City of Yuma
City Council Meeting
Agenda

Wednesday, October 1, 2025 **5:30 PM** **Yuma City Hall Council Chambers**
One City Plaza, Yuma

Notice is hereby given, pursuant to Resolution R2015-047 that one or more members of the Yuma City Council may participate in person or by telephonic, video or internet conferencing. Voting procedures will remain as required by the Yuma City Charter and other applicable laws.

Those wishing to speak on an agenda item or during Call to the Public must complete a Speaker Request Form prior to the start of the meeting. Speaker Request Forms can be found on the City's website, in the Clerk's Office, as well as in the Council Chambers.

"Call to the Public" comments are limited to non-agenda items that pertain to City business under the authority and legislative functions of the City Council. The total time for "Call to the Public" is limited to 30 minutes.

Speaker Request Forms should be submitted to City clerk staff prior to the start of each meeting. All speakers, whether speaking on an agenda item or during "Call to the Public" are provided 3 minutes, with no more than 5 speakers permitted per topic/issue.

City Council Worksessions and Regular City Council Meetings can be viewed through the following platforms:

• Cable – Meetings are broadcast live on Spectrum Cable Channel 73.

• Live Stream – Residents can watch meetings on their computer or mobile device at www.yumaaz.gov/telvue. Previous Council meetings are also available on-demand.

• Virtual – Residents can watch meetings via Teams on their computer or mobile device at www.yumaaz.gov/publicmeetings. Click on "Calendar" then select the City meeting and click "Join".

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

FINAL CALL

Final call for submission of Speaker Request Forms for agenda related items.

ROLL CALL

PRESENTATIONS

- Onvida Mental Health Update
- Reading of Proclamation: Domestic Violence Awareness
- Subdivision Processes Update

I. MOTION CONSENT AGENDA

All items listed on the Motion Consent Agenda will be considered and enacted with one motion. There will be no separate discussion of these items unless a Councilmember so requests. In which event, the item will be removed from the Motion Consent Agenda and the vote or action may be taken separately.

A. Approval of minutes of the following City Council meeting(s):

1. MC 2025-159 **Regular Council Worksession Draft Minutes September 2, 2025**

Attachments: 2025 09 02 RWS Minutes

B. Executive Sessions

Executive Sessions may be held at the next regularly scheduled Special Worksession, Regular Worksession and City Council Meeting for personnel, legal, litigation and real estate matters pursuant to A.R.S. § 38-431.03 Section A(1), (3), (4), and (7). (City Attorney)

C. Approval of staff recommendations:

1. MC 2025-153 **Liquor License: Yuma Market**

Approve a Series #10: Beer and Wine Store Liquor License application submitted by Muntasser Matti, agent for Yuma Market located at 890 E. 24th Street. (LL25-17) (City Administration/City Clerk) (Lynda L. Bushong)

Attachments: 1. MAP Liquor License: Yuma Market

2. MC 2025-154 **Liquor License: The Bank Bar & Lounge**

Approve a Series #06: Bar Liquor License application submitted by Valentin Guzman Jr., agent for The Bank Bar & Lounge located at 274 S. Main Street. (LL25-18) (City Administration/City Clerk) (Lynda L. Bushong)

Attachments: 1. MAP Liquor License: The Bank Bar & Lounge

3. MC 2025-155 **Bid Award: Riley Avenue and 18th Street Sidewalk and Streets Infrastructure Improvements**

Authorize the award for the construction services for the Riley Avenue and 18th Street Sidewalk and Streets Infrastructure Improvements project to the lowest responsive and responsible bidder in the amount of $130,583.29 to IOI Construction Corporation, Chandler, Arizona. (Engineering-RFB-26-007) (David Wostenberg/Robin R. Wilson)

4. MC 2025-156 **Request for Qualifications Award: Design Services for Long-Term Efficiency of Operations for Yuma East Wetlands**

Authorize the City Administrator to execute a professional services contract for Design Services for the Long-Term Efficiency of Operations project for the Yuma East Wetlands for a total cost of $911,318.03 to Stantec Consulting Services Inc. (Engineering RFQ-25-238) (David Wostenberg/ Robin R. Wilson)

5. MC 2025-157 **Agreement: Joint use of the City of Yuma Public Safety Training Facility with AMR River Medical**

Authorize the City Administrator to execute an agreement with AMR River Medical for use of the City of Yuma's Public Safety Training Facility (PSTF). (Fire Department/ Administration) (John Louser)

Attachments: 1. AGMT Joint Use of Public Safety Training Facility

II. RESOLUTION CONSENT AGENDA

All items listed on the Resolution Consent Agenda will be considered and enacted with one motion. There will be no separate discussion of these items unless a City Councilmember so requests or a Speaker Request Form has been submitted. In which event, the item will be removed from the Resolution Consent Agenda and the vote or action may be taken separately.

1. R2025-088 **Intergovernmental Agreement: U.S. Border Patrol**

Authorize the City Administrator to execute an intergovernmental agreement (IGA) with the Department of Homeland Security, U.S. Customs and Border Protection, U.S. Border Patrol, Yuma Sector (Border Patrol) for Emergency Medical Technician clinical education and field work through the City of Yuma Fire Department. (Fire Department/ Administration) (John Louser)

Attachments: 1. RES IGA: U.S. Border Patrol

2. AGMT IGA: U.S. Border Patrol

2. R2025-089

Development Fee Deferral: Cielo Verde Unit 3 Phase 2 Subdivision

Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 3 Phase 2 Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

Attachments:
1. MAP Development Fee Deferral: Cielo Verde Unit 3 Phase 2
2. RES Development Fee Deferral: Cielo Verde Unit 3 Phase 2
3. AGMT Development Fee Deferral: Cielo Verde Unit 3 Phase 2

3. R2025-090

Development Fee Deferral: Cielo Verde Unit 4 Phase I Subdivision

Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 4 Phase I Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

Attachments:
1. MAP Cielo Verde Unit 4 Phase I Subdivision
2. RES Cielo Verde Unit 4 Phase I Subdivision
3. AGMT Cielo Verde Unit 4 Phase I Subdivision

4. R2025-091

Development Fee Deferral: Cielo Verde Unit 4 Phase II Subdivision

Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 4 Phase II Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

Attachments:
1. MAP Cielo Verde Unit 4 Phase II Subdivision
2. RES Cielo Verde Unit 4 Phase II Subdivision
3. AGMT Cielo Verde Unit 4 Phase II Subdivision

5. R2025-092

Development Fee Deferral: Cielo Verde Unit 6 Phase I Subdivision

Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 6 Phase I Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

Attachments:
1. MAP Cielo Verde Unit 6 Phase I Subdivision
2. RES Cielo Verde Unit 6 Phase I subdivision
3. AGR Cielo Verde Unit 6 Phase I Subdivision

6. R2025-093

Intent to Create Municipal Improvement District No. 129: Desert Ridge Townhomes Subdivision

Approve the creation of Municipal Improvement District (MID) No. 129 to serve Desert Ridge Townhomes located at the southeast corner of Avenue 7½E and 24th Street (Community Development/Community Planning) (Alyssa Linville)

Attachments:
1. RES MID 129 Intent to Create Desert Ridge Townhomes
2. EXH A MID 129 Intent to Create: Desert Ridge Townhomes

III. ADOPTION OF ORDINANCES CONSENT AGENDA

All items listed on the Ordinances Consent Agenda will be considered and enacted with one motion. There will be no separate discussion of these items unless a City Councilmember so requests or a Speaker Request Form has been submitted. In which event, the item may be removed from the Ordinance Consent Agenda and the vote or action will be taken separately.

1. O2025-033

Amend Yuma City Code: 2024 International Building Code with Amendments

Amend Yuma City Code Chapter 15, Sections 150-015 and 150-016. (Community Development/Building Safety) (Randall Crist)

Attachments:
1. ORD Amend Yuma City Code: 2024 IBC

2. O2025-037

Text Amendment: Accessory Buildings

Amend Title 15, Chapter 154, to update development regulations for Accessory Buildings, Uses and Structures. (Community Development/Community Planning) (Alyssa Linville)

Attachments:
1. P&Z RPT Text Amendment: Accessory Buildings Text Amendment
2. ORD Text Amendment: Accessory Buildings

3. O2025-039

Amend Yuma City Code: 2024 International Fire Code Adoption with Local Amendments

Amend Yuma City Code Chapter 131, Sections 131-15 through 131-19 and adopt by reference the 2024 International Fire Code, commonly known as 2024 IFC, including Appendices B, C, D, E, F, G, H, and I, with local amendments. (Fire) (Kayla Warren)

Attachments: 1. ORD 2024 International Fire Code

4. O2025-040

Rezoning of Property: Northwest Corner of Colorado Street and 20th Avenue

Rezone approximately 1.62 acres located at the northwest corner of Colorado Street and 20th Avenue, Yuma, AZ, from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District (Community Development/Community Planning) (Alyssa Linville)

Attachments: 1. P&Z RPT: Rezoning of Property Northwest Corner of Colorado St and 20th Ave
2. ORD Rezoning of Property: Northwest Corner of Colorado St and 20th Ave

5. O2025-041

Statutory Compliance Hearing/Amendment: Ordinance O2022-048

Pursuant to A.R.S. § 9-462.01, determine compliance with the conditions of approval for rezoning Ordinance O2022-048, and introduce an ordinance to amend O2022-048 to extend the time to comply with the rezoning conditions. (Community Development/ Community Planning) (Alyssa Linville)

Attachments: 1. ORD Statutory Compliance: SEC 24th Street and 7 1/2 E
2. MAP Statutory Compliance: SEC 24th Street and 7 1/2 E

6. O2025-042

Issuance of Utility System Revenue Obligations (Utility Revenue Bonds) Series 2025

Adopt an ordinance authorizing the issuance, sale, and delivery of Utility System Revenue Obligations (Utility Revenue Bonds) Series 2025 to fund $44,000,000 water and wastewater improvements in the FY 2026-2030 Capital Improvement Plan, refund prior obligations (bonds) if advantageous, and cover issuance costs, with final terms delegated to the City Administrator and Finance Director within Council-approved limits. (City Administration/Finance) (Jay Simonton/Doug Allen)

Attachments:

1. ORD Utility Revenue Bonds
2. Preliminary Official Statement - Utility Revenue Bonds
3. Obligation Indenture -Utility Revenue Bonds
4. Obligation Purchase Agreement -Utility Revenue Bonds
5. Series 2025 Purchase Agreement - Issuance of Utility System Revenue Obligations

7. O2025-043

Issuance of Pledged Revenue Obligations (Revenue Bonds) Series 2025

Adopt an ordinance authorizing the issuance, sale, and delivery of Pledged Revenue Obligations (Revenue Bonds) Series 2025 to fund $72,000,000 infrastructure and community improvement projects in the FY 2026-2030 Capital Improvement Plan, refund prior obligations (bonds) if advantageous, and cover issuance costs, with final terms delegated to the City Administrator and Finance Director within Council-approved limits. (City Administration/Finance) (Jay Simonton/Doug Allen)

Attachments:

1. ORD Pledged Revenue Bonds
2. Preliminary Official Statement - Pledged Revenue Bonds
3. Obligation Purchase Agreement -Pledged Revenue Bonds
4. First Trust Agreement - Pledged Revenue Bonds
5. First Purchase Agreement -Pledged Revenue Bonds

IV. INTRODUCTION OF ORDINANCES

The following ordinance(s) is presented to the City Council for introduction. No vote or action by the City Council is necessary. However, the City Council may, at its option, vote or take action where appropriate. Ordinances given introduction are generally presented to the City Council for adoption at the next Regular City Council meeting.

1. O2025-038 **Text Amendment: Industrial Zoning Districts**

Amend Title 15, Chapter 154 to update development regulations and allowable uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts. (Community Development/Community Planning) (Alyssa Linville)

Attachments: 1. P&Z RPT Text Amendment: Industrial Zoning Districts

2. ORD Text Amendment: Industrial Zoning Districts

V. APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Discussion and possible action on the following items:

1. Appointments:

• Planning and Zoning Commission

2. Announcements:

City Council report on meetings/events attended – City Council report on issues discussed in meetings/events attended by a City Council representative in their official capacity as the City's representative during the period of September 18, 2025 through October 1, 2025. City Council questions regarding the update must be limited solely for clarification purposes. If further discussion is warranted, the issue will be added to a future agenda for a detailed briefing.

City Council report of upcoming meetings.

City Council request for agenda items to be placed on future agendas.

3. Scheduling:

Motion to schedule future City Council meetings pursuant to Arizona Revised Statutes Section 38-431.02 and the Yuma City Code, Chapter 30.

VI. SUMMARY OF CURRENT EVENTS

This is the City Administrator's opportunity to give notice to the City Council of current events impacting the City. Comments are intended to be informational only and no discussion, deliberation or decision will occur on this item.

VII. CALL TO THE PUBLIC

Members of the public may address the City Council on matters within City Council's authority and jurisdiction that are not listed on the agenda during the "Call to the Public" segment of the meeting. All speakers must complete a Speaker Request Form and submit it to City Clerk staff no later than the "Final Call for Speaker Request Forms" is made at the beginning of each meeting.

VIII. EXECUTIVE SESSION

An Executive Session may be called during the public meeting for the purpose of receiving legal advice for items on this agenda pursuant to A.R.S. Section 38-431.03 A (1, 3, 4 and/or 7) and the following items:

A. Discussion, consultation with and/or instruction to legal counsel regarding public records, ongoing investigations, and victim protection. (A.R.S. 38-431.03 A3&A4)

B. Discussion, consultation with and/or instruction to legal counsel regarding a zoning dispute. (A.R.S. 38-431.03 A3&A4)

C. Discussion, consultation with and/or instruction to legal counsel concerning the Joint Land Use Plan. (A.R.S. §38-431.03 A3 & A4)

D. Discussion, consultation with and/or instruction to legal counsel concerning the Josephina Mendoza claim. (A.R.S. §38-431.03 A3 & A4)

E. Discussion, consultation with and/or instruction to legal counsel regarding the transfer of Colorado River Water from GSC Farms, LLC. (A.R.S. 38-431.03 A3 & A4)

ADJOURNMENT

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of Yuma does not discriminate on the basis of disability in the admission of or access to, or treatment or employment in, its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities, or services contact: ADA/Section 504 Coordinator, City of Yuma Human Resources Department, One City Plaza, Yuma, AZ 85364-1436; (928) 373-5125 or TTY (928) 373-5149.

City of Yuma

City Council Report

File #: MC 2025-159 **Agenda Date:** 10/1/2025 **Agenda #:** 1.

Regular Council Worksession Draft Minutes September 2, 2025

MINUTES
REGULAR CITY COUNCIL WORKSESSION
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
CITY COUNCIL CHAMBERS - YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
September 2, 2025
5:30 p.m.

CALL TO ORDER

Mayor Nicholls called the Regular City Council Worksession to order at 5:31 p.m.

Councilmembers Present:	Martinez, Morris, McClendon, Smith, Morales, Watts, and Mayor Nicholls
Councilmembers Absent:	None
Staffmembers Present:	Acting City Administrator, John D. Simonton Deputy City Administrator, Jenn Reichelt Director of Finance, Douglas Allen Director of Engineering, David Wostenberg Building Official, Randall Crist Various department heads or their representatives City Attorney, Richard W. Files Deputy City Clerk, Janet L. Pierson

I. NATIONAL DAY OF REMEMBRANCE FOR MURDER VICTIMS PROCLAMATION

Martinez introduced the City of Yuma's first official reading of a proclamation honoring the National Day of Remembrance for Murder Victims. The event aims to recognize the lives lost to homicide and the lasting impact on their families and loved ones. The 12th annual observance will include a candlelight vigil on September 25th at the Yuma Arts Center, featuring guest speakers and a memory wall tribute.

Mayor Nicholls proclaimed September 25, 2025, as the National Day of Remembrance for Murder Victims in the City of Yuma. He encouraged all residents to honor the memory of those lost to violence, support their grieving families, and advocate for programs that assist individuals affected by these tragedies.

II. STRATEGIC PLAN UPDATE

Reichelt presented an update on the City's Strategic Plan as follows:

- Purpose of a Strategic Plan (Plan)
  - Roadmap for the community's future
  - Defines vision, long-term priorities, and measurable goals
  - Guides policy, capital investments, and programs
  - Aligns City Council, staff, and partners around common goals
  - Promotes accountability and resilience
  - Keeps community engaged and connected to progress
- History & Process
  - In 2020 City Council launched the new Plan (last update was from 2002)

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        - Extensive community input shaped priorities
        - The Plan was adopted in December 2020
            - Comprised of a Vision Statement, five Strategic Outcomes, and priority initiatives
    - Since then, City Council has held an annual retreat to review, update, and track progress
    - Plan remains a living document, adapting to changing needs
- 2025 City Council Retreat – Updating the Plan
    - In March 2025, City Council:
        - Reaffirmed the Vision Statement and five Strategic Outcomes
        - Updated the definition of Safe & Prosperous
        - Reviewed progress on existing initiatives
        - Identified new priorities in water, economic development, infrastructure, parks and recreation, and public safety
        - Confirmed initiatives for inclusion in updated 2025–2030 Plan
- Vision Statement
    - Yuma is a thriving, safe and prosperous community with opportunities powered by innovation, partnerships, collaboration and robust education – a welcoming and unique place that all generations are proud to share.
- Strategic Outcomes
    1. Safe and Prosperous – Yuma is a prosperous city that supports thriving businesses, access to education, and multi-generational opportunities, with the safety of the community at its cornerstone.
    2. Active and Appealing – Yuma plans and leverages its natural resources, public spaces, and cultural amenities to support an active and appealing community.
    3. Connected and Engaged – Yuma is connected and engaged through cutting-edge technology, active communication, forward-looking partnerships, and ongoing public involvement.
    4. Unique and Creative – Yuma is a unique and creative community, built on our shared history, sense of place, and civic pride.
    5. Respected and Responsible – Yuma is a trusted steward of City resources; relied upon to provide regional leadership, premier services, and facilities.
- Priority Initiatives & Highlights
    - Safe and Prosperous
        - New
            - Prioritize and identify funding for elements of the Americans with Disabilities Act (ADA) Transition Plan
            - Continue to enhance state and county relationships for emergency management
            - Enhance collaboration between City and County development departments
            - Implement Intelligent Transportation System
            - Develop a plan for and support Downtown and Innovation District development
        - Existing/Ongoing
            - Desert Dunes expansion
            - Develop and implement a City economic development strategy
            - Seek voter approval for annual expenditure limitation

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- Active and Appealing
  - New
    - Identify and determine priority funding for Parks Master Plan elements
    - Identify and promote sports and adventure tourism opportunities
    - Increase Downtown use and visibility
  - Existing/Ongoing
    - Build East Mesa Park
    - Care for existing infrastructure
    - Beautify the community's overall curb appeal
- Connected and Engaged
  - New
    - Youth government program
  - Existing/Ongoing
    - Establish private-public partnerships for Hotel del Sol
    - Establish Innovation Hub development
    - Education partnerships (Elevate Southwest)
- Unique and Creative
  - New
    - America250 celebration plan
    - Document and share City history
  - Existing/Ongoing
    - Develop Innovation District
- Respected and Responsible
  - Existing/Ongoing
    - Prioritize public-private partnerships
    - Keep taxes low and services aligned
    - Water rights advocacy
    - Expand Public Safety Training Facility
    - Advocate for local control

- Recently Completed Initiatives – Highlights
  - Updated regulations and processes to increase housing opportunities
  - Updated zoning regulations
  - Care for existing infrastructure
    - Playground replacements, restroom and ramada updates, new ramadas installed
  - Revitalized Kennedy Skate Park
  - Held joint City/County meeting
  - Completed Parks, Arts, Recreation and Trails Master Plan
  - Researched and developed Artificial Intelligence (AI) uses and City applications
    - Implementation of AI Policy and Microsoft CoPilot rollout
  - Developed and adopted Drone Policy with online mapping program
  - Entered into a lease and operating agreement with Yuma County Historical Society for Molina Block & Sanguinetti House
  - Purchased approximately 14 acres from Union Pacific Railroad for the Yuma Downtown Innovation District

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- Next Steps
    - City Council consideration and adoption on September 17th
    - Staff will continue to complete priority initiatives
    - City Council to hold a 2026 Annual Retreat
    - Continue to review and update the Plan
    - The Plan will evolve with Yuma's needs and opportunities

Reichelt concluded her presentation by highlighting that the Strategic Plan embodies both the City Council's leadership and the community's shared vision. It is a dynamic, evolving guide designed to keep Yuma focused, accountable, and prepared to seize future opportunities.

Discussion

- A key strength in recent years has been the City's intentional focus on meaningful dialogue and aligning City Council priorities with the needs and concerns of its constituents. (**Mayor Nicholls**)
- A potential project for the youth government program could focus on climate resiliency, involving youth in efforts to educate and develop strategies for adapting to increasingly hot and dry conditions. (**Watts**)

III. FY 2026 Q1.0 Quarterly Financial Briefing

Allen presented the following information regarding the City's Fiscal Year (FY) 2025 Capital Asset Threshold Criteria, FY 2026 Expenditure Limitation Mitigation, and FY 2026-2027 financing for the City's Capital Improvement Plan (CIP):

- FY 2025 Capital Asset Threshold Criteria
    - What is a Capital Asset?
        - Capital assets are tangible and intangible property owned or leased by the City that meet or exceed the capitalization threshold, including:
            - Land
            - Buildings
            - Improvements to land and buildings
            - Infrastructure assets (roads, bridges, water systems, sewer systems)
            - Vehicles and major equipment
            - Subscription-Based Information Technology Agreements
        - The capitalization threshold is the minimum cost at which an asset is considered a capital asset
        - Capital assets are identified for financial reporting purposes only
            - All City assets are safeguarded using internal controls, many of which are tailored to the nature of the asset type, sensitive inventories, and risk environments
    - When were Capital Assets First Reported?
        - In June of 1999, the Government Accounting Standards Board (GASB) issued GASB 34, otherwise known as "the new reporting model"
        - The City implemented GASB 34 in 2002 and increased the capitalization threshold from $1,000 to an asset costing $5,000 or more and a useful life of greater than one year

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- Why Update the Capital Asset Criteria?
  - Since 2002, inflation and advances in technology and engineering caused a significant rise in the cost of equipment, causing a substantial increase in the quantity of items that qualify to be reported as a capital asset
  - In FY 2024, capital assets under $25,000 accounted for 35% of the City's total number of capital assets, but contributed only 1% of the total value of capital assets
    - This resulted in substantial labor-intensive reporting efforts for a nominal value on the City's financial statements
- Impact to the Financial Statements
  - Example: FY 2024 Financial Statements
    - Implementing the recommended changes would reduce the number of capital assets by 1,697, or 66% of the assets on the books
    - The total value of capital assets would decrease by $6.1 million, or 1% of total capital asset reporting
  - The new criteria would be implemented prospectively
    - Any assets currently on the books will stay on the books until fully depreciated or surplussed



- Capitalization Criteria for City Council Consideration
  - Modify the definition of capital assets to include:
    - A tangible item of property owned or leased by the City with a cost of $25,000 or more and a useful life exceeding three years
    - A Subscription-Based Information Technology Agreement with a minimum cost of $460,000 with a non-revokable agreement greater than one year
  - The chart below represents the City's current and recommended asset categories, capitalization thresholds and estimated lives for amortization and depreciation purposes
    - The City's independent auditors have reviewed and approved this recommendation

Current

Asset Category	Capitalization Threshold	Estimated Useful Life (Years)
Land	$ 5,000	Not depreciated
Buildings	5,000	33-100
Infrastructure	5,000	35
Improvements other than buildings	5,000	20-50
Equipment (including vehicles)	5,000	2-50
Right to use SBITA, non-revokable > 1 year	460,000	Life of subscription

* Subscription-Based Information Technology Arrangement (SBITA)

Recommended

Asset Category	Capitalization Threshold	Estimated Useful Life (Years)
Land and improvements	All capitalized	Not depreciated
Buildings and improvements	$ 25,000	10-50
Infrastructure	25,000	10-40
Improvements other than buildings	25,000	10-40
Equipment (including vehicles)	25,000	3-20
Right to use SBITA, non-revokable > 1 year	460,000	Life of subscription

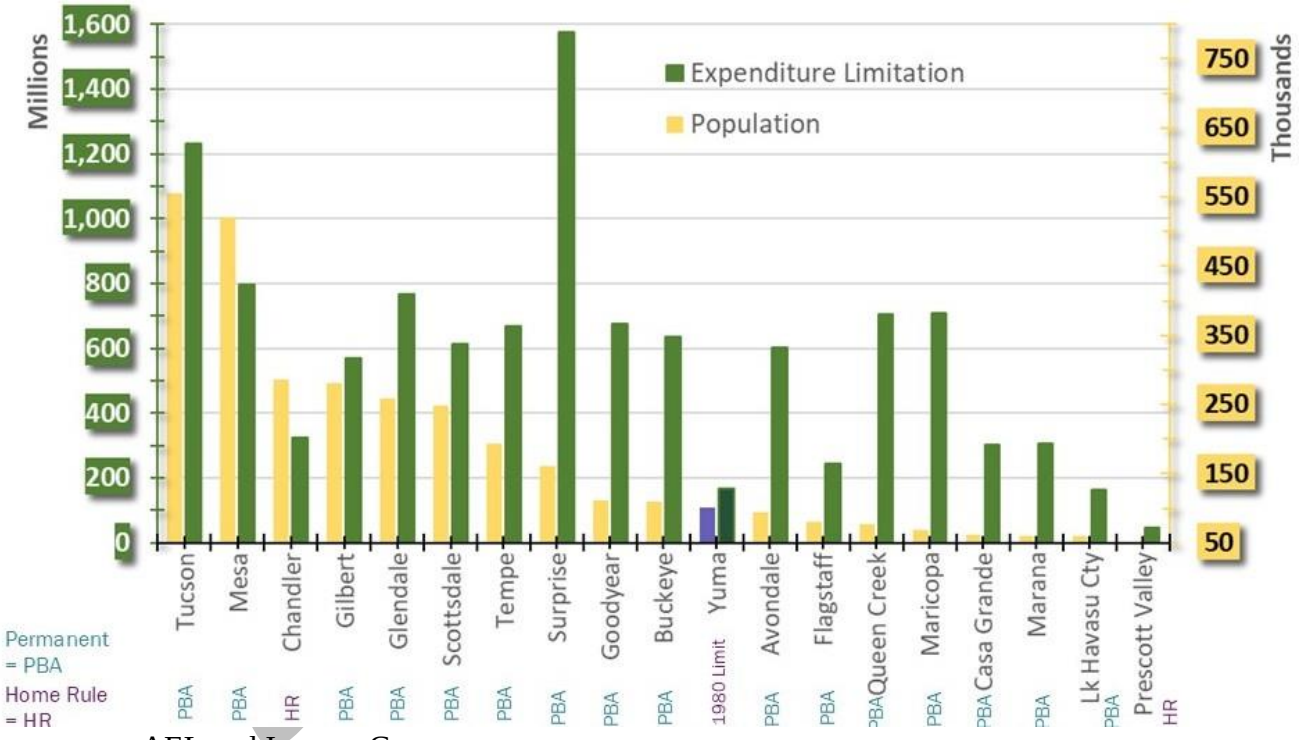
* Subscription-Based Information Technology Arrangement (SBITA)

- Other Related Matters
  - If a grant or specific funding source has a capitalization threshold, valuation, depreciation method or other asset criteria that differs from the City's capitalization criteria, then the City uses the most stringent criteria, to meet grant requirements

- FY 2026 Expenditure Limitation Mitigation
  - FY 2026 Fiscal outlook
    - Revenues remain steady
      - Recuring revenues balance with ongoing expenditures
    - Cash and fund balances are strong
      - However, the policy of carrying forward no less than 20% is not enough to cover a significant downturn
    - The City is one of only six in Arizona that has not had its Annual Expenditure Limitation (AEL) adjusted by voters
      - Growth in population, service demands, and total customers of City services are growing faster than the AEL formula
    - The CIP is too large for the City's revenue, cash balances, or AEL
      - CIP bonds are an option to spread costs over the useful life of a project
  - What is the AEL?
    - The AEL is in the Arizona Constitution and was approved by voters in 1980
    - Initially calculated using 1978 population numbers, it is adjusted yearly based on population and inflation
    - Sets the base limit for actual expenses of local revenues
      - Like a debit card limit, AEL limits how much can be spent per year regardless of the balance
    - Controls expenditures of local revenues and future spending increases based on population, not customers, and inflation.
    - Failure to comply with the AEL can lead to a penalty of up to 33% of State income tax revenue being withheld based on the amount exceeding the AEL
    - The City complies with the AEL by maximizing available exclusions, including:
      - Debt proceeds
      - Debt repayment
      - Grants and donations
      - Highway User Revenue Funds in excess of the amount received 1980
      - Voter-approved tax for the CIP
      - Investment earnings
    - The AEL can only be adjusted by voters
      - Permanent base adjustment – adjustment to the 1980 base, which applies to all future years
      - Home Rule – temporarily adjusts the AEL to match the City Council approved annual budget, for a period of four years only
      - One-time override – adjusts the AEL to a specific amount for one year
    - It is recommended that the City take the proposed AEL permanent base adjustment to voters in 2026
    - Number of Arizona cities by type of expenditure limitation
      - Home Rule – 38
      - Permanent Base Adjustment – 46

