

*In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the City of Goodyear, Arizona, as mentioned under "TAX MATTERS WITH RESPECT TO THE TAX-EXEMPT OBLIGATIONS" herein, interest income on the Tax-Exempt Obligations is excluded from gross income for federal income tax purposes and is exempt from Arizona income taxes. Interest income on the Tax-Exempt Obligations is not an item of preference to be included in computing the alternative minimum tax of individuals. See "TAX MATTERS WITH RESPECT TO THE TAX-EXEMPT OBLIGATIONS" herein. Interest income on the Taxable Refunding Obligations is exempt from Arizona Income Taxes. Special Counsel expresses no opinion as to the treatment of interest income on the Taxable Refunding Obligations for federal income tax purposes. See "TAX MATTERS WITH RESPECT TO THE TAXABLE OBLIGATIONS," herein.*

**CITY OF GOODYEAR, ARIZONA  
SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS**

**DRAFT  
02-04-2020**

**\$104,635,000\*  
SERIES 2020**

**\$12,340,000\*  
REFUNDING SERIES 2020**

**\$13,360,000\*  
TAXABLE REFUNDING SERIES 2020**

*Dated:* Date of Initial Delivery

*Due:* July 1, as shown on inside front cover pages

The Subordinate Lien Water and Sewer Revenue Obligations, Series 2020 (the "Project Obligations"), the Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020 (together with the Project Obligations, the "Tax-Exempt Obligations"), and the Subordinate Lien Water and Sewer Revenue Obligations, Taxable Refunding Series 2020 (the "Taxable Refunding Obligations," and together with the Tax-Exempt Obligations, the "Obligations") will initially be delivered and registered in book-entry-only form in the name of Cede & Co., as nominee of The Depository Trust Company, a registered securities depository ("DTC"). Beneficial interests in the Obligations will be offered for sale in amounts of \$5,000 of principal due on a specific maturity date and integral multiples thereof. The Obligations will be issued pursuant to the Master Resolution (as defined herein) as amended and supplemented, including by the Fifth Supplement, the Sixth Supplement and the Seventh Supplement (as defined herein). The Obligations are executed and delivered pursuant to a Trust Agreement (as defined herein), to be dated as of April 1, 2020\* between the City and U.S. Bank National Association, as trustee (the "Trustee") and an Agreement (as defined herein), to be dated as of April 1, 2020\*, between the Trustee and the City under which the City will make payments (the "Payments") to the Trustee to acquire certain improvements (the "Project") to the City's water and sewer system (the "System") and to refund and prepay the Obligations Being Refunded (as defined herein) (the "Refunding"). The Obligations are being executed and delivered to provide funds to (i) acquire the Project, (ii) cause the Refunding, (iii) fund a required deposit to a debt service reserve fund, and (iv) pay costs associated with the execution and delivery of the Obligations. Interest on the Obligations will accrue at the rates set forth on the inside front cover pages hereof from the date of initial execution and delivery and be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2020\*, until maturity or prior redemption, and principal of the Obligations will be payable in accordance with the maturity schedules set forth on the inside front cover pages hereof.

So long as the Obligations are in book-entry-only form, principal of and interest on the Obligations will be paid to DTC for credit to the accounts of the DTC participants and, in turn, to the accounts of the owners of beneficial interests in the Obligations. See APPENDIX F – "BOOK-ENTRY-ONLY SYSTEM" hereto.

**MATURITY SCHEDULES ON INSIDE FRONT COVER PAGES**

The Obligations will be subject to optional and mandatory redemption prior to maturity as described under "THE OBLIGATIONS – Redemption Provisions" herein.

The Payments will be payable and secured by a pledge of, and lien on, revenues derived by the City from the ownership, use and operation of the System after provision has been made for payment of the reasonable and necessary costs of the operation, maintenance and repair of the System, excluding depreciation and debt service (the "Net Revenues") on a parity with the City's Existing Subordinate Parity Obligations (as defined herein). Such pledge of Net Revenues will be subordinate, however, to the prior and paramount lien thereon for payment of \$3,375,814 principal amount of senior lien water and sewer revenue bonds of, and loans to, the City now outstanding, and senior lien obligations subsequently issued or incurred on a parity therewith. The subordinate pledge of the Net Revenues for the Obligations is on a parity with the City's \$8,590,000\* aggregate principal amount of subordinate lien water and sewer revenue obligations to be outstanding, net of the Obligations Being Refunded. **The Obligations will not constitute an obligation or indebtedness or pledge of the general credit of the City within the meaning or application of any constitutional, charter or statutory limitation or provision, and the owners of the Obligations will never have the right to compel any exercise of the taxing power of the City or to demand payment of the Obligations or interest thereon out of any funds other than from the Net Revenues. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS" herein.**

The Obligations are offered when, as and if executed and delivered by the Trustee and received by the underwriter identified below (the "Underwriter"), subject to the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Special Counsel, as to validity of the Obligations, tax status of the Tax-Exempt Obligations, and Arizona tax-exemption of the Taxable Refunding Obligations. Certain legal matters will also be passed upon for the Underwriter by Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the Obligations will be delivered through DTC on or about April 9, 2020\*.

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

STIFEL

\* Subject to change.

**\$104,635,000\***  
**CITY OF GOODYEAR, ARIZONA**  
**SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS,**  
**SERIES 2020**

**MATURITY SCHEDULE\***

Maturity (July 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP® (a) (Base No 382900)
2021	\$ 575,000	%	%	
2022	1,080,000			
2023	1,140,000			
2024	1,145,000			
2025	1,220,000			
2026	1,275,000			
2027	1,600,000			
2028	1,900,000			
2029	1,970,000			
2030	1,740,000			
2031	2,020,000			
2032	2,100,000			
2033	2,180,000			
2034	2,260,000			
2035	2,340,000			
2036	2,430,000			
2037	2,515,000			
2038	4,150,000			
2039	4,305,000			
2040	5,710,000			
2041	5,050,000			
2042	6,010,000			
2043	6,250,000			
2044	6,500,000			
2045	6,760,000			
2046	7,185,000			
2047	7,470,000			
2048	7,770,000			
2049	7,985,000			

**\$\_\_\_\_\_ Term Obligation at \_\_\_\_% Due July 1, 20\_\_\_\_, Yield \_\_\_\_% (CUSIP® 382900)**

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\* Subject to change.

**\$12,340,000\***  
**CITY OF GOODYEAR, ARIZONA**  
**SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS,**  
**REFUNDING SERIES 2020**

**MATURITY SCHEDULE\***

Maturity (July 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP® (a) (Base No 382900)
2020	\$ 210,000	%	%	
2021	-			
2022	245,000			
2023	255,000			
2024	265,000			
2025	275,000			
2026	285,000			
2027	295,000			
2028	310,000			
2029	320,000			
2030	820,000			
2031	855,000			
2032	890,000			
2033	925,000			
2034	960,000			
2035	1,005,000			
2036	1,040,000			
2037	1,085,000			
2038	1,125,000			
2039	1,175,000			

**\$ \_\_\_\_ Term Obligation at \_\_\_\_% Due July 1, 20 \_\_, Yield \_\_\_\_% (CUSIP® 382900)**

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\* Subject to change.

**\$13,360,000\***  
**CITY OF GOODYEAR, ARIZONA**  
**SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS,**  
**TAXABLE REFUNDING SERIES 2020**

**MATURITY SCHEDULE\***

Maturity (July 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP® (a) (Base No 382900)
2020	\$ 560,000	%	%	
2021	460,000			
2022	475,000			
2023	485,000			
2024	495,000			
2025	505,000			
2026	520,000			
2027	530,000			
2028	545,000			
2029	560,000			
2030	575,000			
2031	595,000			
2032	610,000			
2033	625,000			
2034	650,000			
2035	670,000			
2036	690,000			
2037	710,000			
2038	735,000			
2039	765,000			
2040	785,000			
2041	815,000			

**\$ \_\_\_\_ Term Obligation at \_\_\_\_% Due July 1, 20 \_\_, Yield \_\_\_\_% (CUSIP® 382900)**

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\* Subject to change.

## **CITY OF GOODYEAR, ARIZONA**

### **CITY COUNCIL**

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

### **CITY AND ADMINISTRATIVE OFFICERS**

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

### **SPECIAL COUNSEL**

Gust Rosenfeld P.L.C.  
*Phoenix, Arizona*

### **FINANCIAL ADVISOR**

Hilltop Securities Inc.  
*Phoenix, Arizona*

### **TRUSTEE AND DEPOSITORY TRUSTEE**

U.S. Bank National Association  
*Phoenix, Arizona*

## **REGARDING THIS OFFICIAL STATEMENT**

This Official Statement, which includes the cover page, inside front cover pages and appendices hereto, does not constitute an offering of any security other than the Subordinate Lien Water and Sewer Revenue Obligations, Series 2020, the Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020, and the Subordinate Lien Water and Sewer Revenue Obligations, Taxable Refunding Series 2020 (collectively, the “Obligations”). There shall be no sale of the Obligations by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information set forth herein has been provided by representatives of the City, the Maricopa County Assessor’s, Finance and Treasurer’s offices, the State of Arizona Department of Revenue, and other sources which are considered to be reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or Hilltop Securities Inc., serving as the financial advisor to the City (the “Financial Advisor”) or Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The presentation of information, including tables of receipts from taxes and other revenue sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No person, including any broker, dealer or salesman has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. All estimates and assumptions contained herein have been based on the latest information available and are believed to be reliable, but no representations are made that such estimates and assumptions are correct or will be realized. All beliefs, assumptions, estimates, projections, forecasts and matters of opinion contained herein are forward looking statements which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and any expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any of the other parties or matters described herein since the date hereof.

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

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

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

The City will covenant to provide continuing disclosure as described in this Official Statement under the heading “CONTINUING SECONDARY MARKET DISCLOSURE” and in APPENDIX H – “FORMS OF CONTINUING DISCLOSURE CERTIFICATES,” pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

A wide variety of information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

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

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**OFFICIAL STATEMENT**  
**CITY OF GOODYEAR, ARIZONA**  
**SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS**

**\$104,635,000\***  
**SERIES 2020**

**\$12,340,000\***  
**REFUNDING SERIES 2020**

**\$13,360,000\***  
**TAXABLE REFUNDING SERIES 2020**

**INTRODUCTORY STATEMENT**

This Official Statement, which includes the cover page, the inside front cover pages and the appendices hereto, has been prepared at the direction of the City of Goodyear, Arizona (the “City”), in connection with the execution and delivery of \$104,635,000\* principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2020 (the “Project Obligations”), \$12,340,000\* principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020 (the “Refunding Obligations,” and together with the Project Obligations, the “Tax-Exempt Obligations”), and \$13,360,000\* principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Taxable Refunding Series 2020 (the “Taxable Refunding Obligations,” and together with the Tax-Exempt Obligations, the “Obligations,”) identified on the cover page hereof. Certain information concerning the authorization, purpose, terms, conditions of sale, security for and sources of payment for the Obligations is set forth in this Official Statement. See APPENDICES A and B hereto for general economic and demographic information and financial data, respectively, regarding the City. See APPENDIX C hereto for information regarding the hereinafter defined System.

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

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

Certain words and terms used herein and not otherwise defined herein shall have the meanings ascribed to such words and terms in APPENDIX E – “SUMMARIES OF THE RESOLUTION AND THE PRINCIPAL DOCUMENTS”.

As used in this Official Statement, “debt service” means principal and interest on the obligations, “County” means Maricopa County, and “Arizona” or the “State” means the State of Arizona.

**THE OBLIGATIONS**

**Authorization and Purpose**

The Obligations will be issued pursuant to Resolution No. 99-662 adopted by the Mayor and Council of the City on January 25, 1999 (the “Master Resolution”) as amended and supplemented by a First Supplemental Resolution adopted by the Mayor and Council of the City on April 27, 2009 (the “First Supplement”), by a Second Supplemental Resolution adopted by the Mayor and Council of the City on December 7, 2009 (the “Second Supplement”), by a Third Supplemental Resolution adopted by the Mayor and Council of the City on February 14, 2011 (the “Third Supplement”), by a Fourth Supplemental Resolution adopted by the Mayor and Council of the City on March 28, 2016 (the “Fourth Supplement”), by a Fifth Supplemental Resolution adopted by the Mayor and Council of the City on February 24, 2020 (the “Fifth Supplement” authorizing the issuance of the Project Obligations), by a Sixth Supplemental Resolution adopted by the Mayor and Council of the City on February 24, 2020 (the “Sixth Supplement” authorizing the issuance of the Refunding Obligations), and by a Seventh Supplemental Resolution adopted by the Mayor and Council of the City on February 24, 2020 (the “Seventh Supplement” authorizing the issuance of the Taxable Refunding Obligations) (collectively, the Master Resolution, together with the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, and the Seventh Supplement are referred to herein as the “Resolution”). The pledge of the Net Revenues for the Obligations as hereinafter described will be subordinate

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\* Subject to change.



to the prior and paramount lien thereon for payment of \$3,375,814 principal amount of senior lien water and sewer revenue bonds of, and loans to, the City now outstanding (collectively, the “Existing Senior Bonds”) and senior lien obligations subsequently issued or incurred on a parity therewith (the “Additional Senior Bonds,” and collectively with the Existing Senior Bonds, the “Senior Bonds”). The subordinate pledge of the Net Revenues for the Obligations is on a parity with the City’s \$8,590,000\* aggregate principal amount of subordinate lien water and sewer revenue obligations to be outstanding, net of the hereinafter defined Obligations Being Refunded (the “Existing Subordinate Parity Obligations”). See TABLE B-3 of APPENDIX B – “CITY OF GOODYEAR, ARIZONA – Financial Data” hereto.

