

NEW ISSUES – BOOK-ENTRY ONLY

RATING: APPLIED FOR

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

\$38,905,000*

CITY OF MARICOPA, ARIZONA
PLEGDED REVENUE OBLIGATIONS, SERIES 2023

DRAFT II
9-21-23

Dated: Date of Delivery

Due: July 15, as shown on the inside front cover page

The Pledged Revenue Obligations, Series 2023 (the "Obligations") will be executed and delivered (i) to finance the costs of capital projects in and for the City of Maricopa, Arizona (the "City"), and (ii) to pay costs relating to the execution and delivery of the Obligations. See "THE PROJECT" herein.

Interest on the Obligations will be payable semiannually on each July 15 and January 15, commencing July 15, 2024*. The Obligations will be dated the date of delivery and will be issuable as fully registered obligations without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Obligations. Beneficial interests in the Obligations will be available to purchasers in amounts of \$5,000 of principal due on a specific maturity date and any integral multiple thereof only under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive physical certificates. So long as any purchaser is the beneficial owner of an Obligation, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal and interest on such Obligations. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM" herein.

The Obligations will be subject to redemption prior to their stated maturities as described herein. See "THE OBLIGATIONS – Redemption Provisions" herein*.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The Obligations will be undivided, proportionate interests in the installment payments to be made by the City pursuant to a First Purchase Agreement, to be dated as of November 1, 2023* (the "Purchase Agreement"), between the City and U.S. Bank Trust Company, National Association, as trustee. The installment payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues (as defined herein) and State Shared Revenues (as defined herein) on a parity with any Additional Revenue Obligations (each as defined herein) that may be incurred on a parity as provided in the Purchase Agreement. No obligations may be incurred that would have a prior pledge of Excise Tax Revenues and State Shared Revenues to the installment payments due pursuant to the Purchase Agreement. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS" herein.

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

The Obligations will be offered when, as and if executed and delivered, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel, as to validity and tax exemption. Certain matters will be passed upon for the underwriter identified below by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona. It is anticipated that the Obligations in definitive form will be available for delivery through DTC on or about November 9, 2023*.

This cover page contains only a brief description of the Obligations and the security therefor. It is not a summary of all material information with respect to the Obligations. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Obligations.



* Subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances 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.

MATURITY SCHEDULE*

\$38,905,000*

CITY OF MARICOPA, ARIZONA PLEDGED REVENUE OBLIGATIONS, SERIES 2023

<u>Payment Date (July 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP®⁽¹⁾ No. _____</u>
2024	\$ 455,000	%	%	
2025	845,000			
2026	890,000			
2027	935,000			
2028	985,000			
2029	1,035,000			
2030	1,090,000			
2031	1,145,000			
2032	1,205,000			
2033	1,265,000			
2034	1,330,000			
2035	1,400,000			
2036	1,470,000			
2037	1,545,000			
2038	1,625,000			
2039	1,705,000			
2040	1,795,000			
2041	1,885,000			
2042	1,985,000			
2043	2,085,000			
2044	2,195,000			
2045	2,315,000			
2046	2,440,000			
2047	2,570,000			
2048	2,710,000			

* Subject to change.

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CITY OF MARICOPA, ARIZONA

CITY COUNCIL

Nancy Smith, *Mayor*

Rich Vitiello, *Vice Mayor*

Eric Goettl, *Councilmember*

Amber Liermann, *Councilmember*

Vincent Manfredi, *Councilmember*

Bob Marsh, *Councilmember*

Henry Wade, *Councilmember*

CITY ADMINISTRATION

Rick Horst, *City Manager*

Jennifer Brown, *Assistant City Manager*

Matt Kozlowski, *Deputy City Manager and Chief Financial Officer*

Brenda Hasler, *Controller*

Vanessa Bueras, *City Clerk*

Fitzgibbons Law Offices, P.L.C., *City Attorney*

FINANCIAL ADVISOR

LRB Public Finance Advisors

Salt Lake City, Utah

SPECIAL COUNSEL

Greenberg Traurig, LLP

Phoenix, Arizona

TRUSTEE

U.S. Bank Trust Company, National Association

Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City of Maricopa, Arizona (the “City”) or Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) to give any information or to make any representations with respect to the Obligations, other than those in this Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, and there shall not be any sale of the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover page and appendices hereto, has been obtained from representatives of the City and the Arizona Department of Revenue and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this 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 presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

None of the City, the Financial Advisor, the Underwriter, counsel to the Underwriter or Special Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the City’s share of unfunded liabilities of the Arizona State Retirement System or the Public Safety Personnel Retirement System.

The Obligations will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission (the “SEC”) nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Obligations for sale.

A wide variety of information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the SEC.

The City will undertake to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING DISCLOSURE” and in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” all pursuant to Rule 15c2-12 of the SEC.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES OF THE OBLIGATIONS TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE OBLIGATIONS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

\$38,905,000*

CITY OF MARICOPA, ARIZONA PLEDGED REVENUE OBLIGATIONS, SERIES 2023

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the Pledged Revenue Obligations, Series 2023 (the “Obligations”), to be executed and delivered in the principal amount indicated hereinabove. The Obligations will be undivided, participating, proportionate interests in installment payments (the “Payments”) to be made by the City of Maricopa, Arizona (the “City”), pursuant to a First Purchase Agreement, to be dated as of November 1, 2023* (the “Purchase Agreement”), between the City, as buyer, and U.S. Bank Trust Company, National Association, in its capacity as trustee (the “Trustee”). The Obligations are being executed and delivered for the purpose of providing funds (i) to finance the costs of capital projects in and for the City as described under the heading “THE PROJECT” (the “Project”), and (ii) to pay the costs and expenses relating to the execution and delivery of the Obligations. Pursuant to the Purchase Agreement, the Trustee will sell and convey to the City, and the City will buy and accept from the Trustee, the Project.

The Obligations will be executed and delivered pursuant to a First Trust Agreement, to be dated as of November 1, 2023* (the “Trust Agreement”), between the City and the Trustee. Certain of the Trustee’s interests under the Purchase Agreement, including, without limitation, the right to receive and collect the Payments and the right to enforce the payment of the Payments, will be held by the Trustee for the benefit of the registered owners of the Obligations. See APPENDIX D – “SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS” in addition to the information hereinbelow for descriptions of the terms of the Purchase Agreement and the Trust Agreement. See APPENDIX A – “CITY OF MARICOPA, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION,” APPENDIX B – “CITY OF MARICOPA, ARIZONA – FINANCIAL DATA” and APPENDIX C – “CITY OF MARICOPA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022” for information about the City.

The Payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues (as defined herein) and State Shared Revenues (as defined herein), on a parity with any Additional Revenue Obligations (as defined herein) hereafter issued or incurred as provided in the Purchase Agreement.

“Excise Tax Revenues” means revenues from any unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the City imposes; provided that the Mayor and Council of the City may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council. “State Shared Revenues” means revenues from any excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State of Arizona (the “State” or “Arizona”) or any agency thereof and returned, allocated or apportioned to the City, except the City’s share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the City may not further encumber Excise Tax Revenues and State Shared Revenues on a basis equal to the pledge for the Purchase Agreement (“Additional Revenue Obligations”) unless certain requirements are satisfied. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS – Additional Revenue Obligations; No Prior Lien Obligations” and, for detail about amounts due pursuant to the Purchase Agreement, see TABLE 5 herein. The City may not encumber Excise Tax Revenues and State Shared Revenues on a basis prior to the pledge for the Purchase Agreement.

* *Subject to change.*

THE OBLIGATIONS AND THE OBLIGATION OF THE CITY TO MAKE THE PAYMENTS EACH CONSTITUTE A LIMITED OBLIGATION OF THE CITY, AND NEITHER CONSTITUTES A GENERAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OR LAWS OF THE STATE. THE CITY'S OBLIGATION TO MAKE THE PAYMENTS IS NOT SUBJECT TO ANNUAL APPROPRIATION OR BUDGETING BY THE CITY NOR IS SUCH OBLIGATION SUBJECT TO ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON EXPENDITURES.