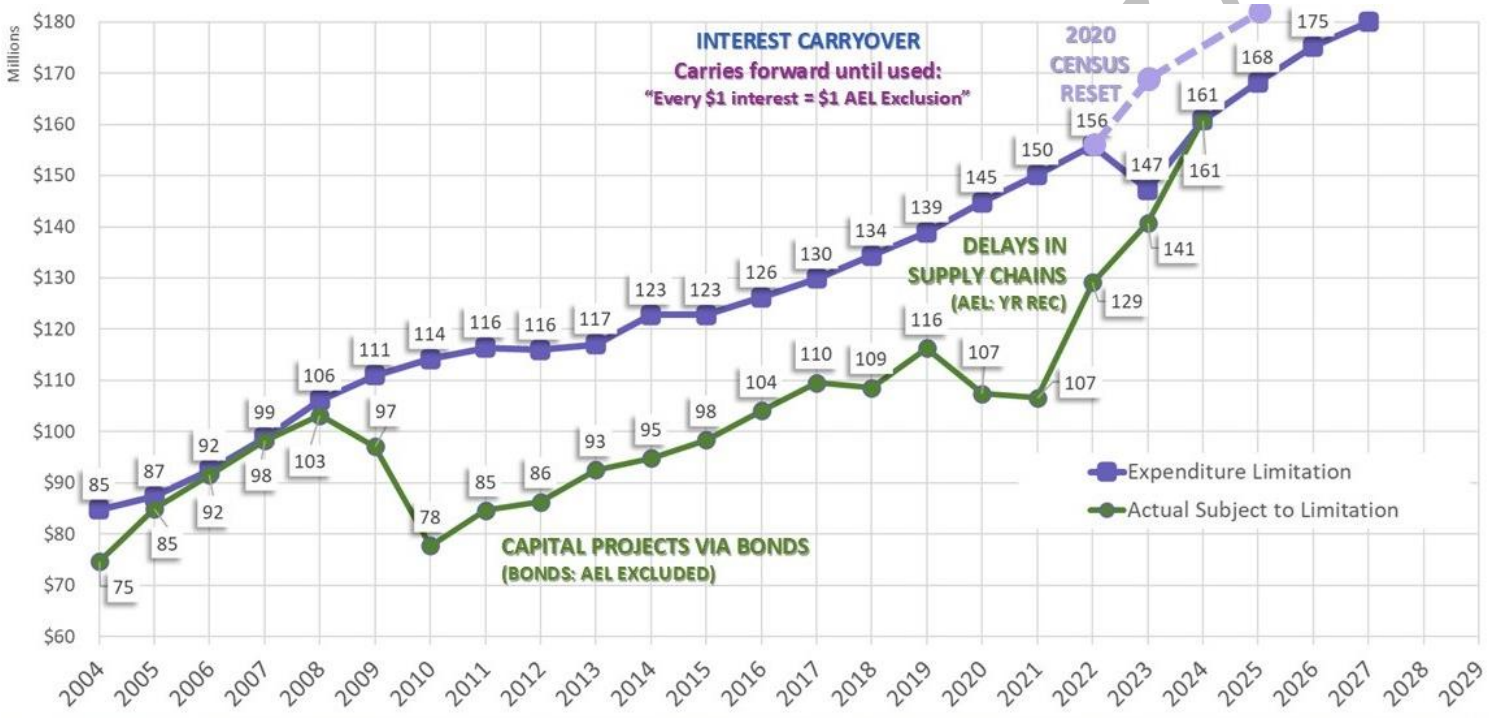
- One-Time Override – 1
- 180 State Limit (no adjustment) – 6
  - Includes Yuma and five other cities
  - The combined population of the other five cities is less than the population of the City

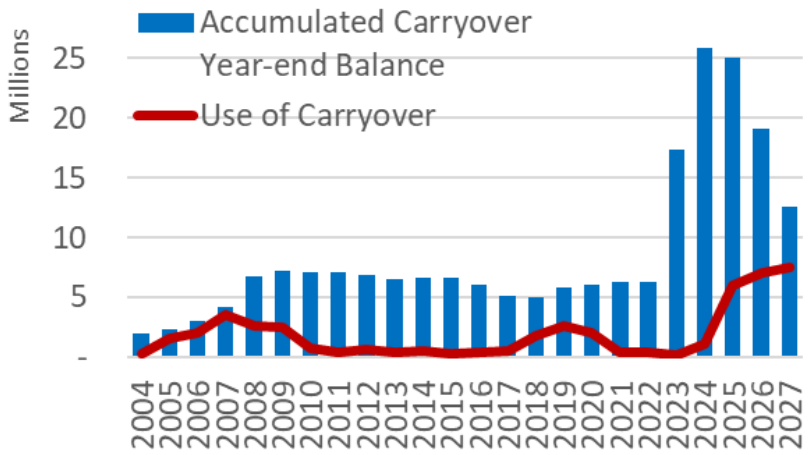
- What raising the AEL base means for voters
  - The AEL is not a tax, and will not increase taxes or tax rates
  - The AEL limits how much the City can spend per year, regardless of cash balance or income
  - If the base adjustment is approved to increase, it will allow the City to fully use its revenues and cash resources to effectively meet the growing community and operational needs
  - If the base adjustment is not approved, City services will be impacted
    - Even if the City has adequate revenues and cash resources, the unadjusted AEL would restrict the City from fully using them to meet current service levels and expectations
- AEL Comparison
  - The chart below compares Arizona cities with populations over 50,000, excluding Phoenix
    - Phoenix was excluded due to it being much larger than the other comparison cities, which would make it difficult to represent on the graph



- AEL and Interest Carryover
  - From 2004 to 2008, the City's expenditures nearly reached the expenditure limitation
  - Spending decreased in 2009 and 2010 due to the recession, then followed the AEL trajectory when it increased again
    - During this period, CIP projects were funded by AEL-exempt bonds, enabling the AEL to maintain its course through 2019

- Spending decreased in 2020 due to COVID, followed by years of supply chain delays
- When normal spending resumed, the City expected the AEL to increase with the projected population growth; however, the 2020 Census recorded a population decrease for the City, directly impacting the AEL
- The City can use carryover funds to stay within the AEL until the proposed base increase is voted on
    - Although there is sufficient capacity for operations, the CIP would result in the City exceeding its AEL





- FY 2026-2027 CIP Financing
    - Financial advisors from Stifel will attend the City Council Worksession on September 16th to present bonding options
    - An ordinance will be proposed the next night to move forward with the CIP financing

        - Two bonding options are under consideration:
            - Pledged revenue bonds
            - Utility system revenue bonds

        - Both issuances will have up to three series each:
            - Series A: 20-year bond, callable at 10 years
            - Series B: 10-year bond, callable at two years
            - Series C: Refunding option to save money on outstanding bonds
        - Bonds are not general obligation bonds, so no property tax is involved
        - Stifel will provide additional information during the Worksession
    - Advantages of Bonding CIP Projects
        - Accelerates completion of much needed infrastructure projects
        - Smooths expenditures and creates predictable annual budget impacts
        - Helps preserve fund balances for unforeseen situations
        - Short-term solution to hedge Expenditure Limitation constraints
            - Bonding is exempt from the AEL
        - Bonding supports, but does not replace, pay-as-you-go financing with:
            - Current year's revenues
            - Planned use of fund balance
        - Example: Impact of CIP on Road Tax Fund
            - At the end of FY 2024, the Road Tax Fund balance was about $20 million
            - Due in large part to CIP projects, the fund balance at the end of FY26 is estimated to be approximately $7 million
            - The Series 2015 bond issuance is scheduled for repayment in FY27, providing the City with the capacity to issue additional bonds
            - It is estimated that every $1 million in debt service payment generates $12.5 million in bond proceeds for projects paid over 20 years
    - Draft Financing Calendar
        - On September 16th, Stifel will present bonding options to the City Council and on September 17th, the proposed ordinance will be introduced
        - If everything goes as planned, closing will take place at the end of November
    - Hedging Cash Flows and Expenditure Limitation
        - For the purpose of bond financing, the CIP was broken down into the following project categories:
            - Road Improvements
            - Parks
            - Downtown Improvements
            - Municipal Facilities
            - Public Safety
            - Water
            - Wastewater

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FOUR YEAR CAPITAL IMPROVEMENT PLAN (CIP) FY 2026 - FY 2029					BOND FINANCING
Project Categories *	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**Total**
Road Improvements	$ 12,500,000	$ 22,500,000	$ 14,500,000	$ 6,000,000	$ 55,500,000
Parks	4,000,000	13,000,000	6,000,000	2,000,000	25,000,000
Downtown Improvements	6,700,000	300,000	4,000,000	-	11,000,000
Municipal Facilities	-	-	500,000	10,000,000	10,500,000
Public Safety	4,000,000	9,000,000	6,000,000	31,000,000	50,000,000
Water	12,340,000	9,660,000	9,382,000	9,618,000	41,000,000
Wastewater	9,229,000	12,771,000	10,350,000	1,650,000	34,000,000
Total	$ 48,769,000	$ 67,231,000	$ 50,732,000	$ 60,268,000	$227,000,000

* General categories to flexible and adaptive; projects need to be City Council approved and in CIP

- The FY26-FY29 CIP was further divided so that spending is completed within two years of the bond issuance to ensure compliance with laws regarding arbitrage

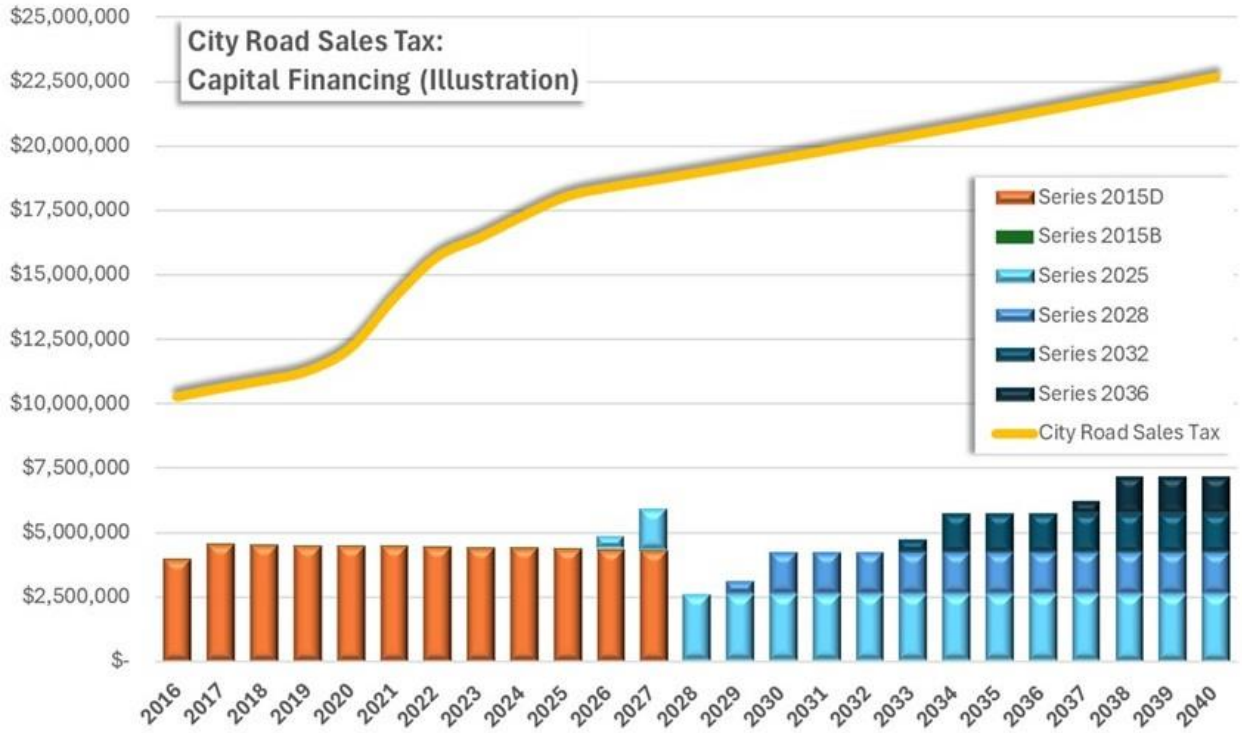
FOUR YEAR CAPITAL IMPROVEMENT PLAN (CIP) FY 2026 - FY 2029							BOND RELATED NOW AND FUTURE
Project Categories	**NOW: Bond Issue Series 2025**			**FUTURE: Bond Issue Series 2028**			**4-Year CIP Total**
	Capital Improvement Plan FY 2026 - FY 2027			**Capital Improvement Plan FY 2028 - FY 2029**			**FY 2026-2029 CIP**
	FY 2026	**FY 2027**	**Total**	**FY 2028**	**FY 2029**	**Total**	**Bond Financing**
Road Improvements	$ 12,500,000	$ 22,500,000	$ 35,000,000	$ 14,500,000	$ 6,000,000	$ 20,500,000	$ 55,500,000
Parks	4,000,000	13,000,000	17,000,000	6,000,000	2,000,000	8,000,000	25,000,000
Downtown Improvements	6,700,000	300,000	7,000,000	4,000,000	-	4,000,000	11,000,000
Municipal Facilities	-	-	-	500,000	10,000,000	10,500,000	10,500,000
Public Safety	4,000,000	9,000,000	13,000,000	6,000,000	31,000,000	37,000,000	50,000,000
Water	12,340,000	9,660,000	22,000,000	9,382,000	9,618,000	19,000,000	41,000,000
Wastewater	9,229,000	12,771,000	22,000,000	10,350,000	1,650,000	12,000,000	34,000,000
Total	$ 48,769,000	$ 67,231,000	$ 116,000,000	$ 50,732,000	$ 60,268,000	$ 111,000,000	$ 227,000,000

BONDS ISSUE SERIES 2025 (PLEDGED REVENUE AND UTILITY REVENUE OBLIGATIONS)							FY 2026
Project Categories	**NOW: Bond Issue Series 2025**			**SERIES "A"**	**SERIES "B"**	**Series 2025**	**Pledged Revenue**
	Capital Improvement Plan FY 2026 - FY 2027			**20-year bond**	**10-year bond**	**Total Bond**	**and Bond**
	FY 2026	**FY 2027**	**Total**	**10-year call**	**2-year call**	**Financing**	**Payment Source**
Road Improvements	$ 12,500,000	$ 22,500,000	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000	Road Tax Fund
Parks	4,000,000	13,000,000	17,000,000	13,000,000	4,000,000	17,000,000	General / 2% Funds
Downtown Improvements	6,700,000	300,000	7,000,000	-	7,000,000	7,000,000	General Fund
Municipal Facilities	-	-	-	-	-	-	General Fund
Public Safety	4,000,000	9,000,000	13,000,000	13,000,000	-	13,000,000	Public Safety Tax
Water	12,340,000	9,660,000	22,000,000	12,000,000	10,000,000	22,000,000	Water Fund
Wastewater	9,229,000	12,771,000	22,000,000	22,000,000	-	22,000,000	Wastewater Fund
Total	$ 48,769,000	$ 67,231,000	$ 116,000,000	$ 95,000,000	$ 21,000,000	$ 116,000,000	+ Grants/DF/Other

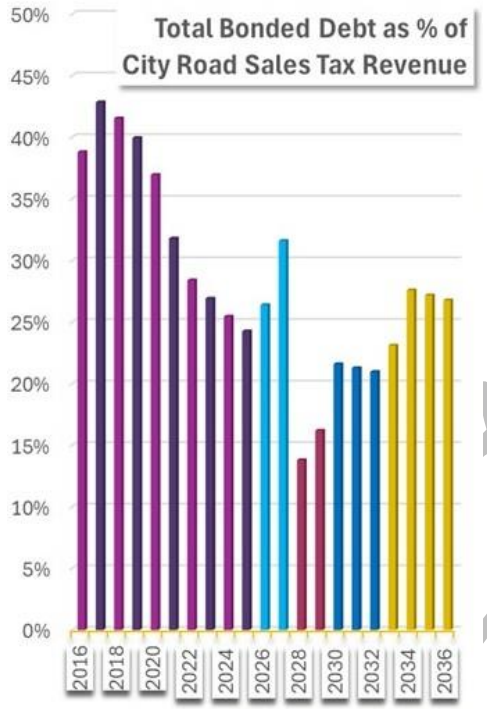
* Availability of cash AND project timing of completion is key in determining inclusion in the 2-year call issuance

- The mix of 20-year and 10-year bonds provides flexibility and hedges against economic uncertainties and supply chain delays
  - 20-year bond with 10-year call
    - Purpose: cash flows
    - Standard bond
  - 10-year bond with two-year call
    - Purpose: hedge AEL and timing delays of prior year's orders
    - Proceeds pay for projects
    - Cash required to call bonds is available, held in an investment pool

        - 10-year bond gives flexibility, while two-year call minimizes net cost by saving on a portion of the interest
    - Laws regarding arbitrage restrict the investment of bond proceeds, and excess earnings must be rebated to the Internal Revenue Service
        - Exceptions for funds spent for specific purposes within a set timeframe
- Example: Road Tax Fund
    - While subject to many factors, the graph below provides an illustration of what the bond financing may look like compared to anticipated City Road Sales Tax revenues



    - The graph below illustrates the percentage of debt relative to revenue. It shows current revenue growth with a conservative estimate of an additional 1.5%. By 2028, the debt-to-revenue ratio is expected to be low, around 15%, compared to nearly 45% in 2015. Revenue growth is mitigating the impact of each new debt layer.



Discussion

- 10-year bonds will be used to finance public safety projects as the public safety tax ends in 2035. It is recommended to seek voter approval for extending the tax to fund Fire Station 8 and public safety improvements on Yuma's east side. (**Mayor Nicholls/Simonton/Allen**)
- Projects that will be funded by the 2% tax, which sunsets in 2038, are able to be funded by 20-year bonds with the understanding that the General Fund will cover repayment of those bonds in the event that tax is not extended (**Mayor Nicholls/Simonton/Allen**)
- If the federal government redoes the 2020 census and Yuma's population changes, the AEL will be adjusted accordingly. (**Mayor Nicholls/Allen**)
- The City is looking at bonding CIP projects to stay within the AEL. If the permanent base adjustment is not approved by voters, the City will need to take additional measures to operate within current limits. (**Mayor Nicholls/Allen**)
- Although the 2% tax is considered an integral part of the funding mix, the General Fund is also pledged to ensure bond obligations are fulfilled. Initially, the 2% tax was allocated for capital projects; however, during the Great Recession, it was redirected towards operational expenses. The City aspires to revert to its original purpose in the future. (**McClendon/Simonton/Allen**)

IV. REGULAR CITY COUNCIL MEETING AGENDA OF SEPTEMBER 3, 2025

Motion Consent Agenda Item C.7 – Bid Award: Avenue 4E Sewer Line Extension, 36th Street to 28th Street (award a construction contract to Gutierrez Canales Engineering in the amount of $4,457,078.23) (RFB-25-280) (Eng)

Mayor Nicholls declared a conflict of interest on Motion Consent Agenda Item C.7 due to his firm being involved in the design of the project.

Motion Consent Agenda Item C.11 – Request for Qualifications Award: Development Fee Update (Professional Services Contract with PSOMAS at a total cost of $249,460.00) (RFQ-25-318) (Eng)

Discussion

- The current flat-rate residential development fees may be disproportionate, especially when applied to smaller homes. A fee structure based on square footage, similar to how commercial fees are calculated, could promote fairness and support housing affordability. While this is a complex issue due to uncertainties in home sizes and locations, it can be explored with the consultant during the upcoming fee evaluation. (**Morris/Wostenberg**)
- Development fees were significantly reduced around 2008, during the recession, and received a minor adjustment in 2019. (**Mayor Nicholls/Watts/Wostenberg/Simonton**)
- The initial phase of the update focused on land use assumptions and the list of infrastructure improvement projects, will take about 12 months to complete, with the final development fee recommendations expected in early 2027. The process will include extensive public outreach and opportunities for developer and community input. (**Morales/Wostenberg**)

_____

Introduction of Ordinance O2025-033 – Amend Yuma City Code: 2024 International Building Code with Amendments (amend Yuma City Code Chapter 150, Sections 150-015 and 150-016) (DCD/Bldg Sfty)

Crist detailed the proposed amendments to the Yuma City Code included in Ordinance O2025-033 as follows:

- Paragraph B, Fire Prevention – This paragraph was struck in its entirety because it is now included in the Fire Code
- Paragraph I, Table 1-A, Building Permit Fees – Some of the fees under Other Inspections and Fees were increased
- Paragraph M, Lath and Gypsum Panel product inspection – The exception to this section was deleted
- Paragraph T, Chapter 11 Accessibility – This paragraph was struck in its entirety because the Building Advisory Board (Board) recommended adopting the entirety of Chapter 11 of the International Building Code (IBC) in its place
- Paragraph U, Basic Design Wind Speed – This paragraph was struck in its entirety as it is now covered in the 2024 IBC
- Paragraph V, Lula Elevators – This paragraph was added to make it clear that Limited-Use/Limited-Application (LULA) elevators are permitted in buildings other than health care and government buildings and multiple tenant facilities containing five or more spaces for sale or rental of goods, with at least one tenant located above or below the accessible level
- Paragraph Z – This paragraph was added to include that guards may be required where fall hazards are present if deemed necessary by the Building Official
- Paragraph DD, Site Safety Plan – This paragraph was added in collaboration with the Fire Marshal to support the fire safety program

Discussion

- All of the amendments were agreed to by the Board prior to submitting the proposed ordinance to City Council for consideration. (**McClendon/Crist**)
- LULAs are allowed in two-story buildings of all types, with the exception of medical and

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government buildings. In buildings with five or more tenant spaces used for sale or rental of goods with at least one located above or below ground level, a full elevator would be required. (**McClendon/Crist**)

- If the use of a multi-story building changes, for example from an office building to a medical facility, an elevator would need to be added. (**McClendon/Crist**)

Crist confirmed that there were minimal amendments to Chapter 11 of the 2024 IBC, which the Board recommended adopting almost entirely as it stands. Notable updates from the previous version of the IBC include:

- Increase of the turning radius for wheelchairs in new construction from 60 to 67 inches
- Addition of an extra vertical grab bar in accessible restrooms
- Removal of the exemption for private clubs and religious facilities
- Addition of the requirement for a family or assisted toilet room in mercantile, school, and assembly occupancies that exceed six restrooms total, men's and women's combined
- Addition of the requirement for an adult changing station where family or assisted toilet rooms are required
- Require an elevator or LULA for multi-story buildings that are more than 3,000 square feet.

Additional Discussion

- Developers are being notified during Pre-Development Meetings about the 2024 IBC adoption, and a grace period will apply to plans currently under design. Additionally, Building Safety and Community Development will be conducting outreach to notify the development community of the changes. (**McClendon/Crist**)
- The City offers limited guidance to businesses in response to ADA complaints and works with developers to correct issues that arise with new construction and remodels. However, providing a comprehensive analysis could create liabilities for the City. Local architects are available to perform such assessments. (**Mayor Nicholls/McClendon/Crist**)
- Chapter 11 states that a LULA or elevator is not mandatory for any two-story building or in multi-story buildings where each floor is less than 3,000 square feet. Conversely, the new code will require an elevator in all multi-story buildings where any floor exceeds 3,000 square feet. However, a LULA is permissible in a two-story building unless it is designated for medical or governmental use, or contains five or more tenant spaces, in which case a full elevator is necessary. (**Morales/Crist**)

EXECUTIVE SESSION/ADJOURNMENT

Motion (Morales/Smith): To adjourn the meeting to Executive Session. Voice vote: **approved** 7-0. The meeting adjourned at 6:52 p.m.

APPROVED:

_____ _____

Lynda L. Bushong, City Clerk Douglas J. Nicholls, Mayor

Approved at the City Council Meeting of:
_____
City Clerk: _____

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City of Yuma

City Council Report

File #: MC 2025-153 **Agenda Date:** 10/1/2025 **Agenda #:** 1.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☐ Safe & Prosperous	☒ Motion
City Administration	☐ Active & Appealing	☐ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
City Clerk	☐ Unique & Creative	☐ Public Hearing

TITLE:
Liquor License: Yuma Market

SUMMARY RECOMMENDATION:
Approve a Series #10: Beer and Wine Store Liquor License application submitted by Muntasser Matti, agent for Yuma Market located at 890 E. 24th Street. (LL25-17) (City Administration/City Clerk) (Lynda L. Bushong)

STRATEGIC OUTCOME:
Approval of this Liquor License aligns with City Council's Respected and Responsible strategic outcome as it provides notification to the public and transparency of City business.

REPORT:
Muntasser Matti, agent for Yuma Market located at 890 E. 24th Street, has applied for a Series #10: Beer and Wine Store Liquor License.

The subject property has been posted for the required 20-day period and no arguments in favor of or opposed to the issuance of the license have been received.

The application has been reviewed by Planning & Neighborhood Services, the Police Department, the Fire Department, and Business Licensing.

Upon City Council's recommendation, this application will be forwarded to the Arizona Department of Liquor Licenses and Control for final processing.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP .	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
Application Fee: $250.00

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

Series #10: Beer and Wine Store Liquor License application

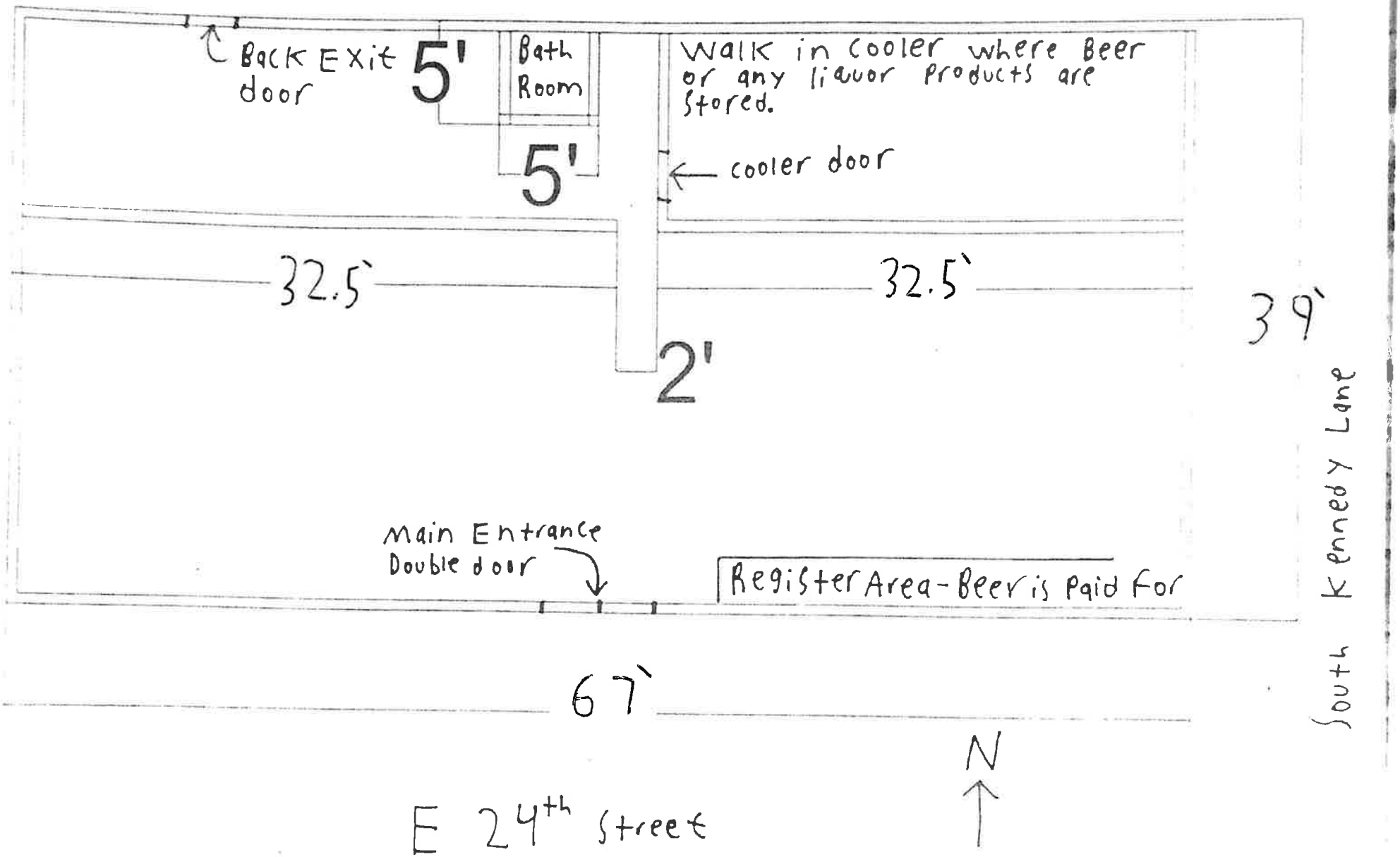
IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

Yuma Market

Total Square footage is 2614 FT^2



City of Yuma

City Council Report

File #: MC 2025-154 **Agenda Date:** 10/1/2025 **Agenda #:** 2.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☐ Safe & Prosperous	☒ Motion
City Administration	☐ Active & Appealing	☐ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
City Clerk	☐ Unique & Creative	☐ Public Hearing

TITLE:
Liquor License: The Bank Bar & Lounge

SUMMARY RECOMMENDATION:
Approve a Series #06: Bar Liquor License application submitted by Valentin Guzman Jr., agent for The Bank Bar & Lounge located at 274 S. Main Street. (LL25-18) (City Administration/City Clerk) (Lynda L. Bushong)

STRATEGIC OUTCOME:
Approval of this Liquor License aligns with City Council's Respected and Responsible strategic outcome as it provides notification to the public and transparency of City business.

REPORT:
Valentin Guzman Jr., agent for The Bank Bar & Lounge located at 274 S. Main Street, has applied for a Series #06: Bar Liquor License.

The subject property has been posted for the required 20-day period and no arguments in favor of or opposed to the issuance of the license have been received.

The application has been reviewed by Planning & Neighborhood Services, the Police Department, the Fire Department, and Business Licensing.