Concurrently with the execution and delivery of the Obligations, the City expects to issue approximately \$9,615,000\* of General Obligation Refunding Bonds, Series 2020 (the “General Obligation Refunding Bonds”) pursuant to a separate official statement.

The Obligations are being executed and delivered pursuant to the terms of a Trust Agreement related to the Project Obligations, a Trust Agreement related to the Refunding Obligations, and a Trust Agreement related to the Taxable Refunding Obligations, each to be dated as of April 1, 2020\* (collectively, the “Trust Agreement”), between the City and U.S. Bank National Association, as trustee (the “Trustee”) and an Agreement related to the Project Obligations, An Agreement related to the Refunding Obligations, and an Agreement related to the Taxable Refunding Obligations, each to be dated as of April 1, 2020\* (collectively, the “Agreement”), between the Trustee and the City under which the City will make payments (the “Payments”) to the Trustee to acquire certain improvements (the “Project”) to the City’s water and sewer system (the “System”) and to refund and prepay the Obligations Being Refunded (the “Refunding”). See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS” herein. The Obligations are being executed and delivered to provide funds to (i) acquire the Project, (ii) cause the Refunding, (iii) fund a required deposit to a debt service reserve fund, and (iv) pay costs associated with the execution and delivery of the Obligations. See “THE PROJECT” and “PLAN OF REFUNDING” herein.

Summaries of certain provisions of the Resolution, the Agreement and the Trust Agreement are included in this Official Statement in APPENDIX E – “SUMMARIES OF THE RESOLUTION AND THE PRINCIPAL DOCUMENTS.” Terms used but not otherwise defined herein have the meanings provided in APPENDIX E. Such summaries are not comprehensive or definitive. All references herein to the Agreement, the Trust Agreement and the Resolution are qualified in their entirety by reference to the full text of 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 the full texts of the Agreement, the Trust Agreement and the Resolution are available for inspection at the office of the City Finance Director, 190 North Litchfield Road, Goodyear, Arizona 85338.

## **General Provisions**

The Obligations will be dated as of the initial date of execution and delivery and will bear interest from such date payable on July 1, 2020\* and semiannually thereafter on January 1 and July 1 of each year (each an “Interest Payment Date”) until maturity or prior redemption. The Obligations will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the inside front cover pages of this Official Statement.

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

## **Redemption Provisions\***

### *Optional Redemption*

Obligations maturing on or before July 1, 20\_\_ are not subject to redemption prior to maturity. Obligations maturing on or after July 1, 20\_\_, from such maturities as may be selected by the City and by lot within any maturity by the method applied by DTC, are subject to redemption in any order, from prepayments made at the option of the City pursuant to the Agreement, in whole or in part on any date, on or after July 1, 20\_\_, at a redemption price equal to the principal amount

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\* Subject to change.

of Obligations or portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, but without premium.

#### *Mandatory Redemption*

The Obligations maturing on July 1, 20\_\_\* and on July 1, 20\_\_\* will be redeemed from funds of the City prior to maturity on July 1 of the following years and in the following amounts, upon payment of the redemption price which consists of the principal amount of the Obligations so redeemed plus accrued interest, if any, on the Obligations so redeemed from the most recent interest payment date to the redemption date, but without premium:

Redemption Date (July 1)	Principal Amount
Obligations Maturing in 20__	
20__	\$ __,000
20__	__,000
20__	__,000
20__ (maturity)	__,000
Obligations Maturing in 20__	
20__	\$ __,000
20__	__,000
20__	__,000
20__	__,000
20__ (maturity)	__,000

Whenever the Obligations are redeemed (other than pursuant to mandatory redemption) or are delivered to the Trustee for cancellation, the principal amount of the Obligations of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable; provided, however, that each remaining mandatory redemption payment shall be in an amount of at least \$5,000 of principal.

#### *Notice of Redemption*

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

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

#### *Redemption of Less Than All of an Obligation*

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

### **Registration and Transfer when Book-Entry-Only System Has Been Discontinued**

If the Book-Entry-Only System is discontinued, the Obligations will be transferred only upon the registration books maintained by the Trustee and one or more new Obligations, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Obligation or Obligations will be authenticated, upon surrender to the Trustee of the Obligation or Obligations to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Trustee's requirements for transfer are met. The City has chosen the fifteenth day of the month preceding an Interest Payment Date as the "Record Date" for the Obligations. The Trustee may, but is not required to, transfer or exchange any Obligations during the period on the Record Date to and including the respective Interest Payment Date. The Trustee may, but is not required to, transfer or exchange any Obligations which have been selected for prior redemption.

If the Trustee transfers or exchanges Obligations within the periods referred to above, the interest payment on such Obligations will be made payable to and mailed (or transferred by wire, as applicable) to the registered owners shown on the registration books maintained by the Trustee as of the close of business on the respective Record Date. The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Obligations.

## **SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS**

### **General**

The Obligations are payable solely from the Payments to be made by the City pursuant to the Agreement. The Payments will be payable from and secured by a pledge of, and lien on, the revenues derived by the City from the ownership, use and operation of the System after provision has been made for the payment from such revenues of the reasonable and necessary expenses of operation, maintenance and repair of the System (including salaries, wages, cost of material and supplies, and insurance, but excluding depreciation), Policy Costs, and payments into the Senior Bond Fund, the Subordinate Obligation Fund, the Senior Reserve Fund, the Subordinate Reserve Fund and any payments to be made on any subordinate obligations (the "Net Revenues"). See APPENDIX C hereto for information about the System. The lien on, and pledge of, the Net Revenues for payment of the Obligations will be subordinate to the lien on, and pledge of, the Net Revenues securing the Senior Bonds. The subordinate pledge of the Net Revenues for the Obligations is on a parity with the Existing Subordinate Parity Obligations. See "COMBINED SCHEDULES OF NET REVENUES AND DEBT SERVICE COVERAGE" herein.

The Obligations will be special, limited revenue obligations, payable solely from the Payments received by the Trustee from the City under the Agreement, and amounts from time to time deposited in the funds created under the Trust Agreement, and the investment earnings on such funds (except for any investment earnings that are required to be rebated to the United States in order to continue the exclusion of the interest payable on the Tax-Exempt Obligations from gross income for federal income tax purposes). The City has the right, but no obligation, to appropriate other lawfully available funds to make the Payments. See APPENDIX E – "SUMMARIES OF THE RESOLUTION AND THE PRINCIPAL DOCUMENTS" hereto. The Trustee will hold its right, title and interest in the Agreement in trust for the benefit of the Owners of the Obligations pursuant to the Trust Agreement.

### **Rate Covenant**

The City covenants and agrees that it will establish and maintain rates, fees and other charges for all services supplied by the System to provide Revenues (as defined in the Resolution) fully sufficient at all times, after making reasonable allowance for contingencies and errors in estimates, to pay the operation and maintenance expenses of the System and to produce an aggregate amount of Net Revenues in each Fiscal Year (currently July 1 through June 30) equal to one hundred fifteen percent (115%) of the annual debt service requirements of all Outstanding Senior Bonds, Existing Subordinate Parity Obligations and any other obligations incurred on a parity with the Obligations (the "Additional Subordinate Obligations"), and said rates, fees and other charges will be established and maintained at rates sufficient to provide an amount of Net Revenues for the then current Fiscal Year which, net of the aggregate amounts required to be deposited to the Senior Bond Fund and the Subordinate Obligation Fund during such Fiscal Year, will still be sufficient to provide at least one hundred percent (100%) of the Policy Costs due and owing in such Fiscal Year.

## **Reserve Fund**

Pursuant to the Trust Agreement, the Trustee will establish a reserve fund (the "Subordinate Reserve Fund"). The Subordinate Reserve Fund may be funded with an insurance policy, surety bond, letter of credit or other security (the "Subordinate Reserve Fund Guaranty") or with cash or a combination thereof. Cash in the Subordinate Reserve Fund may be invested in certain investments pursuant to the Trust Agreement (the "Permitted Investments"). Amounts in the Subordinate Reserve Fund will be applied by the Trustee as necessary to provide for the payment of principal and interest on the Existing Subordinate Parity Obligations, the Obligations, and any Additional Subordinate Obligations for which a separate reserve fund is not created.

If cash is drawn out of the Subordinate Reserve Fund, the City must restore, from Net Revenues or other lawfully available funds of the City, as additional Payments, the amount on deposit in the Subordinate Reserve Fund to the Subordinate Reserve Requirement within a five-year period.

If a Subordinate Reserve Fund Guaranty is drawn on, the City shall pay, from Net Revenues or other lawfully available funds of the City, as additional Payments, all amounts required to be paid to the provider of the Subordinate Reserve Fund Guaranty in accordance with its terms or the terms of any associated repayment agreement.

Upon execution and delivery of the Obligations, the Subordinate Reserve Fund will be funded [in the amount of \$ \_\_\_\_\_\* by means of a deposit of a portion of the proceeds of the Obligations, such amount being equal to one hundred twenty five percent (125%) of the average annual debt service on the Obligations / by a surety bond].

Upon issuance of Additional Subordinate Obligations either: (i) the Subordinate Reserve Fund will be increased to equal the Subordinate Reserve Requirement applicable taking into account the Additional Subordinate Obligations, or (ii) a separate reserve fund will be established and funded in an amount equal to the Subordinate Reserve Requirement for such Additional Subordinate Obligations.

The Subordinate Reserve Requirement for any reserve fund upon issuance of Additional Subordinate Obligations secured by such a reserve fund is the lesser of: (i) ten percent (10%) of the proceeds from the sale of the Existing Subordinate Parity Obligations and the Obligations (the "Subordinate Obligations") and secured by such reserve fund; (ii) one hundred twenty five percent (125%) of the average annual debt service on the Subordinate Obligations and the Obligations secured by such reserve fund; or (iii) the Maximum Annual Debt Service of the Subordinate Obligations secured by such reserve fund.

## **Additional Subordinate Obligations Covenants**

Additional Subordinate Obligations having a pledge, claim, or lien on or against the Net Revenues may be issued on a parity with or equal to the pledge, claim or lien of the amounts due with respect to the Obligations, Existing Subordinate Parity Obligations and Additional Subordinate Obligations outstanding only if the Net Revenues available for debt service for the Subordinate Obligations for the completed Fiscal Year immediately preceding the issuance of the Additional Subordinate Obligations have been at least equal to one hundred fifteen percent (115%) of Subordinate Maximum Annual Debt Service on all Subordinate Obligations immediately after issuance of such Additional Subordinate Obligations, as shown by a certificate signed by the Finance Director and such Net Revenues available for debt service for the Subordinate Obligations shall also provide coverage (after deduction of an amount equal to Subordinate Maximum Annual Debt Service immediately after issuance of such Additional Subordinate Obligations) of at least one hundred percent (100%) of the City's obligations with respect to the repayment of any Policy Costs relating to the Subordinate Obligations then due and owing. For the purposes of this computation, additional amounts may be added to the Net Revenues of the preceding Fiscal Year, as follows: (i) if all or part of the proceeds of the Additional Subordinate Obligations are to be expended for the acquisition of existing water or sewer properties, there may be added to the Net Revenues of such preceding Fiscal Year the net revenues derived from the operation of such existing water or sewer system properties during the immediately preceding Fiscal Year of the System, as converted to Net Revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters, or (ii) if subsequent to the first day of such preceding Fiscal Year, the City shall have increased its rates or charges imposed for water or sewer charges, there may be added to the Net Revenues of such Fiscal Year the additional net revenues which would have been received from the operation of the System during such Fiscal Year had such increase been in effect throughout such Fiscal Year, such

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\* Subject to change.

additional net revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters.

### Existing Subordinate Parity Obligations

The City's Existing Subordinate Parity Obligations, net of the Obligations to be Refunded, are set forth in the table below.

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding
2010	Subordinate Lien Obligations	\$14,950,000	7-1-22/39	\$ 14,950,000
2011	Subordinate Lien Obligations	15,480,000	7-1-12/41	13,310,000
2016	Subordinate Lien Obligations	11,540,000	7-1-17/45	8,590,000
Total Existing Subordinate Parity Obligations Outstanding				\$ 36,850,000
Obligations Being Refunded				(28,260,000) *
Total Existing Subordinate Parity Obligations to be Outstanding				\$ 8,590,000 *

### Additional Senior Bonds Covenants

The City may issue additional bonds in the future pursuant to existing and future voted bond authorizations and supplemental resolutions. The City has \$26,646,616 principal amount of authorized but unissued Senior Bonds pursuant to voter approval given at special bond elections held on September 12, 2000, and September 7, 2004. The purposes and amounts of such authorized but unissued Additional Senior Bonds are set forth below.