Unless and until discontinued, the Obligations will be held in book-entry form by The Depository Trust Company, New York, New York ("DTC"), a registered securities depository, and beneficial interests therein may only be purchased and sold, and payments of principal and interest on the Obligations will be made only to beneficial owners (the "Beneficial Owners"), through participants in the DTC system. Beneficial interests in the Obligations will be available to purchasers in amounts of \$5,000 of principal due on a specific payment date and any integral multiple thereof. So long as Cede & Co. is the registered Owner of the Obligations, as nominee for DTC, references in this Official Statement to "Owner" or registered Owners of the Obligations (other than with respect to the Obligations under the heading "TAX EXEMPTION") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Obligations. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM" herein.

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

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. Those provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or beneficial owners of the Obligations.

THE OBLIGATIONS

General Provisions

The Obligations will be dated the date of their initial execution and delivery, and will bear interest payable semiannually on July 15 and January 15 of each year (each an "Interest Payment Date"), commencing on July 15, 2024*, until their maturity date or redemption dates, at the rates set forth on the inside front cover page of this Official Statement. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

As described in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM," the Obligations, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Obligations, all payments on the Obligations and notices regarding the Obligations will be made directly to DTC.

Subject to the provisions summarized in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM," the principal of each Obligation will be payable at the designated office of the Trustee. Interest represented by the Obligations will be paid on each Interest Payment Date by check drawn on the Trustee mailed on or before the Interest Payment Date to the registered owners as shown on the records of the Trustee as of the last day of the month immediately preceding such Interest Payment Date or, if such date is not a business day, on the next succeeding business day (the "Regular Record Date") or the Trustee may agree with a registered Owner of \$1,000,000 or more in aggregate principal amount of the Obligations for another form of payment.

* *Subject to change.*

If the Trustee fails to make payments or provision for payment of interest on the Obligations when due on any Interest Payment Date, that interest shall cease to be payable to the registered Owner of such Obligations as of the applicable Regular Record Date, and when moneys become available for payment of that interest, the Trustee shall establish a special record date for the payment of that interest, which shall be at least ten days prior to the proposed interest payment date, and notice of such special record date shall be mailed to each registered Owner at least ten days prior to the special record date.

Each Obligation will accrue interest from the Interest Payment Date next preceding the date of its execution, unless: (i) executed on an Interest Payment Date or after a Regular Record Date but before the following Interest Payment Date, in which case interest accrues from such Interest Payment Date, (ii) executed on the date of initial delivery or prior to July 15, 2024*, in which case interest accrues from its dated date, or (iii) payment of interest is in default, in which case interest is payable from the last date to which interest has been paid or, if none, its dated date.

Redemption Provisions*

Optional Redemption of Obligations. The Obligations maturing before or on July 15, 20__, will not be subject to redemption prior to their slated maturity dates. The Obligations maturing on or after July 15, 20__, will be subject to redemption, at the option of the City, in whole or in part on any date on or after July 15, 20__, at the redemption price of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

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

Notice of Redemption. Redemption notices will be sent only to DTC by electronic media, not more than 60 nor less than 30 days prior to the date set for redemption. See APPENDIX G – “BOOK-ENTRY-ONLY SYSTEM.” Such notice will state that if, on the specified redemption date, moneys for redemption of all the Obligations to be redeemed together with interest to the date of redemption, is held by the Trustee, then, from and after said date of redemption, interest with respect to the Obligations will cease to accrue and become payable and that if such moneys are not so held, the redemption will not occur.

SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS

General

The Obligations will be special, limited, revenue obligations, taking the form of undivided, participating, proportionate interests in the Payments. The obligation of the City to make the Payments will be limited to payment from Excise Tax Revenues and State Shared Revenues and will in no circumstances constitute a general obligation or a pledge of the full faith and credit of the City, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

Under the terms of the Trust Agreement, an irrevocable trust will be administered by the Trustee for the equal and proportionate benefit of the Owners of the Obligations, which trust includes: (1) all right, title and interest of the Trustee in the Purchase Agreement and the right to (a) make claim for, collect or receive all amounts payable or receivable thereunder, (b) bring actions and proceedings thereunder or for the enforcement of such rights, and (c) do any and all other things which the Trustee is entitled to do thereunder; (2) amounts on deposit from time to time in the funds created pursuant to the Trust Agreement; and (3) any and all other property of any kind hereafter conveyed as additional security for the Obligations.

* *Subject to change.*

Pledge

The Payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues and State Share Revenues on a parity with the payments due pursuant to any Additional Revenue Obligations.

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the City may not further encumber Excise Tax Revenues and State Shared Revenues on a basis equal to the pledge for the Purchase Agreement unless certain requirements are satisfied. See “Additional Revenue Obligations; No Prior Lien Obligations” below. For detail about amounts due pursuant to the Purchase Agreement, see TABLE 5.

If at any time the moneys in the funds held for payment of amounts due under the Purchase Agreement or the Trust Agreement are not sufficient to make the deposits and transfers required, any such deficiency will be made up from the first moneys thereafter received and available for such transfers under the terms of the Purchase Agreement and, with respect to payment from Excise Tax Revenues and State Shared Revenues, *pro rata*, as applicable, with amounts due with respect to the Purchase Agreement and any Additional Revenue Obligations. Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by the Trustee for payments due under the Purchase Agreement and the Trust Agreement will constitute surplus revenues and may be used by the City for any lawful purpose for the benefit of the City. The City may make such payments from its other funds as permitted by law and as the City determines from time to time, but the Trustee will thereafter have no claim to such other funds. The Purchase Agreement will not terminate so long as any of the Payments are due and owing pursuant to the terms of the Obligations.

Payment of the principal represented by the Obligations will not be secured by the Project, and neither the Trustee nor the Owners of the Obligations have any claim or lien on the Project or any part thereof.

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

Coverage Requirements

To the extent permitted by applicable law, Excise Tax Revenues will be retained and maintained so that the amounts received from Excise Tax Revenues and State Shared Revenues, all within and for the most recently completed fiscal year of the City, will be equal to at least two (2) times the Annual Debt Service for the current fiscal year of the City. If Excise Tax Revenues and State Shared Revenues for any such fiscal year shall not have been equal to at least two (2) times the Annual Debt Service for the current fiscal year of the City or if at any time it appears that Excise Tax Revenues and State Shared Revenues will not be sufficient to meet such requirements, the City will, to the extent permitted by applicable law, impose new exactions of the type of the excise taxes which will be part of the Excise Tax Revenues or increase the rates for the excise taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year of the City in order that (i) Excise Tax Revenues and State Shared Revenues will be sufficient to meet all such requirements and (ii) Excise Tax Revenues and State Shared Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

Additional Revenue Obligations; No Prior Lien Obligations

Additional Revenue Obligations may be incurred but only if Excise Tax Revenues and State Shared Revenues in the most recently completed fiscal year of the City have amounted to at least two (2) times the Maximum Annual Debt Service. No obligations may be incurred that would have a prior pledge of Excise Tax Revenues and State Shared Revenues to the Payments.

EXCISE TAX REVENUES AND STATE SHARED REVENUES

Excise Tax Revenues and State Shared Revenues will be pledged as security for the Payments due pursuant to the Purchase Agreement, which will be used to pay debt service on the Obligations. The major categories of such revenues are discussed more fully under this heading.

NO ASSURANCES CAN BE GIVEN THAT THE AMOUNT OF STATE SHARED SALES TAXES OR STATE SHARED INCOME TAXES DESCRIBED HEREINBELOW WILL NOT BE REDUCED OR ELIMINATED BY THE STATE LEGISLATURE IN THE FUTURE.

Excise Tax Revenues

City Transaction Privilege (Sales) Tax. The City collects a transaction privilege (sales) tax on a variety of categories of business activity. The City’s transaction privilege (sales) tax is levied by the City upon persons on account of their business activities within the City. The amount of taxes due is calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities shown in TABLE 1.

