any bonds issued for the improvement, and if so included, the assessments shall bear the same interest, and be payable by the municipality in installments, as assessments against property of private persons.

Section 48-586. Form and execution of contract; liquidated damages; supervision of performance; delivery of assessment

The Superintendent of Streets ("Superintendent") shall make all written contracts and receive all bonds authorized by the Act. The contracts shall specify a reasonable time for completion of the improvement. The Mayor and Council may prescribe a form of contract not inconsistent with the Act and fix a reasonable time for completion of the work, which may be extended from time to time by the Superintendent with the consent of the Mayor and Council.

The Mayor and Council may prescribe in the form of the contract, an amount, not as a forfeit or penalty, but as liquidated damages, per calendar day to be paid by the contractor if the contractor fails to complete the work within the time fixed in the contract or as the time for completion of the work may have been extended by the Superintendent with the consent of the Mayor and Council. Permitting the contractor to finish the work or any part of the work after the time fixed for its completion, or after the date to which the time fixed for its completion may have been extended, does not operate as a waiver by the Mayor and Council or the Superintendent of any of their rights under the contract or this section. Any liquidated damages received shall be used to decrease the amounts assessed. Any assessments that are affected by a decrease in the contract amount as a result of the imposition of liquidated damages may be adjusted pursuant to A.R.S. Section 48-590, Subsection F, except that where the City has contributed its funds to the construction of the improvements, the liquidated damages received shall be prorated between the City and the properties assessed.

The work shall be done under the direction of the Superintendent, but the Mayor and Council may prescribe rules and regulations relating to the supervision of the work. The Superintendent may appoint a suitable person to take charge of and superintend the construction of an improvement who shall see that the contract is fulfilled.

If the work is not prosecuted with diligence, the Mayor and Council, after a hearing upon notice served upon the contractor and his bondsmen, may prescribe such terms and conditions as it deems proper before permitting the contractor to continue with the work. If the Mayor and Council find that the contractor is unable to continue with the work or perform the work according to the contract, the Mayor and Council shall hold the contractor in default and make demand upon the surety to act in accordance with the contract and terms and conditions of the performance bond. Should the surety fail to act within 60 days from written notice, the Mayor and Council may order that bids be received from other contractors to complete the work. After receiving bids, the Mayor and Council may award the contract to the lowest responsible bidder. If, after receiving the new bids, the cost of completion exceeds the monies or bonds available for payment, the Mayor and Council shall make a demand upon the defaulting contractor's bondsman for payment of the differential within 20 days of the mailing of the notice. The demand may not exceed the penal sum of the performance bond. Monies collected from the bondsman shall be used to pay the added costs of the work. Any difference between the actual costs of the work and the amount assessed shall be advanced by the City which shall use its contingency funds or any other available funds to make payments to the new contractor. The City shall reimburse itself from the amounts

paid by the former contractor or his bondsman or from assessments and bonds when funds become available. All additional costs of the work not received from the original contractor's bondsman shall ultimately be assessed against the benefiting parcels of property.

Section 48-587. Bonds required from contractor

The contractor shall, before executing the contract, file with the Superintendent such bond or bonds as required under the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, as amended.

Section 48-589. Diagrams of property affected; estimate of benefits; assessment; warrant

The Engineer shall make duplicate diagrams of the property contained within the assessment district. The diagrams shall show each separate lot, numbered consecutively, the approximate area in square feet of each lot and the location of the lot in relation to the work proposed to be done. When the diagrams have been approved by the Mayor and Council, and the Clerk of the City has certified that fact and the date thereof, they shall be delivered to the Superintendent.

At any time after bids have been received for the construction of the work or the City has entered into a contract to purchase an existing facility, the Superintendent shall estimate upon each of the lots within the District, the benefits arising, or expected to arise, from the work. The Superintendent shall thereupon make an assessment to cover the sum due for the work performed and specified in the bid of the person to whom the contract was awarded, including incidental expenses, and shall assess upon and against the lots the total amount of the costs and expenses of the work. In so doing the Superintendent shall assess the total sum upon the several lots, each respectively in proportion to the benefits to be received by each lot.