Purpose of Water and Sewer Systems Revenue Bond Authorization	Remaining 2004 Bond Authorization	Remaining 2000 Bond Authorization	Total Water and Sewer Revenue Bonds Authorized But Unissued
Sewer System Improvements	\$26,645,000	\$1,616	\$26,646,616
Total	\$26,645,000	\$1,616	\$26,646,616

Additional Senior Bonds may be issued on a parity with outstanding Existing Senior Bonds only if the Net Revenues for the completed Fiscal Year immediately preceding the issuance of the Additional Senior Bonds have been at least equal to one hundred fifteen percent (115%) of Senior Maximum Annual Debt Service on all Outstanding Senior Bonds immediately after issuance of such Additional Senior Bonds as shown by a certificate signed by the Finance Director and such Net Revenues shall also provide coverage (after deduction of an amount equal to Senior Maximum Annual Debt Service immediately after issuance of such Additional Senior Bonds) of at least one hundred percent (100%) of the City's obligations with respect to the repayment of any Policy Costs relating to Senior Bonds then due and owing. For the purposes of this computation, additional amounts may be added to the Net Revenues of the preceding Fiscal Year, as follows: (i) if all or part of the proceeds of the Additional Senior Bonds are to be expended for the acquisition of existing water or sewer properties, there may be added to the Net Revenues of such preceding Fiscal Year the net revenues derived from the operation of such existing water or sewer system properties during the immediately preceding Fiscal Year of the System, as converted to Net Revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters, or (ii) if subsequent to the first day of such preceding Fiscal Year, the City shall have increased its rates or charges imposed for water or sewer services, there may be added to the net revenues of such Fiscal Year the additional net revenues which would have been received from the operation of the System during such Fiscal Year had such increase been in effect throughout such Fiscal Year, such additional net revenues to be estimated by an engineer or engineering firm which shall have a favorable reputation in respect to such matters.

### Defeasance

Pursuant to the Resolution, any outstanding Obligations, or portions thereof in authorized denominations, may be paid or discharged by (i) by paying or causing to be paid the principal of and interest with respect to such Obligations, as and when the same become due and payable, or (ii) depositing with a Defeasance Trustee (as defined in the Resolution), in

\* Subject to change.

trust for such purpose at or before the maturity date of the Obligations, moneys which, together with amounts on deposit in the Payment Fund and held for such purpose, is fully sufficient to pay or cause to be paid such Obligations, including all principal and interest due thereon to the stated maturity dates or date of redemption prior to maturity, or (iii) depositing with a Depository Trustee, in trust for such purpose, any non-callable United States obligations in such amount as shall be certified to the Trustee and the City by a national firm of certified public accountants acceptable to both the Trustee and the City, as being fully sufficient 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 any Obligations at their stated maturity date, or date of prior redemption, including all principal and interest due thereon.

### COMBINED SCHEDULES OF NET REVENUES AND DEBT SERVICE COVERAGE

The following table sets forth a record of the combined schedules of annual revenues, expenditures and Net Revenues for the most recent complete five Fiscal Years and budgeted for the current Fiscal Year followed by a statement of estimated System bond debt service requirements and debt service coverage provided by such Net Revenues for each Fiscal Year on the respective same basis.

System Revenues	Budgeted	Audited				
	2019/20 (a)	2018/19	2017/18	2016/17	2015/16	2014/15
Total System Revenues	\$	\$42,658,585	\$35,230,057	\$31,380,884	\$27,964,881	\$24,748,802
System Expenses						
Total System Expenditures		19,584,574	13,551,129	18,471,783	15,205,094	13,405,653
Net Income Available For Debt Service (Net Revenues)		23,074,011	21,678,928	12,909,101	12,759,787	11,343,149
Utility System Water and Sewer Revenue Bond Debt Service Requirements (b)		3,627,518	4,035,218	3,950,674	3,655,834	3,675,184
Approximate Fiscal Year Debt Service Coverage Provided By Net Revenues	__x	6.36x	5.37x	3.27x	3.49x	3.09x

- (a) Budgeted figures were obtained from page \_\_\_\_ of the 2020 Annual Budget. The budgeted debt service requirements are the actual System bond debt service requirements for the Fiscal Year.
- (b) For Fiscal Years 2014/15 through 2018/19, amounts were sourced from the Pledged-Revenue Coverage schedule in the Comprehensive Annual Financial Report (the "CAFR") for the Fiscal Year 2018/19, page 172.

Source: The City.

### RISK FACTORS

The purchase of the Obligations involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Obligations should make an independent evaluation of all the information presented herein. The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Obligations. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Obligations and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the Obligations. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Limited Obligation. The Obligations will not constitute an obligation or indebtedness or pledge of the general credit of the City within the meaning or application of any constitutional, charter or statutory limitation or provision, and the owners of the Obligations will never have the right to compel any exercise of the taxing power of the City or to demand payment of the Obligations or interest thereon out of any funds other than from the sources pledged therefor.

Additional Senior Bonds and Additional Subordinate Obligations of the City. The City has the capacity to issue Additional Senior Bonds and Additional Subordinate Obligations which are payable from the Net Revenues and which are on a parity with the Obligations. To the extent that Additional Senior Bonds or Additional Subordinate Obligations are issued by the City, the funds available to make the debt service payments on the Obligations may be decreased.

Economic Downturns; Adverse Effects on System Revenues. A number of factors, many of which may be beyond the control of the City, could have an adverse impact on the level of Net Revenues, including adverse changes in the national economy, the Arizona economy, energy costs, and interest rate levels.

Costs of System Operation and Availability of Materials. The production of Net Revenues could be affected by the costs of operating and maintaining the System, including the availability and price of commodities, which could be materially adversely affected by factors beyond the control of the City, such as strikes, energy shortages, material shortages, inflation, adverse weather conditions, supplier insolvencies, changes in state or federal law (particularly those relating to environmental matters) and other contingencies.

## **THE PROJECT**

A portion of the proceeds of the Obligations will be used to finance the Project, which consists of the construction and acquisition of various improvements and additions to the System.

## **PLAN OF REFUNDING**

A portion of the proceeds of the Obligations will be placed in an irrevocable depository trust (the “Depository Trust”) with U.S. Bank National Association (the “Depository Trustee”) to be applied to the payment of the principal of and interest due on the Obligations Being Refunded identified below. Such funds will be used to acquire noncallable obligations issued or guaranteed by the United States of America (the “Government Obligations”), the principal of and interest on which, when due, are calculated to be sufficient to provide moneys to pay the principal of and interest due on the Obligations Being Refunded. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

The Government Obligations will be held by the Depository Trustee in trust for the payment of such principal of, and interest on the Obligations Being Refunded, pursuant to the terms of a depository trust agreement between the City and the Depository Trustee.

### **Obligations Being Refunded**

The series, stated maturity dates, principal amounts outstanding and to be redeemed, redemption dates, redemption prices and CUSIP numbers of the Subordinate Lien Water and Sewer Revenue Obligations, Series 2010, refunded by the Refunding Obligations, and Subordinate Lien Water and Sewer Revenue Obligations, Series 2011, refunded by the Taxable Refunding Obligations (collectively, the “Obligations Being Refunded”) are set forth in the table below:

Refunded Issue *	Maturity Date (July 1)	Principal Amount Outstanding	Amount Being Refunded *	Redemption or Maturity Date (July 1) *	Redemption Price	CUSIP® (a) No. (Base No. 382900)
Subordinate Lien	2022	\$ 300,000	\$ 300,000	2020	100%	BP2
Water and Sewer	2023	315,000	315,000	2020	100	BQ0
Revenue Obligations	2024	330,000	330,000	2020	100	BR8
Series 2010	2025	345,000	345,000	2020	100	BS6
	2030	2,505,000	2,505,000	2020	100	BM9
	2039	11,155,000	11,155,000	2020	100	BN7

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\* Subject to change.

Refunded Issue *	Maturity Date (July 1)	Principal Amount Outstanding	Amount Being Refunded *	Redemption or Maturity Date (July 1) *	Redemption Price	CUSIP® (a) No. (Base No. 382900)
Subordinate Lien	2020	\$ 345,000	\$ 345,000	2020	N/A	CB2
Water and Sewer	2021	355,000	355,000	2021	N/A	CC0
Revenue Obligations	2022	375,000	375,000	2021	100%	CF3
Series 2011	2023	395,000	395,000	2021	100	CG1
	2024	415,000	415,000	2021	100	CH9
	2025	430,000	430,000	2021	100	CJ5
	2026	455,000	455,000	2021	100	CK2
	2031	2,640,000	2,640,000	2021	100	CD8
	2041	7,900,000	7,900,000	2021	100	CE6
		<u>\$28,260,000</u>	<u>\$28,260,000</u>			

- (a) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Financial Advisor (as defined herein), the Underwriter (as defined herein) or their agents or counsel assume responsibility for the accuracy of such numbers.

#### VERIFICATION OF MATHEMATICAL COMPUTATIONS

Public Finance Partners LLC will deliver to the City, on or before the delivery date of the Obligations, its verification report indicating that it has verified the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Obligations Being Refunded and (b) the mathematical computations of yield used by Special Counsel to support its opinion that interest on the Refunding Obligations will be excluded from gross income for federal income tax purposes.

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

#### SOURCES AND USES OF FUNDS

The proceeds of the Obligations will be applied substantially as follows:

Sources of Funds:	Project Obligations	Refunding Obligations	Taxable Refunding Obligations	Total
Par Amount of the Obligations	\$104,635,000 *	\$12,340,000 *	\$13,360,000 *	\$130,335,000 *
[Net] Amortizable Premium (a)				
Total Sources of Funds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Uses of Funds:				
Deposit to Acquisition Fund	\$	\$ -	\$ -	\$
Prepayment of Obligations Being Refunded	-			
Deposit to Subordinate Reserve Fund				
Deposit to Delivery Costs Fund (b)				
Total Uses of Funds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

- (a) Net amortizable premium consists of amortizable premium on the Obligations, less original issue discount on the Obligations.
- (b) Includes certain costs incurred by the City in connection with the issuance of the Obligations, including underwriting compensation.

\* Subject to change.



## ESTIMATED DEBT SERVICE REQUIREMENTS AND DEBT SERVICE COVERAGE

The following schedule sets forth (i) the annual debt service requirements of the City's outstanding Senior Obligations, (ii) the annual debt service requirements of the Existing Subordinate Parity Obligations net of the Obligations Being Refunded, (iii) the estimated annual debt service requirements of the Obligations, (iv) the estimated total annual System debt service requirements following issuance of the Obligations and (v) the debt service coverage ratio for such total annual debt service requirements based upon the City's Fiscal Year 2018/19 Net Revenues (\$23,074,011).

### City of Goodyear, Arizona Schedule of Combined Annual Water and Sewer Revenue Debt Service Requirements and Debt Service Coverage (a)

Fiscal Year (b)	Senior Obligations Outstanding (c)	Subordinate Obligations Outstanding (c)(d)*	Obligations*		Estimated Combined Annual Debt Service Requirements*	Estimated Combined Debt Service Coverage (f)*
			Principal	Interest (e)		
2019/20	\$361,574	\$2,161,422	\$ 770,000	\$1,187,451	\$4,480,447	5.15x
2020/21	361,574	1,433,600	1,005,000	5,182,400	7,982,574	
2021/22	361,574	446,100	1,775,000	5,142,200	7,724,874	
2022/23	361,574	444,700	1,860,000	5,071,200	7,737,474	
2023/24	361,574	448,100	1,890,000	4,996,800	7,696,474	
2024/25	361,574	446,100	1,985,000	4,921,200	7,713,874	
2025/26	361,574	443,900	2,070,000	4,841,800	7,717,274	
2026/27	361,574	446,500	2,420,000	4,759,000	7,987,074	
2027/28	361,574	443,700	2,750,000	4,662,200	8,217,474	
2028/29	361,574	445,700	2,850,000	4,552,200	8,209,474	
2029/30	21,938	447,300	3,135,000	4,438,200	8,042,438	
2030/31	21,938	443,500	3,475,000	4,312,800	8,253,238	
2031/32	21,938	447,250	3,605,000	4,173,800	8,247,988	
2032/33	21,938	445,250	3,735,000	4,029,600	8,231,788	
2033/34	21,938	447,750	3,880,000	3,880,200	8,229,888	
2034/35	21,938	444,500	4,025,000	3,725,000	8,216,438	
2035/36	21,938	445,750	4,170,000	3,564,000	8,201,688	
2036/37	21,938	447,050	4,320,000	3,397,200	8,186,188	
2037/38	21,938	448,050	6,015,000	3,224,400	9,709,388	2.38x
2038/39	21,938	443,750	6,250,000	2,983,800	9,699,488	
2039/40	21,938	443,000	6,500,000	2,733,800	9,698,738	
2040/41	21,938	446,500	5,870,000	2,473,800	8,812,238	
2041/42	21,938	444,000	6,015,000	2,239,000	8,719,938	
2042/43	21,938	445,750	6,255,000	1,998,400	8,721,088	
2043/44	21,938	446,500	6,505,000	1,748,200	8,721,638	
2044/45	21,938	446,250	6,765,000	1,488,000	8,721,188	
2045/46	21,938		7,190,000	1,217,400	8,429,338	
2046/47	21,938		7,480,000	929,800	8,431,738	
2047/48	21,938		7,775,000	630,600	8,427,538	
2048/49	346,938		7,990,000	319,600	8,656,538	
			<u>\$130,330,000</u>			

(a) Schedule prepared by Hilltop Securities Inc. (the "Financial Advisor").