TABLE 1

City Transaction Privilege (Sales) Tax Rates by Category City of Maricopa, Arizona

Category	City Privilege Tax Rate
Advertising	2.00%
Amusements	2.00
Contracting – Prime	3.50
Contracting – Speculative Builders	3.50
Contracting – Owner Builder	3.50
Job Printing	2.00
Manufactured Buildings	2.00
Timbering and Other Extraction	2.00
Severance – Metal Mining	0.10
Publication	2.00
Hotels	2.00
Hotel/Motel (Additional Tax) (a)	5.50
Residential Rental, Leasing, & Licensing for Use (b)	2.00
Commercial Rental, Leasing, & Licensing for Use	2.00
Rental, Leasing, & Licensing for Use of TPP	2.00
Restaurant and Bars	2.00
Retail Sales	2.00
Retail Sales Food for Home Consumption	2.00
Maintenance, Repair, Replace and Alteration (MRRA) Amount	2.00
Communications	2.00
Transporting	2.00
Utilities	2.00
Use Tax Purchases	2.00
Use Tax From Inventory	2.00

(a) *The City levies an additional 5.50% transient lodging tax on any hotel, motel, apartment or individual charging for lodging space to any person for less than 30 consecutive days. 3.50% of this tax is restricted by State law to use for visitor and hospitality services. Such amounts are not part of the Excise Tax Revenues pledged to payment of the Payments.*

(b) Chapter 204, Laws of Arizona 2023 (commonly referred to by its original bill number “SB 1131”), eliminates the ability of Arizona municipalities to levy a transaction privilege tax on the business of renting or leasing real property for residential purposes from and after December 31, 2024. As of the date of this Official Statement, the City is unable to predict the amount of any potential reduction in Excise Tax Revenues relating to the elimination of this transaction privilege tax for Fiscal Year 2024-25.

Source: Arizona Department of Revenue.

The following table shows actual collections of the City’s unrestricted transaction privilege (sales) tax by industry classification for fiscal years 2017/18 through and including 2021/22, unaudited actual collections for fiscal year 2022/23 and budgeted collections for fiscal year 2023/24.

TABLE 2

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

Industry Classification	Audited					Unaudited	Budgeted
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 (a)	2023/24 (a)
Mining	\$ -	\$ -	\$ 1,987	\$ 1,671	\$ 626	\$ 421	\$ 396
Communication & Utilities	1,548,521	1,552,946	2,191,885	514,112	571,620	653,321	614,384
Transportation	90	2,004	2,133	52,581	27,186	30,043	28,252
Construction	2,799,001	5,151,332	6,026,592	6,890,380	9,736,967	11,103,333	10,441,583
Manufacturing	252,000	118	279,002	365,136	515,220	627,581	590,178
Wholesale	462,111	410,130	202,223	280,085	285,278	337,771	317,640
Retail	4,863,178	5,824,637	7,128,998	9,847,462	10,984,586	12,259,683	11,529,015
Financial and Insurance	49,000	-	33,861	41,244	45,320	60,536	56,928
Real Estate Rental (b)	876,937	1,006,962	1,795,820	1,751,167	4,620,746	7,475,029	7,029,523
Restaurant & Bar	938,719	1,058,619	898,860	1,221,634	1,408,563	1,499,396	1,410,033
Accommodation (c)	4,697	97,608	1,436	1,053	16,585	183,865	172,907
Public Administration	6,078	3,941	11,954	16,299	19,743	15,283	160,906
Services	38,909	25,203	343,197	569,616	622,298	835,936	786,115
Arts & Entertainment	19,190	97,380	22,688	19,037	11,011	170,596	160,429
Other	34,925	15,813	11,578	795,600	895,426	1,433,692	1,348,245
Total	\$ 11,893,356	\$ 15,246,693	\$ 18,952,214	\$ 22,367,077	\$ 29,761,175	\$ 36,686,486	\$ 34,500,000

(a) Unaudited actual collections for fiscal year 2022/23 and budgeted collections for fiscal year 2023/24 are “forward-looking” statements, subject to change upon audit and should be considered with an abundance of caution.

(b) **[Include footnote on estimated loss of real estate rental revenues?]**

(c) A portion of the City’s Hotel/Motel tax is restricted by State statute to use for visitor and hospitality services. The restricted amounts are not part of the Excise Tax Revenues pledged to payment of the Payments.

Source: Finance Department of the City.

Franchise Fees. The City imposes and collects franchise fees to engage in certain activities within the City and the right to utilize certain City property.

Business Licenses. The City imposes and collects fees for licenses to engage in certain activities within the City and the right to utilize certain City property. Those entities transacting more than one type of business are required to have separate business license for each activity they engage. The City has the authority and ability to set the charge for the business license at whatever rate it determines.

Permits. The City imposes and collects fees for permits to engage in certain activities within the City the right to utilize certain City property.

Parks and Recreation Fees. The City imposes and collects fees for parks and recreation to engage in certain activities within the City and the right to utilize certain City property.

Fines and Forfeitures. The City imposes and collects fines and forfeitures for violations of State laws or City ordinances relating to traffic, parking, animal control and other offenses.

State Shared Revenues

State Shared Sales Taxes. Pursuant to statutory formula, cities and towns in Arizona receive a portion of revenues from the State-levied transaction privilege (sales) tax. As TABLE 3 indicates, the rate of taxation on such tax varies among the different types of business activities taxed, with the most common rate being 5.0% of the amount or volume of business transacted.

Currently, the aggregate amount distributed to all Arizona cities and towns is equal to 25% of the “distribution share” of revenues attributable to each category of taxable activity. Each city’s or town’s allocation of the revenues available to all cities and towns is based on its population relative to the aggregate population of all cities and towns as shown by the latest census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns.

TABLE 3

**State-Transaction Privilege (Sales) Tax Rates
Taxable Activities and Distribution Base**

<u>Taxable Activities</u>	<u>State Tax Rate</u>	<u>Distribution Base</u>	<u>Education Tax Rate (a)</u>	<u>Combined Tax Rate</u>
Transporting	5.000%	20.00%	0.60%	6.600%
Utilities	5.000	20.00	0.60	6.600
Telecommunications	5.000	20.00	0.60	6.600
Pipeline	5.000	20.00	0.60	6.600
Private car line	5.000	20.00	0.60	6.600
Publication	5.000	20.00	0.60	6.600
Job printing	5.000	20.00	0.60	6.600
Prime contracting	5.000	20.00	0.60	6.600
Owner builder sales	5.000	20.00	0.60	6.600
Amusement	5.000	40.00	0.60	6.600
Restaurant	5.000	40.00	0.60	6.600
Personal property rental	5.000	40.00	0.60	6.600
Retail (excluding food sales)	5.000	40.00	0.60	6.600
Transient lodging	5.500	50.00	N/A	6.500
Mining - non-metal, oil/gas	3.125	32.00	N/A	3.125
Commercial lease	0.000	53.33	N/A	0.000
Severance - metalliferous mining	2.500	80.00	N/A	2.500
Use tax utilities	5.000	20.00	0.60	6.600
Jet fuel use tax	(b)	40.00	N/A	(b)

N/A = Not applicable.

(a) Represents the State transaction privilege (sales) tax rate approved by voters of the State in November 2000 (the “Education Tax”) on certain of the categories of business activity at six-tenths of one percent (0.6%). **The**

Education Tax collections are dedicated exclusively to education and are not distributed to the City or pledged to the payment of debt service with respect to the Obligations. The effective dates for the original voter-approved Education Tax are June 1, 2001 through June 30, 2021. The Legislature extension of the Education Excise Tax (enacted in 2018) is effective from July 1, 2021 through June 30, 2041.

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

Source: Arizona Revised Statutes, Arizona Department of Revenue and the Arizona Secretary of State. *State Shared Income Taxes.* Under current State law, Arizona cities and towns are preempted from imposing a local income tax. Cities and towns are, however, entitled by statutory formula to receive typically 15% (18% beginning with fiscal year 2023/24) of the net proceeds of the State's personal and corporate income tax collections for the fiscal year which is two fiscal years prior to the current fiscal year. Distribution of such funds is made monthly based on the proportion of each city's or town's population to the total population of all incorporated cities and towns in the State as determined by the latest census. Reduced economic activity or reductions in the statutory formula share could adversely affect the City's revenues.