The assessment shall cover the sum due for the work performed or to be performed as specified in the bid of the person to whom the contract may be awarded, and shall also include incidental expenses. The incidental expenses shall include the compensation of the City Engineer for work done by him, the cost of printing, advertising and posting, the compensation of the person appointed by the Superintendent to take charge of and superintend the work of constructing the improvements and the expenses of making the assessment, interest on the bonds for a period not longer than the expected period of construction and 6 months beyond and all legal and financial fees, expenses and costs incurred in drafting the proceedings and in the sale of the bonds.

There shall be attached to the assessment a warrant signed by the Superintendent and countersigned by the Mayor. The warrant and assessment shall be recorded in the office of the Superintendent not later than the date of execution of the construction contract and one diagram shall be filed in the office of the Superintendent. When so recorded, the several amounts assessed shall be a first lien upon the lots assessed subject only to the lien for general property taxes and prior special assessments for a period terminating on the date the assessment against the respective lot is paid in full, and such recording shall be notice to all persons interested in the contents of the record.

Section 48-590. Delivery of warrant and assessment; demand for payment; release of assessments; review of assessment

After the warrant and assessment are recorded, they shall be delivered to the Treasurer of the City ("Treasurer"), together with one of the diagrams, and by virtue of the warrant, the Treasurer is authorized to demand and receive the amount of the several assessments.

The Treasurer shall call upon the person assessed, either in person or by mail, and demand payment, and if paid, shall give a receipt therefor. The receipt, when presented to the Superintendent, shall be an order to the Superintendent to release the assessment. The Treasurer shall promptly notify the Superintendent of all payments made to the Treasurer, whereupon the Superintendent shall release assessments which have been fully paid.

The warrant shall be returned to the Superintendent with a "return" endorsed thereon, signed by the Treasurer, verified upon oath stating the nature and character of the demand, and whether any assessments remain unpaid in whole or in part, and the amount thereof. In the absence of fraud or bad faith, the verified statement of the person making the return is conclusive proof that the demand for payment was made upon each owner, person in possession or each parcel of property as required by the Act. The Superintendent shall record the return so made in the margin of the record of the warrant and assessment. After return of the assessment and warrant all amounts remaining due shall draw interest at the rate of 8% per annum until paid or, upon the issuance of bonds, at the rate specified in the bonds payable for the semiannual period

specified in the bonds notwithstanding the fact that the installments of assessments may be due at dates earlier than installments of interest are payable on the bonds.

After completion of the work, the Superintendent shall notify the Mayor and Council of such fact, and the Council shall fix a time when it will hear and pass upon the assessment and the proceedings theretofore had and taken, which shall not be less than 20 days thereafter. The Mayor and Council shall cause notice of the hearing to be given by publication and the Superintendent shall cause notices of the time and place of the hearing to be mailed to all persons owning real property affected by the assessments as the names and addresses appear on the last certified property tax roll. Failure to receive notice shall not constitute any jurisdictional defect invalidating any proceeding or assessment if notice has been sent pursuant to this section.

If the assessment is dated before the work has been completed, the Superintendent shall file with the Clerk of the City, at or prior to the hearing, a recapitulated assessment based on the actual quantities determined by the Engineer to have been constructed or installed, or the actual cost of the acquisition, as the case may be, together with the known incidental expenses expended to that date and the itemized estimated incidental expenses remaining to be expended. If the total assessment is decreased, the Treasurer of the City shall return to the owner, if the owner can be located, that portion of each assessment previously paid in cash which represents an excess payment.

The owners, contractor and all other persons directly interested in the work or in the assessment, who have any objection to the legality of the assessment or to any of the previous proceedings connected therewith, or who claim that the work has not been performed according to the contract, may, prior to the time fixed for the hearing, file a written notice briefly specifying the grounds of their objections. At the time fixed for the hearing or at any time not later than 10 days thereafter to which the hearing may be postponed, the Mayor and Council shall hear and pass upon the objections. The decision of the Mayor and Council shall be final and conclusive upon all persons entitled to object as to all errors, informalities and irregularities which the Mayor and Council might have remedied or avoided at any time during the progress of the proceedings.