(b) Debt service payable July 1 of a given year is included in the prior Fiscal Year for purposes of this table.

\* Subject to change.

- (c) See TABLE B-3 of APPENDIX B – “CITY OF GOODYEAR, ARIZONA – Financial Data” hereto.
- (d) Represents all the subordinate lien water and sewer revenue obligations outstanding net of the Obligations Being Refunded.
- (e) See “COMBINED SCHEDULES OF NET REVENUES AND DEBT SERVICE COVERAGE” herein. Such Net Revenues provide coverage for the total annual debt service requirements in Fiscal Year 2019/20 of approximately 5.15x\* and for the total annual debt service requirements for Fiscal Year 2037/38, the maximum annual debt service payable on all Senior Obligations, the Obligations and Existing Subordinate Parity Obligations to be outstanding immediately after issuance of the Obligations, of approximately 2.38x\*.
- (f) The first interest payment on the Obligations is due on July 1, 2020\*, representing interest from the date of the Obligations. Thereafter, interest payments will be made semiannually on each January 1 and July 1, until maturity or prior redemption. Interest is estimated at 4.00% for the Obligations.

### **OBLIGATION INSURANCE AND RELATED RISK FACTORS**

The City intends to apply, or has applied, to bond insurance companies (each an “Insurer”) for a municipal bond insurance policy (the “Policy”) for the Obligations to guarantee the scheduled payments of principal of and interest on the Obligations. A commitment to provide the Policy has not been issued, and representatives of the City have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the City ultimately determines to obtain the Policy for the Obligations, in the event of default of the payment of principal or interest with respect to any of the Obligations when all or some become due, any owner of the Obligations on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Obligations will remain payable solely from the Payments, which are secured by the Net Revenues, as described under “SECURITY FOR AND SOURCES OF PAYMENT FOR THE OBLIGATIONS.” In the event the Insurer becomes obligated to make payments with respect to the Obligations, no assurance will be given that such event will not adversely affect the market price of the Obligations and the marketability (liquidity) of the Obligations.

The long-term ratings on the Obligations will be dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Insurer and of the rating on the Obligations insured by the Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Obligations and the marketability (liquidity) of the Obligations.

The obligations of the Insurer will be general obligations of the Insurer, and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the City, the Financial Advisor, the Underwriter, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal of and interest on the Obligations and the claims paying ability of the Insurer, particularly over the life of the investment.

### **RATINGS**

Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings, a division of Standard and Poor’s Financial Services LLC (“S&P”) have assigned ratings of “\_\_\_” and “\_\_\_”, respectively, to the Obligations. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody’s at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P at 55 Water Street, 38th Floor, New York, New York 10041. Such ratings

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\* Subject to change.

may subsequently be revised downward or withdrawn entirely by Moody's or S&P, if, in their respective judgment, circumstances so warrant. Any subsequent downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations. The City will covenant in its continuing disclosure certificate that it will file notice of any formal change in the ratings relating to the Obligations. See "CONTINUING SECONDARY MARKET DISCLOSURE" below.

## **LITIGATION**

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

## **LEGAL MATTERS**

The Obligations are sold with the understanding that the City will furnish the Underwriter with the approving opinions of Gust Rosenfeld P.L.C., Phoenix, Arizona ("Special Counsel") addressing legal matters relating to the validity of the Obligations under Arizona law, and with regard to the status of the interest income on the Tax-Exempt Obligations for federal and Arizona income tax purposes and the Taxable Obligations for Arizona income tax purposes (see "TAX MATTERS WITH RESPECT TO THE TAX-EXEMPT OBLIGATIONS" and "TAX MATTERS WITH RESPECT TO THE TAXABLE REFUNDING OBLIGATIONS"). The signed legal opinions of Special Counsel, dated and premised on the law in effect only as of the date of original delivery of the Obligations, will be delivered to the City at the time of original issuance.

The proposed forms of the legal opinions are set forth as APPENDIX G. The legal opinions to be delivered may vary from the text of APPENDIX G if necessary to reflect the facts and law on the date of delivery. Special Counsel is to render its opinions, which will speak only as of their date, upon the validity and enforceability of the Obligations under Arizona law and on the exclusion of the interest income on the Tax-Exempt Obligations from gross income for purposes of calculating federal income taxes and of the exemption of the interest income on the Obligations from Arizona income taxes. (See "TAX MATTERS WITH RESPECT TO THE TAX-EXEMPT OBLIGATIONS" herein.) The opinions will speak only as of their date and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to Obligations subsequent to the original delivery of the Obligations.

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

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

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

## **TAX MATTERS WITH RESPECT TO THE TAX-EXEMPT OBLIGATIONS**

In the opinion of Special Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the City as described below, the portion of each Payment made by the City under the Agreement and denominated as and comprising interest income pursuant to the Agreement and received by the Owners of the Tax-Exempt Obligations will be excluded from gross income for federal income tax purposes and is exempt from Arizona income taxes. The opinions of Special Counsel will be dated the date of delivery of the Tax-Exempt Obligations. The forms of such opinions are included herein in APPENDIX G – “FORMS OF APPROVING LEGAL OPINIONS.”

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Tax-Exempt Obligations, from gross income for federal income tax purposes, including a requirement that the City rebate to the federal government certain of its investment earnings with respect to the Tax-Exempt Obligations. The City has covenanted to comply with the provisions of the Code relating to such matters. Failure to comply with such restrictions, conditions, and requirements could result in the interest income on the Agreement, being included as gross income for federal income tax purposes, under certain circumstances, from the date of issuance. The opinion of Special Counsel assumes continuing compliance with such covenants.

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

Although Special Counsel will render an opinion that, as of the delivery of the Tax-Exempt Obligations, interest income on the Agreement will be excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Tax-Exempt Obligations may otherwise affect a Beneficial Owner’s (as defined herein) federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Tax-Exempt Obligations, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations, should consult their tax consultants as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the respective Beneficial Owner’s particular tax status and the Beneficial Owner’s other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

The Agreement and the Tax-Exempt Obligations are not “private activity bonds” within the meaning of Section 141 of the Code.

Under existing federal tax law, if the Tax-Exempt Obligations are determined to be invalid for failure to comply with a substantive or procedural requirement of local law, the Tax-Exempt Obligations will be deemed not to be an obligation of the City and interest on the Tax-Exempt Obligations will not be excludable from gross income for federal income tax purposes. The Tax-Exempt Obligations do not provide for an adjustment in interest rate or yield in the event of taxability, and an event of taxability does not cause an acceleration of the principal of the Tax-Exempt Obligations.

From time to time, there are legislative proposals in Congress, which, if enacted, or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Tax-Exempt Obligations. Any such change that occurs before initial delivery of the Tax-Exempt Obligations could cause Special Counsel to deliver opinions substantially different from the forms of opinions shown in APPENDIX G – “FORMS OF APPROVING LEGAL OPINIONS.” The extent of change in Special Counsel’s opinions cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposals would apply to obligations (such as the Tax-Exempt Obligations) issued prior to enactment or effective date. Prospective purchasers should consult with their own tax advisor regarding any other pending or proposed federal income tax legislation.

### **Amortizable Premium**

The initial public offering price of the Tax-Exempt Obligations maturing July 1, 20\_\_ through and including July 1, 20\_\_ (collectively, the “Premium Obligations”) is greater than the amount payable on such Premium Obligations at maturity. An amount equal to the difference between the initial public offering price of a Premium Obligation (assuming that a substantial amount of the Premium Obligations of that maturity are sold to the public at such price) and the amount

payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Obligations. The basis for federal income tax purposes of a Premium Obligation in the hands of such initial Beneficial Owner must be reduced each year by the amortizable obligation premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable obligation premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Obligation. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable obligation premium with respect to the Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Obligations.

### **Original Issue Discount**

The initial public offering price of the Tax-Exempt Obligations maturing July 1, 20\_\_ through and including July 1, 20\_\_ (collectively, the "Discount Obligations"), are less than the respective amounts payable at maturity. As a result, the Discount Obligations will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Discount Obligations was sold (the "OID Issue Price")) of the Discount Obligations and the amount payable at maturity of the Discount Obligations will be treated as "original issue discount." With respect to a Beneficial Owner who purchases a Discount Obligation in the initial public offering at the OID Issue Price and who holds the Discount Obligation to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Obligation for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Obligation at maturity.

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

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

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

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

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

### **TAX MATTERS WITH RESPECT TO THE TAXABLE REFUNDING OBLIGATIONS**

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

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

### **Original Issue Discount of Taxable Refunding Obligations**

The initial public offering price of the Taxable Refunding Obligations maturing July 1, 20\_\_ through and including July 1, 20\_\_ (collectively, the “Taxable Discount Obligations”), are less than the respective amounts payable at maturity. As a result, the Taxable Discount Obligations will be considered to be issued with original issue discount. The difference between the initial public offering price (assuming it is the first price at which a substantial amount of that maturity of Taxable Discount Obligations was sold (the “Taxable OID Issue Price”)) of the Taxable Discount Obligations, and the amount payable at maturity of the Taxable Discount Obligations will be treated as “original issue discount.” With respect to a Beneficial Owner who purchases a Taxable Discount Obligation in the initial public offering at the Taxable OID Issue Price and who holds the Taxable Discount Obligation to maturity, the full amount of original issue discount will constitute interest income which is includible in the gross income of the Beneficial Owner of the Taxable Discount Obligation for federal income tax purposes, but not for Arizona income tax purposes, and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Taxable Discount Obligation at maturity.

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

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

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

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

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

### **Taxable Refunding Obligations Purchased at a Premium**

The initial public offering price of the Taxable Refunding Obligations maturing on July 1, 20\_\_ through and including July 1, 20\_\_ (collectively, the “Taxable Premium Obligations”) are greater than the amount payable on such Taxable Premium Obligations at maturity. An amount equal to the difference between the initial public offering price of a Taxable Premium Obligation (assuming that a substantial amount of the Taxable Premium Obligations of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Taxable Premium Obligations. The basis for federal income tax purposes of a Taxable Premium Obligation in the hands of such initial Beneficial Owner may be reduced each year by the amortizable obligation premium, if elected by such Beneficial Owner. If elected, the amount of amortizable obligation premium also will be treated as a federal income tax deduction. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Taxable Premium Obligation. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such

Beneficial Owner's yield to maturity. Beneficial Owners of the Taxable Premium Obligations should consult with their own tax advisors with respect to the determination of amortizable obligation premium with respect to the Taxable Premium Obligations for federal income tax purposes and with respect to the state and local tax consequences of owning Taxable Premium Obligations.

### **Disposition of Taxable Refunding Obligations**

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

### **Defeasance**

Persons considering the purchase of a Taxable Refunding Obligation should be aware that a defeasance of a Taxable Refunding Obligation by the City could result in the realization of gain or loss by the Beneficial Owner of the Taxable Refunding Obligation for federal income tax purposes, without any corresponding receipts of moneys by the Beneficial Owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange.

### **Information Reporting and Backup Withholding**

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

### **Non-U.S. Owners**

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

### **Circular 230**

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

## **UNDERWRITING**

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed to purchase the Obligations at an aggregate purchase price of \$\_\_\_\_\_ pursuant to an obligation purchase agreement (the "Purchase Contract") entered into by and between the City and the Underwriter. If the Obligations are sold to produce the yields shown on the inside front cover pages hereof, the Underwriter's compensation will be \$\_\_\_\_. The Purchase Contract provides that the Underwriter will purchase all of the Obligations so offered, if any, are purchased. The Underwriter may offer and sell the Obligations to certain dealers (including dealers depositing Obligations into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover pages hereof. The initial offering prices or yields set forth on the inside front cover pages may be changed from time to time by the Underwriter.

## **RELATIONSHIP AMONG PARTIES**

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

## **FINANCIAL ADVISOR**

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

## **CONTINUING SECONDARY MARKET DISCLOSURE**

The City will covenant for the benefit of the owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2021 (the "Annual Reports"), and to provide notices of the occurrence of certain listed events (the "Notices"). Such covenants will be made in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Annual Reports, Notices and other information required to be filed by such covenants will be filed by the City with the MSRB, currently through EMMA as described in APPENDIX H – "FORMS OF CONTINUING DISCLOSURE CERTIFICATES." The forms of the undertaking which describe the content of the Annual Reports and the Notices and the method of their dissemination are included as APPENDIX H hereto. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. The City's undertaking to provide continuing disclosure is payable solely from Net Revenues of the System to cover the costs of preparing and sending the Annual Reports and Notices to EMMA. Absence of continuing disclosure could adversely affect the Obligations and specifically their market price and transferability.