Legislation Regarding Withholding of State Shared Revenues. Section 41-194.01, Arizona Revised Statutes, permits the State to withhold from a county, city or town ("Local Jurisdiction") State revenues that would otherwise be shared with Local Jurisdictions.

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

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

Lack of City's Control Over State Shared Sales Tax or State Shared Income Tax Levels; Recent Legislative Changes. From time to time, bills are introduced in, and legislation enacted by, the Arizona Legislature to change the formulas used to allocate State Shared Sales Taxes and State Shared Income Taxes, including proposed adjustments that would reduce the distribution to cities and towns. The possibility of changes in this respect are more likely to be adverse to the City when the State is experiencing financial difficulties. The City cannot determine whether any such measures will become law or how they might affect State Shared Sales Taxes and State Shared Income Taxes, which comprise State Shared Revenues. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law, which would repeal or modify State Shared Sales Taxes and State Shared Income Taxes (a major source of funds for state revenue sharing). The City cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of any such election.

It should be noted that no assurances can be given that the amount of State Shared Sales Taxes and State Shared Income Taxes will not be reduced or eliminated by the State Legislature in the future. The State Legislature may from time to time eliminate State Shared Sales Taxes and State Shared Income Taxes or may change the amount and timing of payment of State Shared Sales Taxes and State Shared Income Taxes and is under no legal obligation to maintain the amount of State Shared Sales Taxes and State Shared Income Taxes payable to the City at any amount or level. For example, addressing State budgetary deficiencies, adjustments that reduce the distribution of State Shared Sales Taxes

could be enacted. Likewise, legislative reductions in State sales or income taxes generally could result in reductions in the amounts distributed to local governments, including the City. Accordingly, the City is unable to covenant to maintain State Shared Sales Taxes or State Shared Income Taxes at any certain level.

As part of the State’s fiscal year 2021/22 budget, on June 30, 2021 the then-Governor of the State signed Senate Bill 1828 (SB1828), which will consolidate the State’s current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated \$1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023/24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The City cannot predict what effect the passage of SB1828 will have on its revenues from State Shared Income Taxes.

Set forth in TABLE 4 below are audited collections of Excise Tax Revenues and State Shared Revenues for fiscal years 2017/18 through and including 2021/22, unaudited actual collections for fiscal year 2022/23 and budgeted collections for fiscal year 2023/24.

TABLE 4

**Historical and Projected Excise Tax Revenues and State Shared Revenues Collections (a)
City of Maricopa, Arizona**

Category	Audited					Unaudited	Budgeted
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 (b)	2023/24 (b)
City Transaction Privilege (Sales) Taxes	\$ 11,194,657	\$ 14,161,420	\$ 17,745,381	\$ 21,916,285	\$ 28,883,830	\$ 35,081,311	\$ 34,279,129
Franchise Taxes	1,238,325	1,221,114	1,281,198	1,434,873	1,607,530	1,324,191	1,200,000
Licenses, Fees & Permits	2,535,211	2,597,945	2,825,255	6,122,729	5,272,415	3,738,924	2,664,461
Fines, Forfeitures & Penalties	583,454	598,784	546,745	507,042	528,410	490,297	466,900
Charges for Services	1,010,497	2,531,178	2,848,854	4,390,623	6,136,046	6,042,836	4,554,400
State-Shared Revenues:							
State Sales Tax (c)	4,514,471	4,845,959	5,185,333	5,879,438	8,490,230	8,906,816	9,441,809
State Income Tax	5,809,383	5,813,641	6,468,828	7,449,676	7,521,658	11,898,082	16,819,378
TOTAL	\$ 26,885,998	\$ 31,770,042	\$ 36,901,594	\$ 47,700,666	\$ 58,440,118	\$ 67,482,456	\$ 69,426,077

- (a) *The Obligations will be secured by a first lien on and pledge of Excise Tax Revenues and State Shared Revenues. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS.”*
- (b) *Unaudited actual collections for fiscal year 2022/23 and budgeted collections for fiscal year 2023/24 are “forward-looking” statements, subject to change upon audit and should be considered with an abundance of caution.*
- (c) *As part of the State’s fiscal year 2021/22 budget, Senate Bill 1828 (SB1828) will consolidate the State’s current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated \$1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023/24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%.*

Source: The Finance Department of the City.

THE PROJECT

Proceeds of the Obligations will be used to finance the costs of the Project, comprised of streets, landscaping, public parks, recreational facilities, municipal buildings and related capital improvements.

SOURCES AND USES OF FUNDS

Principal Amount	\$38,905,000.00*
[Net] Original Issue Premium / Discount (a)	
Total Sources of Funds	<hr/>
Deposit to Acquisition Fund	
Deposit to Costs of Issuance Fund (b)	<hr/>
Total Uses of Funds	<hr/>

* *Subject to change.*

- (a) *[Net original issue premium consists of original issue premium on the Obligations less original issue discount on the Obligations.]*
- (b) *Includes fees of the Financial Advisor (as defined herein), Special Counsel (as defined herein), the Trustee, rating agency fees and other costs related to the delivery of the Obligations.*

ESTIMATED DEBT SERVICE REQUIREMENTS AND COVERAGE

TABLE 5

Schedule of Estimated Debt Service Requirements and Coverage (a)
City of Maricopa, Arizona

Fiscal Year	Pledged Revenues (b)	The Obligations*		Total Estimated Annual Debt Service Requirements*	Projected Maximum Annual Debt Service Coverage (d)*
		Principal	Interest (c)		
2022/23	\$67,482,456				
2023/24					
2024/25		\$455,000	\$2,326,685 (e)	\$2,781,685	
2025/26		845,000	1,931,950	2,776,950	
2026/27		890,000	1,888,575	2,778,575	
2027/28		935,000	1,842,950	2,777,950	
2028/29		985,000	1,794,950	2,779,950	
2029/30		1,035,000	1,744,450	2,779,450	
2030/31		1,090,000	1,691,325	2,781,325	
2031/32		1,145,000	1,635,450	2,780,450	
2032/33		1,205,000	1,576,700	2,781,700	
2033/34		1,265,000	1,514,950	2,779,950	
2034/35		1,330,000	1,450,075	2,780,075	
2035/36		1,400,000	1,381,825	2,781,825	24.26x
2036/37		1,470,000	1,310,075	2,780,075	
2037/38		1,545,000	1,234,700	2,779,700	
2038/39		1,625,000	1,155,450	2,780,450	
2039/40		1,705,000	1,072,200	2,777,200	
2040/41		1,795,000	984,700	2,779,700	
2041/42		1,885,000	892,700	2,777,700	
2042/43		1,985,000	795,950	2,780,950	
2043/44		2,085,000	694,200	2,779,200	
2044/45		2,195,000	584,456	2,779,456	
2045/46		2,315,000	466,069	2,781,069	
2046/47		2,440,000	341,250	2,781,250	
2047/48		2,570,000	209,738	2,779,738	
2048/49		2,710,000	71,138	2,781,138	
		<u>\$38,905,000</u>	<u>\$30,592,510</u>	<u>\$69,497,510</u>	

* Subject to change.

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) The amount of Excise Tax Revenues and State Shared Revenues used to calculate the coverage requirements is the unaudited actual amount for fiscal year 2022/23. These amounts are unaudited, actual collections, and are subject to change upon audit and should be considered with an abundance of caution. See TABLE 4 – "Historical and Projected Excise Tax Revenues and State Shared Revenues Collections."

As part of the State's fiscal year 2021/22 budget, Senate Bill 1828 (SB1828) will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated \$1.3 billion or greater annual reduction in income tax receipts by the

State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023/24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%.