If the Mayor and Council find that the contract has not been fully performed, it shall withhold all amounts owed and not then paid to the contractor until such time as in its opinion the contract is fully performed. If the Mayor and Council find that the amount to be paid to the contractor is not sufficient to pay the costs necessary to complete the work and that the contractor is not likely to complete the work according to the contract, the Mayor and Council may summon the contractor and the contractor's surety for a hearing. The Mayor and Council may modify the amounts of the several assessments after hearing, and may order that the assessment be recomputed if it finds that the benefits to any lots do not equal the amount of such lot's respective assessment. When recomputing the assessment, the Superintendent shall again levy the assessments according to the benefits derived, as instructed by the Mayor and Council, notwithstanding the fact that the reduction of any assessment may cause a corresponding increase in other assessments.

Section 48-592. Invalidity of liens or bonds; extent of validity; means to secure interest of persons damaged

If the lien of an assessment or reassessment, or of a bond issued to represent the amount assessed on any lot is held invalid by a court because a portion of the improvement ordered was without the power of the Mayor and Council to order, or was not properly embraced within the contract for the work, or in the assessment made to cover the expenses, the holder of the bond is entitled to a judgment determining what portion of the assessment was legal. There shall thereafter be issued to him by the Superintendent within 60 days, and in accordance with the directions of the judgment, a new assessment for an amount which the court finds as the reasonable value of the portion of the improvement legally authorized by the proceedings, which amount shall be reassessed upon the property in the same manner and with like effect as provided for issuing the original assessment, and may be enforced as an original assessment. The holder of bonds representing the original assessment shall be entitled to new bonds on each lot representing the amount of the reassessment.

If the lien of an assessment, or of a bond issued therefor, is held invalid by a court for any cause arising subsequent to the time the authority of the Mayor and Council attaches to order the work, or when the lien is defeated or held invalid for any cause, and it also appears that the owner of the property, holding it at the time the notice of award of contract was published, had personal knowledge of the intention to order award of the contract, and has not filed a protest against the improvement or a notice of his objection to the award of contract, the owner of the assessment or bond may recover from the owner of the lot covered by the assessment such sum as the court shall find the lot to have been actually benefited by the improvement, not exceeding the amount which would have been properly assessable against the lot.

Section 48-594. Correction of assessment; reallocation of assessment

After an assessment has been approved by the Mayor and Council, the contractor and all persons having an interest in any lot assessed may request the Mayor and Council to modify or correct an assessment. The Mayor and Council may order such modification or correction to be made, and direct the Superintendent to note the modification or correction on his record of the assessment, together with the date it is made. The modification or correction shall not affect the rights of persons under the assessment who have not joined in the request.

The Mayor and Council may reallocate all or part of an assessment. The Superintendent shall prepare an amendment to the assessment diagram reflecting the new assessment numbers and parcel boundaries. The Superintendent shall mail a notice to each owner of an affected parcel showing the proposed reallocation and stating that the owner may file a written objection to the reallocation within 20 days after the notice was mailed. If no objections are received within 20 days after the notice is mailed, the Mayor and Council may approve the proposed reallocation. If timely objections are received, the Mayor and Council shall hold a hearing on the objections. The Mayor and Council shall mail a notice of the hearing to all affected owners at least 10 days before the hearing. After the Mayor and Council's decision, the Superintendent shall record the reallocated assessment and amended assessment diagram that was approved by the Mayor and Council in the Superintendent's office. The amount assessed immediately after the reallocation shall be equal to the amount assessed immediately before the reallocation. As a condition to reallocation, the Mayor and Council may require the affected property owners to pay the costs of reallocation, including engineering and legal costs, or may include the costs in the amount assessed against the affected parcels. The costs are due and payable as part of the next installment of the assessment.

Section 48-595. Issuance of improvement bonds; fund for payment of bonds

The Mayor and Council may determine that improvement bonds be issued to represent the cost and expense of the work or improvement constructed. The bonds shall be issued in the name of the Town but shall be made payable only from the special fund collected by the Town from special assessments levied and assessed upon the lots included within the limits of the assessment district.