The City failed to timely file certain operating data in its Annual Reports for Fiscal Years 2014/2015 and 2015/2016. Such missing operating data were later filed in, March 2016 and October 2017. The City failed to provide notice of a defeasance with respect to one prior issue in connection with a refunding of two series of bonds. Until May 1, 2018, the operating data with respect to the fiscal year ended June 30, 2017 was not associated with certain of the nine-digit CUSIP numbers for the City's previously issued bonds. The City did not timely file event filings for two rating upgrades for certain previously issued bonds that occurred in 2017 and 2018 until May 3, 2018. The City has established procedures to facilitate timely and complete filing of its Annual Reports and Notices as required by the Rule.

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

The audited financial statements of the City for the fiscal year ended June 30, 2019, a copy of which is included in APPENDIX D of this Official Statement, have been audited by HintonBurdick, PLLC, certified public accountants, to the extent and for the period indicated in their report thereon. The City is not aware of any facts that would make such audited financial statements misleading. The audited financial statements are for the fiscal year ending June 30, 2019 and are not current. The City neither requested nor obtained the consent of HintonBurdick, PLLC to include the report, and HintonBurdick, PLLC, has performed no procedures subsequent to rendering its opinion on the financial statements.



### **CONCLUDING STATEMENT**

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

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

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

CITY OF GOODYEAR, ARIZONA

By: \_\_\_\_\_  
Finance Director

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

**General**

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

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

**Population Statistics****TABLE A-1**

Year	City of Goodyear	Maricopa County	State of Arizona
2019 Estimate (a)	88,870	4,367,835	7,187,990
2010 Census	65,275	3,817,117	6,392,017
2000 Census	18,911	3,072,149	5,130,632
1990 Census	6,258	2,122,101	3,665,339

(a) Estimate as of July 1, 2019 (published December 2019).

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

**Municipal Government Organization and Services**

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

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

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

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

*Doug Sandstrom, Finance Director.* Mr. Sandstrom was appointed Finance Director in May 2016. Mr. Sandstrom previously served as the Finance Director for the City of Casa Grande, Arizona from 2013 to 2016, Administrative Services Director for the City of Show Low, Arizona from 2010 to 2013 and in various capacities for the City of Surprise,

Arizona from 1999 to 2009 including Budget/Grant Analyst, Budget Manager, Management & Budget Director and Assistant City Manager. Mr. Sandstrom has also served as Finance Director for the Town of Gila Bend, Arizona and as a Financial Analyst for the City of Rockford, Illinois. Mr. Sandstrom holds a Master's degree in public administration from the University of Wisconsin-Milwaukee and a Bachelor's degree in political science/economics from St. Cloud State University in Minnesota.

## Economy

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

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

## Unemployment Rate Averages

**TABLE A-2 (a)**

Year	City of Goodyear	Maricopa County	State of Arizona	United States
2019 (b)	4.4%	4.2%	4.8%	3.7%
2018	4.2	4.1	4.8	3.9
2017	4.3	4.2	4.9	4.4
2016	4.8	4.6	5.4	4.9
2015	5.3	5.1	6.1	5.3

- (a) This table includes restated data: Local Area Unemployment Statistics ("LAUS") program data is intermittently revised to incorporate new population controls, updated inputs, re-estimation of models, and adjustment to new census division and national control totals.
- (b) Data is not seasonally adjusted, is preliminary and is an average through November 2019 for the National Unemployment rate and through October 2019 for LAUS data. Data accessed January 2, 2020.

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

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

**Major Employers  
City of Goodyear, Arizona**

**TABLE A-3**

Employer	Product/Service	Approximate Employment
Abrazo Healthcare	Health Care	1,130
Amazon	Retail	980
Macys Inc.	Retail	940
State of Arizona	Government	840
Chewy.com	Transportation & Distribution	700
Western Regional Medical Center	Health Care	670
City of Goodyear	Government	644 (a)
Subzero Freezer Co	Consumer Goods Manufacturing	570
Avondale Elementary School District No. 420	Education	420
Recreational Equipment Inc.	Transportation & Distribution	310
McLane Sunwest	Transportation & Distribution	310

(a) City estimated employment as provided in the City of Goodyear Fiscal Year 2018/19 CAFR.

Source: 2019 Maricopa Association of Governments Employer Database, employers with 5 or more employees and the City's Economic Development Office.

**Construction**

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

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

**TABLE A-4**

Fiscal Year	Residential	Commercial and Industrial	Total
2019/20 (a)	\$215,343	\$329,324	\$544,667
2018/19	284,955	250,906	535,861
2017/18	366,500	208,056	574,556
2016/17	307,380	111,939	419,319
2015/16	285,986	90,407	376,393

(a) Partial fiscal year data from July 2019 through December 2019.

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

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

**TABLE A-5**

Fiscal Year	Total New Housing Starts
2019/20 (a)	687
2018/19	1,230
2017/18	1,292
2016/17	1,068
2015/16	1,014

(a) Partial fiscal year data from July 2019 through December 2019.

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

**Transportation**

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

**Education**

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



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

Source: *State and County 2019 Abstract of the Assessment Roll*, Arizona Department of Revenue and *Maricopa County 2019 Tax Levy*, County Department of Finance.

## Statements of Bonds Outstanding

**TABLE B-2**

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

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding	
2010	Various Purpose	\$ 5,815,000	7-1-20/30	\$ 5,815,000	(a)
2010	Refunding	4,610,000	7-1-23/ 30	4,610,000	
2014	Refunding	15,865,000	7-1-14/20	3,150,000	
2016	Refunding	54,975,000	7-1-17/37	48,040,000	
2017	Various Purpose	25,015,000	7-1-18/37	20,300,000	
2019	Various Purpose	26,960,000	7-1-20/38	26,960,000	
2019	Refunding	4,225,000	7-1-19/29	4,105,000	
Total General Obligation Bonds Outstanding				\$112,980,000	
Less General Obligation Bonds Being Refunded				(10,425,000)	* (b)
Plus the General Obligation Refunding Bonds				9,615,000	* (b)
Total General Obligation Bonds to Be Outstanding				\$112,170,000	*

- (a) These bonds which constitute a portion of the General Obligation Bonds being refunded, were issued as taxable bonds under the Build America Bond program for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government. Bonds issued under the Build America Bond program have had such subsidy payments reduced by 5.9%, 6.2% and 6.6% for the federal Fiscal Years 2019/20, 2018/19 and 2017/18, respectively, due to sequestration reductions imposed by the federal government. Additional sequestration reductions or other reductions may be imposed by the federal government in future years. The City is required to pay the shortfall in the interest payments caused by the reduction.
- (b) The City expects to issue approximately \$9,615,000\* of General Obligation Refunding Bonds concurrently with the Obligations pursuant to a separate official statement, proceeds of which will be applied to refund certain of the City's outstanding general obligation bonds.

\* Subject to change.

**TABLE B-3****Water and Sewer Revenue Obligations Outstanding and to Be Outstanding  
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding
<i>Senior Lien Bonds</i>				
2009	Refunding	\$ 325,000	7-1-49	\$ 325,000
2009	WIFA Loan	5,716,315	7-1-10/29	3,050,814 (a)
<i>Subordinate Lien Obligations</i>				
2010	Subordinate Lien Obligations	14,950,000	7-1-22/39	14,950,000
2011	Subordinate Lien Obligations	15,480,000	7-1-12/41	13,310,000
2016	Subordinate Lien Obligations and Refunding	11,540,000	7-1-17/45	8,590,000
Total Water and Sewer Revenue Obligations Outstanding				\$ 40,225,814
Less the Obligations Being Refunded				(28,260,000) *
Plus the Project Obligations				104,635,000 *
Plus the Refunding Obligations				12,340,000 *
Plus the Taxable Refunding Obligations				13,360,000 *
Total Water and Sewer Revenue Obligations to Be Outstanding				<u>\$142,300,814</u> *

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

**TABLE B-4****Public Improvement Corporation Obligations Outstanding  
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding
<i>Excise Tax – Secured Obligations</i>				
2011A	Public Improvement Corporation Refunding	\$25,295,000	7-1-14/27	\$ 24,015,000
2016A	Public Improvement Corporation Refunding	40,530,000	7-1-19/32	37,570,000
2016B	Public Improvement Corporation Refunding	31,165,000	7-1-17/31	25,650,000
Total Excise Tax – Secured Obligations				<u>\$ 87,235,000</u>
<i>Annual Appropriation Obligations</i>				
<i>Senior-Lien</i>				
2012A	Public Improvement Corporation, Tax Exempt	\$ 9,390,000	6-15-13/23	\$ 3,403,554
2012B	Public Improvement Corporation, Taxable	1,110,000	6-15-13/23	414,940
<i>Subordinate-Lien Excise Tax – Secured Obligations</i>				
2017	Public Improvement Corporation, Taxable	\$10,645,000	7-1-2027	\$ 8,805,000
Total Annual Appropriation and Subordinate Lien Excise Tax Secured Obligations				<u>\$ 12,623,494</u>
Total Public Improvement Corporation Obligations Outstanding				<u>\$ 99,858,494</u>

**TABLE B-5****Improvement District Bonds Outstanding (a)  
City of Goodyear, Arizona**

Issue Series	Description	Original Amount	Maturity Date Range	Principal Outstanding
2018	Assessment Bond Refunding	\$34,870,000	1-1-19/31	\$30,685,000
Total Improvement District Bonds Outstanding				<u>\$30,685,000</u>



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

### CITY EMPLOYEE RETIREMENT SYSTEM

The City contributes to the pension plans described below. See also APPENDIX D, Note 13 for additional information. The City reported \$10,813,358 of pension and other post-employment benefit (“OPEB”) contributions as expenditures in the governmental funds related to all plans to which it contributes.

#### *Arizona State Retirement System*

City employees participate in the Arizona State Retirement System’s (“ASRS”). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

Contributions. In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members’ annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members’ annual covered payroll. The City’s contributions for the year ended June 30, 2019 were as follows:

	Contributions
Pension	\$ 2,891,615
Health Insurance Premium	116,609
Long-Term Disability	42,439

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The City’s proportion of the net asset/liability was based on the City’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2018.

At June 30, 2019, the City reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the City’s percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	City Portion	Increase (Decrease)
Pension	\$37,221,762	0.267%	0.02%
Health Insurance Premium	(97,837)	0.272	-
Long-Term Disability	139,754	0.267	-

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The City has deferred outflows and inflows of resources related to the net pension and OPEB assets/liability. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the City recognized pension and OPEB expense as follows:

	Expense
Pension	\$2,268,254
Health Insurance Premium	(18,598)
Long-Term Disability	9,407

The City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$1,025,429	\$ -	\$ 3,574
Changes of Assumptions or other inputs	984,956	188,679	30,270
Net difference between project and actual earnings on pension investments	-	-	-
Changes in proportionate share of contributions	2,807,434	1,472	9,526
Contributions subsequent to measurement date	2,891,615	116,609	42,439
Total	<u>\$7,709,434</u>	<u>\$ 306,760</u>	<u>\$ 85,809</u>

  

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 205,197	\$ 90,299	\$ -
Changes of Assumptions or other inputs	3,300,220	-	-
Net difference between project and actual earnings on pension investments	895,095	195,443	13,537
Changes in proportionate share of contributions	99,711	127	11
Total	<u>\$4,500,223</u>	<u>\$285,869</u>	<u>\$13,548</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ 1,639,621	\$(37,594)	\$ 1,731
2021	437,185	(37,595)	1,732
2022	(1,357,794)	(37,595)	1,732
2023	(401,416)	4,046	5,358
2024	-	13,020	6,023
Thereafter	-	-	13,246

#### *Public Safety Personnel Retirement System*

City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

On February 16, 2016, the Governor of Arizona signed into law pension overhaul legislation which makes several changes to the PSPRS. The changes, which only affect new hires starting work on or after July 1, 2017, will require new public employees to serve until the age of 55 before being eligible for full pension benefits. The new legislation will also cap pension benefits for new hires and split the cost of pensions 50/50 between employers and new employees, offer new

hires the option of a 100% defined contribution plan and tie cost-of-living adjustments to the regional Consumer Price Index, with a cap of 2% (the “COLA Provision”). The COLA Provision also applies to current members of the PSPRS due to voter approval at a May 17, 2016 election.

**Contributions.** State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2019, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Tier 1 & 2		Tier 3	
	PSPRS – Police	PSPRS – Fire	PSPRS – Police	PSPRS – Fire
Active members – pension	7.65% to 11.65%	7.65% to 11.65%	9.68%	9.68%
<b>City of Goodyear:</b>				
Pension	30.37%	26.19%	25.08%	20.25%
Health Insurance	0.33	0.34		

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City was required by statute to contribute at the actuarially determined rate of 10.65 percent for the PSPRS. ACR contributions are included in employer contributions presented above.

The contributions to the pension and OPEB plans for the year ended were:

	Contributions	
	PSPRS – Police	PSPRS – Fire
Pension	\$2,009,159	\$2,098,502
Pension – Tier 2	847,895	148,063
Pension – Tier 3	150,519	116,036
Health Insurance	21,831	27,243
Health Insurance – Tier 2	9,213	1,922
Health Insurance – Tier 3	1,636	1,506

The City’s pension and OPEB contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund.