- (c) *Interest on the Obligations is estimated.*
- (d) *Debt service coverage is based on revenues available for debt service (see footnote (b)) compared to the highest combined total of the debt service requirements in any succeeding fiscal year for the Obligations.*
- (e) *The first interest payment on the Obligations is due on July 15, 2024*. Thereafter, interest payments will be made semiannually on January 15 and July 15, until maturity or prior redemption. See “THE OBLIGATIONS – Redemption Provisions”.*

TAX EXEMPTION

In General

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

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

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

Except as described above, Special Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the Interest Portion, or the ownership or disposition of the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of the Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Obligations, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the Interest Portion, (iii) the inclusion of the Interest Portion in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the Interest Portion in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of the Interest Portion in the determination of the taxability of certain Social Security

and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Obligations generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including the Interest Portion, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of these and any other tax consequences.

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

Original Issue Discount and Original Issue Premium

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

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

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

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of the Interest Portion,

adversely affect the market price or marketability of the Obligations, or otherwise prevent the holders from realizing the full current benefit of the status of the Interest Portion. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Obligations. Prospective purchasers of the Obligations should consult their tax advisors as to the impact of any proposed or pending legislation.

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

Information Reporting and Backup Withholding

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

LEGAL MATTERS

Legal matters incident to the authorization, sale and execution and delivery by the City of the Obligations and tax matters with respect to the Interest Portion will be passed upon by Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel. A signed copy of that opinion, dated and speaking only as of the date of delivery of the Obligations, will be delivered to the City. A draft of the form of that opinion is included as APPENDIX E hereto. Certain legal matters will be passed upon solely for the benefit of the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona. See “RELATIONSHIPS AMONG PARTIES.”

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

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material impact on the City and could adversely affect the secondary market value of the Obligations. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Obligations) issued prior to enactment.

The legal opinion to be delivered concurrently with the delivery of the Obligations will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the

transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

To the knowledge of the City, no litigation or administrative action or proceeding is pending, restraining or enjoining, or seeking to restrain or enjoin, the execution and delivery of the Obligations or the pledge of Excise Tax Revenues and State Shared Revenues to the payment of the Payments, contesting or questioning the proceedings and authority under which the Obligations have been authorized and are to be sold, executed or delivered, or the validity of the Obligations. An authorized City representative will deliver a certificate to the same effect at the time of the original delivery of the Obligations.

FINANCIAL STATEMENTS

The financial statements of the City for the period ended June 30, 2022, which are included as APPENDIX C – “CITY OF MARICOPA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022” of this Official Statement, have been audited by Heinfeld, Meech & Co., P.C.. All financial information presented herein should be read in conjunction with the financial statements and accompanying Notes in APPENDIX C. **The City neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C. to include such financial statements and Heinfeld, Meech & Co., P.C. has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such financial statements.**

THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX C OF THIS OFFICIAL STATEMENT ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE CITY.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2024 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the City as such will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access System, each as described in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX F – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12(b)(5) (the “Rule”). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price.

The City has entered into prior continuing disclosure undertakings (the “Prior Undertakings”) and in connection with the Prior Undertakings (i) failed to file, (ii) failed to file timely and/or (iii) incorrectly filed certain items, including but not limited to, (a) rating updates, (b) audited financial information and (c) certain tables as required in the Prior Undertakings. Such items, along with failure to file notices, have since been filed. The City has implemented written policies and procedures to facilitate timely and proper filing of its Annual Reports and Notices for all of the City’s outstanding bonds.

UNDERWRITING

The Obligations are being purchased by the Underwriter. The Underwriter has agreed to purchase from the City the Obligations at an aggregate purchase price of \$_____ pursuant to an obligation purchase agreement between the City and the Underwriter. The aggregate purchase price reflects compensation to the Underwriter of \$_____. The Obligations may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Obligations into investment trusts) at prices lower than the public offering prices stated on the inside cover page hereof, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Obligations if any Obligations are purchased.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned the rating of "___" to the Obligations. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, California 94111. Such rating, if assigned, may be revised or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Obligations. The City will covenant in its continuing disclosure undertaking with respect to the Obligations that it will file notice of any formal change in any rating relating to the Obligations. See "CONTINUING DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

FINANCIAL ADVISOR

LRB Public Finance Advisors (the "Financial Advisor") has been engaged by the City for the purpose of advising the City as to certain debt service structuring matters specific to the Obligations and on certain matters relative to the City's overall debt financing program. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the execution and delivery of the Obligations. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the City. No person is entitled to rely on the Financial Advisor's participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of the information contained herein.

RELATIONSHIP AMONG PARTIES

Greenberg Traurig, LLP, Special Counsel, has acted as counsel to the Underwriter in other transactions underwritten by the Underwriter and as bond counsel in other transactions underwritten by the Underwriter. Squire Patton Boggs (US) LLP, counsel to the Underwriter, has acted as bond counsel in other transactions underwritten by the Underwriter. Greenberg Traurig, LLP and Squire Patton Boggs (US) LLP have also acted as bond counsel and/or counsel to the underwriter with respect to bonds issued by the City and/or other overlapping political subdivisions.

The Underwriter and the Financial Advisor have underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions. The Underwriter and the Financial Advisor have underwritten or acted as financial advisor on other transactions together and expect to do so in the future.

CONCLUDING STATEMENT

The summaries or descriptions of provisions in the Purchase Agreement and the Trust Agreement contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents.

All projections, forecasts and other information in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Obligations.

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

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

THE CITY OF MARICOPA, ARIZONA

By.....
Mayor

**CITY OF MARICOPA, ARIZONA –
GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

The following information regarding the City is provided for background information only. No representation is made as to the relevance of the data to the repayment of the Obligations. The Obligations are payable solely from Payments to be paid by the City under the Purchase Agreement which are secured by a first lien pledge of Excise Tax Revenues and State Shared Revenues as described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS.”

General

The City became Arizona’s 88th municipality when it incorporated in October 2003 and currently serves approximately 45 square miles of incorporated area. Since 2003, the City has grown to the 17th largest city in Arizona with a current population estimate of 66,290. The City is located in the western part of Pinal County, Arizona (the “County”) and south of Maricopa County, Arizona, approximately 16 miles south of Interstate 10, and approximately 38 miles south of Phoenix, Arizona.

TABLE A-1

POPULATION STATISTICS

	<u>City of Maricopa</u>	<u>Pinal County</u>	<u>State of Arizona</u>
2022 Estimate (a)	66,290	464,154	7,359,197
2020 Census	58,125	425,264	7,151,502
2010 Census	43,482	375,770	6,392,017
2000 Census	N/A	179,727	5,130,632
1990 Census	N/A	116,397	3,665,339

(a) Estimate as of July 2022 (data released in May 2023).

Source: The U.S. Census Bureau.

Municipal Government and Organization

The City operates under a Council-Manager form of government. The Mayor is elected for four years and six council members are elected at-large on a non-partisan ballot for staggered four-year terms. The City Council appoints a manager who has full responsibility for carrying out council policies and administering operations.

Water is provided by Global Water Resources, Inc., and the Maricopa Domestic Water Improvement District; telephone service is provided by CenturyLink; gas service is provided by Southwest Gas; and electricity is provided by Electrical District No. 3.

Economy

The City’s Office of Economic Vitality facilitates new business and industry moving to the City. The City is home to the U.S. Department of Agriculture Arid-Land Agricultural Research Center, the University of Arizona Maricopa Agricultural Center, and Pinal Energy (ethanol facilities).

The following is a partial list of major employers in the City.

TABLE A-2
MAJOR EMPLOYERS
City of Maricopa, Arizona

Employer	Description	Approximate Number of Employees
Maricopa Unified School District	Education	670
City of Maricopa	Government	440
Walmart	Retail	250
Pinal County	Government	200
Volkswagen Proving Grounds	Proving Ground	150
Fry’s Food Store	Grocery	110
Sequoia Pathway Academy	Education	100
McDonald’s	Restaurant	90
Legacy Traditional School	Education	80
Native Grill and Wings	Restaurant	80

Source: Maricopa Association of Governments Employer Database.

The following table illustrates the unemployment rate averages for the City, the County, the State and the United States of America.