All sums collected from the special assessments shall be placed in the special fund and shall be used for no other purpose than payment of the principal and interest of the bonds.

Section 49-597. List of unpaid assessments; issuance of bonds

After the return of the warrant, and after recording the return, the Superintendent shall make and certify to the Clerk of the City a complete list of all assessments unpaid, which amount to \$25 or over, upon any assessment. If any person before certification of the list to the Clerk of the City presents to the Superintendent an affidavit that the person owns a lot in the list, accompanied by the certificate of a searcher of records that the person is the owner of record, and notifies the Superintendent in writing that he desires no bonds to be issued for the assessment upon the lot, then the assessment shall not be included in the list, and shall remain collectable as provided by the Act. Omission to file the notice shall bar any defense against the bonds except the defense that the Mayor and Council do not have authority to issue the bonds.

The Clerk of the City shall present the list to the Mayor and Council at its next meeting after the return has been recorded. At any time after awarding a contract for construction or acquisition, the Mayor and Council may, by resolution, direct improvement bonds to be issued in an amount which shall not exceed the amount of unpaid assessments exceeding \$25 as may be shown on the certified list.

If the bonds are sold before the work or acquisition is completed, the proceeds from the sale of the bonds shall be placed in a special fund to be held by the Treasurer of the City and to be used for payment of incidental expenses and payments for construction or acquisition. Proceeds from the sale of the bonds shall be used for the acquisition or to make semimonthly or monthly payments to the contractor upon a basis of 90% of the value of the work actually performed as estimated by the Superintendent or Engineer employed for such purposes to and including the 15th or last day of each calendar month. The balance shall be paid after the Mayor and Council have approved the assessment after hearing. Pending use of the Bond proceeds, the Treasurer of the City may invest the proceeds in any investments for which sinking funds may be invested.

Section 48-599. Certification of unpaid assessments; payments by installment; interest; payments in advance

The Superintendent, at the time he certifies the list of assessments unpaid to the Clerk of the City, shall write the word "certified" on the record of the assessment opposite each assessment included in the list, and thereupon all assessments of \$25 or over shall cease to be payable in cash and shall thereafter be payable only in annual installments on December 1, in each year preceding January 1 on which the bonds become due. The Mayor and Council may provide a plan whereby the annual installment may be collected in partial payments prior to the time the installment is due, and the lien of each assessment on the property assessed shall continue and remain in full force and effect for two years after the last installment on the assessment becomes due, or the assessment is fully paid. An uncollected installment shall be added to the succeeding installment and, together with interest and penalties shall be payable therewith. The number of installments in which the assessment is payable shall correspond to the number of years in which there are bonds to be paid, but the total number of installments shall not exceed twenty-five.

All assessments of \$25 or more not paid before the certification of assessments unpaid to the Clerk of the City shall bear interest from the date of the warrant at the same rate as that specified for the bonds in the resolution of intention. The interest shall be payable on June 1 and December 1 of each year, immediately before the interest becomes due on the bonds, but the Mayor and Council may provide a plan whereby the interest may be collected in partial payments prior to the date it becomes due.

The Mayor and Council may provide for receiving payment of the installments of the assessment before they become due, and using the proceeds thereof in redeeming such bonds as may be presented for redemption by the owners thereof, or for investing the proceeds in improvement bonds for other work or other satisfactory investment, but no investment of such funds shall be made so as to prejudice the prompt payment of the bonds on the date they become due.

Section 48-600. Collection of assessment installments; notice; delinquent installments

All assessments shall be collected by the Superintendent. The Superintendent shall, 30 days before any installment of principal or interest becomes due, give notice by mail to every person interested who has filed his name and address with the Superintendent, and by publication as provided in the Act.

The notice shall serve for all assessments in the City becoming due on the date specified therein.

When an installment is paid, the Superintendent shall note in his record the date of the payment and the name of the person by or for whom it is paid. On the day succeeding the date on which the installment becomes due all installments unpaid shall become delinquent, and the Superintendent shall certify such fact on his records and mark each installment delinquent and add 5% to the amount of each installment.