**Pension and OPEB Assets/Liability.** At June 30, 2019, the City reported the following assets and liabilities.

	Net (Assets) Liability	
	PSPRS – Police	PSPRS – Fire
Pension	\$19,361,024	\$15,312,345
Health Insurance	(39,430)	138,215

The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2018, reflects statutory changes in benefit terms for automatic cost-of-living adjustments. The basis of cost-of-living adjustments was changed from excess investment earnings to the change in consumer price index, limited to a maximum annual increase of 2 percent.

Expense. For the year ended June 30, 2019, the City recognized the following as pension and OPEB expense:

	Expense	
	PSPRS – Police	PSPRS – Fire
Pension	\$4,576,735	\$4,274,946
Health Insurance	15,108	21,369

Deferred Outflows/Inflows of Resources. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS – Police:</b>				
Differences between expected and actual experience	\$2,249,213	\$70,770	\$13,912	\$ -
Changes of Assumptions or other inputs	2,049,925	-	-	48,856
Net difference between project and actual earnings on pension investments	284,443	-	-	16,148
Changes in proportionate share of contributions	-	-	-	-
Contributions subsequent to measurement date	3007,572	-	32,680	-
Total	<u>\$7,591,153</u>	<u>\$70,770</u>	<u>\$46,592</u>	<u>\$65,004</u>
	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS – Fire:</b>				
Differences between expected and actual experience	\$ 5,748,218	\$759,244	\$18,696	\$ -
Changes of Assumptions or other inputs	1,694,354	-	-	75,298
Net difference between project and actual earnings on pension investments	309,332	-	-	12,002
Changes in proportionate share of contributions	-	-	-	-
Contributions subsequent to measurement date	2,632,601	-	30,671	-
Total	<u>\$10,114,505</u>	<u>\$759,244</u>	<u>\$49,367</u>	<u>\$87,300</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year

ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	PSPRS – Police		PSPRS – Fire	
	Pension	Health Insurance	Pension	Health Insurance
2020	\$1,234,980	\$(12,457)	\$1,120,841	\$(11,302)
2021	1,067,817	(12,457)	942,714	(11,302)
2022	584,343	(12,457)	595,022	(11,302)
2023	711,028	(6,089)	828,367	(6,460)
2024	363,654	(6,828)	794,403	(7,091)
Thereafter	550,989	(804)	2,711,313	(21,147)

**CITY OF GOODYEAR, ARIZONA**  
**Water and Sewer Systems Information**

**Water System**

The water utility system of the City serves a portion of the population of the City, amounting to over 50,000, residing within a 170.5 square mile service area. Water is provided from groundwater sources. Liberty Water Company, a private utility, currently provides potable water treatment and distribution services from groundwater sources, to approximately 40 percent of other addresses, in the City, located north of U.S. Interstate Highway I-10. EPCOR Water and Arizona Water also provide water to small portions of the City north of McDowell and Van Buren respectively.

Groundwater wells produce 100 percent of the water used in the City. The City currently has ten groundwater wells of its own with a pumping capacity of approximately 11.2 million gallons per day (“mgd”) and operates two wells of Adaman Mutual Water Company with a combined capacity of 3.3 mgd per agreement approved by Arizona Department of Water Resources.

The City has eleven storage facilities in the water system service area capable of storing 17.9 million gallons. The City has approximately 380 miles of pipelines, including 324.6 of mains. The total current capacity of the water system is approximately 15.3 mgd. The record peak day during 2015 required approximately 12.7 mgd. The average day in 2015 was 8.1 mgd.

The groundwater is treated at the Bullard Water Campus. Currently, the plant has a treatment capacity of 3.5 mgd. Three additional treatment sites have capacity ratings of 1.0g mgd for reverse osmosis, 2.736 mgd for arsenic treatment for the Adaman wells and .72 mgd for arsenic at another site. The City has 1.97 mgd of water produced by the City is of high-enough quality to not require special treatment. The balance is used in blending at one or another of the treatment sites.

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Source: City of Goodyear IWMP. This population is from 2018 Annual report to ADWR. IWMP uses projection of 55,815 for same area.

The following tables provide information with respect to the City's water Utility System.

**Schedule of Existing and Adopted  
Monthly Water Service Charges (a)**

Description of Water System Services	Existing Fees	Adopted 2016	Adopted 2017	Adopted 2018	Adopted 2019	Adopted 2020
<b>Base Charge</b>						
(Meter Size)						
3/4 Inch	\$ 12.70	\$ 12.70	\$ 14.73	\$ 16.35	\$ 17.49	\$ 18.54
1 Inch	17.56	17.56	20.37	22.61	24.19	25.64
1 1/2 Inch	28.39	28.39	32.93	36.55	39.11	41.46
2 Inches	45.96	45.96	53.31	59.17	63.31	67.11
3 Inches	77.67	77.67	77.67	77.67	77.67	77.67
4 Inches	126.65	126.65	126.65	126.65	126.65	126.65
6 Inches	240.36	240.36	240.36	240.36	240.36	240.36
<b>Monthly Volume Charge - Residential</b>						
0 - 6,000 gallons (per thousand)	\$ 1.47	\$ 1.47	\$ 1.71	\$ 1.90	\$ 2.03	\$ 2.15
6,001 - 12,000 gallons (per thousand)	2.93	2.93	3.40	3.77	4.03	4.27
12,001 - 30,000 gallons (per	4.40	4.40	5.10	5.66	6.06	6.42
30,001+ gallons (per thousand)	7.06	7.06	8.19	9.09	9.73	10.31
<b>Monthly Volume Charge – Commercial</b>						
0 - 40,000 gallons (per thousand)	\$ 3.73	\$ 3.73	\$ 4.29	\$ 4.72	\$ 4.91	\$ 5.06
40,001 - 100,000 gallons (per	5.97	5.97	6.87	7.56	7.86	8.10
100,001+ gallons (per thousand)	7.75	7.75	8.97	9.80	10.19	10.50

(a) Rates shown are for inside City customers. Outside City rates (incorporated and unincorporated) are 25% greater than inside City rates. Rate increases are adopted at the direction of City Council.

**Schedule of Water System Rate Increases (a)**

Fiscal Year	Rate Increase
2015	10.0%
2016	13.0
2017	16.0
2018	11.0
2019	7.0

(a) The table above reflects only certain fees and charges of the City's water system and is not a comprehensive statement of all such fees.

Source: City of Goodyear Fiscal Year 2018/19 CAFR and the City Finance Department.

### Schedule of Water System Customers

Fiscal Year	Residential Customers	Commercial Customers	Multi-Unit Customers	Total Customers
2018/19	18,715	841	41	19,597
2017/18	17,733	839	36	18,608
2016/17	16,713	846	36	17,595
2015/16	16,132	865	36	17,033
2014/15	15,404	1,055	36	16,495

Source: City of Goodyear Fiscal Year 2018/19 CAFR and the City Finance Department. The schedule immediately above reflects customers as of June 30 for each fiscal year. Fiscal Year 2017/18 reflects a corrected customer count.

### Schedule of the 10 Largest Water System Customers (Excluding the City of Goodyear)

Water System Customer	Description	2018/19 Water System Fees/Charges
Snyders	Industry	\$ 396,275
JB Park Shadows	Apartments	298,246
Huhtamaki Inc.	Industry	233,493
Cancer Treatment Center of America	Multi Purpose	231,727
3 Minute Car Wash	Car Wash	211,876
Shepard Investments	Apartments	184,607
Poore Brothers, Inc.	Food Manufacturer, Snacks	147,934
Target	Industry	102,582
Walmart	Commercial	95,283
McLane Sunwest	Industry	69,557
Total		<u>\$1,971,579</u>
Total as a Percent of Total Water System Operating Revenue		13.64%

Source: City of Goodyear Fiscal Year 2018/19 CAFR and the City Finance Department.

### Sewer System

The sewer system of the City serves approximately 58% of the City's overall requirements from residential and commercial properties, including the EPCOR Water and Arizona Water Water customers. (Liberty Water Company currently provides the balance, for most of the properties north of U.S. Interstate Highway I-10.)

The City owns and operates three water reclamation facilities. These reclamation facilities (157<sup>th</sup> Avenue, Corgett, and Rainbow Valley) currently have a combined treatment capacity of 5.6 mgd.

The City has approximately over 230 miles of sewer mains and twelve lift stations.

Source: City of Goodyear IWMP. This population is from 2018 Annual report to ADWR. IWMP uses projection of 55,815 for same area.



**Schedule of Existing and Adopted Monthly Sewer Service Charges (a)**

Description of Sewer System	Adopted 2016	Adopted 2017	Adopted 2018	Adopted 2019	Adopted 2020
<b>Residential Sewer Service</b>					
Base Charge					
Volume Charge (Per 1,000 gallons)	\$ 4.90	\$ 6.13	\$ 6.25	\$ 6.38	\$ 6.51
<b>General Commercial Sewer Service</b>					
Base Charge					
Volume Charge (Per 1,000 gallons)	\$ 4.90	\$ 6.13	\$ 6.25	\$ 6.38	\$ 6.51
<b>Base Charge</b>					
(Meter Size)					
3/4 Inch	\$ 18.96	\$ 22.40	\$ 22.85	\$ 23.31	\$ 23.78
1 Inch	28.02	34.38	35.07	35.77	36.49
1 1/2 Inch	34.61	42.37	43.22	44.08	44.96
2 Inches	67.16	82.31	83.96	85.64	87.35
3 Inches	99.68	115.22	115.22	115.22	115.22
4 Inches	139.10	152.86	152.86	152.86	152.86
6 Inches	328.83	378.70	378.70	378.70	378.70

- (a) Rates shown are for inside City customers. Outside City rates (incorporated and unincorporated) are 25% greater than inside City rates. Rate increases are adopted at the direction of City Council.

Source: City of Goodyear Fiscal Year 2018/19 CAFR and the City Finance Department.

**Schedule of Sewer Rate Increases (a)**

Fiscal Year	Rate Increase
2015	N/A
2016	3.00%
2017	3.00
2018	2.00
2019	2.00

- (a) Rate increases were adopted, but are subject to change at the direction of City Council.

Source: City of Goodyear Financial Records, Reports and Water & Wastewater Rate Study. The table above reflects only certain basic fees and charges of the City's water system and is not a comprehensive statement of all such fees.

**Schedule of Sewer System Customers**

Fiscal Year	Residential Customers	Commercial Customers	Multi-Unit Customers	Total Customers
2018/19	18,720	446	41	19,207
2017/18	17,886	381	36	18,303
2016/17	16,649	381	36	17,066
2015/16	16,064	382	36	16,482
2014/15	15,335	373	69	15,777

Source: City Finance Department. The schedule immediately above reflects customers as of June 30 for each fiscal year.

**Schedule of the 10 Largest Sewer System Customers  
(Excluding the City of Goodyear)**

Sewer System Customer	Description	2018/19 Wastewater Fees/Charges
Arizona State Prison/Perryville	Prison	\$1,319,752
Huhtamaki	Manufacturer	111,999
Cancer Treatment Center	Hospital	102,046
Poore Brothers, Inc.	Food Manufacturer, Snacks	83,099
Separd Inv Apartments	Apartments	74,610
Park Shadows	Apartments	64,323
Snyders's of Hanover	Food Manufacturer, Snacks	52,779
3 Minute Car Wash	Car Wash	51,310
Agua Fria Union High School District	Education	36,847
NNP III Estrella Mtn Ranch LLC	Land Development	36,199
Total		<u>1,932,964</u>
Total as a Percent of Total Sewer System Operating Revenue		18.27%

Source: City of Goodyear Finance Department, Fiscal Year 2018/19 CAFR.

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## **APPENDIX D**

### **CITY OF GOODYEAR, ARIZONA**

#### **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

The following audited financial statements are for the fiscal year ended June 30, 2019 have been audited by HintonBurdick, PLLC, certified public accountants, to the extent and for the period indicated thereon. The City has neither requested nor obtained the consent of HintonBurdick, PLLC, to include its report and HintonBurdick, PLLC, has performed no procedures subsequent to sending its report on the audited financial statements.

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

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## **APPENDIX E**

### **SUMMARIES OF THE RESOLUTION AND PRINCIPAL DOCUMENTS**

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[SUMMARIES OF THE RESOLUTION AND PRINCIPAL DOCUMENTS TO BE INSERTED]



## **APPENDIX F**

### **BOOK-ENTRY-ONLY SYSTEM**

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## BOOK-ENTRY-ONLY SYSTEM

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

DTC will act as securities depository for the Obligations. The Obligations will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligations certificate will be executed and delivered for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant 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 Participants 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 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 Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

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

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

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## **APPENDIX G**

### **FORMS OF APPROVING LEGAL OPINIONS**

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[Closing Date]

Phoenix, Arizona

Re: City of Goodyear, Arizona  
Subordinate Lien Water and Sewer Revenue Obligations  
Series 2020

Gentlemen:

We have examined the proceedings relating to the execution and delivery by U.S. Bank National Association (the “Trustee”) of \$104,635,000\* aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2020, dated [\_\_\_\_\_, 2020] (the “2020 Series Obligations”), pursuant to a Trust Agreement dated as of [\_\_\_\_\_, 2020] (the “2020 Trust Agreement”), between the Trustee and the City of Goodyear, Arizona (the “City”). Each of the 2020 Subordinate Obligations evidences a proportionate interest of the owners thereof in an Agreement dated as of [\_\_\_\_\_, 2020] (the “2020 Agreement”), between the Trustee and the City, under which the City will make payments (the “Payments”) to the Trustee for the purpose of financing the construction and acquisition of various improvements and additions to the System (the “System”) under the 2020 Agreement are secured by a subordinate lien on and pledge of certain revenues of the System, net of the costs of operating and maintaining the System (the “Net Revenues”), as more fully described in the Master Resolution dated as of January 25, 1999, as thereafter amended and supplemented by that certain First Supplemental Resolution dated April 27, 2009, by that certain Second Supplemental Resolution dated December 7, 2009, by that certain Third Supplemental Resolution dated February 14, 2011, by that certain Fourth Supplemental Resolution dated March 28, 2016 (as corrected by that certain resolution dated May 9, 2016), and by that certain Fifth Supplemental Resolutions dated February 24, 2020 (collectively the “Authorizing Resolution”) and the 2020 Trust Agreement. We have also examined a form of the 2020 Series Obligations.