Upon City Council's recommendation, this application will be forwarded to the Arizona Department of Liquor Licenses and Control for final processing.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
Application Fee: $250.00

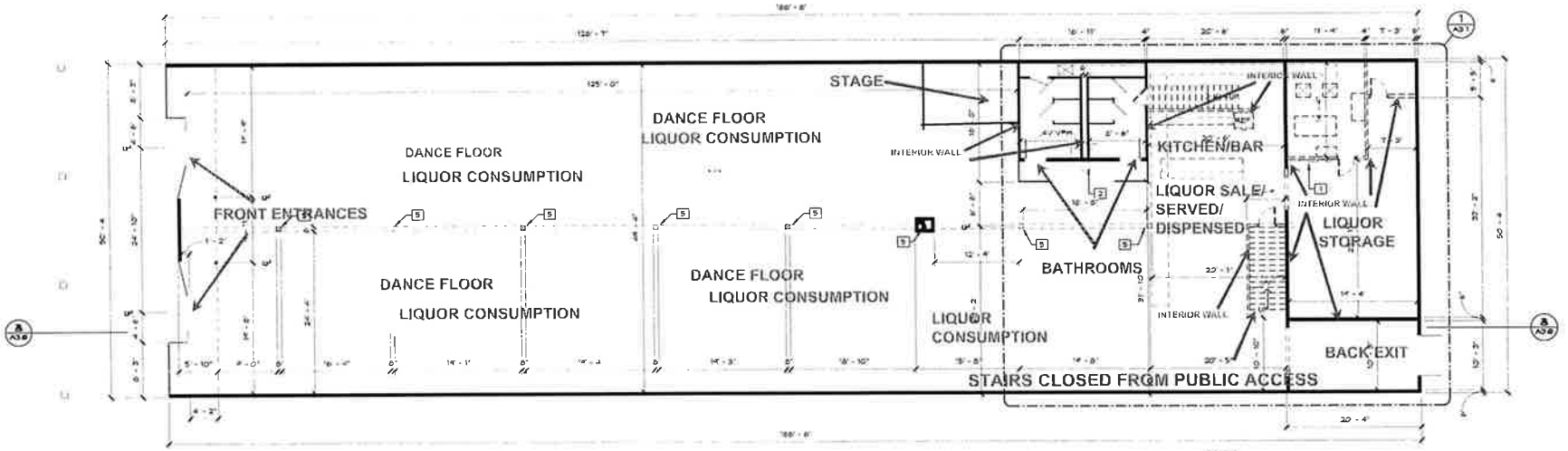
ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

1. Series #06: Bar Liquor License application

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

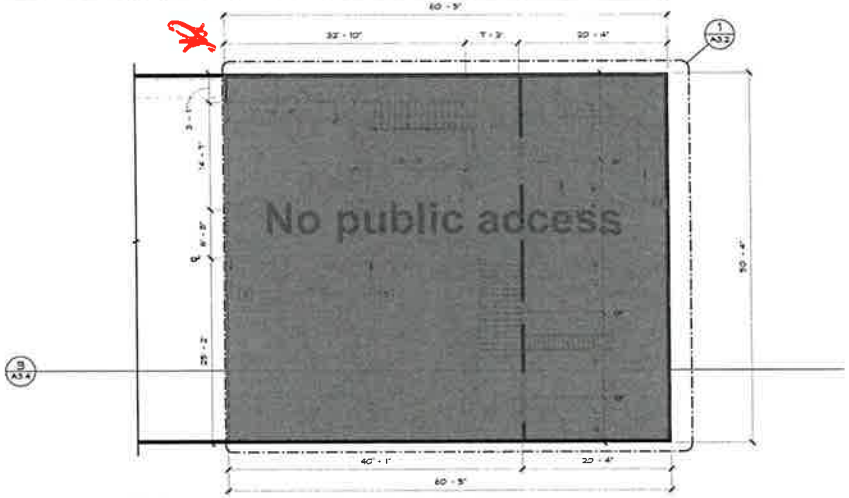


1 Ex. Architectural Floor Plan
1/8" = 1'-0"

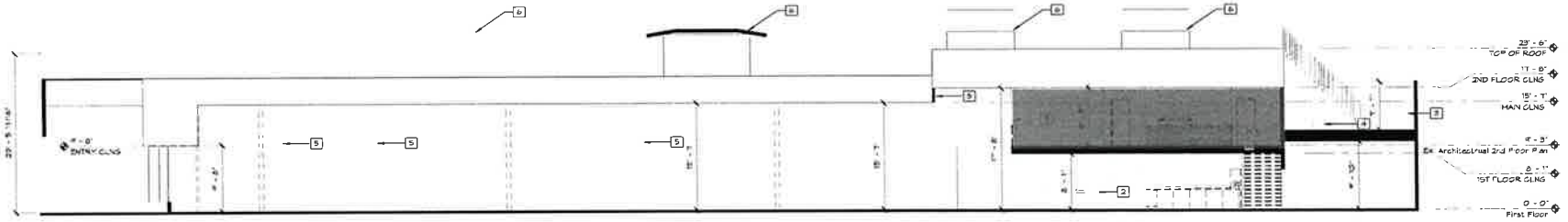
KEY NOTES	
1	Existing Electrical Box
2	Existing Water Dispenser
3	Existing Chiller
4	Existing A/C Vent
5	Existing Structural Columns
6	Existing Solar Tube

Building Sq. Footage: 9,500

AMENDMENT



2 Ex. Architectrual 2nd Floor Plan
1/8" = 1'-0"



A Section "A"
1/8" = 1'-0"

SHEET NAME: Architectural Floor Plan

Loan Suite Remodel

274 S Main St
Lindon, UT 84042
UPC: 627-44-107

PROJECT

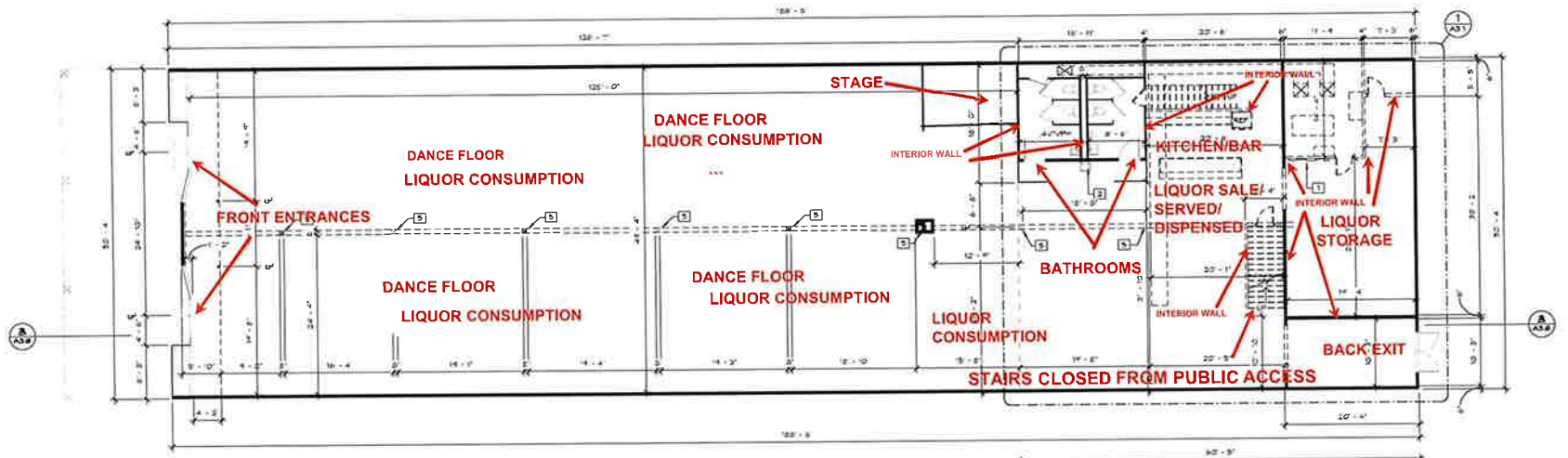
INNOVER
435.900.4055
vidar@innover-llc.com
670 E 300 N St Suite #11
Lehi, UT 84043

REVISIONS

#	DATE	DESCRIPTION

PRELIMINARY - NOT FOR CONSTRUCTION

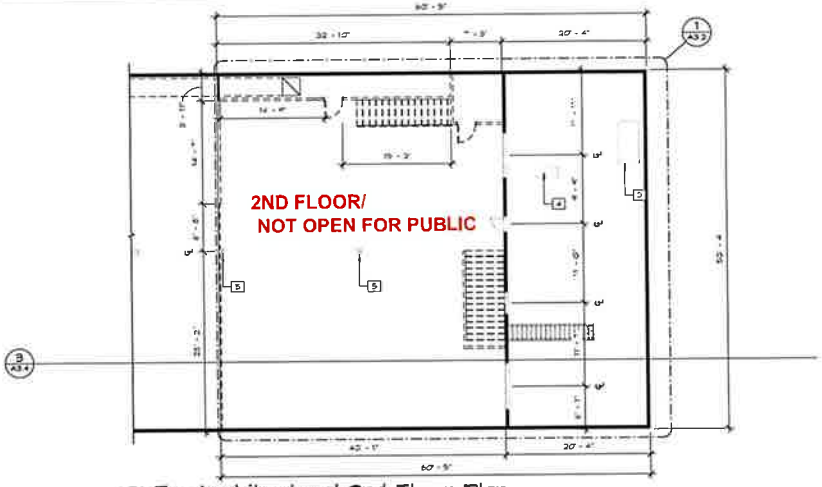
PLAN No.
A3.0



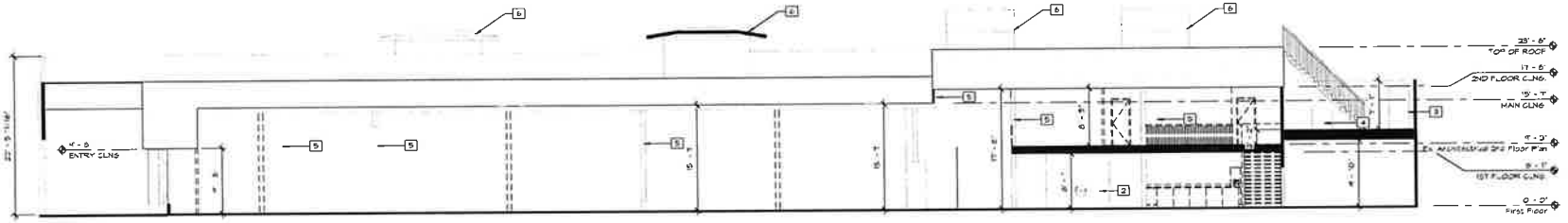
1 Ex. Architectural Floor Plan
1/8" = 1'-0"

KEY NOTES

1	Existing Electrical Box
2	Existing Water Dispenser
3	Existing Chiller
4	Existing A/C Vent
5	Existing Structural Columns
6	Existing Solar Tube



2 Ex. Architectrual 2nd Floor Plan
1/8" = 1'-0"



A Section "A"
1/8" = 1'-0"

INNOV-R

REVISIONS

#	DATE	DESCRIPTION

PRELIMINARY - NOT FOR CONSTRUCTION

PROJECT: Loan Suite Remodel

SHEET NAME: Architectural Floor Plan

PLAN No. A3.0

City of Yuma

City Council Report

File #: MC 2025-155 **Agenda Date:** 10/1/2025 **Agenda #:** 3.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☒ Motion
Finance	☐ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Procurement	☐ Unique & Creative	☐ Public Hearing

TITLE:
Bid Award: Riley Avenue and 18th Street Sidewalk and Streets Infrastructure Improvements

SUMMARY RECOMMENDATION:
Authorize the award for the construction services for the Riley Avenue and 18th Street Sidewalk and Streets Infrastructure Improvements project to the lowest responsive and responsible bidder in the amount of $130,583.29 to IOI Construction Corporation, Chandler, Arizona. (Engineering-RFB-26-007) (David Wostenberg/Robin R. Wilson)

STRATEGIC OUTCOME:
This project aligns with the City Council's strategic outcome of Safe and Prosperous. The construction of the sidewalks and streets at Riley Avenue and 18th Street will enhance neighborhood safety and support long-term prosperity by providing a secure and dependable roadway for years to come.

REPORT:
The scope of work of this project consists of pavement replacement, curb and gutter, sidewalk, sidewalk ramps and driveway entrances with curb returns along Riley Avenue and 18th Street. The project also includes the addition of street light assemblies and steel tube fencing.

Two bids were received by the following general contractors:

IOI Construction Corporation	**$130,583.29**
Gutierrez Canales Engineering	$134,828.72

The anticipated start date for this project is November 17, 2025.

Vistara, the developer, is responsible and has agreed to pay all costs in excess of $130,000.00. The City's portion is funded through the Community Development Block Grant.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 130,000.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 130,000.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$583.29	FUNDING: ACCOUNT/FUND #/CIP CDBG-0003 Community Block Grant - $130,000.00 Private Fur $583.29	
TOTAL	$ 130,583.29		

FISCAL IMPACT STATEMENT:
Sufficient budget authority is available in the City Council FY 2026 adopted budget. No additional funding is needed.

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

None

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☒ Department
☐ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

City of Yuma

City Council Report

File #: MC 2025-156 **Agenda Date:** 10/1/2025 **Agenda #:** 4.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☒ Motion
Finance	☐ Active & Appealing	☐ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Procurement	☐ Unique & Creative	☐ Public Hearing

TITLE:

Request for Qualifications Award: Design Services for Long-Term Efficiency of Operations for Yuma East Wetlands

SUMMARY RECOMMENDATION:

Authorize the City Administrator to execute a professional services contract for Design Services for the Long-Term Efficiency of Operations project for the Yuma East Wetlands for a total cost of $911,318.03 to Stantec Consulting Services Inc. (Engineering RFQ-25-238) (David Wostenberg/ Robin R. Wilson)

STRATEGIC OUTCOME:

Supporting the species protected under the program advances the City Council's strategic goals of creating a Safe and Prosperous community, as well as being Respected and Responsible, by promoting ecological sustainability and ensuring compliance with conservation objectives.

REPORT:

The Yuma Crossing National Heritage Area (YCNHA) oversees the daily operations of the Yuma East Wetlands, (YEW). In 2013, the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) partnered with the Quechan Tribe, the City of Yuma, the Arizona Game and Fish Department, and the YCNHA to support the long-term management of the conservation area. Through this partnership, the LCR MSCP contributes to the maintenance of existing habitat and implements adaptive management actions that benefit the species protected under the program.

The U.S. Department of the Interior Bureau of Reclamation has provided funding to support critical infrastructure upgrades at the Yuma East Wetlands. In April 2024, the Bureau of Reclamation awarded funds to enhance the long-term sustainability of the wetlands for future generations. Planned improvements include the design and replacement of the water distribution system, transitioning from diesel-powered pumps to energy-efficient electric pumps, extending concrete canals, and installing electrical infrastructure to support future technological advancements within the conservation area.

A Request for Qualifications (RFQ) was issued to solicit responses from interested firms for the design of the project. An evaluation committee, composed of City staff, reviewed and scored the submitted proposals using the established RFQ scoring matrix.

The City received responses from two qualified firms, both of which demonstrated relevant experience with

similar projects within the state.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$8,779,400.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 911,318.03	FUNDING: ACCOUNT/FUND #/CIP Grant Funds (LTE	
TOTAL	$911,318.03		

FISCAL IMPACT STATEMENT:
Sufficient budget capacity is provided in the FY 2026 City Council approved budget and Capital Improvement Program.

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

None

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☒ Department
☐ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

City of Yuma

City Council Report

File #: MC 2025-157 **Agenda Date:** 10/1/2025 **Agenda #:** 5.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☒ Motion
Fire	☐ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☒ Connected & Engaged	☐ Ordinance - Adoption
Administration	☐ Unique & Creative	☐ Public Hearing

TITLE:
Agreement: Joint use of the City of Yuma Public Safety Training Facility with AMR River Medical

SUMMARY RECOMMENDATION:
Authorize the City Administrator to execute an agreement with AMR River Medical for use of the City of Yuma's Public Safety Training Facility (PSTF). (Fire Department/ Administration) (John Louser)

STRATEGIC OUTCOME:
This agreement furthers City Council's Safe and Prosperous and Connected and Engaged strategic outcomes by allowing AMR River Medical to train their personnel at City facilities. This will enhance collaborative efforts in areas of fire suppression, medical care, and public safety for the community.

REPORT:
The Yuma Fire Department requests approval of an agreement with AMR River Medical which will permit AMR River Medical's personnel to use the Public Safety Training Facility for training and other activities in accordance with the City's established Public Safety Training Facility and schedule of fees. This agreement is for an initial five-year term and will automatically renew for an additional five-year term, unless terminated by either party.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
No additional fiscal impact outside of normal duties of current fire Department personnel is required for providing the joint use of the Public Safety Training Facility.

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

AGREEMENT FOR USE OF THE CITY OF YUMA PUBLIC SAFETY TRAINING FACILITY

This Agreement for Use of the City of the Yuma Public Safety Training Facility ("Agreement") is entered into by and between AMR River Medical ("User Agency") and the City of Yuma ("City"), on behalf of itself and the Yuma Fire Department ("YFD"). User Agency and the City may be referred to individually as "Party" or collectively as the "Parties".

RECITALS

WHEREAS the City owns a Public Safety Training Facility ("PSTF") that is available to other agencies for training of personnel and related activities; and

WHEREAS the User Agency is a private fire protection company operating within Yuma County; and

WHEREAS YFD and User Agency often collaborate in areas of fire suppression, medical care, and public safety; and

WHEREAS the City and User Agency value their cooperative working relationship; and

WHEREAS User Agency desires to use the PSTF for training; and

WHEREAS it is in the best interest of the city to ensure User Agency has access to facilities that enable it to provide ongoing training to personnel.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the Parties hereby agree to the following terms and conditions:

1) **USE OF THE PSTF**. User Agency may use the PSTF for training of fire fighters, emergency medical technicians, paramedics, civilian personnel, and volunteers, or such other uses as deemed appropriate by mutual written agreement of the Parties. User Agency shall schedule its use of the PSTF at least thirty (30) days before the planned use by contacting YFD.

2) **AUTHORITY**. The city is authorized to enter into this Agreement Article III, Section 1 of the Charter of the City of Yuma and A.R.S. § 13-3872.

3) **EFFECTIVE DATE.** This Agreement is effective as of the date of the signature of the last signing Party.

4) **TERM; TERMINATION**. This Agreement shall be for a term of five (5) years starting on the Effective Date ("Initial Term"). This Agreement may be renewed for one (1) additional five (5) year period ("Renewal Term") upon written request from the User Agency to the City not less than sixty (60) days prior to the date of expiration of the Initial Term. The decision to renew shall be in the sole discretion of the City.

   This Agreement may be terminated by either Party, with or without cause, upon thirty (30) days written notice to the other Party. Within ten (10) days following termination or non-renewal of this Agreement, the User Agency shall return all property belonging to the City unless otherwise agreed in writing by the Parties.

5) **USE FEES AND OTHER CHARGES**. User Agency acknowledges the City may opt to charge for the use of the PSTF in such amounts as may be established by the City and incorporated into a written fee schedule. The city will provide User Agency with written notice of the fee schedule prior to implementation. In the event User Agency does not agree with the fee schedule, User Agency may terminate this Agreement as provided in Section 4. The User Agency agrees to pay for all consumable product replacement, repair and/or replacement of property and loaned equipment at the PSTF that is damaged, destroyed or rendered inoperable, in part or in whole, because of the User Agency's use of the PSTF. Use fees and other charges shall be due and payable within thirty (30) days of receipt of the City's written itemized invoice.

6) **EQUIPMENT REQUIREMENTS**. Prior to the User Agency's use of the PSTF, the City shall provide User Agency a written list specifying the supplies and equipment necessary for the User Agency to safely and properly use the PSTF. The User Agency shall, at its sole cost, obtain all listed equipment and supplies prior to its use of the PSTF.

7) **SUPERVISION AND CONTROL**. The city may assign a monitor to ensure User Agency uses the PSTF appropriately. User Agency shall supply its own instructors and support personnel. The City reserves the right to immediately terminate User Agency's use of the PSTF if, in the City's sole discretion, it is determined that such use has resulted in or may result in damage to the PSTF or if such use otherwise presents a threat to the safety of persons or property.

8) **RELATIONSHIP OF THE PARTIES.** Each Party will act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other. An employee or agent of one Party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. Each Party is solely liable for any workers' compensation or other benefits received by their respective employees. Each Party is responsible for the supervision and management of its own personnel. The Parties shall not exchange funds or personnel as a provision of this Agreement.

9) **NON-DISCRIMINATION**. The Parties shall comply with the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, and State Executive Order No. 2023-01, amending State Executive Orders 2003-22 and 2009-09, the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act, as amended.

10) **INSURANCE**

a) **General**

i) Review of Coverage. The City reserves the right to review all insurance policies and endorsements cited in this Agreement but has no obligation to do so. Failure to demand evidence of compliance with the insurance requirements, or failure to identify any insurance deficiency, shall not relieve User Agency from, or waive, its obligation to maintain the required insurance during the performance of this Agreement.

ii) Additional Insured. All insurance coverage, self-insured retention, and deductibles, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name and endorse the City, its agents, representatives, officers, directors, officials, and employees as Additional Insureds, to the fullest extent permitted by law for claims arising out of the performance of this Agreement.

iii) Coverage Term. All insurance shall be maintained in full force and effect until this Agreement is terminated, except as set forth in Section 10(a)(v).

iv) Primary Insurance. User Agency's insurance shall be endorsed to indicate it is primary, non-contributory insurance with respect to performance of this Agreement and shall be at least as broad as ISO CG 20 01 04 13.

v) Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the services. Annually, User Agency shall submit Certificates of Insurance to the City reflecting applicable coverage is in force and contains the provisions for the three-year period.

vi) Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers, and employees for any claims arising out of the actions, inactions, work, and services of User Agency. Subrogation waivers shall be incorporated into each policy by written endorsement.

vii) Policy Deductibles and Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. User Agency shall be solely responsible for any such deductible or self-insured retention amount.

viii) Evidence of Insurance. Prior to using the PSTF, User Agency will provide the City with a certificate(s) of insurance and a copy of the declaration page(s) of the required insurance policy(ies), issued by User Agency's insurance insurer(s). The City may reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage, but such acceptance and reliance shall not waive or alter the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, User Agency shall forward renewal certificates and declaration page(s) to the City thirty (30) days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the title of this Agreement. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The city, its agents, representatives, officers, directors, officials, and employees are Additional Insureds as follows:
   (a) Commercial General Liability
   (b) Auto Liability
   (c) Excess Liability

(2) User Agency's insurance shall be primary, non-contributory insurance with respect to performance of the Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials,

and employees for any claims arising out of work or services performed by User Agency under this Agreement.

b) **Required Insurance Coverage**

i) Commercial General Liability. User Agency shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $3,000,000 for each occurrence, $3,000,000 Products and Completed Operations Annual Aggregate and a $5,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be endorsed as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

ii) Vehicle Liability. If User Agency drives any vehicles as part of its use of the PSTF, User Agency shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on User Agency's owned, hired, and non-owned vehicles assigned to or used in the performance of the User Agency's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials, and employees shall be endorsed as an Additional Insured under ISO Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

iii) Workers' Compensation Insurance. User Agency shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over User Agency's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $1,000,000 for each accident, $1,000,000 disease for each employee and $1,000,000 disease policy limit.

c) **Cancellation and Expiration Notice.** The requires insurance shall not expire, be canceled, or be materially changed without thirty (30) days' prior written notice to the City.

11) INDEMNIFICATION

a) Assumption of Risk; Indemnity. User Agency agrees to conduct its activities at the PSTF in a careful and safe manner. User Agency agrees to assume all risk of damage to, loss, or theft of User Agency's property or that of persons attending or participating in User Agency's activities

while such property is located or used at the PSTF. User Agency agrees to assume all risk for damage to the PSTF, and injury or death to persons at the PSTF, arising from or related to User Agency's use or occupancy of the PSTF. User Agency waives all claims against the City.

(a) User Agency agrees to be responsible and assumes liability for its own wrongful or negligent acts or omissions, or those of its officers, agents, or employees to the fullest extent required by law. In the event of damage, loss, injury, or death arising from User Agency's use of or activities at the PSTF, the person or entity suffering the loss may submit a claim to User Agency, and such claim will be processed and paid in accordance with applicable law.

(b) Insurance coverage requirements of this Agreement are not to be construed as limiting the scope of the indemnity in this Agreement.

b) Limitation on Negligence of the City; PSTF Accepted "As Is". User Agency acknowledges and agrees the City has given User Agency full prior access to all portions of the PSTF for inspection of the PSTF to determine its suitability for the intended use. The City agrees to provide access for inspection, upon request, to User Agency prior to its scheduled use. User Agency avows that User Agency 's personnel conducting the inspections have all relevant structural, materials, electrical and other expertise necessary to make such a determination, and that any failure of User Agency's personnel to locate a defect that may lead to any of the losses, damage or liability indemnified against in paragraph (a) above, or User Agency 's failure to inspect, will constitute negligence on the part of the User Agency and its inspectors, and will not be considered negligence on the part of the City. The City is providing User Agency with the use of the PSTF solely on an "As Is" basis. User Agency agrees not to conduct any activities on any portion of the PSTF that User Agency and its qualified employees have not fully inspected and found to be suitable and safe for the intended use at the time such use is undertaken.

12) **WAIVER**. No provision in this Agreement shall be construed, expressly or by implication, as a waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of either Party to insist upon strict performance of any of the provisions of this Agreement, or to exercise any of the rights or remedies provided by this Agreement, or any delay in the exercise of any rights or remedies, shall not release either Party from any of the responsibilities or obligations imposed by law or by this Agreement, and shall not be deemed a waiver of any right of either Party to insist upon strict performance of this Agreement.

13) **INSTITUTIONAL REVIEW PROCESS**. Prior to the use of the PSTF, User Agency shall deliver to the City written descriptions of the User Agency's training program and intended uses and activities, including any special devices used in the training experience. User Agency agrees that the City may request intended activities not be undertaken, if, in the City's discretion, the activities pose risk to people or property. The City's failure to object to any activities so disclosed shall not constitute negligence on the part of the City under any circumstances, and User Agency shall remain fully responsible for the safe conduct of all such activities. User Agency hereby acknowledges and agrees that no explosive charges will be detonated without the prior written consent of the City and that no live firearms will be discharged during any User Agency's use of the PSTF.

14) **ENVIRONMENTAL REGULATIONS**. User Agency will not permit any Hazardous Substance to be used, stored, generated or disposed of on, in or about the PSTF, or transported to or from the

PSTF, by User Agency, User Agency's officers, employees, contractors, invitees, agents, or persons attending or participating in User Agency's activities, without first obtaining the City's written consent, which the City has the sole discretion to grant and to revoke at any time. If the City consents, all Hazardous Substances must be handled at User Agency's sole costs and expense, in compliance with all applicable state, federal or local governmental requirements, using all necessary and appropriate precautions. If User Agency breaches these obligations or if the presence of Hazardous Substances on, in or about the PSTF caused or permitted by User Agency results in contamination of any part of the PSTF, or if contamination by Hazardous Substance otherwise occurs in a manner for which User Agency is legally liable, then User Agency will indemnify and hold harmless the City from and against any and all claims, actions, damages, fines, judgments, penalties, costs, liabilities, losses and expenses (including without limitation, any sums paid for settlement of claims, court costs, attorneys' fees, consultant and expert fees) arising during or after the expiration or termination of this Agreement as a result of any breach or contamination. Without limitation, if User Agency causes or permits the presence of any Hazardous Substance on, in or about the PSTF and this results in contamination of any part of the PSTF, User Agency will promptly, at its sole cost and expense, take all necessary actions to return the PSTF and any adjacent properties and structures to the condition existing prior to the presence of any Hazardous Substance. User Agency shall first obtain the City's approval for any such remedial action. "Hazardous Waste" or a "Hazardous Substance" as used herein are defined terms pursuant to state, federal or local government law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls and petroleum.

15) **ENTIRE AGREEMENT**. This Agreement constitutes the entire understanding of the Parties with respect use of the PSTF. There are no representations or agreements other than those contained in this Agreement. Any amendment or modification of this Agreement shall be made in writing and executed by authorized representatives of the Parties.

16) **SEVERABILITY**. The Parties agree that should any part of this Agreement be held to be invalid or void, the remainder of the Agreement shall remain in full force and effect and shall be binding upon the Parties.

17) **COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original and together shall constitute the Agreement.

18) **GOVERNING LAW AND VENUE**. This Agreement shall be governed by the laws of the State of Arizona. All judicial proceedings arising from or related to this Agreement shall be instituted and maintained in a court of competent jurisdiction in Yuma County, Arizona (or, as may be appropriate, in the United States District Court for the District of Arizona, if, and only if, a Yuma County court lacks jurisdiction). The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action.

19) **CONFLICT OF INTEREST**. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein.

20) **NOTICES**. All notices and correspondence between the Parties regarding this Agreement shall be in writing and shall be deemed given if delivered in person, by electronic mail with delivery receipt, or ten (10) days after mailing, by United States registered or certified mail, postage prepaid and

addressed to persons below. In the event the contact information or notice destination of a Party changes, it shall notify the other Party of the new information, in writing, within five (5) business days.

City of Yuma Fire Department Attn: PSD 1 City Plaza Yuma, AZ 85364 **928-373-4877**	**AMR – River Medical**

21) **ASSIGNMENT**. This contract is not assignable unless both Parties mutually consent otherwise in writing. The requirements of this contract are binding upon the heirs, executors, administrators, successors and assigns of both Parties.

22) **EMPLOYMENT ELIGIBILITY**. Each Party warrants, and shall require its subcontractors to warrant, that it follows all federal immigration laws and regulations that relate to its employees and with A.R.S. §§ 41-4401 and 23-214 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of the Agreement and is subject to penalties up to and including termination of this Agreement. The Parties retain the legal right to inspect the papers of any Party or subcontractor employee who works on this Agreement to ensure that the other Party or its subcontractors are complying with this warranty.

23) **RIGHTS/OBLIGATIONS OF PARTIES ONLY**. The terms of this Agreement are intended only to define the respective rights and obligations of the Parties. This Agreement shall not create any rights or duties in favor of any potential third-party beneficiary or other person, agency, or organization.

24) **IMPOSSIBILITY.** No Party to this Agreement shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder for any reasons beyond its control, including without limitation, global or national pandemics, acts of God or of the public enemy, flood or storm, strikes, court decision order, or statutory regulation or rule of any federal, state or local government, or any agency thereof.

25) **ATTORNEY'S FEES.** In the event any action, suit or proceeding is brought for failure to observe any of the terms, covenants, or provisions of this Agreement, the prevailing Party shall be entitled to all litigation, arbitration, and collection expenses, including, but not limited to, witness fees, court costs, and reasonable attorney fees.

26) **AUTOMATIC INCLUSION.** All applicable Federal, State, and local laws, court orders and decisions, Executive Orders, rules, and regulations not specifically referenced herein are deemed automatically incorporated.