TABLE A-3
UNEMPLOYMENT RATE AVERAGES (a)

Calendar Year	City of Maricopa	Pinal County	State of Arizona	United States of America
2023 (b)	4.1%	4.0%	3.8%	3.7%
2022	3.8	3.9	3.8	3.7
2021	5.3	4.9	5.1	5.4
2020	7.7	7.4	7.8	8.1
2019	4.6	5.0	4.9	3.7
2018	4.6	5.0	4.8	3.7

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through August 2023.

Source: Arizona Office of Economic Opportunity, in collaboration with the U.S. Census Bureau.

**CITY OF MARICOPA, ARIZONA –
FINANCIAL DATA**

The following information regarding the City is provided for background information only. No representation is made as to the relevance of the data to the repayment of the Obligations. The Obligations are payable solely from Payments to be paid by the City under the Purchase Agreement which are secured by a first lien pledge of Excise Tax Revenues and State Shared Revenues as described under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS.”

TABLE B-1

**Current Year Statistics (For Fiscal Year 2023/24)
City of Maricopa, Arizona**

General Obligation Bonds Outstanding	\$ 26,540,000
Excise Tax Revenue and State Shared Revenue-Secured Obligations Outstanding and to be Outstanding	38,905,000* (a)

* *Subject to change.*

(a) *Includes the Obligations.*

STATEMENTS OF BONDED INDEBTEDNESS

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

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2020	\$9,900,000	Current refunding	2030	\$7,400,000
2023A	17,065,000	Current refunding	2035	17,065,000
2023B	2,075,000	Current refunding	2025	2,075,000
Total General Obligation Bonded Debt Outstanding				<u>\$ 26,540,000</u>

TABLE B-2

**Excise Tax Revenue and State Shared Revenue Obligations Outstanding and to be Outstanding
City of Maricopa, Arizona**

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding and to be Outstanding
None currently outstanding				
Total Excise Tax Revenue and State Shared Revenue Debt Outstanding				\$ -
Plus: The Obligations				<u>38,905,000*</u>
Total Excise Tax Revenue and State Shared Revenue Debt Outstanding and to be Outstanding				<u><u>\$ 38,905,000*</u></u>

* *Subject to change.*

**Other Indebtedness
City of Maricopa, Arizona**

The City has entered into various agreements to finance the acquisition of network switches and multiple fire engines. The outstanding amount as of June 30, 2022 was \$1,208,381. The City makes payments due under such agreements from its General Fund, Fire Impact Fee Fund, and the General Government CIP.

GENERAL FUND

Below are the City general fund revenues, expenditures and changes in fund balance for the audited fiscal years 2017/18 through and including 2021/22, unaudited actual figures for fiscal year 2022/23 and budgeted figures for fiscal year 2023/24. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS” for a description of the source of payment for the Obligations. This information is not intended to indicate that the Obligations will be payable from any source other than described under such heading or to indicate future or continuing trends of the financial affairs of the City.

TABLE B-3

	Audited					Unaudited	Budgeted
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 (a)	2023/24 (a)
REVENUES							
Property taxes	\$ 11,017,676	\$ 11,873,312	\$ 12,783,986	\$ 12,766,340	\$ 13,048,010	\$ 14,346,277	\$ 16,196,391
Sales taxes	11,194,657	14,161,420	17,745,381	21,916,285	28,988,821	\$35,305,904	34,500,000
Franchise taxes	1,238,325	1,221,114	1,281,198	1,434,873	1,607,530	1,324,191	1,200,000
Licenses, fees & permits	2,535,211	2,597,945	2,825,255	6,122,729	5,272,415	3,738,924	2,664,461
Intergovernmental revenues	13,146,834	13,633,155	14,776,960	17,405,233	19,575,241	25,287,907	31,348,174
Charges for services	1,010,497	2,531,178	2,848,854	4,390,623	6,136,046	6,042,836	4,554,400
Fines, forfeitures & penalties	583,454	598,784	546,745	507,042	528,410	490,297	466,900
Investment income (loss)	89,411	1,196,192	1,458,576	229,472	(983,578)	2,116,030	-
Miscellaneous	389,497	815,937	364,948	849,010	936,728	884,810	415,200
TOTAL REVENUES	\$ 41,205,562	\$ 48,629,037	\$ 54,631,903	\$ 65,621,607	\$ 75,109,623	\$ 89,537,175	\$ 91,345,526
EXPENDITURES							
Current:							
General government	\$ 7,421,822	\$ 7,649,857	\$ 8,025,099	\$ 10,938,183	\$ 12,328,819	\$ 13,204,214	\$ 23,698,318
Public safety	21,338,892	22,229,213	17,003,789	21,796,271	22,209,632	24,489,074	29,123,876
Community services	2,341,072	6,030,601	4,379,399	4,548,497	5,167,441	6,303,251	3,359,001
Development services	1,659,736	1,938,889	2,218,701	2,943,880	2,065,831	2,767,878	3,253,152
Public works	1,422,836	1,875,347	5,462,049	6,366,400	6,782,963	6,315,188	9,654,467
Capital Outlay	17,529	45,767	704,446	114,506	42,104	137,903	-
Debt service:							
Principal retirement	-	-	114,216	100,627	104,236	-	-
Interest and fiscal charges	-	-	1,641	15,230	11,621	-	-
TOTAL EXPENDITURES	\$ 34,201,887	\$ 39,769,674	\$ 37,909,340	\$ 46,823,594	\$ 48,712,647	\$ 53,217,509	\$ 69,088,814
Excess of revenues over (under) expenditures	\$ 7,003,675	\$ 8,859,363	\$ 16,722,563	\$ 18,798,013	\$ 26,396,976	\$ 36,319,666	\$ 22,256,712
Other financing sources (uses):							
Transfers in	\$ 500,000	\$ 750,000	\$ 1,800,000	\$ 369	\$ -	\$ -	\$ -
Transfers out	(4,722,700)	(2,550,899)	(3,805,000)	(11,958,205)	(30,657,966)	(24,207,465)	(36,536,665)
Increase (decrease) in reserve for inventory	-	-	-	324,766	64,178	-	-
Increase (decrease) in reserve for prepaid items	296	(1,311)	(368)	96	1,977	-	-
Capital lease agreements	-	-	538,899	-	-	-	-
Prior period adjustment	3,125,552	-	-	-	-	-	-
Total Other financing sources (uses)	\$ (1,096,852)	\$ (1,802,210)	\$ (1,466,469)	\$ (11,632,974)	\$ (30,591,811)	\$ (24,207,465)	\$ (36,536,665)
Fund balance at beginning of year	\$ 30,645,758	\$ 36,552,581	\$ 43,609,734	\$ 58,865,828	\$ 66,030,867	\$ 61,836,032	\$ 73,948,233
Fund balance at end of year	\$ 36,552,581	\$ 43,609,734	\$ 58,865,828	\$ 66,030,867	\$ 61,836,032	\$ 73,948,233	\$ 59,668,280

(a) *Unaudited actual figures for 2022/23 and budgeted figures for 2023/24 are “forward-looking” statements, subject to change upon audit and should be considered with an abundance of caution.*

RETIREMENT SYSTEM

Retirement Benefits

The City contributes to the retirement plans described below and as referenced in Note 15 in APPENDIX C – “CITY OF MARICOPA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022.” Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the City and each covered employee contribute to the plans.

Each of the plans has reported increases in its unfunded liabilities. The increases in unfunded liabilities is expected to result in increased future annual contributions by the City and its employees; however the specific impact on the City’s and its employees’ future contributions cannot be determined at this time.

The Governmental Accounting Standards Board (“GASB”) adopted Statement No. 68, Accounting and Financial Reporting for Pensions, which requires that cost-sharing employers report their “proportionate share” of a plan’s net pension liability in their government-wide financial statements and that the cost-sharing employer’s pension expense component include its proportionate share of the system’s pension expense, the net effect of annual changes in the employer’s proportionate share and the annual differences between the employer’s actual contributions and its proportionate share. GASB’s Statement No. 67, Financial Reporting for Pensions, is designed to improve financial reporting by state and local governmental pension plans.

Starting on page 60 in APPENDIX C – “CITY OF MARICOPA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022” is information about the plans based on GASB’s Statements Nos. 67 and 68. Please refer to APPENDIX C for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX C, the latter supersedes the former.