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

1. The 2020 Series Obligations, Authorizing Resolution, 2020 Trust Agreement and 2020 Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

2. The 2020 Agreement and the 2020 Series Obligations are payable from and are secured by a subordinate pledge of and lien on the Net Revenues on a parity with the City’s \$14,950,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2010, \$15,480,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2011, and \$11,540,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue and Refunding Obligations, Series 2016 (collectively, the “Parity Obligations”). However, such Series 2020 Obligations are subordinate to the City’s Senior Bonds (as such term is defined in the Master Resolution), which are currently the 2009 Bonds outstanding in the amount of \$325,000 and the 2009 WIFA Loan outstanding in the amount of \$3,050,814. Such pledge and lien is subordinate to the pledge of and lien on the Net Revenues for the payment of the City’s water and sewer revenue bonds and other obligations secured by a senior pledge of and lien on the Net Revenues, whether now outstanding or hereafter issued. Additional obligations may be issued in the future on a parity with the 2020 Subordinate Obligations and the Parity Obligations.

3. Under existing laws, regulations, rulings and judicial decisions, the portion of each Payment made by the City under the 2020 Agreement and denominated as and comprising interest pursuant to the 2020 Agreement and received by the owners of the 2020 Series Obligations is excluded from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Such interest income is not an item of tax preference to be included in computing the alternative minimum tax of individuals. The 2020 Agreement and the 2020 Series

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\* Subject to change.



Obligations are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). We express no opinion regarding other federal tax consequences arising with respect to either the 2020 Agreement or the 2020 Series Obligations.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the 2020 Agreement received by the owners of the 2020 Series Obligations from gross income for federal income tax purposes, including a requirement that the City rebate to the federal government certain of the investment earnings with respect to the 2020 Agreement received by the owners of the 2020 Series Obligations. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the 2020 Agreement received by the owners of the 2020 Series Obligations being included as gross income for federal income tax purposes from their date of issuance. The City has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the interest income on the 2020 Agreement received by the owners of the 2020 Series Obligations. For purposes of this opinion, we have assumed continuing compliance by the City with such restrictions, conditions and requirements.

As to questions of fact material to our opinion, we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certificates, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the 2020 Series Obligations to be and remain excluded from gross income for federal income tax purposes.

GUST ROSENFELD P.L.C.

[Closing Date]

Phoenix, Arizona

Re: City of Goodyear, Arizona  
Subordinate Lien Water and Sewer Revenue Obligations  
Refunding Series 2020

Gentlemen:

We have examined the proceedings relating to the execution and delivery by U.S. Bank National Association (the “Trustee”) of \$12,340,000\* aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2020 and Subordinate Lien Water and Sewer Revenue and Obligations, Refunding Series 2020, both dated [\_\_\_\_\_, 2020] (the “*Refunding Series 2020 Obligations*”), pursuant to a Trust Agreement dated as of [\_\_\_\_\_, 2020] (the “*2020 Refunding Trust Agreement*”), between the Trustee and the City of Goodyear, Arizona (the “City”). Each of the Refunding Series 2020 Obligations evidences a proportionate interest of the owners thereof in an Agreement dated as of [\_\_\_\_\_, 1, 2020] (the “*2020 Refunding Agreement*”), between the Trustee and the City, under which the City will make payments (the “*Payments*”) to the Trustee to acquire certain improvements to the City’s water and sewer system (the “*System*”) and to prepay that certain Subordinate Lien Water and Sewer Revenue Obligations, Series 2010. The Payments under the 2020 Refunding Agreement are secured by a subordinate lien on and pledge of certain revenues of the System, net of the costs of operating and maintaining the System (the “*Net Revenues*”), as more fully described in the Master Resolution dated as of January 25, 1999, as thereafter amended and supplemented by that certain First Supplemental Resolution dated April 27, 2009, by that certain Second Supplemental Resolution dated December 7, 2009, by that certain Third Supplemental Resolution dated February 14, 2011, by that certain Fourth Supplemental Resolution dated March 28, 2016 (as corrected by that certain resolution dated May 9, 2016), by that certain Fifth Supplemental Resolutions dated February 24, 2020, and by that certain Sixth Supplemental Resolutions dated February 24, 2020 (collectively the “*Authorizing Resolution*”) and the 2020 Refunding Trust Agreement. We have also examined a form of the Refunding Series 2020 REFUNDING SERIES 2020 Obligations.

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

1. The Refunding Series 2020 Obligations, Authorizing Resolution, 2020 Refunding Trust Agreement, 2020 Refunding Depository Trust Agreement and 2020 Refunding Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

2. The 2020 Refunding Agreement and the 2020 Subordinate Refunding Obligations are payable from and are secured by a subordinate pledge of and lien on the Net Revenues on a parity with the City’s \$14,950,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2010, \$15,480,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2011, and \$11,540,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2016 (collectively, the “*Parity Obligations*”). However, such Series 2020 Obligations are subordinate to the City’s Senior Bonds (as such term is defined in the Master Resolution), which are currently the 2009 Bonds outstanding in the amount of \$325,000 and the 2009 WIFA Loan outstanding in the amount of \$3,050,814. Such pledge and lien is subordinate to the pledge of and lien on the Net Revenues for the payment of the City’s water and sewer revenue bonds and other obligations secured by a senior pledge of and lien on the Net Revenues, whether now outstanding or hereafter issued.

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\* Subject to change.

Additional obligations may be issued in the future on a parity with the Refunding Series 2020 Obligations and the Parity Obligations.

3. Under existing laws, regulations, rulings and judicial decisions, the portion of each Payment made by the City under the 2020 Refunding Agreement and denominated as and comprising interest pursuant to the 2020 Refunding Agreement and received by the owners of the Refunding Series 2020 Obligations is excluded from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Such interest income is not an item of tax preference to be included in computing the alternative minimum tax of individuals. The 2020 Refunding Agreement and the Refunding Series 2020 Obligations are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). We express no opinion regarding other federal tax consequences arising with respect to either the 2020 Refunding Agreement or the Refunding Series 2020 Obligations.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the 2020 Refunding Agreement received by the owners of the Refunding Series 2020 Obligations from gross income for federal income tax purposes, including a requirement that the City rebate to the federal government certain of the investment earnings with respect to the 2020 Refunding Agreement received by the owners of the Refunding Series 2020 Obligations. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the 2020 Refunding Agreement received by the owners of the Refunding Series 2020 Obligations being included as gross income for federal income tax purposes from their date of issuance. The City has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the interest income on the 2020 Refunding Agreement received by the owners of the Refunding Series 2020 Obligations. For purposes of this opinion, we have assumed continuing compliance by the City with such restrictions, conditions and requirements.

As to questions of fact material to our opinion, we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certificates, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Refunding Series 2020 Obligations to be and remain excluded from gross income for federal income tax purposes.

GUST ROSENFELD P.L.C.

[Closing Date]

Phoenix, Arizona

Re: City of Goodyear, Arizona  
Subordinate Lien Water and Sewer Revenue Obligations  
Taxable Refunding Series 2020

Ladies and Gentlemen:

We have examined the proceedings relating to the execution and delivery by U.S. Bank National Association (the “Trustee”) of \$13,360,000\* aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Taxable Refunding Series 2020, dated [\_\_\_\_\_, 2020] (the “*Taxable Refunding Series 2020 Obligations*”), pursuant to a Trust Agreement dated as of [\_\_\_\_\_, 2020] (the “*2020 Taxable Refunding Trust Agreement*”), between the Trustee and the City of Goodyear, Arizona (the “City”). Each of the Taxable Refunding Series 2020 Obligations evidences a proportionate interest of the owners thereof in an Agreement dated as of [\_\_\_\_\_ 1, 2020] (the “*2020 Taxable Refunding Agreement*”), between the Trustee and the City, under which the City will make payments (the “*Payments*”) to the Trustee to acquire certain improvements to the City’s water and sewer system (the “*System*”) and to prepay those certain Subordinate Lien Water and Sewer Revenue Obligations, Series 2010. The Payments under the 2020 Taxable Refunding Agreement are secured by a subordinate lien on and pledge of certain revenues of the System, net of the costs of operating and maintaining the System (the “*Net Revenues*”), as more fully described in the Master Resolution dated as of January 25, 1999, as thereafter amended and supplemented by that certain First Supplemental Resolution dated April 27, 2009, by that certain Second Supplemental Resolution dated December 7, 2009, by that certain Third Supplemental Resolution dated February 14, 2011, by that certain Fourth Supplemental Resolution dated March 28, 2016 (as corrected by that certain resolution dated May 9, 2016), by that certain Fifth Supplemental Resolution dated February 24, 2020, by that certain Sixth Supplemental Resolution dated February 24, 2020, and by that certain Seventh Supplemental Resolution dated February 24, 2020 (collectively the “*Authorizing Resolution*”) and the 2020 Taxable Refunding Trust Agreement. We have also examined a form of the Taxable Refunding Series 2020 Obligations.

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

1. The Taxable Refunding Series 2020 Obligations, Authorizing Resolution, 2020 Taxable Refunding Trust Agreement, 2020 Taxable Refunding Depository Trust Agreement and 2020 Taxable Refunding Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

2. The 2020 Taxable Refunding Agreement and the Taxable Refunding Series 2020 Obligations are payable from and are secured by a subordinate pledge of and lien on the Net Revenues on a parity with the City’s \$14,950,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2010, \$15,480,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2011, and \$11,540,000 original aggregate principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2016 (collectively, the “*Parity Obligations*”). However, such Series 2020 Obligations are subordinate to the City’s Senior Bonds (as such term is defined in the Master Resolution), which are currently the 2009 Bonds outstanding in the amount of \$325,000 and the 2009 WIFA Loan outstanding in the amount of \$3,050,814. Such pledge and lien is subordinate to the pledge of and lien on the Net Revenues for the payment of the City’s water and sewer revenue bonds and other obligations secured by a senior pledge of and lien on the Net Revenues, whether now outstanding or hereafter issued. Additional obligations may be issued in the future on a parity with the Taxable Refunding Series 2020 Obligations and the Parity Obligations.

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\* Subject to change.

3. We express no opinion on the treatment of interest income on the Obligations for federal income tax purposes.

4. The interest income on the Obligations is exempt from Arizona income taxes. We express no opinion as to the exemption from federal or Arizona state income taxation of any other amounts paid under the 2020 Taxable Refunding Agreement.

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

GUST ROSENFELD P.L.C.

## **APPENDIX H**

### **FORMS OF CONTINUING DISCLOSURE CERTIFICATES**

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**\$104,635,000\***  
**CITY OF GOODYEAR, ARIZONA**  
**SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS**  
**SERIES 2020**

**CONTINUING DISCLOSURE CERTIFICATE**  
**(CUSIP Base No. 382900)**

This Continuing Disclosure Certificate (this “*Disclosure Certificate*”) is undertaken by the City of Goodyear, Arizona (the “*City*”) in connection with the execution and delivery of \$104,635,000\* principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Series 2020 (the “*Series 2020 Obligations*”). In consideration of the initial sale and delivery of the Series 2020 Obligations, the City covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

“*Obligation Holder*” shall mean any registered owner or beneficial owner of the Series 2020 Obligations.

“*Official Statement*” shall mean the final official statement dated \_\_\_\_\_, 2020 relating to the Series 2020 Obligations.

“*Participating Underwriter*” shall mean any of the original underwriters of the Series 2020 Obligations required to comply with the Rule in connection with offering of the Series 2020 Obligations.

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

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\* Subject to change.



**Section 3. Provision of Annual Reports.**

(a) Commencing February 1, 2021, and by no later than February 1 of each year thereafter (the “*Filing Date*”), the City shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by the MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

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

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

(d) The Dissemination Agent shall:

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

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

**Section 4. Content of Annual Reports.**

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

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

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

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

(B) Annually updated financial information and operating data of the type contained in Appendix C and the table “Combined Schedules of Net Revenues and Debt Service Coverage” in the Official Statement.

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

(ii) Accounting Principles Pursuant to Which Audited Financial Statements Shall Be Prepared: The Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles and state law requirements as are in effect from time to time. A more complete description of the accounting principles currently followed in the preparation of the City’s Audited Financial Statements is contained in Note 1 of the Audited Financial Statements included within the Official Statement. Notice of amendment to the accounting principles shall be sent within thirty (30) days to EMMA.