27) **AUTHORITY OF SIGNATORIES.** The persons executing this Agreement on behalf of the Parties represent and guarantee they are authorized to do so, on behalf of themselves and the entity they represent. Further representation is made that due diligence has occurred, and all necessary internal procedures and processes, including compliance with the open meeting law where necessary, have been satisfied to legally bind the entity to the terms of this Agreement.

[*Signatures on the Next Page*]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date first written above.

City of Yuma _____ John D. Simonton City Administrator Date: _____	AMR – River Medical _____ John Valentine Regional Director Date: 3/17/25
Yuma Fire Department _____ Dustin Fields Fire Chief Date: _____	
ATTEST _____ Lynda Bushong City Clerk Date: _____	

City of Yuma

City Council Report

File #: R2025-088 **Agenda Date:** 10/1/2025 **Agenda #:** 1.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Fire	☐ Active & Appealing	☒ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☒ Connected & Engaged	☐ Ordinance - Adoption
Administration	☐ Unique & Creative	☐ Public Hearing

TITLE:
Intergovernmental Agreement: U.S. Border Patrol

SUMMARY RECOMMENDATION:
Authorize the City Administrator to execute an intergovernmental agreement (IGA) with the Department of Homeland Security, U.S. Customs and Border Protection, U.S. Border Patrol, Yuma Sector (Border Patrol) for Emergency Medical Technician clinical education and field work through the City of Yuma Fire Department. (Fire Department/ Administration) (John Louser)

STRATEGIC OUTCOME:
This agreement furthers City Council's Safe and Prosperous and Connected and Engaged strategic outcomes by allowing Border Patrol personnel to obtain certifications and enhance their skills through the City of Yuma Fire Department. This will enhance collaborative efforts between agencies in areas of medical care and public safety for the community.

REPORT:
The Yuma Fire Department requests approval of an intergovernmental agreement with U.S. Border Patrol, Yuma Sector, which will permit Border Patrol Emergency Medical Technicians and Emergency Medical Technician students to acquire fieldwork and clinical experience, through supervised ride-alongs with Yuma Fire Department staff. This IGA is for an initial three-year term and will automatically renew for an additional two-year term, unless terminated by either party.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
No additional fiscal impact outside of normal duties of current Fire Department personnel is required for providing field work and clinical experience.

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

RESOLUTION NO. R2025-088

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION, U.S. BORDER PATROL, YUMA SECTOR AND THE CITY OF YUMA

WHEREAS, the City of Yuma (City) is authorized to enter into Intergovernmental Agreements pursuant to Arizona revised Statutes (A.R.S) § 11-952, *et. seq*., and Article III, Section 13 of the City Charter; and,

WHEREAS, U.S. Customs and Border Protection, U.S. Border Patrol, Yuma Sector (User Agency) is authorized to enter into this Agreement pursuant to the Homeland Security Act of 2002, as amended; and,

WHEREAS the User Agency is a federal law enforcement agency operating within Yuma County; and,

WHEREAS the City of Yuma Fire Department (YFD) and User Agency often collaborate in areas of medical care, and public safety; and,

WHEREAS the City and User Agency value their cooperative working relationship; and,

WHEREAS User Agency desires to ride-along with Yuma Fire Department personnel for Emergency Medical Technician (EMT) training and experience; and,

WHEREAS, it is in the best interest of the City to ensure User Agency has access to education and experience that enable EMT certification to personnel.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: The attached and incorporated Intergovernmental Agreement specifying the terms and conditions of EMT training for U.S. Border Patrol personnel through the City of Yuma Fire Department is approved.

SECTION 2: The City Administrator is authorized and directed to execute the Intergovernmental Agreement on behalf of the City of Yuma.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

Intergovernmental Agreement
Between
City of Yuma
and
U.S. Customs and Border Protection,
U.S. Border Patrol, Yuma Sector

Article I. **PARTIES.** This Intergovernmental Agreement ("Agreement") is between the Department of Homeland Security, U.S. Customs and Border Protection, U.S. Border Patrol, Yuma Sector ("Border Patrol") and the City of Yuma ("City"), on behalf of the City of Yuma Fire Department. They may be referred to collectively as the Parties, or individually as a Party.

Article II. **PURPOSE**. The purpose of this Agreement is to set forth the terms by which the Border Patrol seeks to obtain clinical education and field work experience from the Yuma Fire Department for its Emergency Medical Technicians and Emergency Medical Technician students (collectively, "Students") and by which the Yuma Fire Department is willing to provide such experiences ("Program"). Both the Border Patrol and City agree to cooperate and work in good faith with each other to provide the Program through which participating Students may obtain certifications as Emergency Medical Technicians, or enhance their skills as Emergency Medical Technicians.

Article III. **AUTHORITY**. The City is authorized to enter into this Agreement pursuant to Arizona Revised Statutes ("A.R.S.") § 11-952, *et. seq.*, and Article III, Section 13 of the Charter of the City of Yuma. Border Patrol is authorized to enter into this Agreement pursuant to the Homeland Security Act of 2002, as amended; Department of Homeland Security ("DHS") Delegation 7010.3, Delegation of Authority to the Commissioner of U.S. Customs and Border Protection, (May 11, 2006) and CBP Delegation Order 03-002, Authority for Border Patrol Functions (March 1, 2003); and Department of Homeland Security Management Directive 0450.1, Memoranda of Understanding (MOU) and Memoranda of Agreement (MOA) (Jan. 24, 2003).

Article IV. RESPONSIBILITIES.

Section 4.01 JOINT RESPONSIBILITIES.

(a) The Program shall provide fieldwork and clinical experience, through supervised ride-alongs with Yuma Fire Department staff. Students' hands-on clinical and fieldwork will be based on their level of certification and the required skills within the scope of their level.

(b) The Parties agree there will be no monetary compensation to either Party related to the terms of this Agreement.

Section 4.02 BORDER PATROL. The Border Patrol agrees to fulfill the following obligations during the term of this Agreement:

(a) Comply with the educational standards of the governing accreditation bodies.

(b) Communicate with Yuma Fire Department, through the Yuma Fire Department Program Supervisor, on all items pertinent to the Program.

(c) Notify Yuma Fire Department Program Supervisor of the planned schedule of Students and provide Students' names and level of academic preparation.

(d) Only refer Students who have satisfactorily completed the prerequisite didactic portion of the curriculum applicable to Yuma Fire Department.

(e) Ensure Students and Border Patrol faculty support follow City and Yuma Fire Department policies, rules and regulations.

(f) Require Students and Border Patrol faculty dress in a professional manner and wear a visible name tag identifying their name and level of training.

(g) Implement a mechanism to notify Yuma Fire Department if Students are unable, for any reason, to report for training.

(h) Provide faculty, approved by the governing certifying or accrediting agencies, to supervise the clinical aspects of the Program. Such faculty member(s) retain(s) the ultimate responsibility of monitoring and supervising Students.

(i) Make provisions for Border Patrol faculty to engage in continuing communication and periodic evaluation and planning meetings with Yuma Fire Department personnel involved with Students' learning, including preceptors, if assigned. Any problems arising from Students' training and the involvement of preceptors will be handled as they arise by the supervising Border Patrol faculty member and Yuma Fire Department staff member(s). In the event of continued difficulty, the problem will be referred to the appropriate Yuma Fire Department administrator and the Border Patrol Administrator or equivalent.

(j) Instruct the Students and Border Patrol faculty to maintain the confidentiality of all information about Yuma Fire Department's patients/customers, including information about Yuma Fire Department's, diagnosis, evaluation, treatment of such patients, financial condition, or services rendered as required by applicable State and Federal laws and the City and Yuma Fire Department's bylaws, rules and regulations. If, during the course of the Program and in conjunction with the Program requirements, employees and agents of Yuma Fire Department are informed of or possess records of any Student, Yuma Fire Department shall comply with the confidentiality requirements of all Federal and State laws and regulations in the handling of such records.

Section 4.03 The City agrees to fulfill the following obligations during the term of this Agreement:

(a) Maintain standards for appropriate health care services that are conducive to sound educational experiences for the Students.

(b) Assign a designee, with the required credentials, responsible for facilitating the fieldwork and clinical experience of the Students.

(c) Provide orientation for the Students and Border Patrol faculty to the physical facilities, policies, and procedures of the City and Yuma Fire Department.

(d) Provide emergency medical care for Students and Border Patrol faculty in the event of an illness or accident during their participation in the Program, the costs of which shall be the responsibility of the individual Student or Border Patrol faculty member or such individual's worker's compensation carrier, as applicable. The costs shall not be borne by the City.

(e) Advise the Border Patrol, in writing, of any deficits noted in the ability of Students to progress toward achievement of Program objectives and assist in attempting to correct these deficits. It is the mutual responsibility of the Students, Border Patrol faculty, fieldwork/clinical educator, and academic fieldwork/clinical coordinator to develop a plan to assist deficient Students to achieve the Program objectives.

(f) Permit, upon written request from the Border Patrol, the inspection of the facilities, fieldwork, and services by the governing accrediting agencies.

(g) Yuma Fire Department shall notify the Border Patrol of the number of Students it can accommodate.

(h) Yuma Fire Department has the right to recommend termination of any Student's participation in the Program when such Student's health, conduct, or performance is a detriment to patients' well-being, or to the achievement of the objectives of the Program. Yuma Fire Department shall provide written documentation specifying the facts and circumstances necessitating such termination request. The Border Patrol shall have the opportunity to review and evaluate the Student's health, conduct, or performance underlying the termination.

(i) Yuma Fire Department shall encourage and support, when required by the Border Patrol's governing accrediting agency, continuing education and professional development of Yuma Fire Department staff responsible for the supervision of Program.

Article V. POINTS OF CONTACT. All notices or other communications provided for in this Agreement shall be in writing and directed to the Parties at the addresses below. Notices are deemed given if delivered in person, by electronic mail with delivery receipt, or ten (10) days after mailing, by United States registered or certified mail, postage prepaid. In the even the contact information or notice destination of a Party changes, it shall notify the other Party, in writing, within five (5) business days.

United States Border Patrol
Chief Patrol Agent Yuma Sector
4035 South Ave A
Yuma, AZ 85365

City of Yuma Fire Department
City of Yuma Fire Chief
One City Plaza
Yuma, Arizona, 85364

dustin.fields@yumaaz.gov

Article VI. LIABILITY INSURANCE. Yuma Fire Department acknowledges that the Border Patrol is a government agency within the Department of Homeland Security and that, as such, the Border Patrol is self-insured under the Federal Tort Claims Act with respect to liability for property damage, personal injuries, or accidents caused by its employees in the course of official business. This includes medical training, which has been assigned to specific agents as part of their job description and/or collateral duty. In addition, Border Patrol employees are covered by the U.S. Department of Labor's Office of Worker's Compensation Programs with respect to injuries suffered in the course of federal employment or training. Such Students are responsible for providing the required documentation directly to Yuma Fire Department.

Article VII. PARTIES' RELATIONSHIP. It is understood and agreed that the Parties are independent contractors, and this Agreement shall not create any relationship of agency, partnership, joint venture, or create an employment relationship between the City, the Students, or the Border Patrol faculty. It is understood and agreed that the City retains the ultimate responsibility for patient record keeping and for patient care while the Students retain the obligations and limitations expressly stated in this Agreement.

Article VIII. OTHER PROVISIONS. Nothing in this Agreement is intended to conflict with current law or regulation or the directives of the Department of Homeland Security, U.S. Customs and Border Protection, Border Patrol, City of the Yuma Fire Department. If a term of this Agreement is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this Agreement shall remain in full force and effect. If a court of law invalidates any provision of this Agreement, the remaining terms and conditions shall remain in full force and effect.

Article IX. EFFECTIVE DATE. This Agreement will become effective on the date of authorization by the City of Yuma Council or the authorized signatory for the Border Patrol, whichever is later.

Article X. TERM. The initial term of this Agreement shall be for three (3) years from the Effective Date. At the end of the initial term, this Agreement shall automatically renew for one (1) additional term of two (2) years, unless terminated as provided in Article XII of this Agreement.

Article XI. MODIFICATION. This Agreement contains the entire understanding of the Parties and shall be modified only by an instrument in writing signed by each Party.

Article XII. TERMINATION. This Agreement may be terminated prior to the expiration of the any term by mutual agreement of the Parties, or by either Party, without cause, upon thirty (30) days written notice to the other Party. No termination is effective until the expiration of the then current course for participating Students.

Article XIII. GOVERNING LAW AND JURISDICTION. This Agreement shall be governed by the laws of the State of Arizona and applicable U.S. federal laws. All judicial proceedings arising from or related to this Agreement shall be instituted and maintained in a court of competent jurisdiction in Yuma County, Arizona (or, as may be appropriate, in the United States District Court for the District of Arizona). The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action.

Article XIV. CLAIMS OR ACTIONS. That with respect to any claim or action arising out of any activities performed under or pursuant to this Agreement, each Party shall be liable for payment of that portion of any and all claims, liability, costs, expenses, demands, settlements, or judgments resulting from the negligence, actions, or omissions of itself or its own directors, representatives, and employees. The Parties agree to notify each other, in writing, immediately upon receipt of any incident, occurrence, or claim arising out of or in connection with this Agreement, which could result in a liability or claim of liability to the other Party.

Article XV. COUNTERPART SIGNATURE. This Agreement may be executed in one or more counterparts (facsimile transmission or otherwise). Each counterpart shall be deemed an original and all of which shall constitute the Agreement.

Article XVI. NO WAIVER. No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision of this Agreement shall be construed to be a waiver of such breach.

Article XVII. RIGHTS IN PROPERTY. All title to City supplies, equipment, furnishings, fiscal records, client charts, and client records shall remain the sole property of the City.

Article XVIII. AUTHORIZATION OF AGREEMENT. Each Party represents and warrants to the other that the signatories are authorized to execute this Agreement and that this Agreement constitutes a valid and enforceable obligation of such Party according to its terms.

Article XIX. SECTION HEADINGS. The headings of sections contained in this Agreement are for convenience only and they shall not, expressly or by implication, limit, define, extend, or construe the terms or provisions of the sections of this Agreement.

Article XX. NO PRIVATE RIGHT CREATED. This Agreement is between the City and the Border Patrol and does not create or confer any right or benefit on any other person or party, private or public. Nothing in this Agreement, addenda, attachments or other associated documents restricts the authority of either Party to act as provided by law, statute, or regulation, nor does it restrict either Party from enforcing any laws or taking any action within its authority or jurisdiction.

Article XXI. ASSIGNMENT. This contract is not assignable unless both Parties mutually consent otherwise in writing. The requirements of this contract are binding upon the heirs, executors, administrators, successors and assigns of both Parties.

Article XXII. EMPLOYMENT ELIGIBILITY. Each Party warrants, and shall require its subcontractors to warrant, that it is in compliance with all federal immigration laws and regulations that relate to its employees and with A.R.S. §§ 41-4401 and 23-214 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of the Agreement and is subject to penalties up to and including termination of this Agreement. The Parties retain the legal right to inspect the papers of any Party or subcontractor employee who works on this Agreement to ensure that the other Party or its subcontractors are complying with this warranty.

Article XXIII. NO PUBLICATION. Neither the Border Patrol nor the City shall publish any material relating to the Program without prior written notice to the other Party. The Parties acknowledge each Party is governed by public records laws of their jurisdiction and are obligated to comply with such laws. Upon notice of the intent to release or publish any materials related to the Program, the other Party acknowledges it must promptly pursue legal action in order to oppose or stay such release. The Parties acknowledge the public record laws of the State of Arizona prevent delay in releasing public records.

Article XXIV. NON-EXCLUSIVITY. Each Party has the right to enter into similar agreements with other parties.

Article XXV. NON-DISCRIMINATION. The Parties shall comply with the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, and State Executive Order No. 2023-01, amending State Executive Orders 2003-22 and 2009-09, the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act, as amended. The Parties agree to make no distinction among Students on the basis of race, color, sex, creed, age, sexual orientation, marital status, genetic information, veteran status, religion, or national origin. Students shall not be denied any service or benefit or be provided a service or benefit in a different manner or at a different time from the service provided to other Students under this Agreement, unless otherwise required by law. A Student may not be subjected to segregation or separate treatment in any manner related to receipt of any advantage or privilege enjoyed by others receiving the same service or benefit, or any other requirement or condition that individuals must meet in order to be provided any service or benefit, unless otherwise required by law.

Article XXVI. WAIVER OF CONSTRUCTION AGAINST DRAFTER. Both Parties have contributed to the review and drafting of this Agreement, with the assistance of their respective legal counsel. Therefore, both Parties waive the rule of construction against the drafter.

Article XXVII. ATTORNEY'S FEES. In the event any action, suit or proceeding is brought for failure to observe any of the terms, covenants, or provisions of this Agreement, the prevailing Party shall be entitled to all litigation, arbitration and collection expenses, including, but not limited to, witness fees, court costs, and reasonable attorney fees.

Article XXVIII. AUTOMATIC INCLUSION. All applicable Federal, State and local laws, court orders and decisions, Executive Orders, rules and regulations not specifically referenced herein are deemed automatically incorporated.

IN WITNESS WHEREOF, the City and the Border Patrol have executed this Agreement, in multiple originals, to be effective as of the date expressed in the Agreement.

City of Yuma

_____
Jay Simonton,
City Administrator

Date:_____

U.S. Customs and Border Protection,
U.S. Border Patrol, Yuma Sector

_____
Richard Adams
EMS Program Manager

Date:_____

Yuma Fire Department

_____
John Louser
Fire Chief

Date:_____

ATTEST:

_____
Lynda Bushong
City Clerk

Date:_____

In accordance with the requirements of A.R.S. § 11-952, the undersigned attorney acknowledges: (1) he reviewed the above Agreement on behalf of his clients; and, (2) he has determined this Agreement is in proper form and is within the powers and authority granted to his client by the laws of the State of Arizona. Pursuant to A.R.S. § 11-952(E), Counsel for U.S. Customs and Border Protection, U.S. Border Patrol, Yuma Sector is not required to approve the form of this Agreement.

City of Yuma

_____
Richard W. Files, City Attorney

Date:_____

City of Yuma

City Council Report

File #: R2025-089 **Agenda Date:** 10/1/2025 **Agenda #:** 2.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☐ Safe & Prosperous	☐ Motion
Engineering	☐ Active & Appealing	☒ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Development	☐ Unique & Creative	☐ Public Hearing

TITLE:
Development Fee Deferral: Cielo Verde Unit 3 Phase 2 Subdivision

SUMMARY RECOMMENDATION:
Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 3 Phase 2 Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

STRATEGIC OUTCOME:
This item supports the Council's strategic outcome for Respected and Responsible in that it supports and assists the development community to continue providing quality growth within the City.

REPORT:
City Administration and staff previously met with the development community regarding local economic activity, particularly that of the construction industry, and determined to recommend to City Council that, upon payment of a $500.00 deferral fee to cover City costs associated with processing and tracking deferrals, for a period of three years, all development fees, along with sanitary sewer and water capacity charges, would be eligible for deferral until prior to issuance of a certificate of occupancy. The eligibility for deferral was in accordance with the specific terms outlined in the proposed development agreement.

It was anticipated that deferring these development fees and capacity charges would help to stimulate economic activity and retain construction jobs. The deferral is accomplished in accordance with State Statute (A.R.S. § 9-463.05), through a development agreement.

The Jacobson Companies has requested the deferral agreement for Cielo Verde Unit 3 Phase 2 Subdivision contained in the attached development agreement and corresponding location map.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00

STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
+$500

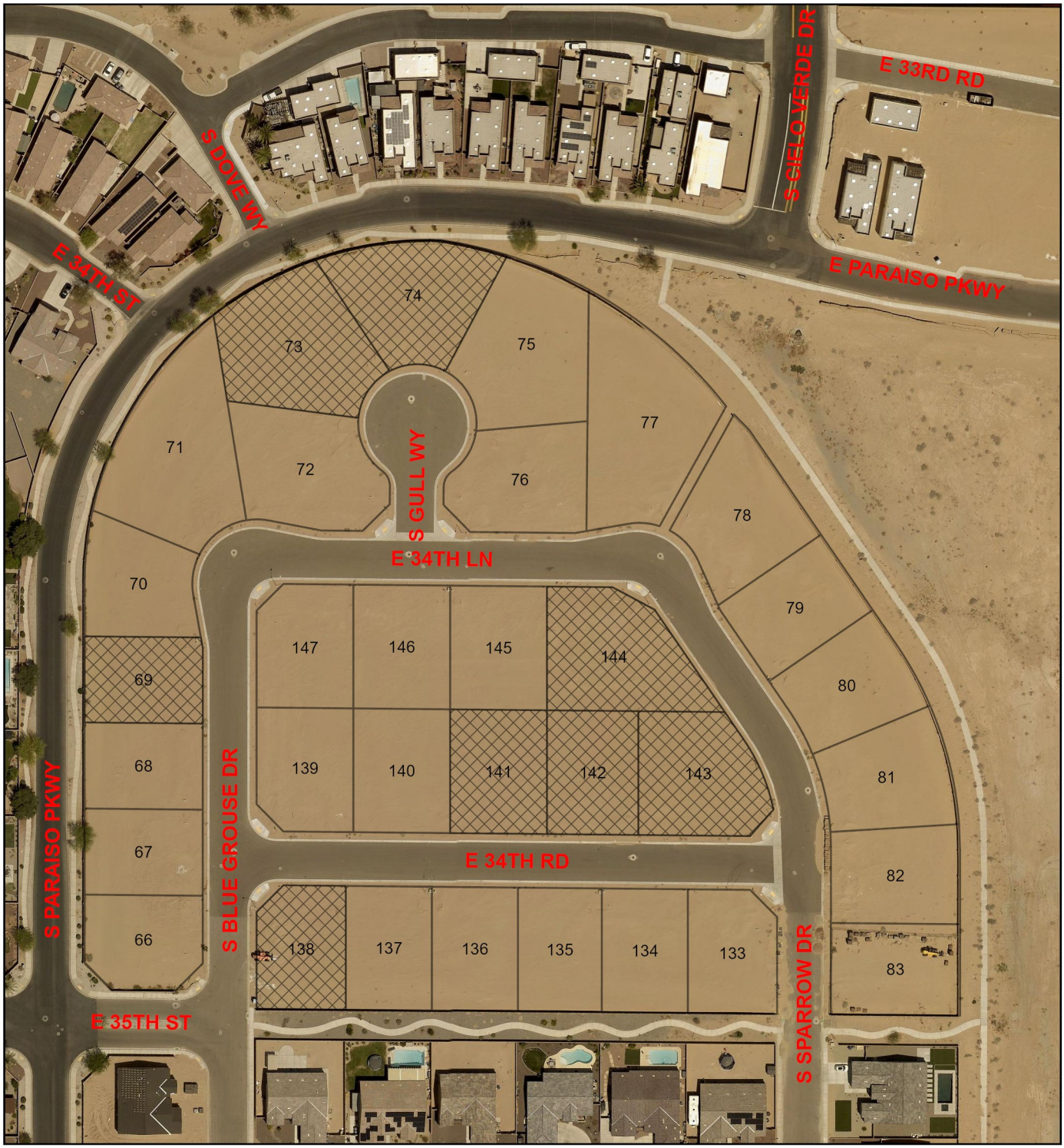
ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☒ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025



AFFECTED AREA

NOTE: THIS MAP IS PREPARED TO SHOW GENERAL SITE LOCATION ONLY AND REPRESENTS NO SPECIFIC DIMENSIONS RELATED TO THE SITE.

N W E S

LOCATION MAP

Prepared by: ANDREW MCGARVIE	CITY OF YUMA ENGINEERING DEPARTMENT	DATE: 9/2/2025	CIP NO.
Checked by:		SCALE: N.T.S	
		REVISED:	

RESOLUTION NO. R2025-089

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AUTHORIZING AND APPROVING A DEVELOPMENT AGREEMENT PERMITTING THE DEFERRAL OF CITY OF YUMA DEVELOPMENT FEES AND WATER AND SANITARY SEWER CAPACITY CHARGES FOR CIELO VERDE UNIT 3 PHASE 2 SUBDIVISION

WHEREAS, the City of Yuma (City) desires to obtain those public benefits accruing from the development of property, which benefits include, but are not limited to, the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the property and by the retention and generation of additional sales tax revenues through increased business activities; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, deferral of payment of development fees and water and sanitary sewer capacity charges until prior to issuance of a certificate of occupancy, will promote economic activity within the City of Yuma and shall constitute sufficient consideration for the deferral.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: The deferral of City of Yuma Development Fees and water and sanitary sewer capacity charges is approved in accordance with the terms of the Development Agreement attached as Exhibit A, and by this reference, made part of this Resolution.

SECTION 2: That upon payment to the City of Yuma of the described $500 administrative fee for Cielo Verde Unit 3 Phase 2 Subdivision, the City Administrator is authorized and directed to execute the Development Agreement on behalf of the City of Yuma.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

RESOLUTION NO. R2025-089
DEVELOPMENT AGREEMENT
CIELO VERDE UNIT 3 PHASE 2

This Development Agreement ("Agreement"), in accordance with the Arizona Revised Statutes (A.R.S.) § 9-500.05, is by and between Stewart Title & Trust of Phoenix, Inc., a Delaware corporation, as Trustee under Trust N. 2007-100 ("Owner"), as owner of the real property described in the CIELO VERDE UNIT 3 PHASE 2 plat, lots 69, 73, 74, 138, and 141 to 144, dated 11/05/2021, recorded as Yuma County Assessor's Fee #: 2021-41313, and Book 33 of Plats, Pages 49 & 50, (the "Property") and the City of Yuma, an Arizona municipal corporation ("City").

RECITALS

WHEREAS, the City desires to obtain those public benefits which accrue from the development of the Property and include (but are not limited to) the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the Property, and by generation of additional sales tax revenues through increased business activity; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, for the mutual benefit of both parties, the sufficiency of which is acknowledged, the parties have entered into this Agreement to provide for the deferral of payment of City of Yuma Development Fees and City of Yuma water and sanitary sewer capacity charges upon the terms and conditions contained herein.

NOW THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. Term. This Agreement shall be effective (the "Effective Date") upon execution by all of the parties and the payment to the City of a five-hundred-dollar ($500.00) deferral fee. This Agreement shall expire three (3) years from the Effective Date (the "Expiration Date") unless the parties mutually agree to an earlier termination.

2. Vesting. Vesting of deferred fees and charges shall accrue on a lot-by-lot basis. To vest the right to deferral, the residential unit must pass the under slab plumbing and building setback inspection ("underground inspection") within 30 days of the date of issuance of the building permit. Time is of the essence. If the underground inspection is not successfully completed within 30 days of the issuance of the building permit, no right to deferral shall vest, and Owner shall either: (1) be issued a refund of 80% of the cost of the building permit and the building permit shall expire; or (2) all deferral amounts shall immediately be due and payable to the City to prevent the building permit from expiring. At the expiration or termination of this Agreement, any vested lot shall continue to enjoy the deferral benefit unless construction is abandoned by Owner. On the Expiration Date, the deferral benefit shall expire for any non-vested lot.

3. Deferral Benefits. Deferral of certain described City of Yuma Development Fees and water and sewer capacity charges shall be available to the Property throughout the term of this Agreement. An expired building permit shall not prohibit Owner from reapplying for the deferral benefit provided that a new building permit is applied for. When vested in accordance with paragraph 2 above, the deferral benefit shall include:

    a. Deferral of Payment of Citywide Development Fees and Water and Sewer Capacity Charges. For any platted lot within the Property, payment of City of Yuma Development Fees (the parks and recreational facilities development fee, the police facilities development fee, the special fire facilities development fee of $1,041.66 per gross acre, the general government facilities development fee, and the streets facilities development fee), and water and sewer capacity charges may, upon written request on a form provided by City staff, be deferred from the time of application for a building permit.

    b. Application. At the time of application for the first building permit on the Property, Owner shall submit and sign a "Request for Deferral of City of Yuma Development fees and/or Water and Sewer Capacity Charges" (City of Yuma Form J) together with payment of a five hundred ($500.00) dollar deferral fee (which shall cover the deferral costs for all of the Property for the term of this Agreement), payable to the City of Yuma. The deferred amount shall be calculated at the rate in effect at the time of construction permit or water meter issuance, signed by Owner and the City Administrator or the City Administrator's designee, and shall constitute an enforceable contract for the payment to the City of all deferred amounts. The completed Request for Deferral of City of Yuma Development Fees and Water and Sewer Capacity Charges, together with this Development Agreement, shall serve as the security required by statute for payment thereof. During the Term of this Agreement, any subsequent building permit application on the Property for which deferral is sought shall require Owner's signature on a City of Yuma Form J.

    c. Period of Deferral. Payment in full of the deferred fees and charges shall be made to the City of Yuma no later than the date of issuance of any certificate of occupancy, whether temporary or otherwise. In the case of residential property, in the event that Owner does not request a residential certificate of occupancy, then the "date of final inspection" shall be substituted for "date of issuance of a certificate of occupancy."

    d. Deferred Amount Due Upon Sale. Notwithstanding any sales contract or agreement to the contrary between Owner and the purchaser of any lot, part or portion of the Property which has a vested deferral, Owner shall pay all deferred amounts to the City prior to recording any deed transferring ownership or entering into a lease of lot.

4. Notice. All notices, demands or other communications must be in writing and are deemed duly delivered upon personal delivery, or as of the second business day after

mailing by United States mail, postage prepaid, registered or certified, return receipt requested, addressed as follows:

OWNER:

Stewart Title & Trust of Phoenix Inc.
Trustee under Trust No. 2007-100
2930 East Camelback Road
Suite 210
Phoenix AZ, 85016

With a copy to beneficiary

The Jacobson Companies, Inc.
1334 S 5th Ave.
Yuma, AZ 85364

CITY:

City Administrator
City of Yuma
One City Plaza
Yuma, Arizona 85364-1436

If either party changes address, written notice of the change of address must be given to the other party. Notice of change of address is deemed effective five (5) days after mailing by the party changing address.

5. Successors and Assigns. This Agreement is binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

6. Waiver. If either party fails to require the other party to perform any provision of this Agreement, that failure does not prevent the other party from later enforcing that provision. Neither party is released from any responsibilities or obligations imposed by law or this Agreement if the other party fails to exercise a right or remedy. No waiver of any provisions of this Agreement shall be binding upon either party unless in writing signed by both parties.