Section 48-601. List of delinquent installments; publication of notice; sale of delinquent property

The Superintendent shall, within 20 days from the date of the delinquency, begin the publication of the list of the assessments on which any installment is delinquent. The Superintendent shall append to and publish with the list, a notice that unless each delinquent installment, together with the penalty and cost thereon, is paid, the whole amount of the assessment will be declared due by him, and the property upon which the assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The publication shall be published and circulated in the City for a period of 10 days in a daily newspaper, or for 2 weeks in a weekly newspaper so published and circulated. If published in a daily newspaper, publication shall be made in 2 issues of the paper, and 8 days shall intervene between the first and the last publication.

Before the date fixed for the sale or before the date to which the sale has been postponed, the Superintendent shall obtain a record search that shows the names and addresses of record of all lien claimants on, and other persons with an interest in, all lots or parcels on which an installment of the assessment is delinquent. The cost of a record search may be added to the assessment and is deemed to be a portion of the delinquent installment.

At least ten days before the sale date or the date to which the sale has been postponed, the Superintendent shall serve by first class mail a notice of the date, place and effect of the sale or postponed sale to the owner and to each of the lien claimants and other persons with an interest as shown by the search of records.

A final sale may not be held unless the Superintendent has provided notice by mail as prescribed by this section to all lien claimants discovered in the search of records. The mailing may occur either before the date originally set for the sale or before the date of any postponed sale, and only one mailing and one record search is required.

The time of sale shall not be less than 5 days nor more than 10 days after the last publication, and the place of the sale shall be in or in front of the office of the Superintendent, or in front of the usual place of meeting of the Mayor and Council of the City. The sale may be postponed.

Section 48-602. Payment after delinquency and before sale

At any time prior to the sale of any lot assessed, any person may pay the delinquent installment on the lot together with the penalty and costs then due, including the cost of advertising, whereupon the Superintendent shall note on his records the date of payment, the name of the person by or for whom it is paid, and the amount paid.

Section 48-603. Sale procedure; Town as purchaser; disposition of property by Town

On the day fixed for the sale, the Superintendent shall, at 10 o'clock a.m., or at any time thereafter, to which the sale may be adjourned, begin the sale of the property advertised, commencing at the head of the list and continuing in the numerical order of lots, until all are sold. The Superintendent may postpone or continue the sale from day to day until all the property is sold. Each lot separately assessed shall be offered for sale separately. The sale shall be for the entire assessment including the delinquent installments, and the person who will take the least quantity of land and then and there pay the amount of the assessment, penalty and costs due, including 50 cents to the Superintendent for a certificate of sale, shall become the purchaser.

The City may provide by ordinance that if there is no purchaser other than the City who will pay the entire amount of the assessment, penalty and costs, including 50 cents to the Superintendent for a certificate of sale, the Superintendent shall sell the lot or portion thereof to the person who will take the least quantity of land and then and there pay the amount of the assessment then delinquent, including interest, penalty and costs due, and 50 cents to the Superintendent for a certificate of sale, and deed shall issue to the purchaser, subject to redemption, as provided by the Act. The City may also provide by ordinance that the lien on the entire lot, piece or parcel of land assessed shall continue to be in effect for the amount of the assessment or portion thereof, including interest, penalties, and costs, thereafter to become due, and the land may again be sold should the assessment again become delinquent. When so provided by ordinance, such fact shall be stated in the notice of sale and the Superintendent shall comply with the provisions.

If there is no purchaser for any lot offered for sale, it shall be struck off to the City as the purchaser, and the Mayor and Council shall appropriate from the general fund of the treasury in the amount bid for such purpose, and shall order the Treasurer to place the amount in a special fund for such improvement. The Mayor and Council, however, may direct the Treasurer to pay into the special fund only the sum required to pay the installment then due or to become due upon the bonds issued for the assessment, and thereupon the City shall become obligated to pay from the general fund the succeeding installments and interest on the bonds, as are payable by the assessments on the lot. Thereafter the lien of the assessment shall not be extinguished for nonpayment of general taxes or prior special assessments, and the annual installments of principal and interest of the assessment shall constitute a first lien on the respective lot, piece or parcel of land, co-equal with the lien for general taxes. If the lien has not been extinguished prior to the property being stricken off to the State of Arizona, such lien shall extinguish upon sale of the property pursuant to Title 42, Chapter 18, Article 7, Arizona Revised Statutes, as amended, and the City shall share pro rata in the proceeds of such sale to the extent of the delinquent assessments.