The Arizona State Retirement System (“ASRS”). ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2022, the unfunded liability for ASRS was \$17.9 billion with a funding ratio of 72.7% and an assumed earning rate of 7.0%. As of June 30, 2022, the City reported a liability of \$12,700,695 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the City) and active members of ASRS are equal. For Fiscal Year 2023/24, the actuarially determined contribution rate for the City and active members of ASRS is 12.29% (12.14% for retirement and health insurance and 0.15% for long-term disability).

The table below shows recent actuarially determined contribution rates that the active ASRS members and the City are/were required to contribute, the plan’s funded status and the pension contributions under ASRS for the current and past four Fiscal Years.

Fiscal year ended	Retirement and Health Insurance Premiums	Long-term Disability	Total Contribution Rate	Funded Status	Pension Contributions
June 30, 2024	12.14%	0.15%	12.29%	unavailable	unavailable
June 20, 2023	12.03	0.14	12.17	unavailable	unavailable
June 30, 2022	12.22	0.19	12.41	72.7%	\$1,437,023
June 30, 2021	12.04	0.18	12.22	71.5	1,271,452
June 30, 2020	11.94	0.17	12.11	72.8	1,132,765

The Public Safety Personnel Retirement System (“PSPRS”). PSPRS is an agent multiple-employer defined benefit pension plan and an agent multiple employer defined benefit health insurance premium benefit plan that covers public safety personnel who are regularly assigned to hazardous duties for which the Arizona State Legislature establishes active plan members’ contribution rates and member benefits. This is not a “pooled” system – a separate account exists for the police and fire employees of each participating political subdivision. In total, there are 258 individual plans in PSPRS. Each plan has its own financial condition, funding status, etc. which varies greatly across the system.

A 2016 amendment to the State constitution (“Prop 124”) created an exception to the prohibition in the Constitution against diminishing or impairing public retirement system benefits by allowing for certain adjustments to PSPRS and preserved the State’s legislative ability to modify public retirement benefits. Prop 124 allowed for, among other things, the replacement of permanent benefit increases then required by law with COLA (defined below) provisions tied to the regional consumer price indexes.

PSPRS active membership is comprised of three separate “tiers” based on date of hire which are shown in the following table.

<u>“Tier 1” Members</u>	<u>“Tier 2” Members</u>	<u>“Tier 3” Members</u>
Hired into PSPRS position before January 1, 2012	Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017	Hired into PSPRS position on or after July 1, 2017

The different tiers have different types of plans. Tier 1 members have a defined benefit plan, Tier 2 members have a defined benefit or defined benefit hybrid plan and Tier 3 members have a defined contribution, defined benefit or defined benefit hybrid plan. (The hybrid plan is a pension with an additional defined contribution tax-deferred retirement savings account for Tier 2 and Tier 3 members who do not contribute to Social Security). For Tier 1 and Tier 2 members, the type of plan is determined automatically. For Tier 3 members the type of plan is an irrevocable career choice with a default to a defined benefit plan after 90 days. The actuarially determined employer contribution rate varies among the different tiers and the different types of plans as shown in the tables below.

As of June 30, 2022, the unfunded liability for Tiers 1 and 2 of PSPRS was \$7.1 billion with a funding ratio of 65.3%. When calculating, an assumed earning rate of 7.2% was used and an assumed rate of 1.75% was used for increases in the cost of living allowance (“COLA”).

The following tables show the actuarially determined annual contribution rates, funded status and total audited contribution amounts for PSPRS.

Fire

	Fiscal Year Ended				
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Contribution Rates*					
Tier 1 Defined Benefit Employer	19.23%	20.80%	20.90%	18.54%	19.53%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	19.23%	20.80%	20.90%	18.54%	19.53%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	15.54%	17.80%	17.46%	14.09%	14.94%
Tier 3 Defined Benefit Employee (a)	9.56%	9.94%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	16.58%	18.71%	17.40%	14.56%	15.51%
Tier 3 Defined Contribution Employee	10.60%	10.85%	9.88%	10.41%	10.51%
Pension Funded Status	N/A	N/A	88.7%	84.5%	82.1%
Health Funded Status	N/A	N/A	102.7%	105.5%	105.7%
Total City (Employer) Pension and Health Contribution	N/A	N/A	\$1,139,411	\$1,129,216	\$1,128,470

Police

	Fiscal Year Ended				
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Contribution Rates*					
Tier 1 Defined Benefit Employer	13.24%	14.41%	13.65%	16.45%	14.50%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	13.24%	14.41%	13.65%	16.45%	14.50%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	11.38%	13.00%	12.18%	14.01%	11.99%
Tier 3 Defined Benefit Employee (a)	9.56%	9.94%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	12.42%	13.91%	12.12%	14.48%	12.56%
Tier 3 Defined Contribution Employee	10.60%	10.85%	9.88%	10.41%	10.51%
Pension Funded Status	N/A	N/A	94.3%	93.7%	93.6%
Health Funded Status	N/A	N/A	126.8%	125.6%	140.0%
Total City (Employer) Pension and Health Contribution	N/A	N/A	\$624,876	\$754,281	\$2,029,932

* Sum of the Pension and Health insurance premium benefit contribution rates.

- (a) Does not include additional contribution percentage of 3% associated with defined benefit (“DB”) members additionally participating in the defined contribution (“DC”) plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual’s membership date.
- (b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.
- (c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

Statutory Changes and Court Decisions Regarding the PSPRS, CORP and EORP

PSPRS, CORP and EORP are all operated under the umbrella of the Public Safety Personnel Retirement System and the Public Safety Personnel Retirement System Board of Trustees. Since 2011 there have been various modifications designed to mitigate increasing unfunded liabilities in the programs. Some of these modifications were enacted by the Arizona Legislature; some changes resulted from successful court challenges to those statutory changes; and other changes were implemented by voter approved amendments to the State Constitution. Substantively, the modifications have included changes to contribution rates, retirement criteria, funding horizons, retirement benefits and post-retirement benefit increase calculations.

Potential Future State Legislation Affecting ASRS and PSPRS

Bills are frequently introduced at sessions of the State Legislature that, if enacted, could impact the administration of the ASRS and PSPRS and the eligibility, timing and payment of benefits from such plans. The City is unable to determine whether any such bills will be enacted into legislation or in what form such legislation may be enacted and what the impact of any such legislation may be.

Other Post-Employment Retirement Benefits

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”). The City is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits (“OPEB”), such as health and life insurance for current and future retirees. GASB 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan. Please refer to APPENDIX C of the Official Statement which includes the City’s audited financial statements and specifically “Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.”

The City does not offer any OPEB. The City’s employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the State. The benefits are available to all retired participants in the State’s health care program. The City does not make payments for OPEB costs for such retirees.

CITY OF MARICOPA, ARIZONA –

**AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following audited financial statements are for the fiscal year ended June 30, 2022. These are the most recent audited financial statements available to the City. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE CITY.

The City neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C. to include such financial statements and Heinfeld, Meech & Co., P.C. has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such financial statements.

SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS

DEFINITIONS OF CERTAIN TERMS

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

“Acquisition Fund” means the fund of that name established pursuant to the Trust Agreement.

“Annual Debt Service” means the amount to be paid in any fiscal year of the City with respect to the Parity Obligations for payment of principal and interest requirements.

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

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

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

“Costs of Issuance Fund” means the fund of that name established pursuant to the Trust Agreement.

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

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

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

“Event of Default” means an event of default under the Purchase Agreement as described under the subheading “THE PURCHASE AGREEMENT – Remedies Upon Default.”

“Maximum Annual Debt Service” means the greatest Annual Debt Service in any fiscal year of the City.

“Outstanding” refers to Obligations issued in accordance with this Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a

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

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

“Parity Obligations” means the Purchase Agreement and any Additional Revenue Obligations.

“Payment Fund” means the fund of that name established pursuant to the Trust Agreement.