7. Governing Law and Venue. The laws of the State of Arizona govern this Agreement as to validity, interpretation, and performance. The parties shall institute and maintain any legal action or other judicial proceeding arising from this Agreement in a court of competent jurisdiction in Yuma County, Arizona.

8. Severability. If any terms, parts, or provisions of this Agreement are for any reason invalid or unenforceable, the remaining terms, parts, or provisions are nevertheless valid and enforceable.

9. Costs and Attorney Fees. If either party brings an action or proceeding for failure to observe any of the terms or provisions of this Agreement, the prevailing party shall recover, as part of such action or proceeding, all reasonable costs, expenses, and attorney fees as determined by the Court and not by a jury.

10. Integration. This Agreement contains the entire agreement between the parties, and no oral or written statements, promises, or inducements made by either party or its agents not contained or specifically referred to in this Agreement is valid or binding. All modifications to this Agreement must be in writing, signed and endorsed by the parties.

11. Recordation. The City shall record a copy of this Agreement no later than ten (10) days from date of entering into this Agreement pursuant to A.R.S. § 9-500.05.

12. Estoppel Certificate. The parties agree that, upon not less than twenty one (21) business days prior written request from a party to this Agreement, a requested party shall execute, acknowledge and deliver to the party making such request a written statement certifying to the current status of the Agreement, including whether or not, a party is in default of any obligation or duty set forth within the Agreement. Any such certificate may be relied on by a prospective purchaser of any lot within the Property, or any prospective lender.

13. No Partnership. This Agreement does not create and is not intended to imply a partnership or joint venture between Owner and City.

14. Good Standing; Authority. Each of the parties represents and warrants to the other that it is duly formed and validly existing under the laws of Arizona and that the individual(s) executing this Agreement on behalf of their respective party is authorized and empowered to bind the party on whose behalf each such individual is signing.

IN WITNESS WHEREOF, the parties have executed this Agreement through their authorized representatives.

DATED this _____ day of _____, 2025.

CITY OF YUMA:

By: _____
John D. Simonton
City Administrator

OWNER: Stewart Title & Trust of Phoenix, Inc,. a Delaware Corporation

By: _____
Tammy Lewis
Branch Manager
Stewart Title & Trust of Phoenix, Inc.

ATTEST:

The Jacobson Companies, Inc.; Beneficiary of Trust No. 2007-100

By: _____

Lynda L. Bushong
City Clerk

By: _____
Beneficiary
Gordon T. Jacobson, President

APPROVED AS TO FORM:

By: _____
Richard W. Files
City Attorney

ACKNOWLEDGEMENT

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this _____ of _____, 2025 by Tammy Lewis, Branch Manager of Stewart Title & Trust of Phoenix Inc., a Delaware corporation.

In witness whereof, I have set my hand and official seal

My commission expires:

By: _____
Notary Public

City of Yuma

City Council Report

File #: R2025-090 **Agenda Date:** 10/1/2025 **Agenda #:** 3.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☐ Safe & Prosperous	☐ Motion
Engineering	☐ Active & Appealing	☒ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Development	☐ Unique & Creative	☐ Public Hearing

TITLE:
Development Fee Deferral: Cielo Verde Unit 4 Phase I Subdivision

SUMMARY RECOMMENDATION:
Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 4 Phase I Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

STRATEGIC OUTCOME:
This item supports the Council's strategic outcome for Respected and Responsible in that it supports and assists the development community to continue providing quality growth within the City.

REPORT:
City Administration and staff previously met with the development community regarding local economic activity, particularly that of the construction industry, and determined to recommend to City Council that, upon payment of a $500.00 deferral fee to cover City costs associated with processing and tracking deferrals, for a period of three years, all development fees, along with sanitary sewer and water capacity charges, would be eligible for deferral until prior to issuance of a certificate of occupancy. The eligibility for deferral was in accordance with the specific terms outlined in the proposed development agreement.

It was anticipated that deferring these development fees and capacity charges would help to stimulate economic activity and retain construction jobs. The deferral is accomplished in accordance with State Statute (A.R.S. § 9-463.05), through a development agreement.

The Jacobson Companies has requested the deferral agreement for Cielo Verde Unit 4 Phase I Subdivision contained in the attached development agreement and corresponding location map.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00

STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
+$500

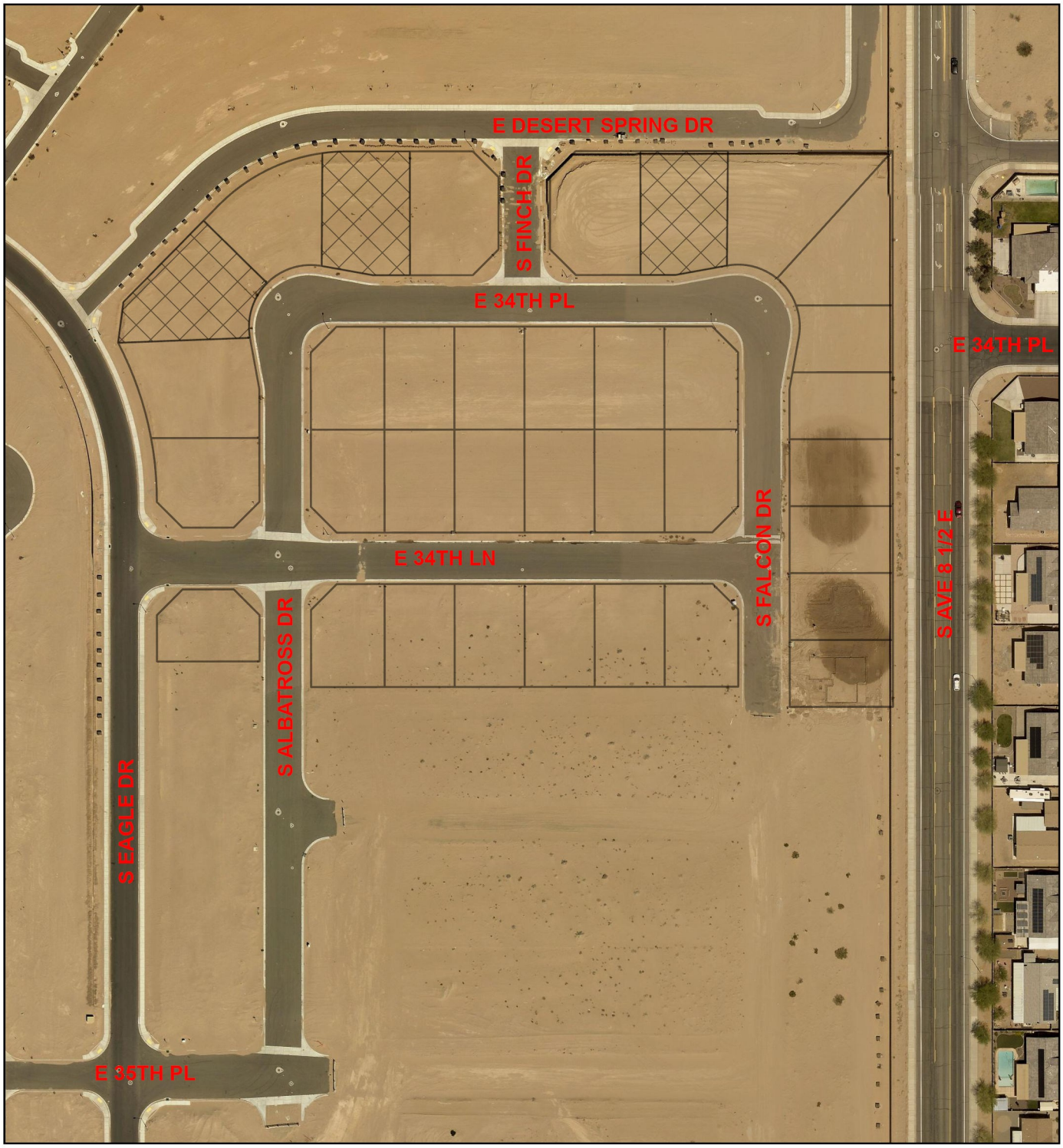
ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☒ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025



AFFECTED AREA

NOTE: THIS MAP IS PREPARED TO SHOW GENERAL SITE LOCATION ONLY AND REPRESENTS NO SPECIFIC DIMENSIONS RELATED TO THE SITE.

N W E S

LOCATION MAP

Prepared by: ANDREW MCGARVIE	CITY OF YUMA ENGINEERING DEPARTMENT	DATE: 9/2/2024	CIP NO.
Checked by:		SCALE: N.T.S	
		REVISED:	

RESOLUTION NO. R2025-090

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AUTHORIZING AND APPROVING A DEVELOPMENT AGREEMENT PERMITTING THE DEFERRAL OF CITY OF YUMA DEVELOPMENT FEES AND WATER AND SANITARY SEWER CAPACITY CHARGES FOR CIELO VERDE UNIT 4 PHASE I SUBDIVISION

WHEREAS, the City of Yuma (City) desires to obtain those public benefits accruing from the development of property, which benefits include, but are not limited to, the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the property and by retention and generation of additional sales tax revenues through increased business activities; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, deferral of payment of development fees and water and sanitary sewer capacity charges until prior to issuance of a certificate of occupancy, will promote economic activity within the City of Yuma and shall constitute sufficient consideration for the deferral.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: That the deferral of City of Yuma Development Fees and water and sanitary sewer capacity charges is approved in accordance with the terms of the Development Agreement attached as Exhibit A, and by this reference, made part of this Resolution.

SECTION 2: That upon payment to the City of Yuma of the described $500 administrative fee for Cielo Verde Unit 4 Phase I Subdivision, the City Administrator is authorized and directed to execute the Development Agreement on behalf of the City of Yuma.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

RESOLUTION NO. R2025-090
DEVELOPMENT AGREEMENT
CIELO VERDE UNIT 4 PHASE I

This Development Agreement ("Agreement"), in accordance with the Arizona Revised Statutes (A.R.S.) § 9-500.05, is by and between Stewart Title & Trust of Phoenix, Inc., a Delaware corporation, as Trustee under Trust No. 2007-100 ("Owner"), as owner of the real property described in the AMENDED CIELO VERDE UNIT 4 PHASE I plat, lots 3, 5, and 8, dated 10/27/2021, recorded as Yuma County Assessor's Fee #: 2021-40108, and Book 33 of Plats, - Pages 43 & 44, (the "Property") and the City of Yuma, an Arizona municipal corporation ("City").

RECITALS

WHEREAS, the City desires to obtain those public benefits which accrue from the development of the Property and include (but are not limited to) the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the Property, and by generation of additional sales tax revenues through increased business activity; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, for the mutual benefit of both parties, the sufficiency of which is acknowledged, the parties have entered into this Agreement to provide for the deferral of payment of City of Yuma Development Fees and City of Yuma water and sanitary sewer capacity charges upon the terms and conditions contained herein.

NOW THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. Term. This Agreement shall be effective (the "Effective Date") upon execution by all the parties and the payment to the City of a five-hundred-dollar ($500.00) deferral fee. This Agreement shall expire three (3) years from the Effective Date (the "Expiration Date") unless the parties mutually agree to an earlier termination.

2. Vesting. Vesting of deferred fees and charges shall accrue on a lot-by-lot basis. To vest the right to deferral, the residential unit must pass the under-slab plumbing and building setback inspection ("underground inspection") within 30 days of the date of issuance of the building permit. Time is of the essence. If the underground inspection is not successfully completed within 30 days of the issuance of the building permit, no right to deferral shall vest, and Owner shall either: (1) be issued a refund of 80% of the cost of the building permit and the building permit shall expire; or (2) all deferral amounts shall immediately be due and payable to the City to prevent the building permit from expiring. At the expiration or termination of this Agreement, any vested lot shall continue to enjoy the deferral benefit unless construction is abandoned by Owner. On the Expiration Date, the deferral benefit shall expire for any non-vested lot.

3. Deferral Benefits. Deferral of certain described City of Yuma Development Fees and water and sewer capacity charges shall be available to the Property throughout the term of this Agreement. An expired building permit shall not prohibit Owner from reapplying for the deferral benefit provided that a new building permit is applied for. When vested in accordance with paragraph 2 above, the deferral benefit shall include:

    a. Deferral of Payment of Citywide Development Fees and Water and Sewer Capacity Charges. For any platted lot within the Property, payment of City of Yuma Development Fees (the parks and recreational facilities development fee, the police facilities development fee, the special fire facilities development fee of $1,041.66 per gross acre, the general government facilities development fee, and the streets facilities development fee), and water and sewer capacity charges may, upon written request on a form provided by City staff, be deferred from the time of application for a building permit.

    b. Application. At the time of application for the first building permit on the Property, Owner shall submit and sign a "Request for Deferral of City of Yuma Development fees and/or Water and Sewer Capacity Charges" (City of Yuma Form J) together with payment of a five hundred ($500.00) dollar deferral fee (which shall cover the deferral costs for all of the Property for the term of this Agreement), payable to the City of Yuma. The deferred amount shall be calculated at the rate in effect at the time of construction permit or water meter issuance, signed by Owner and the City Administrator or the City Administrator's designee, and shall constitute an enforceable contract for the payment to the City of all deferred amounts. The completed Request for Deferral of City of Yuma Development Fees and Water and Sewer Capacity Charges, together with this Development Agreement, shall serve as the security required by statute for payment thereof. During the Term of this Agreement, any subsequent building permit application on the Property for which deferral is sought shall require Owner's signature on a City of Yuma Form J.

    c. Period of Deferral. Payment in full of the deferred fees and charges shall be made to the City of Yuma no later than the date of issuance of any certificate of occupancy, whether temporary or otherwise. In the case of residential property, in the event that Owner does not request a residential certificate of occupancy, then the "date of final inspection" shall be substituted for "date of issuance of a certificate of occupancy."

    d. Deferred Amount Due Upon Sale. Notwithstanding any sales contract or agreement to the contrary between Owner and the purchaser of any lot, part or portion of the Property which has a vested deferral, Owner shall pay all deferred amounts to the City prior to recording any deed transferring ownership or entering into a lease of lot.

4. Notice. All notices, demands or other communications must be in writing and are deemed duly delivered upon personal delivery, or as of the second business day after

mailing by United States mail, postage prepaid, registered or certified, return receipt requested, addressed as follows:

OWNER:

Stewart Title & Trust of Phoenix Inc.
Trustee under Trust No. 2007-100
2930 East Camelback Road
Suite 210
Phoenix AZ, 85016

With a copy to beneficiary

The Jacobson Companies, Inc.
1334 S 5th Ave.
Yuma, AZ 85364

CITY:

City Administrator
City of Yuma
One City Plaza
Yuma, Arizona 85364-1436

If either party changes address, written notice of the change of address must be given to the other party. Notice of change of address is deemed effective five (5) days after mailing by the party changing address.

5. Successors and Assigns. This Agreement is binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

6. Waiver. If either party fails to require the other party to perform any provision of this Agreement, that failure does not prevent the other party from later enforcing that provision. Neither party is released from any responsibilities or obligations imposed by law or this Agreement if the other party fails to exercise a right or remedy. No waiver of any provisions of this Agreement shall be binding upon either party unless in writing signed by both parties.

7. Governing Law and Venue. The laws of the State of Arizona govern this Agreement as to validity, interpretation, and performance. The parties shall institute and maintain any legal action or other judicial proceeding arising from this Agreement in a court of competent jurisdiction in Yuma County, Arizona.

8. Severability. If any terms, parts, or provisions of this Agreement are for any reason invalid or unenforceable, the remaining terms, parts, or provisions are nevertheless valid and enforceable.

9. Costs and Attorney Fees. If either party brings an action or proceeding for failure to observe any of the terms or provisions of this Agreement, the prevailing party shall recover, as part of such action or proceeding, all reasonable costs, expenses, and attorney fees as determined by the Court and not by a jury.

10. Integration. This Agreement contains the entire agreement between the parties, and no oral or written statements, promises, or inducements made by either party or its agents not contained or specifically referred to in this Agreement is valid or binding. All modifications to this Agreement must be in writing, signed and endorsed by the parties.

11. Recordation. The City shall record a copy of this Agreement no later than ten (10) days from date of entering into this Agreement pursuant to A.R.S. § 9-500.05.

12. Estoppel Certificate. The parties agree that, upon not less than twenty one (21) business days prior written request from a party to this Agreement, a requested party shall execute, acknowledge and deliver to the party making such request a written statement certifying to the current status of the Agreement, including whether or not, a party is in default of any obligation or duty set forth within the Agreement. Any such certificate may be relied on by a prospective purchaser of any lot within the Property, or any prospective lender.

13. No Partnership. This Agreement does not create and is not intended to imply a partnership or joint venture between Owner and City.

14. Good Standing; Authority. Each of the parties represents and warrants to the other that it is duly formed and validly existing under the laws of Arizona and that the individual(s) executing this Agreement on behalf of their respective party is authorized and empowered to bind the party on whose behalf each such individual is signing.

IN WITNESS WHEREOF, the parties have executed this Agreement through their authorized representatives.

DATED this _____ day of _____, 2025.

CITY OF YUMA:

By: _____
John D. Simonton
Acting City Administrator

OWNER: Stewart Title & Trust of Phoenix, Inc., a Delaware Corporation

By: _____
Tammy Lewis
Branch Manager
Stewart Title & Trust of Phoenix, Inc.

ATTEST:

The Jacobson Companies, Inc.; Beneficiary of Trust No. 2007-100

By: _____
Lynda L. Bushong
City Clerk

By: _____
Beneficiary
Gordon T. Jacobson, President

APPROVED AS TO FORM:

By: _____
Richard W. Files
City Attorney

ACKNOWLEDGEMENT

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this _____ of _____, 2025 by Tammy Lewis, Branch Manager of Stewart Title & Trust of Phoenix Inc., a Delaware corporation.

In witness whereof, I have set my hand and official seal

My commission expires:

By: _____
Notary Public

City of Yuma

City Council Report

File #: R2025-091 **Agenda Date:** 10/1/2025 **Agenda #:** 4.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☐ Safe & Prosperous	☐ Motion
Engineering	☐ Active & Appealing	☒ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Development	☐ Unique & Creative	☐ Public Hearing

TITLE:
Development Fee Deferral: Cielo Verde Unit 4 Phase II Subdivision

SUMMARY RECOMMENDATION:
Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 4 Phase II Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

STRATEGIC OUTCOME:
This item supports the Council's strategic outcome for Respected and Responsible in that it supports and assists the development community to continue providing quality growth within the City.

REPORT:
City Administration and staff previously met with the development community regarding local economic activity, particularly that of the construction industry, and determined to recommend to City Council that, upon payment of a $500.00 deferral fee to cover City costs associated with processing and tracking deferrals, for a period of three years, all development fees, along with sanitary sewer and water capacity charges, would be eligible for deferral until prior to issuance of a certificate of occupancy. The eligibility for deferral was in accordance with the specific terms outlined in the proposed development agreement.

It was anticipated that deferring these development fees and capacity charges would help to stimulate economic activity and retain construction jobs. The deferral is accomplished in accordance with State Statute (A.R.S. § 9-463.05), through a development agreement.

The Jacobson Companies has requested the deferral agreement for Cielo Verde Unit 4 Phase II Subdivision contained in the attached development agreement and corresponding location map.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00

STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
+$500

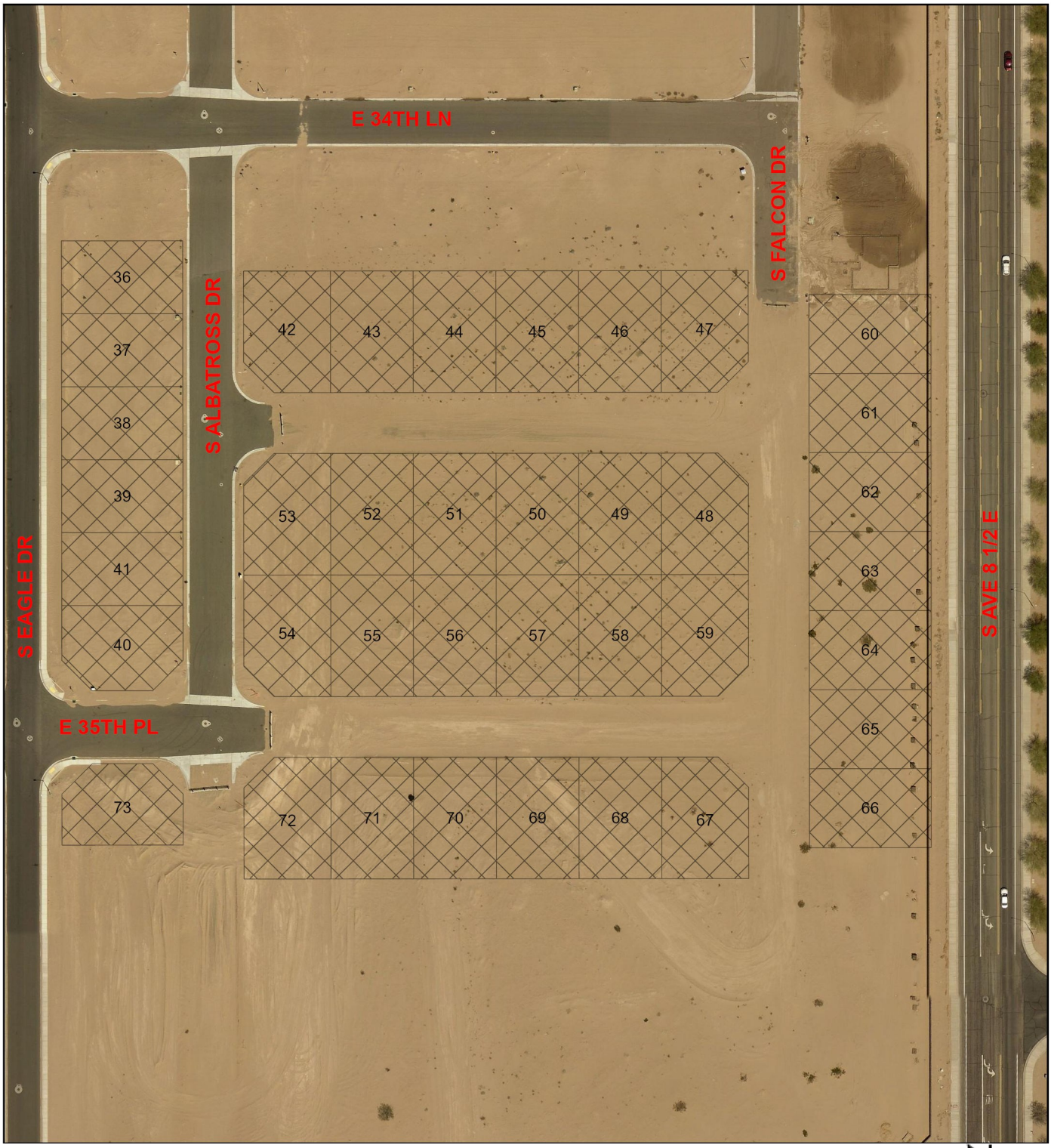
ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☒ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025



AFFECTED AREA

NOTE: THIS MAP IS PREPARED TO SHOW GENERAL SITE LOCATION ONLY AND REPRESENTS NO SPECIFIC DIMENSIONS RELATED TO THE SITE.

N
W E
S

LOCATION MAP

Prepared by: ANDREW MCGARVIE	CITY OF YUMA ENGINEERING DEPARTMENT	DATE: 9/2/2025	CIP NO.
Checked by:		SCALE: N.T.S	
		REVISED:	

RESOLUTION NO. R2025-091

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AUTHORIZING AND APPROVING A DEVELOPMENT AGREEMENT PERMITTING THE DEFERRAL OF CITY OF YUMA DEVELOPMENT FEES AND WATER AND SANITARY SEWER CAPACITY CHARGES FOR CIELO VERDE UNIT 4 PHASE II SUBDIVISION

WHEREAS, the City of Yuma (City) desires to obtain those public benefits accruing from the development of property, which benefits include, but are not limited to, the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the property and by retention and generation of additional sales tax revenues through increased business activities; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, deferral of payment of development fees and water and sanitary sewer capacity charges until prior to issuance of a certificate of occupancy, will promote economic activity within the City of Yuma and shall constitute sufficient consideration for the deferral.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: The deferral of City of Yuma Development Fees, water and sanitary sewer capacity charges is approved in accordance with the terms of the Development Agreement attached as Exhibit A, and by this reference, made part of this Resolution.

SECTION 2: Upon payment to the City of Yuma of the described $500 administrative fee for Cielo Verde Unit 4 Phase II Subdivision, the City Administrator is authorized and directed to execute the Development Agreement on behalf of the City of Yuma.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

RESOLUTION NO. R2025-091
DEVELOPMENT AGREEMENT
CIELO VERDE UNIT 4 PHASE II

This Development Agreement ("Agreement"), in accordance with the Arizona Revised Statutes (A.R.S.) § 9-500.05, is by and between Stewart Title & Trust of Phoenix, Inc., a Delaware corporation, as Trustee under Trust No. 2007-100 ("Owner"), as owner of the real property described in the CIELO VERDE UNIT 4 PHASE II plat, lots 36 to 73, dated 11/05/2021, recorded as Yuma County Assessor's Fee #: 2025-18347, and Book 37 of Plats, Pages 32 & 33, (the "Property") and the City of Yuma, an Arizona municipal corporation ("City").

RECITALS

WHEREAS, the City desires to obtain those public benefits which accrue from the development of the Property and include (but are not limited to) the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the Property, and by generation of additional sales tax revenues through increased business activity; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, for the mutual benefit of both parties, the sufficiency of which is acknowledged, the parties have entered into this Agreement to provide for the deferral of payment of City of Yuma Development Fees and City of Yuma water and sanitary sewer capacity charges upon the terms and conditions contained herein.

NOW THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. Term. This Agreement shall be effective (the "Effective Date") upon execution by all of the parties and the payment to the City of a five-hundred-dollar ($500.00) deferral fee. This Agreement shall expire three (3) years from the Effective Date (the "Expiration Date") unless the parties mutually agree to an earlier termination.

2. Vesting. Vesting of deferred fees and charges shall accrue on a lot-by-lot basis. To vest the right to deferral, the residential unit must pass the under slab plumbing and building setback inspection ("underground inspection") within 30 days of the date of issuance of the building permit. Time is of the essence. If the underground inspection is not successfully completed within 30 days of the issuance of the building permit, no right to deferral shall vest, and Owner shall either: (1) be issued a refund of 80% of the cost of the building permit and the building permit shall expire; or (2) all deferral amounts shall immediately be due and payable to the City to prevent the building permit from expiring. At the expiration or termination of this Agreement, any vested lot shall continue to enjoy the deferral benefit unless construction is abandoned by Owner. On the Expiration Date, the deferral benefit shall expire for any non-vested lot.

3. Deferral Benefits. Deferral of certain described City of Yuma Development Fees and water and sewer capacity charges shall be available to the Property throughout the term of this Agreement. An expired building permit shall not prohibit Owner from reapplying for the deferral benefit provided that a new building permit is applied for. When vested in accordance with paragraph 2 above, the deferral benefit shall include:

    a. Deferral of Payment of Citywide Development Fees and Water and Sewer Capacity Charges. For any platted lot within the Property, payment of City of Yuma Development Fees (the parks and recreational facilities development fee, the police facilities development fee, the special fire facilities development fee of $1,041.66 per gross acre, the general government facilities development fee, and the streets facilities development fee), and water and sewer capacity charges may, upon written request on a form provided by City staff, be deferred from the time of application for a building permit.

    b. Application. At the time of application for the first building permit on the Property, Owner shall submit and sign a "Request for Deferral of City of Yuma Development fees and/or Water and Sewer Capacity Charges" (City of Yuma Form J) together with payment of a five hundred ($500.00) dollar deferral fee (which shall cover the deferral costs for all of the Property for the term of this Agreement), payable to the City of Yuma. The deferred amount shall be calculated at the rate in effect at the time of construction permit or water meter issuance, signed by Owner and the City Administrator or the City Administrator's designee, and shall constitute an enforceable contract for the payment to the City of all deferred amounts. The completed Request for Deferral of City of Yuma Development Fees and Water and Sewer Capacity Charges, together with this Development Agreement, shall serve as the security required by statute for payment thereof. During the Term of this Agreement, any subsequent building permit application on the Property for which deferral is sought shall require Owner's signature on a City of Yuma Form J.

    c. Period of Deferral. Payment in full of the deferred fees and charges shall be made to the City of Yuma no later than the date of issuance of any certificate of occupancy, whether temporary or otherwise. In the case of residential property, in the event that Owner does not request a residential certificate of occupancy, then the "date of final inspection" shall be substituted for "date of issuance of a certificate of occupancy."

    d. Deferred Amount Due Upon Sale. Notwithstanding any sales contract or agreement to the contrary between Owner and the purchaser of any lot, part or portion of the Property which has a vested deferral, Owner shall pay all deferred amounts to the City prior to recording any deed transferring ownership or entering into a lease of lot.

4. Notice. All notices, demands or other communications must be in writing and are deemed duly delivered upon personal delivery, or as of the second business day after mailing by United States mail, postage prepaid, registered or certified, return receipt

requested, addressed as follows:

OWNER:

Stewart Title & Trust of Phoenix Inc.
Trustee under Trust No. 2007-100
2930 East Camelback Road
Suite 210
Phoenix AZ, 85016

With a copy to beneficiary

The Jacobson Companies, Inc.
1334 S 5th Ave.
Yuma, AZ 85364

CITY:

City Administrator
City of Yuma
One City Plaza
Yuma, Arizona 85364-1436

If either party changes address, written notice of the change of address must be given to the other party. Notice of change of address is deemed effective five (5) days after mailing by the party changing address.

5. Successors and Assigns. This Agreement is binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

6. Waiver. If either party fails to require the other party to perform any provision of this Agreement, that failure does not prevent the other party from later enforcing that provision. Neither party is released from any responsibilities or obligations imposed by law or this Agreement if the other party fails to exercise a right or remedy. No waiver of any provisions of this Agreement shall be binding upon either party unless in writing signed by both parties.