The City may sell any lot so purchased after the expiration of the time for redemption at public or private sale. All sums received by the City from redemption of property purchased by it and from sale by it of property purchased, less the amount theretofore paid into the special fund from the general fund, shall be paid into the special fund for the payment of the bonds until the special fund is sufficient to pay all outstanding bonds. If the City has provided that the installment of principal and interest may be paid in partial payments prior to the time each of the installments becomes due, and the owner of the property against which the installment of principal and interest has become delinquent has paid in to the Superintendent partial payments on the installments, that the owner of the property advertised for sale shall have the right to pay the balance due on the annual installments of principal and interest plus penalties and costs, and no sale shall be held on the parcel of land.

The Superintendent shall record the date of the payment and mark the installment of principal or interest paid. In the event the owner does not pay the balance due on the installment of principal or interest, and the property is sold for the full amount of the assessment, the Superintendent shall refund to the owner all money received from the owner by way of partial payments.

Section 48-604. Certificate of sale; lien

After making the sale, the Superintendent shall execute, in duplicate, a certificate of sale stating the description of the property sold, the name of the owner thereof as given on the record of the assessment, that the property was sold for a delinquent assessment, specifying the improvement for which the assessment was made, the amount for which the property was sold, the date of sale, the name of the purchaser, and the time when the purchaser will be entitled to a deed. The Superintendent shall file one copy of the certificate in his office, and deliver the other to the purchaser, or if the City is the purchaser, to the Clerk of the City, who shall file it in his office.

On filing the copy of the certificate in the office of the Superintendent, the lien of the assessment shall vest in the purchaser, and is only divested by a redemption of the property, as provided in the Act.

The Superintendent shall also enter on the record of the assessment, opposite the description of each lot offered for sale, a description of the part thereof sold, the amount for which it was sold, the date of sale, and the name of the purchaser.

Section 48-605. Redemption

Redemption may be made by any party having an interest in the lot at any time before the execution and delivery of a deed therefor by paying to the Superintendent the amount for which the property was sold and 5% thereon if paid within 3 months from the date of sale, 10% if paid within 6 months, 12% if paid within 9 months, 15% if paid within 12 months, or 20% if paid after 12 months. When redemption is made, the Superintendent shall note that fact on the duplicate certificate of sale in his office and deposit the amount paid with the Treasurer of the City, who shall credit the purchaser named in the certificate of sale with the amount, and pay the amount to such purchaser or his assignee, upon the surrender of the certificate of sale.

When the City is the purchaser, the Treasurer of the City shall notify the Clerk of the Town of the redemption, and the Clerk of the City shall thereupon cancel the certificate of sale in his office.

Section 48-606. Deed to purchaser; notice to owner; redemption after notice; effect of deed

After the expiration of 12 months from the date of sale, the Superintendent shall execute to the purchaser, or his assignee, on his application, if he has fully complied with A.R.S. Section 48-606 of the Act, a deed to the property sold in which shall be recited substantially the matters contained in the certificate, any assignment thereof, and that no person has redeemed the property. The Superintendent shall receive from the applicant for a deed, \$1.00 for making the deed, unless the City is the purchaser.

The purchaser shall, at least 30 days before he applies for a deed, serve by first class mail upon the owner, all lien claimants of record, all persons of record with an interest in the property and, if occupied, upon the occupant of the property, a written notice that the property, giving the description, has been sold for a delinquent assessment, specifying the improvement for which the assessment was made, the amount for which it was sold, the amount necessary to redeem at the time of giving notice, the time when the purchaser or assignee will apply to the Superintendent for a deed, and that on issuance of the deed, all interest in the property will be extinguished, except for the lien for general property taxes and prior special assessments.