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

THE TRUST AGREEMENT

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

Acquisition Fund and Costs of Issuance Fund. The Acquisition Fund and the Costs of Issuance Fund will be established by the Trustee from which the Trustee will pay the costs to finance the Project and pay Delivery Costs, respectively. On the earlier of [___, 2024], or when all Delivery Costs have been paid, the Trustee will transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund. Amounts in the Acquisition Fund will be used to pay principal of and interest on the Obligations if insufficient funds are otherwise available to make such payments when due. On the Completion Date, all remaining moneys in the Acquisition Fund shall be transferred to the Payment Fund and applied by the Trustee to the Payments due from the City on the next succeeding Interest Payment Date.

Payment Fund. The Payment Fund will also be established by the Trustee. The moneys in the Payment Fund will be applied by the Trustee solely to pay principal of and premium, if any, and interest with respect to on the Obligations.

Separate Funds. Moneys and investments properly paid into and held in the funds established under the Trust Agreement will not be subject to the claims of the owners of the Additional Revenue Obligations, and the Owners of the Obligations shall have no claim or lien upon any moneys or investments properly paid into and held in the funds and accounts established under the proceedings for the Additional Revenue Obligations.

Protection of Lien. The Trustee and the City will agree not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien of the Trust Agreement and that no obligations the payment of which is secured by a superior or equal claim on or interest in property or revenues pledged will be issued or delivered by either except in lieu of, or upon transfer of registration or exchange of, any Obligation.

Investments Authorized; Allocation of Earnings. Upon order of the City, moneys held by the Trustee will be invested and re-invested in Permitted Investments having the highest yield reasonably obtainable. The Trustee may purchase from, or sell to, itself or any affiliate, as principal or agent, investments and may invest in funds to which the Trustee or any of its affiliates provide services as an investment advisor. The Trustee may act as purchaser or agent in the making or disposing of any investment.

Any income, profit or loss on such investments will be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds will be deposited in the fund from which

such deposit was made, except as otherwise provided. At the direction of the City, any such income, profit or interest will be applied if necessary to pay any rebate due with respect to the Obligation pursuant to the Internal Revenue Code.

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

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

Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible as described hereinabove, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

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

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

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

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

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

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

The will from time to time, as agreed upon between the City and the Trustee, pay to the Trustee reasonable compensation for its services, including an hourly rate based fee after an Event of Default and will reimburse the Trustee for all its advances and expenditures, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties.

Removal of the Trustee. The Trustee may be removed by the City (if not in default) or by the Owners of a majority in aggregate principal amount of the Obligations.

The Trustee may also resign effective upon the appointment of a successor the Trustee by the City.

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

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

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

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

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

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

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

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

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations and, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained in the Trust Agreement.

Power of the Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, it will have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, or disposal of such action; provided, however, that the Trustee will not discontinue, or otherwise dispose of any litigation, without the consent of a majority in aggregate principal amount of the Obligations Outstanding.

Limitation on Obligation Owners' Right to Sue. No Owner of any Obligation will have the right to institute any action, for any remedy, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of at least a majority in aggregate principal amount of all the Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers granted or to institute such action, in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity; and (d) the Trustee shall have not complied with such request for a period of sixty (60) days.

No one or more Owners of Obligations will have any right in any manner whatever by their action to enforce any right under the Trust Agreement, except in the manner therein provided, and all proceedings with respect to an

Event of Default will be pursued in the manner therein provided and for the equal benefit of all Owners of the Outstanding Obligations.

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

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

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

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

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are non-callable in such amount as shall be certified to the Trustee and the City by a national firm of certified public accountants acceptable to the Trustee and the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all Obligations (including all principal, premium and interest) at their respective maturity dates or prior redemption;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to all Outstanding Obligations will cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to paragraphs (b) or (c) above and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Obligations will continue to represent direct and proportionate interests of the Owners thereof in such funds.

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

No Payment or Obligation may be so provided for based on redemption prior to maturity unless the Trustee has mailed irrevocable notice of redemption for such Obligations or the City has given the Trustee irrevocable instructions to redeem such Obligations.

THE PURCHASE AGREEMENT

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

Payments. The obligation of the City to make the Payments will be limited to amounts from Excise Tax Revenues and State Shared Revenues. The City will receive a credit against amounts due with respect to the Payments equal to any amounts held and available in the Payment Fund.

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

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

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

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

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

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

Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts due pursuant to the Purchase Agreement (including the Payments) at the time when the same are to be paid as provided in the Purchase Agreement or the Trust Agreement, (B) the violation by the City of any other covenant or provision of the Purchase Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Second Purchase Agreement or any Additional Revenue Obligations, or (D) the insolvency or bankruptcy of the City as the same may be defined under any law of the United States of America or the State of Arizona, or any voluntary or involuntary action of the City or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of such amounts as required under the Purchase Agreement or the Trust Agreement on the due date, or the nonpayment of the payments on their due dates with respect to the Second Purchase Agreement or any Additional Revenue Obligations, (B) in the case of the breach of any other covenant or provision of the Trust Agreement or the Purchase Agreement not cured within sixty (60) days after notice in writing from the Trustee specifying such default; and (C) in the case of any default under the Second Purchase Agreement or any Additional Revenue Obligations, after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, the Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect such amounts payable by the City under the Trust Agreement or the Purchase Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement, or covenant of the City under the Trust Agreement or the Purchase Agreement and with respect to Excise Tax Revenues and State Shared Revenues, without notice and without giving any bond or surety to the City or anyone claiming under the City, have a receiver appointed of the amounts of Excise Tax Revenues and State Shared Revenues which are pledged to the payment of amounts due thereunder, with such powers as the court making such appointment shall confer (and the City will irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

The obligations of the City under the Purchase Agreement, including, without limitation, its obligation to pay the Payments, will survive any action brought, and the City will continue to pay the Payments and perform all other obligations provided in the Purchase Agreement; provided, however, that the City will be credited with any amount received by the Trustee.

PROPOSED FORM OF APPROVING LEGAL OPINION

[Closing Date]

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

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

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

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

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

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

2. The obligations of the City pursuant to the Purchase Agreement with respect to payment of principal and interest with respect to the Obligations are solely from the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure such payments. Those revenues and other moneys include payments required to be made by the City pursuant to the Purchase Agreement, and the obligation of the City to make

* *Subject to change.*

those payments is secured by a limited pledge of “Excise Tax Revenues” and “State Shared Revenues” as described in, and provided by, the Purchase Agreement. Such payments are not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes; the Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Purchase Agreement, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

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

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

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

\$38,905,000*
CITY OF MARICOPA, ARIZONA
PLEGDED REVENUE OBLIGATIONS, SERIES 2023

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered by the City of Maricopa, Arizona (the “City”), in connection with the execution and delivery of \$38,905,000* principal amount of Pledged Revenue Obligations, Series 2023 (the “Obligations”). The Obligations are being executed and delivered pursuant to a First Trust Agreement, dated as of November 1, 2023* (the “Trust Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The City covenants and agrees as follows:

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

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

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

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

“*Commission*” means the Securities and Exchange Commission.

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

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

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

“*Final Official Statement*” means the Final Official Statement relating to the Obligations, dated _____, 2023.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

* *Subject to change.*

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

“Listed Event” means the occurrence of events set forth in Exhibit II.

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

“Purchase Agreement” means the First Purchase Agreement, dated as of November 1, 2023*, by and between the City and the Trustee.

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

“State” means the State of Arizona.

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

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

CUSIP No. (Base _____)	Maturity Date
_____	_____

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

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

* *Subject to change.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Signature page follows.]

Dated: [Closing Date]

CITY OF MARICOPA, ARIZONA

By.....
Mayor

ATTEST:

.....
City Clerk

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data of the type contained in the Final Official Statement in [TABLE 4] (actual results for most recently completed fiscal year only).

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

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

Audited Financial Statements will be prepared according to GAAP.

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

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the rights of security holders, if material.
8. Bond calls, if material, or tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

BOOK-ENTRY-ONLY SYSTEM

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities 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 the Direct Participants, the “Participants”). DTC has Standard & Poor’s rating of: “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee

holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Obligations and the redemption price of any Obligation will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Obligations and the redemption price of any Obligations will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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