7. Governing Law and Venue. The laws of the State of Arizona govern this Agreement as to validity, interpretation, and performance. The parties shall institute and maintain any legal action or other judicial proceeding arising from this Agreement in a court of competent jurisdiction in Yuma County, Arizona.

8. Severability. If any terms, parts, or provisions of this Agreement are for any reason invalid or unenforceable, the remaining terms, parts, or provisions are nevertheless valid and enforceable.

9. Costs and Attorney Fees. If either party brings an action or proceeding for failure to

observe any of the terms or provisions of this Agreement, the prevailing party shall recover, as part of such action or proceeding, all reasonable costs, expenses, and attorney fees as determined by the Court and not by a jury.

10. Integration. This Agreement contains the entire agreement between the parties, and no oral or written statements, promises, or inducements made by either party or its agents not contained or specifically referred to in this Agreement is valid or binding. All modifications to this Agreement must be in writing, signed and endorsed by the parties.

11. Recordation. The City shall record a copy of this Agreement no later than ten (10) days from date of entering into this Agreement pursuant to A.R.S. § 9-500.05.

12. Estoppel Certificate. The parties agree that, upon not less than twenty one (21) business days prior written request from a party to this Agreement, a requested party shall execute, acknowledge and deliver to the party making such request a written statement certifying to the current status of the Agreement, including whether or not, a party is in default of any obligation or duty set forth within the Agreement. Any such certificate may be relied on by a prospective purchaser of any lot within the Property, or any prospective lender.

13. No Partnership. This Agreement does not create and is not intended to imply a partnership or joint venture between Owner and City.

14. Good Standing; Authority. Each of the parties represents and warrants to the other that it is duly formed and validly existing under the laws of Arizona and that the individual(s) executing this Agreement on behalf of their respective party is authorized and empowered to bind the party on whose behalf each such individual is signing.

IN WITNESS WHEREOF, the parties have executed this Agreement through their authorized representatives.

DATED this _____ day of _____, 2025.

CITY OF YUMA:

By: _____
John D. Simonton
Acting City Administrator

OWNER: Stewart Title & Trust of Phoenix, Inc., a Delaware Corporation

By: _____
Tammy Lewis
Branch Manager
Stewart Title & Trust of Phoenix, Inc.

ATTEST:

The Jacobson Companies, Inc.; Beneficiary of Trust No. 2007-100

By:_____
Lynda L. Bushong
City Clerk

By: _____
Beneficiary
Gordon T. Jacobson, President

APPROVED AS TO FORM:

By: _____
Richard W. Files
City Attorney

ACKNOWLEDGEMENT

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this _____ of _____, 2025 by Tammy Lewis, Branch Manager of Stewart Title & Trust of Phoenix Inc., a Delaware corporation.

In witness whereof, I have set my hand and official seal

My commission expires:

By: _____
Notary Public

City of Yuma

City Council Report

File #: R2025-092 **Agenda Date:** 10/1/2025 **Agenda #:** 5.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☐ Safe & Prosperous	☐ Motion
Engineering	☐ Active & Appealing	☒ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Development	☐ Unique & Creative	☐ Public Hearing

TITLE:
Development Fee Deferral: Cielo Verde Unit 6 Phase I Subdivision

SUMMARY RECOMMENDATION:
Adopt a resolution authorizing the City Administrator to execute an agreement to defer City of Yuma development fees and water and sewer capacity charges for Cielo Verde Unit 6 Phase I Subdivision, and to collect a $500.00 administrative fee for the deferral agreement. The effective length of the deferral agreement is for three years from date of execution. (David Wostenberg) (Engineering)

STRATEGIC OUTCOME:
This item supports the Council's strategic outcome for Respected and Responsible in that it supports and assists the development community to continue providing quality growth within the City.

REPORT:
City Administration and staff previously met with the development community regarding local economic activity, particularly that of the construction industry, and determined to recommend to City Council that, upon payment of a $500.00 deferral fee to cover City costs associated with processing and tracking deferrals, for a period of three years, all development fees, along with sanitary sewer and water capacity charges, would be eligible for deferral until prior to issuance of a certificate of occupancy. The eligibility for deferral was in accordance with the specific terms outlined in the proposed development agreement.

It was anticipated that deferring these development fees and capacity charges would help to stimulate economic activity and retain construction jobs. The deferral is accomplished in accordance with State Statute (A.R.S. § 9-463.05), through a development agreement.

The Jacobson Companies has requested the deferral agreement for Cielo Verde Unit 6 Phase I Subdivision contained in the attached development agreement and corresponding location map.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00

STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
+$500

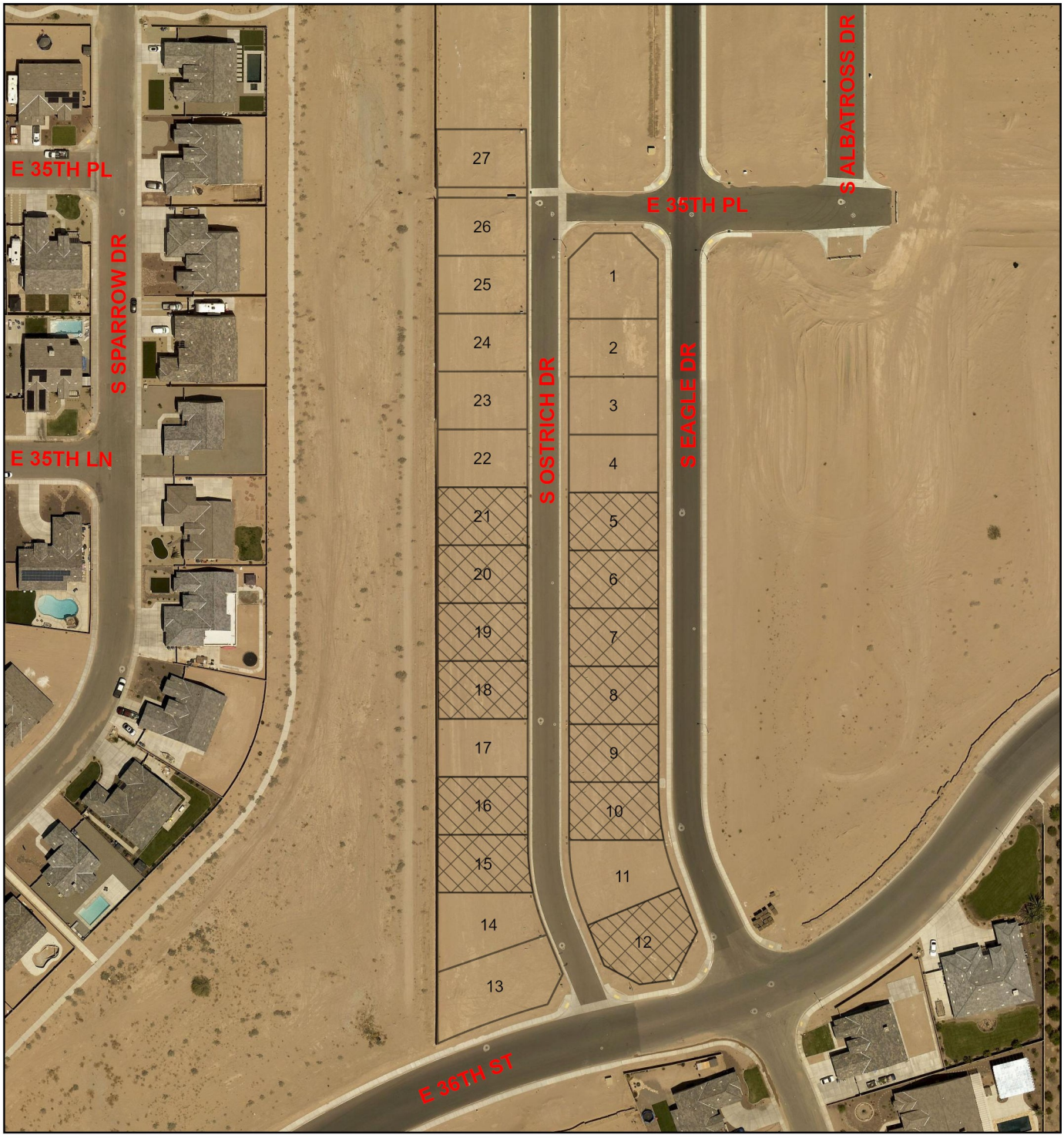
ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☒ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025



AFFECTED AREA

NOTE: THIS MAP IS PREPARED TO SHOW GENERAL SITE LOCATION ONLY AND REPRESENTS NO SPECIFIC DIMENSIONS RELATED TO THE SITE.

N W E S

LOCATION MAP

Prepared by: ANDREW MCGARVIE	CITY OF YUMA ENGINEERING DEPARTMENT	DATE: 9/2/2025	CIP NO.
Checked by:		SCALE: N.T.S	
		REVISED:	

RESOLUTION NO. R2025-092

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AUTHORIZING AND APPROVING A DEVELOPMENT AGREEMENT PERMITTING THE DEFERRAL OF CITY OF YUMA DEVELOPMENT FEES AND WATER AND SANITARY SEWER CAPACITY CHARGES FOR AMENDED CIELO VERDE UNIT 6 PHASE I SUBDIVISION

WHEREAS, the City of Yuma(City) desires to obtain those public benefits accruing from the development of property, which benefits include, but are not limited to, the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the property and by retention and generation of additional sales tax revenues through increased business activities; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, deferral of payment of development fees and water and sanitary sewer capacity charges until prior to issuance of a certificate of occupancy, will promote economic activity within the City of Yuma and shall constitute sufficient consideration for the deferral.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: The deferral of City of Yuma Development Fees, water and sanitary sewer capacity charges is approved in accordance with the terms of the Development Agreement attached as Exhibit A, and by this reference, made part of this Resolution.

SECTION 2: Upon payment to the City of Yuma of the described $500 administrative fee for Amended Cielo Verde Unit 6 Phase I Subdivision, the City Administrator is authorized and directed to execute the Development Agreement on behalf of the City of Yuma.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

RESOLUTION NO. R2025-092
DEVELOPMENT AGREEMENT
CIELO VERDE UNIT 6 PHASE I

This Development Agreement ("Agreement"), in accordance with the Arizona Revised Statutes (A.R.S.) § 9-500.05, is by and between Stewart Title & Trust of Phoenix, Inc., a Delaware corporation, as Trustee under Trust No. 2007-100 ("Owner"), as owner of the real property described in the AMENDED CIELO VERDE UNIT 6 PHASE I plat, lots 5 to 10, 12, 15, 16, and 18 to 21, dated 11/05/2021, recorded as Yuma County Assessor's Fee #: 2023-05409, and Book 34 of Plats, Pages 34 & 35, (the "Property") and the City of Yuma, an Arizona municipal corporation ("City").

RECITALS

WHEREAS, the City desires to obtain those public benefits which accrue from the development of the Property and include (but are not limited to) the creation and retention of jobs, stimulation of further economic development within the City, increased property tax values based on improvements to be constructed on the Property, and by generation of additional sales tax revenues through increased business activity; and,

WHEREAS, A.R.S. § 9-463.05(B)(10) permits the deferral of payment of development fees for residential units when supported by appropriate security and included as part of a development agreement; and,

WHEREAS, for the mutual benefit of both parties, the sufficiency of which is acknowledged, the parties have entered into this Agreement to provide for the deferral of payment of City of Yuma Development Fees and City of Yuma water and sanitary sewer capacity charges upon the terms and conditions contained herein.

NOW THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. Term. This Agreement shall be effective (the "Effective Date") upon execution by all of the parties and the payment to the City of a five-hundred-dollar ($500.00) deferral fee. This Agreement shall expire three (3) years from the Effective Date (the "Expiration Date") unless the parties mutually agree to an earlier termination.

2. Vesting. Vesting of deferred fees and charges shall accrue on a lot-by-lot basis. To vest the right to deferral, the residential unit must pass the under slab plumbing and building setback inspection ("underground inspection") within 30 days of the date of issuance of the building permit. Time is of the essence. If the underground inspection is not successfully completed within 30 days of the issuance of the building permit, no right to deferral shall vest, and Owner shall either: (1) be issued a refund of 80% of the cost of the building permit and the building permit shall expire; or (2) all deferral amounts shall immediately be due and payable to the City to prevent the building permit from expiring. At the expiration or termination of this Agreement, any vested lot shall continue to enjoy the deferral benefit unless construction is abandoned by Owner. On the Expiration Date, the deferral benefit shall expire for any non-vested lot.

3. Deferral Benefits. Deferral of certain described City of Yuma Development Fees and water and sewer capacity charges shall be available to the Property throughout the term of this Agreement. An expired building permit shall not prohibit Owner from reapplying for the deferral benefit provided that a new building permit is applied for. When vested in accordance with paragraph 2 above, the deferral benefit shall include:

    a. Deferral of Payment of Citywide Development Fees and Water and Sewer Capacity Charges. For any platted lot within the Property, payment of City of Yuma Development Fees (the parks and recreational facilities development fee, the police facilities development fee, the special fire facilities development fee of $1,041.66 per gross acre, the general government facilities development fee, and the streets facilities development fee), and water and sewer capacity charges may, upon written request on a form provided by City staff, be deferred from the time of application for a building permit.

    b. Application. At the time of application for the first building permit on the Property, Owner shall submit and sign a "Request for Deferral of City of Yuma Development fees and/or Water and Sewer Capacity Charges" (City of Yuma Form J) together with payment of a five hundred ($500.00) dollar deferral fee (which shall cover the deferral costs for all of the Property for the term of this Agreement), payable to the City of Yuma. The deferred amount shall be calculated at the rate in effect at the time of construction permit or water meter issuance, signed by Owner and the City Administrator or the City Administrator's designee, and shall constitute an enforceable contract for the payment to the City of all deferred amounts. The completed Request for Deferral of City of Yuma Development Fees and Water and Sewer Capacity Charges, together with this Development Agreement, shall serve as the security required by statute for payment thereof. During the Term of this Agreement, any subsequent building permit application on the Property for which deferral is sought shall require Owner's signature on a City of Yuma Form J.

    c. Period of Deferral. Payment in full of the deferred fees and charges shall be made to the City of Yuma no later than the date of issuance of any certificate of occupancy, whether temporary or otherwise. In the case of residential property, in the event that Owner does not request a residential certificate of occupancy, then the "date of final inspection" shall be substituted for "date of issuance of a certificate of occupancy."

    d. Deferred Amount Due Upon Sale. Notwithstanding any sales contract or agreement to the contrary between Owner and the purchaser or lessee of any lot, part or portion of the Property which has a vested deferral, Owner shall pay all deferred amounts to the City prior to recording any deed transferring ownership or entering into a lease of lot.

4. Notice. All notices, demands or other communications must be in writing and are deemed duly delivered upon personal delivery, or as of the second business day after

mailing by United States mail, postage prepaid, registered or certified, return receipt requested, addressed as follows:

OWNER:

Stewart Title & Trust of Phoenix Inc.
Trustee under Trust No. 2007-100
2930 East Camelback Road
Suite 210
Phoenix AZ, 85016

With a copy to beneficiary

The Jacobson Companies, Inc.
1334 S 5th Ave.
Yuma, AZ 85364

CITY:

City Administrator
City of Yuma
One City Plaza
Yuma, Arizona 85364-1436

If either party changes address, written notice of the change of address must be given to the other party. Notice of change of address is deemed effective five (5) days after mailing by the party changing address.

5. Successors and Assigns. This Agreement is binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

6. Waiver. If either party fails to require the other party to perform any provision of this Agreement, that failure does not prevent the other party from later enforcing that provision. Neither party is released from any responsibilities or obligations imposed by law or this Agreement if the other party fails to exercise a right or remedy. No waiver of any provisions of this Agreement shall be binding upon either party unless in writing signed by both parties.

7. Governing Law and Venue. The laws of the State of Arizona govern this Agreement as to validity, interpretation, and performance. The parties shall institute and maintain any legal action or other judicial proceeding arising from this Agreement in a court of competent jurisdiction in Yuma County, Arizona.

8. Severability. If any terms, parts, or provisions of this Agreement are for any reason invalid or unenforceable, the remaining terms, parts, or provisions are nevertheless valid and enforceable.

9. Costs and Attorney Fees. If either party brings an action or proceeding for failure to observe any of the terms or provisions of this Agreement, the prevailing party shall recover, as part of such action or proceeding, all reasonable costs, expenses, and attorney fees as determined by the Court and not by a jury.

10. Integration. This Agreement contains the entire agreement between the parties, and no oral or written statements, promises, or inducements made by either party or its agents not contained or specifically referred to in this Agreement is valid or binding. All modifications to this Agreement must be in writing, signed and endorsed by the parties.

11. Recordation. The City shall record a copy of this Agreement no later than ten (10) days from date of entering into this Agreement pursuant to A.R.S. § 9-500.05.

12. Estoppel Certificate. The parties agree that, upon not less than twenty one (21) business days prior written request from a party to this Agreement, a requested party shall execute, acknowledge and deliver to the party making such request a written statement certifying to the current status of the Agreement, including whether or not, a party is in default of any obligation or duty set forth within the Agreement. Any such certificate may be relied on by a prospective purchaser of any lot within the Property, or any prospective lender.

13. No Partnership. This Agreement does not create and is not intended to imply a partnership or joint venture between Owner and City.

14. Good Standing; Authority. Each of the parties represents and warrants to the other that it is duly formed and validly existing under the laws of Arizona and that the individual(s) executing this Agreement on behalf of their respective party is authorized and empowered to bind the party on whose behalf each such individual is signing.

IN WITNESS WHEREOF, the parties have executed this Agreement through their authorized representatives.

DATED this _____ day of _____, 2025.

CITY OF YUMA:

By: _____
John D. Simonton
Acting City Administrator

OWNER: Stewart Title & Trust of Phoenix, Inc., a Delaware Corporation

By: _____
Tammy Lewis
Branch Manager
Stewart Title & Trust of Phoenix, Inc.

ATTEST:

The Jacobson Companies, Inc.; Beneficiary of Trust No. 2007-100

By: _____
Lynda L. Bushong
City Clerk

By: _____
Beneficiary
Gordon T. Jacobson, President

APPROVED AS TO FORM:

By: _____
Richard W. Files
City Attorney

ACKNOWLEDGEMENT

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this _____ of _____, 2025 by Tammy Lewis, Branch Manager of Stewart Title & Trust of Phoenix Inc., a Delaware corporation.

In witness whereof, I have set my hand and official seal

My commission expires:

By: _____
Notary Public

City of Yuma

City Council Report

File #: R2025-093 **Agenda Date:** 10/1/2025 **Agenda #:** 6.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☐ Safe & Prosperous	☐ Motion
Community Development	☒ Active & Appealing	☒ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Community Planning	☐ Unique & Creative	☐ Public Hearing

TITLE:
Intent to Create Municipal Improvement District No. 129: Desert Ridge Townhomes Subdivision

SUMMARY RECOMMENDATION:
Approve the creation of Municipal Improvement District (MID) No. 129 to serve Desert Ridge Townhomes located at the southeast corner of Avenue 7½E and 24th Street (Community Development/Community Planning) (Alyssa Linville)

STRATEGIC OUTCOME:
This MID assists in furthering the City Council's strategic outcomes as it relates to Respected and Responsible and Active and Appealing. The establishment of a MID is a fiscally responsible measure intended to provide long-term maintenance for subdivision landscaping resulting in an appealing environment for neighborhood residents.

REPORT:
Under provisions of the City Code, all developers are responsible to completely landscape their development projects according to the approved plans prior to issuance of the Final Acceptance of the Subdivision. In particular, subdivisions are required to provide landscaping along certain arterial and collector streets, in retention basins, and in other locations according to the zoning requirements, approval stipulations, engineering requests or subdivision requirements. In addition, developers may provide paths, trails, and other amenities in the common open space areas adjacent to arterial and collector streets. Neighborhood landscape amenities add value to properties, enhance walkability, and improve community aesthetics.

In the past, once the landscaping was installed by the developer and accepted by the City, the developer would provide a cash deposit to the City for several years of landscaping maintenance and the responsibility of ongoing maintenance for the landscaping in the community was shifted to the City of Yuma Public Works Department. Ideally, the tax base for that newly developed neighborhood would offset the costs of ongoing maintenance to serve that neighborhood. Public Works must utilize portions of its budget to pay for the maintenance needs of these new developments. Further, many of the residents in these developments would like extra services or specialized services that Public Works is unable to provide, leaving the residents feeling as if they have little control over the maintenance and beautification of their neighborhood.

As an alternative to this existing situation, a statutory Municipal Improvement District (MID) can be created. The state legislature permits the creation of MIDs for cities and towns to provide a dedicated funding stream for improvements and neighborhood decisions on improvements. In the City of Yuma, MIDs are utilized for landscape maintenance and provide local control over landscape maintenance. Residents within the MID pay a special assessment on their property tax bill and gain a direct decision-making role in the level of maintenance within their community. The City will outsource maintenance to a landscape maintenance contracting company and the amount of the assessment will directly reflect the cost of maintenance. Resident input on the level of maintenance and proposed improvements will be reviewed and approved on an annual basis.

The body of law for MIDs in cities and towns is found at A.R.S. § 48-501 et seq. MIDs are widely- used in other Arizona cities and towns in lieu of homeowners' associations or as back-ups to existing homeowners' associations so those residents can enjoy the same or similar landscape amenities without the need to be part of a homeowners' association.

Pursuant to the provisions of A.R.S. § 48-574, the Mayor and City Council are empowered to form a MID for the following purposes: operations, maintenance, repair and improvements of pedestrian malls, off-street parking facilities, retention basins, parkings, and parkways. Per statute, the Mayor and City Council can initiate the formation of a MID or property owners can petition to form a MID. In this case, a MID was contemplated through a development condition and the developer has submitted an executed Petition, Waiver, and Consent form requesting the formation of the MID. The ability to form MIDs through development conditions instead of entering into formal agreements is especially important to smaller developers or developers improving property within redevelopment areas.

Attached to this Request for City Council Action is the petition to form a MID for the Desert Ridge Townhomes Subdivision. In this situation, in which all the property owners have presented a Petition for Formation, the ordinary publication and posting periods are not required by law. Also attached is the formal Resolution of Intention for Creation of City of Yuma Municipal Improvement District No. 129: Desert Ridge Townhomes Subdivision, which is located at the southeast corner of 7½E and 24th Street.

Following the passage of a Resolution of Intention to Create a MID, certain impacted property owners, in accordance with A.R.S. § 48-579, are given fifteen days to express written protest against the proposed MID. If no protests are submitted, the Mayor and City Council are authorized to adopt a second resolution, the Resolution Ordering the Improvements, which finalizes the formation of the MID process. It is anticipated that the Resolution Ordering the Improvements will be heard at the next regular City Council meeting after the creation of this MID and the passage of the fifteen-day period.

Adopting this Resolution authorizes the creation of Municipal Improvement District No. 129 to serve the Desert Ridge Townhomes Subdivision.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
NOT APPLICABLE

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☐ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

RESOLUTION NO. R2025-093

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, DECLARING ITS INTENTION TO CREATE MUNICIPAL IMPROVEMENT DISTRICT NO. 129, SERVING DESERT RIDGE TOWNHOMES, TO OPERATE, MAINTAIN AND REPAIR LANDSCAPING IMPROVEMENTS INCLUDED WITHIN, NEAR AND ADJACENT TO THE RETENTION AND DETENTION BASINS AND PARKINGS AND PARKWAYS AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES OF DESERT RIDGE TOWNHOMES

WHEREAS, pursuant to Title 48, Chapter 4, Article 2, Arizona Revised Statutes, a Municipal Improvement District (MID) may be formed for the sole purpose of the operation maintenance, repair and improvements of pedestrian malls, off-street parking facilities, retention and detention basins, and parkings and parkways; and,

WHEREAS, a petition has been received by Mayor and City Council of the City of Yuma to form a MID to provide operation, maintenance and repair of the landscape improvements within, near and adjacent to the retention and detention basins and the parkings and parkways and related improvements in the Desert Ridge Townhomes housing development; and,

WHEREAS, the formation of a MID for the operation, maintenance and repair of the landscape improvements within, near, and adjacent to retention and detention basins and the parkings and parkways and related improvements serving Desert Ridge Townhomes will provide a dedicated stream of funding for the maintenance of those improvements, neighborhood decisions on those improvements, and will privatize the maintenance of those improvements; and,

WHEREAS, the Mayor and City Council of the City of Yuma, Arizona, find and declare that the formation of the MID to provide the operation, maintenance and repair of the landscape improvements within, near, and adjacent to the retention and detention basins and the parkings and parkways and related improvements in the Desert Ridge Townhomes housing development to be of more than local or ordinary public benefit, and not a general public benefit, and further that the expenses of said operation, maintenance, and repair shall be the responsibility of those within Desert Ridge Townhomes; and,

WHEREAS, the Mayor and City Council of the City of Yuma, Arizona, find and declare that the operation, maintenance, and repair of landscaping improvements in the retention and detention basins and the parkings and parkways and related improvements in the District is incidental to the maintenance and preservation of the retention and detention basins and the parkings and parkways and related improvements, has aesthetic value, and maintains and increases the value of property within the District; and,

WHEREAS, the Mayor and City Council of the City of Yuma, Arizona find and declare that the operation, maintenance, and repair of landscaping improvements within, near or adjacent to the retention and detention basins and the parkings and parkways and related improvements in the MID preserves and promotes the health, safety, and welfare of those citizens living within the District as well as preservation of the streets and parkways in the District which may be adversely impacted by drainage; and,

WHEREAS, the Mayor and City Council of the City of Yuma, Arizona find and declare that the operation, maintenance, and repair of a landscaped buffer between a parkway and the adjacent developments reduces the visual and other impact of light, air, and noise pollution and tends to increase personal and vehicular safety on the parkway and decreases the likelihood vehicular accidents will harm adjacent developments in furtherance of the health, safety and welfare of those citizens living within the District.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma as follows:

SECTION 1: The petition to form a MID for Desert Ridge Townhomes purporting to be signed by all of the real property owners within the proposed District attached as Exhibit "A" is hereby accepted as provided in A.R.S. § 48-574(C).

SECTION 2: MID No. 129, serving Desert Ridge Townhomes to operate, maintain and repair landscaping improvements included within, near, and adjacent to the retention and detention basins and parkings and parkways and related facilities together with appurtenant structures of Desert Ridge Townhomes, is hereby created.

SECTION 3: The expenses of MID No. 129 shall be assessed to the several properties within the MID as provided for in A.R.S. § 48-574 *et seq.* in which City Council shall make annual statements and estimates of the expenses of the MID which shall be provided for by the levy and collection of the total sum upon the several lots, each respectively in proportion to the benefits to be received by each lot.

SECTION 4: No sooner than fifteen (15) calendar days after this Resolution is adopted, City staff shall present a map of the boundary for MID No. 129 and a diagram for MID No. 129 to Mayor and City Council for consideration to declare an intention to order improvements to MID No. 129 as provided in A.R.S. § 48-576.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

PETITION, WAIVER AND CONSENT TO FORMATION OF A MUNICIPAL IMPROVEMENT DISTRICT BY THE CITY OF YUMA

129
MID#

Desert Ridge Townhomes
Subdivision Name

To: Honorable Mayor and
Honorable Councilmembers
City of Yuma, Arizona

Pursuant to Arizona Revised Statutes ("A.R.S.") §48-574, the undersigned property owner respectfully petitions the Mayor and City Council of the City of Yuma, Arizona (the "City Council") to order the formation of a Municipal Improvement District (the "District") under A.R.S., Title 48, Chapter 4, Article 2. In support of this petition, the undersigned agrees to waive certain rights under Arizona Law and to consent to the formation and completion of the District.

1. Area of District. The proposed District is described by a diagram and by a legal description on Exhibit "A" that is attached hereto and incorporated herein by reference.

2. Ownership. The undersigned (is) (are) the sole owner(s) of the real property within the proposed District (the "Petitioner(s)") including any required public dedications of property.

3. Purpose. The District is proposed to be formed for the purpose of the operation, maintenance, repair and improvements of landscape, irrigation, and hardscape in retention basins, parkways and parkings within the proposed District.

4. Public Convenience and Necessity. The necessity for the proposed District is for the operation, maintenance, repair and improvements of landscape, irrigation, and hardscape in retention basins, parkways and parkings within the proposed District by the levying of special assessments in the proposed District.

5. Waiver and Consent. The Petitioners, with full knowledge of their rights being waived hereunder, hereby expressly waive all of the following:

   (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work relating to the District.

   (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S §48-578.

   (c) All rights to petition to dissolve the district pursuant to A.R.S. §48-574(N).

   (d) All protest rights whatsoever under A.R.S. §48-579(A) and (B), as amended.

(e) All objections to the filing of and legislative adoption by the City Council of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

(f) It is the intent of the undersigned Petitioners that items (a) through (e) above shall be binding on all successors and assigns and shall run with the land.

Further, the improvements described above are of more than local or ordinary public benefit, and not a general public benefit.

IN WITNESS WHEREOF, the parties have executed this Petition and Waiver Agreement as of_____, 20_____.

[SIGNATURES ON FOLLOWING PAGES]

"Property Owner"

Property Tax Parcel Numbers: 698-07-123

By: Lane Heida

Name: Lane Heida

Title: Member

Address: 190 S. Madison Ave #2
Yuma, AZ 85364

Date: 8.12.25

(ACKNOWLEDGMENT)

STATE OF Arizona)
) ss.
COUNTY OF Yuma)

This instrument was acknowledged before me on Aug. 12, 20~~25~~ 25, by Lane S. Heida, as Manager of Hiknocks, LLC, an Arizona Limited Liability Company, on behalf of the LLC.