If the owner cannot be found after due diligence, the notice shall be posted in a conspicuous place upon the property at least 30 days before the time stated therein of the application for a deed.

The applicant shall file with the Superintendent an affidavit showing that notice of the application has been given, and if the owner could not be found, that due diligence was used to find the owner. If redemption of the property is made after the affidavit is filed, and more than 11 months from the date of sale, the person making redemption shall pay, in addition, for payment to the purchaser, \$3.00 for the service of notice and the making of the affidavit.

The deed of the Superintendent shall be prime facie evidence of the truth of all matters recited therein, and of the regularity of all proceedings prior to the execution thereof, and of title in the grantee. The deed of the Superintendent shall convey to the purchaser fee title to the lands described therein, free and clear of all interests, liens, claims and encumbrances, whether of record before or after the assessment lien, except for the lien on general property taxes and prior special assessments.

Section 48-607. Disposition of sale proceeds

The Superintendent shall promptly pay to the Treasurer all moneys collected by him from sales. The Treasurer, on receipt thereof, shall place the monies in the special fund hereby created for the payments of the bonds issued for the improvement.

Section 48-608. Ordinance for collection of assessments by taxation

The Mayor and Council may by ordinance passed before or after issuance of the bonds, provide that the assessments for the payment of the bonds shall be collectable in the manner and by the officers provided by law or by the charter of the Town for the collection and enforcement of the general taxes levied by the City. The ordinance shall be general in terms and shall apply to assessments for all improvement bonds issued whether issued before or after passage of the ordinance.

The time for payment of the respective installments of principal and interest under the ordinance shall be the last regular date for the payment of general taxes of the City before the date at which the installment of principal or interest would become delinquent, and the delinquency and the penalties incurred for delinquency and the method of collection under the ordinance shall be the same as for general taxes of the City.

The Mayor and Council may at any time repeal the ordinance providing such method of collection, and upon repeal the provisions for the collection of the assessments provided in the Act shall again become effective.

When any installment of an assessment is not collected when due, it may be added to and collected with any succeeding installment.

Section 48-609. Deficiency in collections

If there is a deficiency in the funds collected from the special assessments by reason of the inadequacy of the method of collection adopted by the City under A.R.S. Section 48-608, as amended, the City shall make good the deficiency, reimbursing itself from the funds collected from the installments when they are received. If such method has not been adopted, the City may, but is not so obligated, make good the deficiency by a temporary loan from some other fund.

Section 48-610. Procedure when assessment declared void

When the assessment on a lot levied for the improvement, or part thereof, or the entire assessment, is adjudged void for any reason, the Mayor and Council shall cause to be levied and assessed upon the lot on which the assessment has been held void, or upon all the lots included within the limits assessed for the work, a new assessment sufficient to provide for the payment of principal and interest on all bonds then unpaid. The reassessment shall be made as nearly as practicable in the same manner, and with like effect, as the original assessment.

In case of partial deficit, the Mayor and Council may pay the deficit from the general fund.

APPENDIX G

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 takes 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 Bonds and the Certificates. The Bonds and the Certificates 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 Bonds certificate will be executed and delivered for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. One fully-registered Certificates certificate will be executed and delivered for each maturity of the Certificates, each in the aggregate maturity 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 Bonds and the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds and Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and the Certificates 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Certificates are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of Bonds and the Certificates may wish to ascertain that the nominee holding

the Bonds and the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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 Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds and the Certificates 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 Registrar, 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 Registrar, 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 Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

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

DTC may discontinue providing its services as depository with respect to the Bonds and the Certificates at any time by giving reasonable notice to the City or the Registrar. 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 DISTRICT, 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 BONDS UNDER THE AUTHORIZING RESOLUTION; (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 PRINCIPAL OR INTEREST OR PAYMENT AMOUNT DUE WITH RESPECT TO THE BONDS AND THE CERTIFICATES; (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS AND THE CERTIFICATES; OR (5) ANY OTHER MATTERS