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

**Section 5. Reporting of Listed Events.**

(a) This Section shall govern the giving of notices by the City, either directly or by directing the Dissemination Agent to do so, of the occurrence of any of the following events with respect to the Series 2020 Obligations. The City shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service (the “IRS”) of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 Obligations, or other material events affecting the tax status of the Series 2020 Obligations;
- (vii) Modifications to rights of Obligation Holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Series 2020 Obligations, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Obligation Holders, if material; and
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

Note to Section 5(a)(xii): For the purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

**Section 6. Termination of Reporting Obligation.** The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2020 Obligations. Such termination shall not terminate the obligation of the City to give notice of such defeasance or prior redemption.

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

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

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

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series 2020 Obligations, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

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

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

**Section 11. Default.** In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Obligation Holder may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Series 2020 Obligations or the resolution authorizing the Series 2020 Obligations.

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

**Section 13. Undertaking Payable from Net Revenues.** The City's undertaking to provide information under this Disclosure Certificate is payable solely from Net Revenues of the System (as such terms are defined in the Official Statement) to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Until payment of the Series 2020 Obligations, no receipts segregated or collected for the purpose of paying the principal of and interest and redemption charges on bonds or obligations and other lawful long-term obligations issued or incurred for a specific capital purpose shall be subject to the provisions of Arizona Revised Statutes, Title 42, Chapter 17, the State of Arizona budget law.

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

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

Dated: [Closing Date].

**CITY OF GOODYEAR, ARIZONA**

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Its Finance Director

[Signature page to Continuing Disclosure Certificate]

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Goodyear, Arizona  
Name of Issue: \$104,635,000\* Subordinate Lien Water and Sewer Revenue Obligations, Series 2020  
Dated Date of Obligations: [\_\_\_\_\_, 2020] Base CUSIP: 382900

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Obligations as required by Section 3(a) of the Continuing Disclosure Certificate dated [\_\_\_\_\_, 2020]. The City anticipates that the Annual Report for fiscal year ended June 30, \_\_\_\_ will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

CITY OF GOODYEAR, ARIZONA

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT B**

**NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS**

Name of Issuer: City of Goodyear, Arizona  
Name of Issue: \$104,635,000\* Subordinate Lien Water and Sewer Revenue Obligations, Series 2020  
Dated Date of Obligations: [\_\_\_\_\_, 2020] Base CUSIP: 382900

NOTICE IS HEREBY GIVEN that the City failed to provide its audited financial statements with its Annual Report or, if not available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated [\_\_\_\_\_, 2020] with respect to the above-named Obligations. The City anticipates that the audited financial statements for the fiscal year ended June 30, \_\_\_\_ will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

CITY OF GOODYEAR, ARIZONA

By \_\_\_\_\_  
Its \_\_\_\_\_

[Exhibit Page to Continuing Disclosure Certificate]

\* Subject to change.

**\$12,340,000\***  
**CITY OF GOODYEAR, ARIZONA**  
**SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS**  
**REFUNDING SERIES 2020**

**CONTINUING DISCLOSURE CERTIFICATE**  
**(CUSIP Base No. 382900)**

This Continuing Disclosure Certificate (this “*Disclosure Certificate*”) is undertaken by the City of Goodyear, Arizona (the “*City*”) in connection with the execution and delivery of \$12,340,000\* principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020 (the “*Refunding Series 2020 Obligations*”). In consideration of the initial sale and delivery of the Refunding Series 2020 Obligations, the City covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

“*Obligation Holder*” shall mean any registered owner or beneficial owner of the Refunding Series 2020 Obligations.

“*Official Statement*” shall mean the final official statement dated [\_\_\_\_\_, 2020] relating to the Refunding Series 2020 Obligations.

“*Participating Underwriter*” shall mean any of the original underwriters of the Refunding Series 2020 Obligations required to comply with the Rule in connection with offering of the Refunding Series 2020 Obligations.

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\* Subject to change.

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

**Section 3. Provision of Annual Reports.**

(a) Commencing February 1, 2021, and by no later than February 1 of each year thereafter (the “Filing Date”), the City shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by the MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

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

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

(d) The Dissemination Agent shall:

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

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

**Section 4. Content of Annual Reports.**

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

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

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

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

(B) Annually updated financial information and operating data of the type contained in Appendix C and the table “Combined Schedules of Net Revenues and Debt Service Coverage” in the Official Statement.

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

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

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

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

#### **Section 5. Reporting of Listed Events.**

(a) This Section shall govern the giving of notices by the City, either directly or by directing the Dissemination Agent to do so, of the occurrence of any of the following events with respect to the Refunding Series 2020 Obligations. The City shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service (the “IRS”) of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Refunding Series 2020 Obligations, or other material events affecting the tax status of the Refunding Series 2020 Obligations;
- (vii) Modifications to rights of Obligation Holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Refunding Series 2020 Obligations, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Obligation Holders, if material; and
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

Note to Section 5(a)(xii): For the purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

**Section 6. Termination of Reporting Obligation.** The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Refunding Series 2020



Obligations. Such termination shall not terminate the obligation of the City to give notice of such defeasance or prior redemption.

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

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

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

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Refunding Series 2020 Obligations, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

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

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

**Section 11. Default.** In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Obligation Holder may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Refunding Series 2020 Obligations or the resolution authorizing the Refunding Series 2020 Obligations.

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

**Section 13. Undertaking Payable from Net Revenues.** The City's undertaking to provide information under this Disclosure Certificate is payable solely from Net Revenues of the System (as such terms are defined in the Official Statement) to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Until payment of the Refunding Series 2020 Obligations, no receipts segregated or collected for the purpose of paying the principal of and interest and redemption charges on bonds or obligations and other lawful long-term obligations issued or incurred for a specific capital purpose shall be subject to the provisions of Arizona Revised Statutes, Title 42, Chapter 17, the State of Arizona budget law.

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

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

Dated: [Closing Date].

**CITY OF GOODYEAR, ARIZONA**

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Its Finance Director

[Signature page to Continuing Disclosure Certificate]

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Goodyear, Arizona

Name of Issue: \$12,340,000\* Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020

Dated Date of Obligations: [\_\_\_\_\_, 2020]

Base CUSIP: 382900

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Obligations as required by Section 3(a) of the Continuing Disclosure Certificate dated [\_\_\_\_\_, 2020]. The City anticipates that the Annual Report for fiscal year ended June 30, \_\_\_\_ will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

CITY OF GOODYEAR, ARIZONA

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT B**

**NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS**

Name of Issuer: City of Goodyear, Arizona

Name of Issue: \$12,340,000\* Subordinate Lien Water and Sewer Revenue Obligations, Refunding Series 2020

Dated Date of Obligations: [\_\_\_\_\_, 2020]

Base CUSIP: 382900

NOTICE IS HEREBY GIVEN that the City failed to provide its audited financial statements with its Annual Report or, if not available, within 30 days of receipt as required by Section 4(a) of the Continuing Disclosure Certificate dated [\_\_\_\_\_, 2020] with respect to the above-named Obligations. The City anticipates that the audited financial statements for the fiscal year ended June 30, \_\_\_\_ will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

CITY OF GOODYEAR, ARIZONA

By \_\_\_\_\_  
Its \_\_\_\_\_

[Exhibit Page to Continuing Disclosure Certificate]

\* Subject to change.

**\$13,360,000\***  
**CITY OF GOODYEAR, ARIZONA**  
**SUBORDINATE LIEN WATER AND SEWER REVENUE OBLIGATIONS**  
**TAXABLE REFUNDING SERIES 2020**

**CONTINUING DISCLOSURE CERTIFICATE**  
**(CUSIP Base No. 382900)**

This Continuing Disclosure Certificate (this “*Disclosure Certificate*”) is undertaken by the City of Goodyear, Arizona (the “*City*”) in connection with the execution and delivery of \$13,360,000\* principal amount of Subordinate Lien Water and Sewer Revenue Obligations, Taxable Refunding Series 2020 (the “*Taxable Refunding TAXABLE REFUNDING SERIES 2020 Obligations*”). In consideration of the initial sale and delivery of the Taxable Refunding Series 2020 Obligations, the City covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

“*Obligation Holder*” shall mean any registered owner or beneficial owner of the 2020 Taxable Refunding Obligations.

“*Official Statement*” shall mean the final official statement dated [\_\_\_\_\_, 2020] relating to the Taxable Refunding Series 2020 Obligations.

“*Participating Underwriter*” shall mean any of the original underwriters of the Taxable Refunding Series 2020 Obligations required to comply with the Rule in connection with offering of the Taxable Refunding Series 2020 Obligations.

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\* Subject to change.

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

**Section 3. Provision of Annual Reports.**

(a) Commencing February 1, 2021, and by no later than February 1 of each year thereafter (the “Filing Date”), the City shall, either directly or by directing the Dissemination Agent to do so, provide an Annual Report to MSRB. The Annual Report shall be provided electronically and in a format prescribed by the MSRB. The Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate and shall include information from the fiscal year ending on the preceding June 30. All documents provided to MSRB shall be accompanied by identifying information prescribed by MSRB. Currently, filings are required to be made with EMMA. Not later than fifteen (15) business days prior to such Filing Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City).

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

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

(d) The Dissemination Agent shall:

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

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

**Section 4. Content of Annual Reports.**

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

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

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

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

(B) Annually updated financial information and operating data of the type contained in Appendix C and the table “Combined Schedules of Net Revenues and Debt Service Coverage” in the Official Statement.

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

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

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

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

#### **Section 5. Reporting of Listed Events.**

(a) This Section shall govern the giving of notices by the City, either directly or by directing the Dissemination Agent to do so, of the occurrence of any of the following events with respect to the Taxable Refunding Series 2020 Obligations. The City shall in a timely manner, not in excess of ten (10) business days after the occurrence of the event, provide notice of the following events with EMMA:

- (xvii) Principal and interest payment delinquencies;
- (xviii) Non-payment related defaults, if material;
- (xix) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (xx) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (xxi) Substitution of credit or liquidity providers, or their failure to perform;
- (xxii) Adverse tax opinions, the issuance by the Internal Revenue Service (the “IRS”) of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Taxable Refunding Series 2020 Obligations, or other material events affecting the tax status of the Taxable Refunding Series 2020 Obligations;
- (xxiii) Modifications to rights of Obligation Holders, if material;
- (xxiv) Bond calls, if material, and tender offers;
- (xxv) Defeasances;
- (xxvi) Release, substitution, or sale of property securing repayment of the Taxable Refunding Series 2020 Obligations, if material;
- (xxvii) Rating changes;
- (xxviii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xxix) 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;
- (xxx) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xxxi) The incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Obligation Holders, if material; and
- (xxxii) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

Note to Section 5(a)(xii): For the purposes of the event identified in subsection (a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

**Section 6. Termination of Reporting Obligation.** The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Taxable Refunding Series 2020 Obligations. Such termination shall not terminate the obligation of the City to give notice of such defeasance or prior redemption.

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

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

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

(b) This Disclosure Certificate, as amended, would, in the opinion of Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Taxable Refunding Series 2020 Obligations, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

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

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

**Section 11. Default.** In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Obligation Holder may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance and such failure shall not constitute a default under the Taxable Refunding Series 2020 Obligations or the resolution authorizing the Taxable Refunding Series 2020 Obligations.

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

**Section 13. Undertaking Payable from Net Revenues.** The City's undertaking to provide information under this Disclosure Certificate is payable solely from Net Revenues of the System (as such terms are defined in the Official Statement) to cover the costs of preparing and sending the Annual Report and notices of Listed Events to EMMA. Until payment of the Taxable Refunding Series 2020 Obligations, no receipts segregated or collected for the purpose of paying the principal of and interest and redemption charges on bonds or obligations and other lawful long-term obligations issued or incurred for a specific capital purpose shall be subject to the provisions of Arizona Revised Statutes, Title 42, Chapter 17, the State of Arizona budget law.

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

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

Dated: [Closing Date].

**CITY OF GOODYEAR, ARIZONA**

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Its Finance Director

[Signature page to Continuing Disclosure Certificate]



**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Goodyear, Arizona

Name of Issue: \$13,360,000\* Subordinate Lien Water and Sewer Revenue Obligations,  
Taxable Refunding Series 2020

Dated Date of Obligations: [Closing Date]

Base CUSIP: 382900

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

Dated: \_\_\_\_\_

CITY OF GOODYEAR, ARIZONA

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT B**

**NOTICE OF FAILURE TO FILE AUDITED FINANCIAL STATEMENTS**

Name of Issuer: City of Goodyear, Arizona

Name of Issue: \$13,360,000\* Subordinate Lien Water and Sewer Revenue Obligations,  
Taxable Refunding Series 2020

Dated Date of Obligations: [Closing Date]

Base CUSIP: 382900

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

Dated: \_\_\_\_\_

CITY OF GOODYEAR, ARIZONA

By \_\_\_\_\_  
Its \_\_\_\_\_

[Exhibit Page to Continuing Disclosure Certificate]

\* Subject to change.

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