URSULA I PATANE
Notary Public - Arizona
Yuma County
My Commission Expires
April 15, 2029
Commission # 663121

(affix notary seal here)

Notary Public in and for the State of Arizona

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

ACCEPTED AND APPROVED BY:

"**City**"

CITY OF YUMA,
an Arizona municipal corporation

_____
Douglas J. Nicholls, Mayor

ATTEST:

_____
Lynda Bushong, City Clerk

(ACKNOWLEDGMENT)

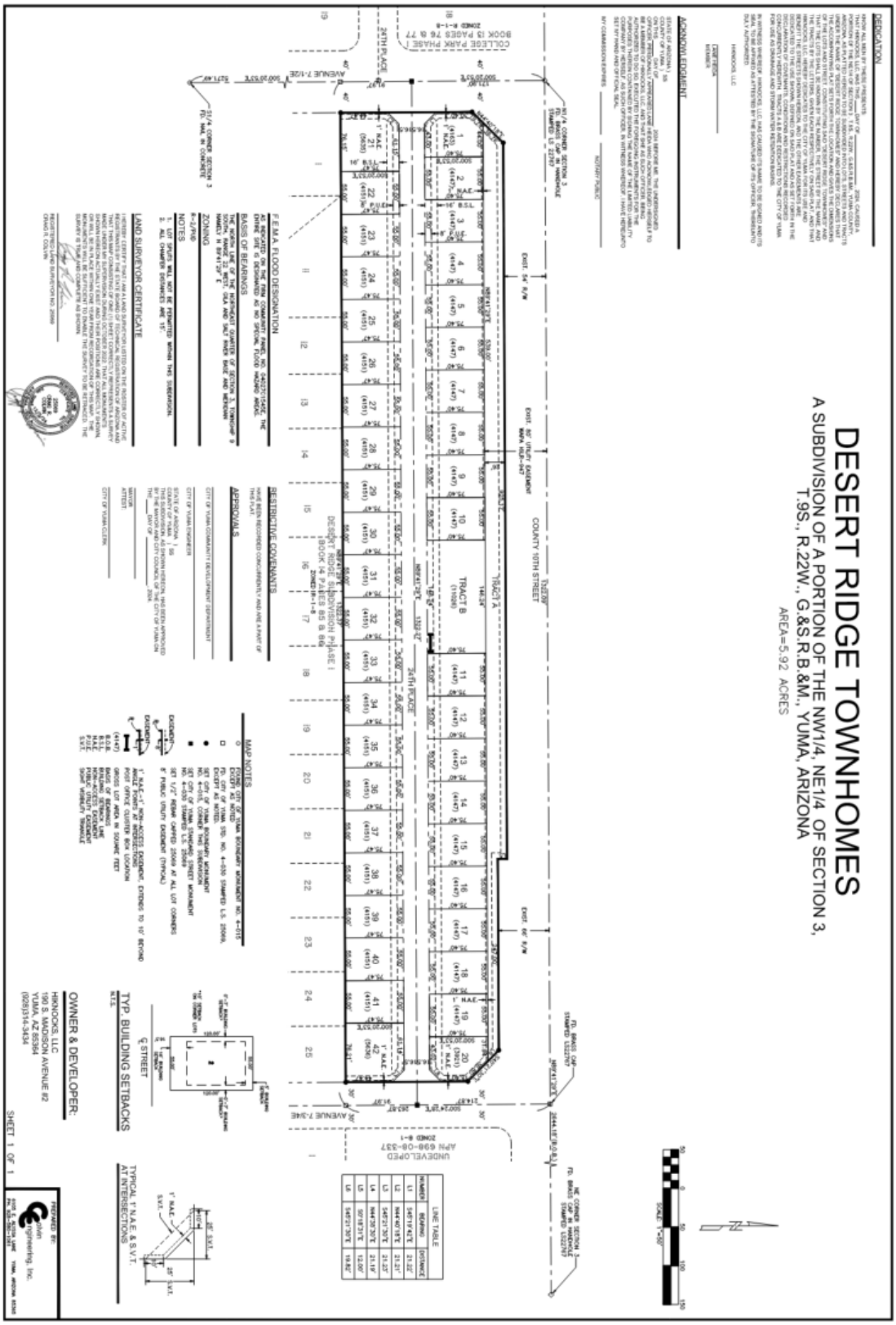
STATE OF ARIZONA)
) ss.
COUNTY OF YUMA)

This instrument was acknowledged before me on_____, 20__, by Douglas J. Nicholls, the Mayor of the CITY OF YUMA, an Arizona municipal corporation, on behalf of the City of Yuma.

_____
Notary Public in and for the State of Arizona

(affix notary seal here)

Exhibit "A"


DESERT RIDGE TOWNHOMES
A SUBDIVISION OF A PORTION OF THE NW1/4, NE1/4 OF SECTION 3, T.9S., R.22W., G.&S.R.B.&M., YUMA, ARIZONA
AREA=5.92 ACRES
DEDICATION
ACKNOWLEDGMENT
LAND SURVEYOR CERTIFICATE
NOTES
ZONING
BASIS OF BEARINGS
F.E.M.A. FLOOD DESIGNATION
RESTRICTIVE COVENANTS
APPROVALS
MAP NOTES
TYP. BUILDING SETBACKS
TYPICAL 1' N.A.E. & S.V.T. AT INTERSECTIONS
OWNER & DEVELOPER:
HIKNOOKS, LLC
190 S. MADISON AVENUE #2
YUMA, AZ 85364
(928)314-3434
PREPARED BY:
Eptin Engineering, Inc.
SHEET 1 OF 1

Desert Ridge Townhomes
Legal Description

The South 230.87 feet of the North 263.87 feet of Lot 2 of the Northeast quarter of Section 3, Township 9 South, Range 22 West of the Gila and Salt River Base and Meridian, Yuma County, Arizona;

EXCEPT that portion deeded to the City of Yuma in Document No. 2007-31389, records of Yuma County, Arizona, more particularly described as follows:

BEGINNING at the Northwest corner (brass cap in asphalt "LS 6022") of the Northeast quarter of said Section 3 with a Basis of Bearing to the Northeast corner (brass cap in handhold "Bureau of Reclamation Cadastral Survey, 1960") of the Northeast quarter of said Section 3 of the South 89°54'00" East;

thence South 00°03'33" West along the West line of the Northeast quarter of said Section 3, a distance of 33.00 feet to the South right-of-way line of 24th Street and to the TRUE POINT OF BEGINNING:

thence South 89°54'00" East parallel to and 33.00 feet South of the North line of the Northeast quarter of said Section 3, a distance of 1,322.25 feet;

thence South 00°00'19" West, a distance of 230.82 feet;

thence North 89°59'41" West, a distance of 30.00 feet;

thence North 00°00'19" East, a distance of 157.8 feet;

thence North 44°56'50" West, a distance of 56.62 feet;

thence North 89°54'00" West parallel to and 66.00 feet South of the North line of the Northeast quarter of said Section 3, a distance of 247.00 feet;

thence North 00°06'00" East perpendicular to the North line of the Northeast quarter of said Section 3, a distance of 12.00 feet;

thence North 89°54'00" West parallel to and 54.00 feet South of the North line of the Northeast quarter of said Section 3, a distance of 925.29 feet;

thence South 45°04'47" West, a distance of 56.55 feet;

thence South 00°03'33" West parallel to and 40.00 feet East of the West line of the Northeast quarter of said Section 3, a distance of 169.84 feet;

thence North 89°56'27" West perpendicular to the West line of the Northeast quarter of said Section 3, a distance of 40.00 feet;

thence North 00°03'33" East along the West line of the Northeast quarter of said Section 3, a distance of 230.87 feet to THE TRUE POINT OF BEGINNING.

City of Yuma

City Council Report

File #: O2025-033 **Agenda Date:** 9/17/2025 **Agenda #:** 1.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Community Development	☐ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☒ Ordinance - Adoption
Building Safety	☐ Unique & Creative	☐ Public Hearing

TITLE:
Amend Yuma City Code: 2024 International Building Code with Amendments

SUMMARY RECOMMENDATION:
Amend Yuma City Code Chapter 15, Sections 150-015 and 150-016. (Community Development/Building Safety) (Randall Crist)

STRATEGIC OUTCOME:
Modern up-to-date construction codes align with the City Council's strategic outcome of Safe and Prosperous by providing enhanced minimum life safety requirements through modern technology, materials and techniques for the built environment.

REPORT:
The 2018 International Building Code is the City of Yuma's current building code, adopted on December 5, 2018. Updated editions of the code are published every three years and the City of Yuma has typically followed a six-year cycle for updating the codes.

To stay current with the code cycle and establish criteria for regulation of commercial buildings and structures, it is necessary to amend the City Code, adopting by reference the 2024 International Building Code (2024 IBC), including Appendices C, I, J, K, and O with Amendments recommended by the Building Advisory Board dated February 12, 2025.

The 2024 IBC offers updated materials and procedures for the commercial built environment. The 2024 IBC correlates with the other International series of codes adopted by City of Yuma already in place. Additionally, the certifications, educational training, and code opinions available from the International Code Council for the Building Safety Staff are available using only the most up-to-date editions of the codes.

The nationally published codes are amended to fit Yuma's regional and local conditions, such as soils, ambient temperatures and seismic considerations.

A review of the 2024 IBC was undertaken during a series of nine public meetings of the Building Advisory Board (August 2024 through February 2025). Prior to the review of the new code, emails were sent to nearly 100 firms in the design and construction community, inviting their participation and input at the public meetings. Members of the public from the design and construction community and representatives from Yuma County Development Services, Somerton and San Luis were in attendance at the Board meetings and provided input along with Board members and City staff. The Yuma Fire Department also participated in the reviews.

City staff and the Board included the review for Chapter 11 - Accessibility in this review cycle. In previous code cycles

Chapter 11 was omitted, instead adopting only the 2010 ADA for accessibility (as required by Arizona Statute). Along with the 2010 ADA, there are advantages to the Yuma Community to also adopt Chapter 11. Chapter 11 provides a locally enforceable accessibility code for new building construction and alterations, whereas enforcement for the 2010 ADA is through the Federal and State Departments of Justice. Chapter 11 provides new and modern accessibility enhancements that are not currently recognized or required in the 2010 ADA.

A comprehensive overview of the significant changes to the code was presented by City staff, along with review and explanation of proposed code amendments. At the February 12, 2025 meeting, the Building Advisory Board voted to approve the 2024 IBC, as amended, and recommended to forward to City Council for consideration.

In summary, the Building Safety staff agrees with the Building Advisory Board recommendations of adoption of the 2024 International Building Code, including Appendices C, I, J, K, and O with Amendments dated February 12, 2024.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
NONE

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☐ City Clerk's Office
☐ Document to be recorded
☒ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/05/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/04/2025

ORDINANCE NO. O2025-033

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AMENDING TITLE 15 OF THE YUMA CITY CODE, CHAPTER 150, SECTIONS 150-015 AND 150-016, ADOPTING BY REFERENCE THE *2024 INTERNATIONAL BUILDING CODE*, INCLUDING APPENDICES C, I, J, K, AND O, AND THE AMENDMENTS RECOMMENDED BY THE BUILDING ADVISORY BOARD DATED FEBRUARY 12, 2025, AND PROVIDING A PENALTY FOR VIOLATIONS THEREOF

WHEREAS, on December 5, 2018, the City Council adopted the *2018 International Building Code*; and,

WHEREAS, the City Council has considered the recommendation of the Building Advisory Board based on their actions taken at the meeting of February 12, 2025, recommending adoption of the *2024 International Building Code*, with Appendices C, I, J, K, and O, with recommended amendments; and,

WHEREAS, up to date modern codes help protect the built environment from natural disasters and fires, and offer safe environments for the occupants of both residential and commercial structures; and,

WHEREAS, the City of Yuma is desirous of adopting the *2024 International Building Code*, with Appendices C, I, J, K, and O with the amendments recommended by the Building Advisory Board to keep current with the code cycle and reflect modern technology, materials and techniques;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: Yuma City Code Title 15, Chapter 150, Section 15 is amended to delete the following strikethrough text and add the following underlined text:

§ 150-015 Adoption of the ~~2018~~ 2024 International Building Code.

(A) ~~That certain~~ Certain documents, three copies of which are on file as public record in the office of the City Clerk of the City of Yuma, ~~being marked and~~ titled ~~as~~ the ~~2018~~2024 International Building Code, ~~which was made public record by Resolution~~ ~~R2018-029~~, including Appendices C, I, J, K, and O, ~~of said Building Code,~~ as amended herein, are hereby adopted by reference and made a part hereof as if fully set out herein.

(B) Arizona Revised Statutes, Title 41, Chapter 9, Article 8 (A.R.S. § 41-1492 et seq.) is hereby adopted by reference as if set out in full in this section.

SECTION 2: Yuma City Code Title 15, Chapter 150, Section 16 is amended to delete the following strikethrough text and add the following underlined text:

§ 150-016. Amendments.

The following amendments, additions, and deletions are hereby made to the ~~2018~~ 2024 International Building Code, as adopted by this subchapter. Paragraph, section numbers refer to the International Building Code, ~~2018~~ 2024 edition numbering system. Code references not amended in this section shall be enforced as published in the reference document.

(A) **Section [A] 101.1 Title.** "These regulations shall be known as the Building Code of the City of Yuma, hereinafter referred to as 'this code.'"

~~(B) **Section [A] 101.4.5 Fire prevention.** The provisions of the current adopted fire code shall apply to matters affecting or relating to structures, processes and premises from the hazard of fire and explosion arising from the storage, handling, or use of structures, materials or devices; from conditions hazardous to life, property or public welfare in the occupancy of structures or premises; and from the construction, extension, repair, alteration or removal of fire suppression, automatic sprinkler systems and alarm systems or fire hazards in the structure or on the premises from occupancy or operation.~~

(~~C~~B) **Section [A] 103.1 Creation of enforcement agency.** "The Department of Community Development, Building Safety Division is hereby created and the official in charge thereof shall be known as the building official. The function of the agency shall be the implementation, administration and enforcement of the provisions of this code."

(~~D~~C) **Section [A] 104.10.1 Flood hazard areas.** Delete section in its entirety in favor of adopted City floodplain ordinances.

(~~E~~D) **Section [A] 105.2 Work exempt from permit.** Add the following additional item under the heading, "**Building:**"

14. "Window replacements of like size where framing is not altered and any required emergency egress dimensions are not diminished from existing, in Group R-3 one-and two-family dwellings and installed by either a licensed contractor or owner-occupant of the residence."

(~~F~~E) **Section [A] 105.3.2 Time limitation of application.** "An application for a permit for any proposed work shall be deemed to have been abandoned 180 days after the date of filing, unless such application has been pursued in good faith or a permit has been issued; except that the building official is authorized to grant one or more extensions of time for additional periods not exceeding 180 days each. The extension shall be requested in writing and justifiable cause shall be demonstrated."

(~~G~~F) **105.8 Construction Debris.** Construction sites shall be kept reasonably clean of construction debris during the course of construction. Construction debris shall be removed or retained on the lot and not be at risk to be displaced from the lot by wind. Debris shall not be allowed to transfer to adjacent lots or City rights-of-way.

If the Building Official determines that the construction site is not in compliance with this section or the debris presents a safety hazard for inspection personnel, inspections shall not be performed until the construction site is cleaned.

(~~H~~G) **Section [A] 107.2.2 Fire protection system shop drawings.** "Plan submittal documents shall include either a statement of the design criteria for the fire protection system(s) to also include a current fire flow test within the past 12 months, or the complete design, plans, calculations and data for the fire protection system(s). If only the statement of design criteria and fire flow test is initially submitted, the complete design, plans, calculations and data for the fire protection system(s) shall be submitted to indicate conformance to this code and the construction documents and shall be approved in writing by the Fire Department prior to the

start of system installation. In addition, where applicable, shop drawings, calculations and data shall be submitted and shall contain all information as required by the referenced installation standards in Chapter 9.~~"~~

(~~I~~H) **Section [A] 107.2.6.1 Design flood elevations.** Delete section in its entirety in favor of adopted City floodplain ordinances.

(~~J~~I) **Section [A] 109.2 Schedule of permit fees.**

TABLE 1-A: BUILDING PERMIT FEES

Schedule of Building Permit Fees	
Total Valuation	Fee
$1 to $500	$50.00
$501 to $2,000	$50.00 for the first $500 plus $4 for each additional $100, or fraction thereof, to and including $2,000
$2,001 to $25,000	$110.00 for the first $2,000 plus $16 for each additional $1,000, or fraction thereof, to and including $25,000
$25,001 to $50,000	$478.00 for the first $25,000 plus $12 for each additional $1,000, or fraction thereof, to and including $50,000
$50,001 to $100,000	$780.00 for the first $50,000 plus $8 for each additional $1,000, or fraction thereof, to and including $100,000
$100,001 to $500,000	$1,180.00 for the first $100,000 plus $6 for each additional $1,000, or fraction thereof, to and including $500,000
$500,001 to $1,000,000	$3,580.00 for the first $500,000 plus $6 for each additional $1,000, or fraction thereof, to and including $1,000,000
$1,000,001 and up	$6,580.00 for the first $1,000,000 plus $4 for each additional $1,000, or fraction thereof

Other Inspections and Fees:

1. Permit fees for mechanical, plumbing and electrical shall be as indicated per applicable fee tables of the respective ordinances.
2. Inspections outside of normal business hours, $~~50~~75 per hour* (minimum charge – 2 hours)
3. Reinspection fees of $~~50~~75 per hour*, for work not ready for inspection.
4. Inspections on weekends and holidays, $~~100~~150 per hour* (minimum charge – 2 hours)
5. Inspection fees for which no fee is specifically indicated, $~~50~~75 per hour* (minimum charge – one-half hour)
6. Additional plan review required by changes, additions or revisions to plans, $~~50~~75 per hour* (minimum charge – one-half hour)
7. For use of outside consultant. For plan checking and inspections, or both Actual Costs**

*****Or the total hourly cost to the jurisdiction, whichever is the greatest. This shall include supervision, hourly wages and fringe benefits of the employees involved.

** Actual costs include administrative and overhead costs.

(~~K~~J) ~~"~~**[A] 109.2.1 Plan review fees.** When submittal documents are required by Section [A] 107.1, a plan review fee shall be paid at the time of submitting the submittal documents for plan review. Said plan review fee shall be 65 percent of the building permit fee as shown in Table 1-A.

The plan review fees specified in this section are separate fees from the permit fees specified in Section [A] 109.2 and are in addition to the permit fees.
When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in Table 1-A."

(~~L~~K) **Section [A] 109.4 Work commencing before permit issuance.** Add to end of section, "An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is then or subsequently issued. The investigation fee shall be determined by the building official, based on the circumstances, nature, and severity of the infraction. The minimum investigation fee shall be $50.00 and the maximum shall be an amount up to the same as the fee set forth in Table 1-A."

(~~M~~L) **Section [A] 109.6 Refunds.** "The building official shall authorize the refunding of fees as follows:

1. The full amount of any fee paid hereunder that was erroneously paid or collected.
2. Not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.
3. Not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan review effort has been expended.

The building official shall not authorize the refunding of any fee paid except upon written application filed by the original permittee not later than 180 days after the date of fee payment."

(~~N~~M) **Section [A] 110.3.~~5~~6 Lath and gypsum ~~board~~ panel product inspection.** Delete exception to section.

(~~O~~N) **Section [A] 110.3.1~~1~~2.1 Flood hazard documentation.** "If located in a flood hazard area, documentation of the elevation of the lowest floor as required in adopted City floodplain ordinances shall be submitted to the building official and the City floodplain administrator prior to the final inspection."

(~~P~~O) **Section [A] 113.1 General.** Add to end of section, "The membership of the Building Advisory Board, as prescribed in Section 150-008 of the Yuma City Code, will be the Board of Appeals**."**

(~~Q~~P) **Section [A] 113.3 Qualifications.** Delete section in its entirety.

(~~R~~Q) **Section [A] 114.4 Violation penalties.** "Any person who violates a provision of this code or fails to comply with any of the requirements thereof or who erects, constructs, alters or repairs a building or structure in violation of *the approved construction documents* or directive of the building official, or of a permit or certificate issued under the provisions of this code, shall be subject to the penalty and fine described in this ordinance."

(~~S~~R) **Section [A] 115.~~3~~4 ~~Unlawful continuance~~ Failure to comply.** ~~Amend to read,~~ "Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be subject to the penalty and fine described in this ordinance."

(S) **Section [F] 903.2 Where required.** Add to end of section, "Requirements in Sections [F] 903.2.1 through [F] 903.2.10 are superseded by the current adopted fire code."

(~~T~~) ~~**CHAPTER 11 ACCESSIBILITY.** Delete entire text of Chapter 11 and amend to read, "Buildings and facilities shall be designed and constructed to be accessible in accordance with Arizona Revised Statutes, Title 41, Chapter 9, Article 8, Public Accommodations and Services, The Arizonans with Disabilities Act, R10-3-401 through R10-3-404, which includes – 28 CFR 35 and 28 CFR 36 and Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (ADAAG)."~~

(T) **Section 1102.1 Design.** Amend to read, "Buildings and facilities shall be designed and constructed to be *accessible* in accordance with Arizona Revised Statutes, Title 41, Chapter 9, Article 8, Public Accommodations and Services, The Arizonans with Disabilities Act, R10-3-401 through R10-3-404, which includes – 28 CFR 35 and 28 CFR 36 and Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (ADAAG), and this code and ICC A117.1."

(~~U~~) ~~**Section 1609.3 Basic design wind speed.** Add to end of Section, "The basic design wind speed, V, for all locations in City of Yuma, shall be as follows:~~

~~Risk Category I: 93 mph~~
~~Risk Category II: 99 mph~~
~~Risk Category III: 106 mph~~
~~Risk Category IV: 110 mph"~~

(U) **Section 1110.10 Elevators.** Add to end of section, "Passenger elevators shall be utilized as part of an accessible route in new construction to connect three or more stories (or levels), other than structures with four or more dwelling units."

(V) Create new subsection, "**1110.10.1. Lula Elevators.** Lula (Limited-Use/Limited Application) elevators are permitted to be a part of a required accessible route in new construction to connect up to two stories (or levels) in buildings other than offices of health care providers, government buildings and multiple tenant facilities containing five or more tenant spaces used for the sales or rental of goods and where at least one such tenant space is located on a floor level above or below the accessible levels."

(~~W~~) ~~**Section 1613.2.5 Determination of seismic design category.** Add to end of section, "Regardless of design methodology utilized, all locations in City of Yuma shall be classified as *Seismic Design Category* D."~~

(~~V~~W) **SECTION 1612 FLOOD LOADS.** Delete section in its entirety in favor of adopted City floodplain ordinances.~~"~~

(~~X~~.) ~~**Section 1611.1 Design rain loads.** Add to end of section, "Design hourly rainfall for all locations in City of Yuma shall be taken as 2.25 inches (56 mm)."~~

(~~Y~~X) **Section 1705.6 Soils.** ~~Amend exception to read: "~~**Exception:** Where Section 1803 does not require reporting of materials and procedures for fill placement, the special inspector shall verify that the in-place dry density of the compacted fill is not less than 90 percent of the maximum dry density at optimum moisture content determined in accordance with ASTM D

1557, or not less than 95 percent of the maximum dry density at optimum moisture content determined in accordance with ASTM D 698 where approved by the building official."

(~~Z~~Y) **Section 1804.6 Compacted fill material.** ~~Amend exception to read:~~ "**Exception:** Compacted fill material 12 inches (305 mm) in depth or less need not comply with an approved report, provided that the in-place dry density is not less than 90 percent of the maximum dry density at optimum moisture content determined in accordance with ASTM D 1557, or not less than 95 percent of the maximum dry density at optimum moisture content determined in accordance with ASTM D 698 where approved by the building official. The compaction shall be verified by special inspection in accordance with Section 1705.6."

(Z) **Section 1807.2.5.1 Where required.** Add to end of section, "Guards may be required at other fall hazard conditions where deemed necessary by the Building Official."

(AA) **Section 2304.10.~~5~~6.1 Fasteners and connectors for preservative-treated wood.** Add second exception to section and renumber accordingly:

> "2. Fasteners for preservative-treated wood sill plates to studs in areas not normally subjected to high moisture."

(BB) **Section 2512.1.2 Weep screeds.** Amend second sentence to read, "The weep screed shall be placed not less than 4 inches (102 mm) above the earth or ¾" (19 mm) above paved areas and be of a type that will allow trapped water to drain to the exterior of the building."

(CC) **Section 2902.6 Small Occupancies.** Add to end of section, "In other than Assembly uses and Educational facilities, drinking fountains are not required for an occupant load of 25 or fewer."

(~~DD~~) ~~**[P] Table 2902.1 Minimum Number of Required Plumbing Fixtures.** Add second sentence to footnote "f" of table, "In other than Group A and E Occupancies, drinking fountains are not required for an occupant load of 25 or fewer."~~

(DD) **Section 3302.1 Site safety plan.** Amend first sentence to read, "When required by the Fire Code Official or the Building Official, the owner or owner's authorized agent shall be responsible for the development, implementation and maintenance of an approved, written site safety plan establishing a fire prevention program at the project site applicable throughout all phases of the construction, repair, alteration or demolition work."

(EE) **3304.2 Dust Control.** Prior to construction, a plan shall be submitted to the building official outlining the steps that will be taken throughout construction to minimize and control dust associated with the project.

(FF) **Section J101.1 Scope.** Add to end of section, "The provisions of this chapter are intended to be used in conjunction with the provisions set forth in City Ordinance No. 1670; and 1836; and O2004-72; and O2005-15; and O2006-38; and O2007-78."

(GG) **Section J103.1 Permits required.** Amend by adding Grading Permit Fee Table J-1, in accordance with fee provisions of Section [A] 109 Fees:

TABLE J-1 – GRADING PERMIT FEES

Schedule of Grading Permit Fees	
Cubic Yards	Fee
1 to 50	$23.50
51 to 100	$37.00
101 to 1000	$37.00 for the first 100 plus $17.50 for each additional 100 cubic yards, over 100 cubic yards, or fraction thereof
1,001 to 10,000	$194.50 for the first 1,000 cubic yards plus $14.50 for each additional 1,000 cubic yards, over 1,000 cubic yards, or fraction thereof
10,001 to 100,000	$325.00 for the first 10,000 plus $66.00 for each additional 10,000 cubic yards, over 10,000 cubic yards, or fraction thereof
100,001 or more	$919.00 for the first 100,000 cubic yards plus $36.50 for each additional 10,000 cubic yards over 100,000 cubic yards, or fraction thereof
Other Inspections and Fees: 1. Inspections outside of normal business hours, $~~50~~75 per hour* (minimum charge – 2 hours) 2. Reinspection fees of $~~50~~75 per hour*, for work not ready for inspection. 3. Inspection fees for which no fee is specifically indicated, $~~50~~75 per hour* (minimum charge – one-half hour) 4. Inspections on Weekends and Holidays, $~~100~~150 per hour* (minimum charge – 2 hours) 5. For use of outside consultant. For inspections, Actual Costs**	
*****Or the total hourly cost to the jurisdiction, whichever is the greatest. This shall include supervision, hourly wages and fringe benefits of the employees involved. ** Actual costs include administrative and overhead costs.	

(HH) ~~"~~**J104.5 Plan review fees.** When submittal documents are required by Section J104.1, a plan review fee shall be paid at the time of submitting the submittal documents for plan review. ~~Said~~The plan review fee shall be in accordance with Table J-2 Grading Plan Review Fees.

The plan review fees specified in this section are separate fees from the permit fees specified in Section J103.1 and are in addition to the permit fees.

When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in Table J-2~~"~~

TABLE J-2 – GRADING PLAN REVIEW FEES

Schedule of Grading Permit Fees	
Cubic Yards	Fee
0 to 50	No fee
51 to 100	$23.50
101 to 1000	$37.00
1,001 to 10,000	$~~4~~9.25

10,001 to 100,000	$49.25 for the first 10,000 plus $24.50 for each additional 10,000 cubic yards, over 10,000 cubic yards, or fraction thereof
100,001 to 200,000	$269.75 for the first 100,000 cubic yards plus $13.25 for each additional 10,000 cubic yards over 100,000 cubic yards, or fraction thereof
200,001 or more	$402.25 for the first 200,000 cubic yards plus $7.25 for each additional 10,000 cubic yards over 200,000 cubic yards, or fraction thereof
~~**Schedule of Grading Permit Fees**~~	
Other Fees: 1. Additional plan review required by changes, additions or revisions to plans, $~~50~~75 per hour* (minimum charge – one-half hour) 2. For use of outside consultant. For plan checking, Actual Costs**	
***Or the total hourly cost to the jurisdiction, whichever is the greatest. This shall include supervision, hourly wages and fringe benefits of the employees involved. ** Actual costs include administrative and overhead costs.	

(II.) **Section J107.5 Compaction.** "All fill material shall be compacted to 90 percent of maximum density as determined by ASTM D 1557, Modified Proctor, or 95 percent of maximum density as determined by ASTM D 698, Standard Proctor where approved by the building official, in lifts not exceeding 12 inches (305 mm) in depth, or as recommended in the certified geotechnical report."

SECTION 3: All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed, effective thirty (30) days from the adoption hereof. All ordinances or parts of ordinances not amended or repealed by the provisions of this Ordinance shall remain in full force and effect.

SECTION 4: This Ordinance does not affect the rights and duties that matured, penalties that were incurred, or proceedings that were begun before the effective date of this Ordinance.

SECTION 5: If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 6: Violations of this Ordinance are subject to the following penalties:

It shall be unlawful for any person, firm or corporation to violate, or cause the violation of, any provision of this ordinance. Any person, firm or corporation violating any of the provisions of this ordinance shall be deemed guilty of a class 1 misdemeanor and shall be punished by a fine not to exceed $1,000, or by imprisonment for not more than ten days, or by both fine and imprisonment. Each separate day or part thereof during which any violation of this ordinance occurs or continues shall be deemed to constitute a separate offense, and upon conviction thereof, shall be punishable as herein provided.

SECTION 7: Three copies of the *2024 International Building Code*, with Appendices C, I, J, K, shall be kept as exhibits on file at the City Clerk's Office.

Adopted this _____day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

City of Yuma

City Council Report

File #: O2025-037 **Agenda Date:** 9/17/2025 **Agenda #:** 2.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Community Development	☒ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☒ Ordinance - Adoption
Community Planning	☐ Unique & Creative	☐ Public Hearing

TITLE:
Text Amendment: Accessory Buildings

SUMMARY RECOMMENDATION:
Amend Title 15, Chapter 154, to update development regulations for Accessory Buildings, Uses and Structures. (Community Development/Community Planning) (Alyssa Linville)

STRATEGIC OUTCOME:
The proposed text amendment will facilitate and support the development and enjoyment of residential properties, supporting the City Council's strategic outcomes of Safe and Prosperous and Active and Appealing.

REPORT:
The purpose of this text amendment is to simplify the code as applied to uninhabitable accessory buildings for height limits and setbacks. Uninhabitable accessory buildings include workshops, detached garages or carports, outdoor kitchens, gazebos and pergolas. This type of building also includes sheds, which can vary in size significantly, and chicken coops, which due to state law changes can be up to 200 square feet in size.

Additionally, City Council has asked staff to bring forward an amendment that addresses allowing shade structures specifically for parking within the front yard setback.

The text amendment does not apply to inhabitable structures such as a residential dwellings, accessory dwelling units (ADU) or guest/pool houses. Those types of structures are addressed in other parts of the Zoning Code. These more intense residential structures typically follow standard setback requirements by zoning district. Accessory structures have more flexibility on placement on the property as they are uninhabitable.

Currently the code identifies three types of accessory buildings based on square footage or on height with different setbacks applying to each sized structure.

- Large - More than 8 feet tall or more than 200 square feet
- Medium - 8 feet tall or less and between 121 and 200 square feet
- Small - 8 feet tall or less and less than 121 square feet

For Large structures

- The maximum height can match the primary residence or 25 feet whichever is less.
- The side and rear yard setbacks can vary from 3 feet from the property line to the specific setback

identified for the property's zoning district based on the height.
    - For example, a 10 foot tall structure would have a setback of 5 feet (3 feet plus one foot for each additional foot over 8 feet). For a property in the R-1-6 zoning district the side yard setback for a large accessory structure could vary between 3 feet and 7 feet depending on the height of the structure.
- The front yard setback for a large structure is the mid-point of the primary residence measured from the front of the home.

For Medium and Small structures, the maximum height is 8 feet. Medium structures have a side and rear yard setback of 3 feet and small structures have a side and rear yard setback of zero feet. The front yard setback for both is by zoning district.

On many occasions, residents are not able to meet these requirements. For example, to install a large accessory structure for parking an RV, the front yard setback is the midpoint of the structure. On some properties this would result in the structure encroaching into the rear yard setback. A second issue is that many shades and sheds purchased at retail businesses are taller than 8 feet. The sliding setback based on height has become a difficulty to meet.

The proposed text amendment would identify only two types of structures: Large and Small. This is intended to simplify how the code is applied and address the difficulties in meeting the current code. The code amendment would also address structures for shade that are fully open on all sides and maintaining a 3 foot clearance to allow for public safety response through the property.

Large structures - more than 9 feet high or more than 200 square feet

- The maximum height can match the primary residence or 25 feet whichever is less. This is no change to the current height limit.
- The side and rear yard setbacks are 5 feet from the property line. This removes the sliding setback based on height.
    - If the structure is open on all sides, the side yard setback can be reduced to 3 feet.
- The front yard setback is dependent on the type of construction.
    - For construction similar to the home, such as a detached garage than the front setback is in line with the home.
    - For construction that is dissimilar, such as a metal and fabric RV shade, the front setback is 10 feet behind the nearest front facing corner. The intent is to keep the new structure from overwhelming the home.

Small structures - 9 feet high or less and 200 square feet or less

- The maximum height is 9 feet.
- The side and rear yard setbacks are one foot. If stormwater drainage will be onsite, the setback may be reduced to zero feet.
    - But if the structure is to be used for parking, the side and rear yard setbacks are three feet for fire safety purposes.
- The front yard setback is by zoning district.

A new type of structure is included for addition to the Zoning Code - Unenclosed shade structures for parking located within the front yard setback. This type of structure and the development requirements associated with it are intended to address City Council direction to provide additional shade options for residential properties. This addition takes advantage of the parking available within the front yard setback. And hopefully will benefit those properties currently without a garage or carport or unable to use the existing garage.

The concern with allowing structures within the front yard setback is the impact on the property and

neighboring properties. The purpose of the Front Yard Setback is to provide the following:

- A buffer between the home and the street that limits noise, impacts from traffic and promotes privacy
- Improve visibility and safety for drivers and pedestrians
- Accommodate underground utilities
- Contribute to neighborhood character with building placement and landscaping, and
- On larger lots provide stormwater retention.

The proposed development requirements associated with these structures are intended to maintain the benefits of the front yard and minimize the potential impacts of a new structure. The recommendations include:

- The structure must be fully open on all sides so that visibility is not blocked,
- The front yard setback is 10 feet from the right-of-way thereby keeping the structure out of any utility easements along the front of the property,
- The structure is permanently secured to the ground to minimize any safety issues in high windstorm events, and
- That the area under the structure will be paved to minimize any windblown dust.

The primary requirement is that the structure can be no larger than 200 square feet. For a typical single-family home property, the street frontage is 50 feet with a 20 foot front yard setback, resulting in a front yard area of 1,000 square feet. A 200 square foot structure would occupy 20% of the front yard area. By setting a maximum area for the shade structure, the intent is to still be able to maintain the benefits of the front yard.

The development of this code amendment has been completed in coordination with the Building Safety Division to ensure there are no conflicts with current building code requirements. Distance between structures on a property will depend on the use of the structure, construction type, such as fire resistance, and any openings, such as windows or doors.

This code amendment is focused on providing flexibility for the placement of uninhabitable structures. It would not be possible to construct an uninhabitable accessory structure, with reduced setbacks, and later convert that structure to an accessory dwelling unit. Any improvements would need to meet the setback requirements of the zoning code and building code standards for a new inhabitable structure.

On August 11, 2025, the Planning and Zoning Commission voted to recommend APPROVAL (6-0) of the request by the City of Yuma for a Zoning Code Text Amendment to amend Title 15, Chapter 154, in order to update development regulations for accessory buildings.

PUBLIC COMMENTS - EXCERPT FROM PLANNING AND ZONING COMMISSION MEETING MINUTES:

QUESTIONS FOR STAFF - None

PUBLIC COMMENT - None

MOTION
“Motion by Commissioner Lorraine Arney, second by Commissioner Ashlie Pendleton to APPROVE ZONE-44216-2025 as presented.

“Motion carried unanimously, (6-0) with one vacancy.’

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00

STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
NONE

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☐ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/05/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/04/2025

STAFF REPORT TO THE PLANNING AND ZONING COMMISSION
DEPARTMENT OF PLANNING AND NEIGHBORHOOD SERVICES
COMMUNITY PLANNING DIVISION
CASE TYPE – TEXT AMENDMENT
CASE PLANNER: JENNIFER L. ALBERS

Hearing Date August 11, 2025 **Case Number:** ZONE-44216-2025

Project Description: This is a request by the City of Yuma for a Zoning Code Text Amendment to amend Title 15, Chapter 154, Article 15, Section 15, to update development regulations for Accessory Buildings, Uses and Structures and amend Article 5, Section 4, to clarify inhabitable buildings as an accessory use within the Low Density Residential Districts.

Staff recommendation: Staff recommends **APPROVAL** of the text amendment to update development regulations for Accessory Buildings, Uses and Structures and to clarify inhabitable buildings as an accessory use within the Low Density Residential zoning districts.

Suggested Motion: Move to **APPROVE** the text amendment ZONE-44216-2025 as presented in the staff report.

Effect of the Approval: By approving the text amendment, the Planning and Zoning Commission is recommending approval to City Council for the request to update development regulations for Accessory Buildings, Uses and Structures and to clarify inhabitable buildings as an accessory use within the Low Density Residential District and affirmatively finds that the request is in conformance with the City of Yuma General Plan.

Staff Analysis: The purpose of the text amendment is to simplify the code as applied to uninhabitable accessory buildings for height limits and setbacks. Uninhabitable accessory buildings include workshops, detached garages or carports, outdoor kitchens, gazebos and pergolas. This type of building also includes sheds, which can vary in size significantly, and chicken coops, which due to state law changes can be up to 200 square feet in size.

Additionally, City Council has asked staff to bring forward an amendment that addresses allowing shade structures specifically for parking within the front yard setback.

The text amendment does not apply to habitable structures such as a residential dwellings, accessory dwelling units or a guest/pool houses. Those types of structures are addressed in other parts of the Zoning Code.

Currently the code identifies three types of accessory buildings based on square footage or on height.

- Large – More than 8 feet tall or more than 200 square feet
- Medium – 8 feet tall or less and between 121 and 200 square feet
- Small – 8 feet tall or less and less than 121 square feet

Different height limits and setbacks apply to each sized structure.
For large structures

- The maximum height can match the primary residence or 25 feet whichever is less.
- The side and rear yard setbacks can vary from 3 feet from the property line to the specific setback identified for the property's zoning district based on the height.
    - For example, a 10 foot tall structure would have a setback of 5 feet (3 feet plus one foot for each additional foot over 8 feet).
    - For a property in the R-1-6 zoning district the side yard setback could vary between 3 feet and 7 feet depending on the height of the structure.
- The front yard setback for a large structure is the mid-point of the primary residence measured from the front of the home.

For medium structures

- The maximum height is 8 feet.
- The side and rear yard setbacks are 3 feet.
- The front yard setback is by zoning district.

For small structures

- The maximum height is 8 feet.
- The side and rear yard setbacks are zero feet.
- The front yard setback is by zoning district.

On many occasions, residents are not able to meet these current requirements. For example, to install a large accessory structure for parking an RV, the front yard setback is the midpoint of the structure. On some properties this would result in the structure encroaching into the rear yard setback. A second issue is that many shades and sheds purchased at retail businesses are taller than 8 feet. The sliding setback based on height has become a difficulty to meet.

The proposed text amendment would identify only two types of structures: Large and Small. This is intended to simplify how the code is applied and address the difficulties in meeting the current code. The code amendment would also address structures for shade that are fully open on all sides.

Large structures – more than 9 feet high or more than 200 square feet

- The maximum height can match the primary residence or 25 feet whichever is less. This is no change to the current height limit.
- The side and rear yard setbacks are 5 feet from the property line. This removes the sliding setback based on height.
    - If the structure is open on all sides, the side yard setback can be reduced to 3 feet.
- The front yard setback is dependent on the type of construction.
    - For construction similar to the home, such as a detached garage than the front setback is in line with the home.
    - For construction that is dissimilar, such as a metal and fabric RV shade, the front setback is 10 feet behind the nearest front facing corner.

Small structures – 9 feet high or less and 200 square feet or less

- The maximum height is 9 feet.
- The side and rear yard setbacks are one foot. If stormwater drainage will be onsite, the setback may be reduced to zero feet.

- But if the structure is to be used for parking, the side and rear yard setbacks are three feet for fire safety purposes.
- The front yard setback is by zoning district.

A new type of structure is included for addition to the Zoning Code - Unenclosed shade structures for parking located within the front yard setback. This type of structure and the development requirements associated with it are intended to address City Council direction to provide additional shade options for residential properties. This addition takes advantage of the parking available within the front yard setback. And hopefully will benefit those properties currently without a garage or carport or unable to use the existing garage.

The concern with allowing structures within the front yard setback is the impact on the property and neighboring properties. The purpose of the Front Yard Setback is to provide the following:

- A buffer between the home and the street that limits noise, impacts from traffic and promotes privacy
- Improve visibility and safety for drivers and pedestrians
- Accommodate underground utilities
- Contribute to neighborhood character with building placement and landscaping, and
- On larger lots provide stormwater retention.

The proposed development requirements associated with these structures are intended to maintain the benefits of the front yard and minimize the potential impacts of a new structure. The recommendations include:

- The structure must be fully open on all sides so that visibility is not blocked,
- That the front yard setback is 10 feet from the right-of-way thereby keeping the structure out of any utility easements along the front of the property,
- The structure is permanently secured to the ground to minimize any safety issues in high windstorm events, and
- That the area under the structure will be paved to minimize any windblown dust.

The primary requirement is that the structure can be no larger than 200 square feet. For a typical single-family home property the street frontage is 50 feet - the 200 square foot structure would occupy 20% of the front yard area. By setting a maximum area, the intent is to still be able to maintain the benefits of the front yard.

1. Does the proposed amendment implement the goals, objectives and policies of the General Plan?

Yes The City of Yuma 2022 General Plan chapter on Housing contains Goals and Policies with regard to development standards and code updates.

Goal 1.0: Encourage the provision of safe, decent, sanitary, and affordable housing for all residents.

Objective 1.1: Maintain strict development and subdivision standards for quality residential development and balance these standards with aesthetic and cost concerns.

Policy 1.1.1: The City shall continue to review and update building standards and codes.

2. Does the proposed amendment fit the overall purpose and intent of the zoning ordinance?

Yes The text amendment fits the overall purpose and intent of the Zoning Ordinance to protect the public health, safety and general welfare of the community.

3. Will the proposed amendment change the range of uses identified in the zoning code? If so, how?

No The range of uses will not change.

4. Will the proposed text amendment change the development standards of the zoning or subdivision ordinances? If so, how?

Yes The text amendment will change the height and setback requirements for accessory structures. The amendment will provide a set 5 foot side and rear yard setback for large accessory structures that are enclosed. The amendment reflects additional flexibility to place shade structures on residential properties and notes a set 3 foot setback for those that are used for parking.

5. What are the potential impacts of the proposed amendment?

The amendment reflects the changing needs of the community to allow additional shade structures on residential properties and the installation of accessory buildings. No negative impacts are anticipated.

6. Does the proposed amendment fit the overall purpose and intent of the subdivision ordinance?

N/A

7. Does the proposed amendment conform to prior City Council actions regarding this issue?

Yes In November 2024, City Council was briefed on carports as accessory structures and directed staff to bring forward a text amendment for consideration that addresses shade structures within the front yard setback specifically for parking.

Public Comments Received: None Received

External Agency Comments: See Attachment C

Neighborhood Meeting Comments: No Meeting Required.

Attachments:

A	B	C
Draft Text	Agency Notification	Agency Comments

Prepared By: Jennifer L. Albers **Date:** 7/23/25

Jennifer L. Albers
Assistant Director of Planning (928) 373-5180
Jennifer.Albers@YumaAZ.gov

Approved By: Alyssa Linville **Date:** 07/30/2025

Alyssa Linville
Director, Planning and Neighborhood Services

ATTACHMENT A
DRAFT TEXT

SECTION 1: That the Yuma City Code, Title 15, Chapter 154, Article 15, Subsection 15 Accessory Buildings, Uses and Structures in Certain Residential Districts be amended to insert the bolded text and delete the strike through text:

(A) Applicability. Accessory buildings or structures and uses shall be incidental to the principal residential use. They must be detached from the principal building, occupy less floor area, cover less lot area, and have a use that is secondary to the primary structure(s) and use(s) on the property. Accessory buildings or structures **are non-inhabitable structures that** include **garages,** storage sheds, workshops, outdoor barbeques, outdoor fireplaces, **unenclosed (fully open on all sides) shade structures for parking or yard shade,** background composting site subject to the performance standards noted in § 154-15.18(A) and any other structures as determined by the Zoning Administrator. Buildings, structures, and uses may all function as "accessory," subject to the provisions below.

(B) Accessory uses. Accessory buildings or structures may be used for home occupations in compliance with § 154-15.08.

(C) **Accessory buildings or structures shall comply with all applicable building and fire codes. Utility connections may be permitted.**

(D) A three (3) foot clearance on two adjacent sides of the structure shall be provided in order to maintain fire and emergency access through the property. The three (3) foot separation does not apply to unenclosed (fully open on all sides) shade structures.

(E) Accessory buildings or structures may not be located within an established easement without written permission from the authorizing agencies.

(F) Accessory buildings or structures**: Large, Small and Unenclosed shade structures for parking**.

(1) **Large** Accessory buildings or structures that exceed 200 square feet in area or **exceed** ~~eight~~ **nine (9)** feet in height are ~~permitted in residential districts,~~ subject to the following standards:

(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. ~~Plumbing is permitted~~ ~~in accessory buildings for a washing machine only~~.

(b) Setback.

1. Accessory buildings or structures shall be located **at least ten (10) feet** behind the ~~midpoint of the~~ principal building **as measured from the nearest front facing corner**. The leading edge of such buildings, including overhangs, shall be setback at least ~~three~~ **five (5)** feet from side and rear property lines. **If the structure is unenclosed (fully open on all sides) the side and rear property line setback may be reduced to three (3) feet.** ~~An additional one foot setback is required for every additional foot in height above eight feet.~~ This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats if the setbacks illustrated on the plat are the same as the standard setbacks for that zoning district. If the setbacks illustrated on the plat are larger than the standard setbacks for that zoning district, then the platted setbacks take precedence.

2. Accessory buildings or structures constructed using similar construction materials to the principal residence may be constructed in line with the principal residence.

3~~2~~. Accessory buildings **or structures** in the Agriculture (AG) district shall comply with the setback standards required in the district.

4~~3~~. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.

~~4. On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

~~5. Accessory buildings or structures shall comply with all applicable building and fire codes.~~

(c) Height. The maximum allowable building height shall be 25 feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the accessory structure will be higher than the principal structure roofline. ~~See Illustration 15-1.~~

(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.

(e) Compatibility. Accessory buildings or structures shall be designed with a logical hierarchy of masses with regard to height, size, and volume; and use construction materials and colors that are contextually appropriate and compatible with the principal building and surrounding neighborhood. An accessory building or structure shall not exceed 50% of the total square footage of the primary residence.

(2) **Small** Accessory buildings or structures that are ~~between 121 square feet and~~ up to 200 square feet in area~~,~~ and **up to** ~~less than eight~~ **nine (9)** feet in height are ~~permitted in residential districts,~~ subject to the following standards:

(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. ~~Plumbing is permitted for a washing machine only.~~

(b) Setback.

1. Accessory buildings or structures shall not be located in the required front yard building setback. The leading edge of such buildings, including overhangs, shall be setback at least ~~three feet~~ **one (1) foot** from side and rear property lines. **The one (1) foot setback to the side and rear property lines may be reduced to zero feet if all drainage from the building or structure is directed to the subject property.** This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats.
2. An accessory structure used as a carport shall be setback three (3) feet from the side and rear property lines.
3. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.
4. **Accessory buildings or structures that are no taller than the adjacent fence line may have the street setback standard reduced to one (1) foot.** ~~On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

(c) Height. The maximum allowable building height shall be less than ~~eight (8)~~ **nine (9)** feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the structure will be higher than the principal structure roofline.

(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.

~~(3) Accessory buildings or structures that are 120 square feet or less in area and less than eight feet in height are permitted in residential districts, subject to the following standards:~~

~~(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. Plumbing is permitted for a washing machine only.~~

~~(b) Setback.~~

~~1. Accessory buildings or structures shall not be located in the required front yard building setback. The leading edge of such buildings, including overhangs, can be set along the side and rear property lines. This provision is applicable within certain identified zoning districts regardless of setback illustrations on~~

~~plats. A four foot separation between the accessory structure and any other structures shall be provided in order to maintain fire and emergency access.~~

~~2. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.~~

~~3. On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

~~(c) Height. The maximum allowable building height shall be less than eight feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the structure will be higher than the principal structure roofline.~~

~~(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.~~

(3) Unenclosed shade structures for parking located within the front yard setback are subject to the following development standards:

(a) The structure shall be permanently affixed to the ground by anchoring or slab attachment and supported by piers, columns or support elements and shall not be attached to the principal residence;

(b) The structure shall not be enclosed and no wall taller than three (3) feet may be constructed between piers, columns or support elements of the structure;

(c) The structure shall maintain a minimum setback of ten (10) feet from any right-of-way line and a minimum setback of three (3) feet from any side or rear property line;

(d) The structure shall not exceed twelve (12) feet in height, or the maximum height of the primary residential building, whichever is less;

(e) The maximum area for all shade structures within the front yard setback shall not exceed 200 square feet;

(f) A paved surface shall be provided under the structure;

(g) The structure may not be used for a home occupation;

(h) The structure may not be used for outdoor storage. All outdoor storage shall be located outside the front yard area and screened from the view of public rights-of-way by a solid wall or fence; and,

(i) The structure shall remain open on all four sides and never be enclosed as a garage or as living space.

(D) Appeals. An applicant may appeal a decision of the Zoning Administrator regarding the compatibility requirement to the Hearing Officer in accordance with § 154-03.02(C).

~~***Table 15-1- Basic Guidelines for Accessory Buildings and Structures***~~			
~~***Height***~~		~~***Area***~~	~~***Accessory Structure Setback***~~
~~More than 8 feet~~	~~OR~~	~~More than 200 square feet~~	~~3 feet + 1 foot for each foot over 8 feet in height~~
~~8 feet or less~~	~~AND~~	~~121 - 200 square feet~~	~~3 feet~~
~~8 feet or less~~	~~AND~~	~~0 - 120 square feet~~	~~0 feet~~
~~Structures larger than 200 square feet or 10 feet in wall height require a building permit.~~ ~~Electrical requires separate permits.~~			

~~Additional building requirements may apply.~~

SECTION 2: That the Yuma City Code, Title 15, Chapter 154, Article 5, Subsection 4 Low Density Residential Districts, Paragraph (D) (1) be amended to insert the bolded text and delete the strike through text:

(D) *Permitted accessory uses.*

(1) Accessory uses of buildings or structures customarily incident to any use permitted by this subchapter such as swimming pools, **inhabitable buildings such as** servant and guest quarters without kitchen facilities, **and pool houses,** ~~private garages, as hereinafter provided, or private work shops,~~ provided that none shall be conducted for gain or that no accessory buildings shall be inhabited by anyone other than those employed by the owner or tenant of the premises, and further provided, that in the event such accessory structure or building is used in whole or in part for living quarters, same shall be set back at least ten feet from the rear lot line of any lot;

ATTACHMENT B
AGENCY NOTIFICATION

- **Legal Ad Published: The Sun** 07/18/25
- **34 Commenting/Reviewing Agencies noticed:** 06/26/25
- **Neighborhood Meeting:** N/A
- **Hearing Date:** 08/11/25
- **Comments due:** 07/07/25

External List (Comments)	**Response Received**	**Date Received**	**"No Comment"**	**Written Comments**	**Comments Attached**
Yuma County Airport Authority	Yes	6/27/25	X		
Yuma County Engineering	NR				
Yuma County Public Works	Yes	6/25/25	X		
Yuma County Water Users' Assoc.	Yes	6/27/25	X		
Yuma County Planning & Zoning	Yes	6/26/25			X
Yuma County Assessor	NR				
Arizona Public Service	NR				
Time Warner Cable	NR				
Southwest Gas	NR				
Qwest Communications	NR				
Bureau of Land Management	NR				
Ft. Yuma Quechan Indian Tribe	Yes	6/25/25	X		
YUHS District #70	NR				
Yuma Elem. School District #1	NR				
Crane School District #13	NR				
A.D.O.T.	NR				
Yuma Irrigation District	NR				
Arizona Game and Fish	NR				
United States Postal Service	NR				
Yuma Metropolitan Planning Org.	NR				
El Paso Natural Gas Co.	NR				
Western Area Power Administration	Yes	6/25/25	X		
City of Yuma Internal List (Conditions)	**Response Received**	**Date Received**	**"No Conditions"**	**Written Conditions**	**Comments Attached**
Police	NR				
Parks & Recreation	NR				
Development Engineering	NR				
Fire	NR				
Building Safety	NR				
City Engineer	NR				
Traffic Engineer	NR				
MCAS / C P & L Office	NR				
Utilities	NR				
Public Works	NR				
Streets	NR				

Neighborhood Meeting	***Comments Available***
None Required	N/A

PUBLIC COMMENTS RECEIVED: NONE

ATTACHMENT C
AGENCY COMMENTS

☒ COMMENT ☐ NO COMMENT

Enter comments below:

Appreciate the opportunity.
Our comments are included in the attached document.

DATE: 6/26/25 NAME: Javier Barraza TITLE: S. P.
AGENCY: Development Services; Planning and Zoning Divison
PHONE: 928 817 5150

DRAFT TEXT

§ 154-15.15 Accessory Buildings, Uses and Structures in Certain Residential Districts.

(A) Applicability. Accessory buildings or structures and uses shall be incidental to the principal residential use. They must be detached from the principal building, occupy less floor area, cover less lot area, and have a use that is secondary to the primary structure(s) and use(s) on the property. Accessory buildings or structures **are non-inhabitable structures that** include **garages,** storage sheds, workshops, outdoor barbeques, outdoor fireplaces, **unenclosed (fully open on all sides) shade structures for parking or yard shade,** background composting site subject to the performance standards noted in § 154-15.18(A) and any other structures as determined by the Zoning Administrator. Buildings, structures, and uses may all function as "accessory," subject to the provisions below.

(B) Accessory uses. Accessory buildings or structures may be used for home occupations in compliance with § 154-15.08.

(C) **Accessory buildings or structures shall comply with all applicable building and fire codes. Utility connections may be permitted.**

(D) A three (3) foot clearance on two adjacent sides of the structure shall be provided in order to maintain fire and emergency access. The three (3) foot separation does not apply to unenclosed (fully open on all sides) shade structures.

(E) Accessory buildings or structures may not be located within an established easement without written permission from the authorizing agencies.

Commented [JB1]: The owners are made aware of the existence of easements.

(F) Accessory buildings or structures**: Large, Small and Unenclosed shade structures for parking**.

(1) **Large** Accessory buildings or structures that exceed 200 square feet in area or **exceed** ~~eight~~ **nine (9)** feet in height are ~~permitted in residential districts,~~ subject to the following standards:

(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. ~~Plumbing is permitted in accessory buildings for a washing machine only~~.

(b) Setback.

1. Accessory buildings or structures shall be located **at least ten (10) feet** behind the ~~midpoint of the~~ principal building **as measured from the nearest front facing corner**. The leading edge of such buildings, including overhangs, shall be setback at least ~~three~~ **five (5)** feet from side and rear property lines. **If the structure is unenclosed (fully open on all sides) the side and rear property line setback may be reduced to three (3) feet.** ~~An additional one foot setback is required for every additional foot in height above eight feet.~~ This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats if the setbacks illustrated on the plat are the same as the standard setbacks for that zoning district. If the setbacks illustrated on the plat are larger than the standard setbacks for that zoning district, then the platted setbacks take precedence.

Commented [JB2]: In the County accessory structures must be 3 feet or more to be considered detached and can be place anywhere on the parcel, but must meet front principal use setback

Commented [JB3]: In the County, the 2003 Fire Code generally requires a 5-foot separation between structures. However, a reduced separation of 3 feet from the side and rear property lines is permitted if the adjacent parcels are residential and the structure is properly fire-rated.

2. **Accessory buildings or structures constructed using similar construction materials to the principal residence may be constructed in line with the principal residence.**

~~3~~2. Accessory buildings **or structures** in the Agriculture (AG) district shall comply with the setback standards required in the district.

Commented [JB4]: Similar in the County.

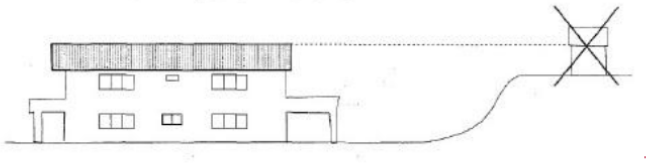
~~4~~3. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.

~~4. On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

~~5. Accessory buildings or structures shall comply with all applicable building and fire codes.~~

(c) Height. The maximum allowable building height shall be 25 feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the accessory structure will be higher than the principal structure roofline. ~~See Illustration 15-1.~~

Illustration 15-1



(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.

(e) Compatibility. Accessory buildings or structures shall be designed with a logical hierarchy of masses with regard to height, size, and volume; and use construction materials and colors that are contextually appropriate and compatible with the principal building and surrounding neighborhood. An accessory building or structure shall not exceed 50% of the total square footage of the primary residence.

(2) **Small** Accessory buildings or structures that are ~~between 121 square feet and~~ up to 200 square feet in area~~,~~ and **up to** ~~less than eight~~ **nine (9)** feet in height are ~~permitted in residential districts,~~ subject to the following standards:

(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. ~~Plumbing is permitted for a washing machine only.~~

(b) Setback.

1. Accessory buildings or structures shall not be located in the required front yard building setback. The leading edge of such buildings, including overhangs, shall be setback at least ~~three feet~~ **one (1) foot** from side and rear property lines. **The one (1) foot setback to the side and rear property lines may be reduced to zero feet if all drainage from the building or structure is directed to the subject property.** This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats.
2. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.
3. **Accessory buildings or structures that are no taller than the adjacent fence line may have the street setback standard reduced to one (1) foot.** ~~On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

Commented [JB5]: There are provisions in the building code for exempt accessory structures (no permit required), however they shall meet zoning requirements, such as setbacks, rear yard coverage and lot coverage.

(c) Height. The maximum allowable building height shall be less than ~~eight (8)~~ **nine (9)** feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the structure will be higher than the principal structure roofline.

(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.

~~(3) Accessory buildings or structures that are 120 square feet or less in area and less than eight feet in height are permitted in residential districts, subject to the following standards:~~

~~(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. Plumbing is permitted for a washing machine only.~~

~~(b) Setback.~~

~~1. Accessory buildings or structures shall not be located in the required front yard building setback. The leading edge of such buildings, including overhangs, can be set along the side and rear property lines. This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats. A four foot separation between the accessory structure and any other structures shall be provided in order to maintain fire and emergency access.~~

~~2. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.~~

~~3. On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

~~(c) Height. The maximum allowable building height shall be less than eight feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the structure will be higher than the principal structure roofline.~~

~~(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.~~

(3) Unenclosed shade structures for parking located within the front yard setback are subject to the following development standards:

(a) The structure shall be permanently affixed to the ground by anchoring or slab attachment and supported by piers, columns or support elements and shall not be attached to the principal residence;

(b) The structure shall not be enclosed and no wall taller than three (3) feet may be constructed between piers, columns or support elements of the structure;

(c) The structure shall maintain a minimum setback of ten (10) feet from any right-of-way line and a minimum setback of three (3) feet from any side or rear property line;

(d) The structure shall not exceed twelve (12) feet in height, or the maximum height of the primary residential building, whichever is less;

(e) The maximum area for all shade structures within the front yard setback shall not exceed 200 square feet;

(f) A paved surface shall be provided under the structure;

(g) The shade structure may not be used for a home occupation;

(h) Outdoor storage in the front yard and visible from the public rights-of-way is prohibited. Outdoor storage shall be located outside the front yard area and screened from view from public rights-of-way by a solid wall or fence; and,

(i) The structure shall remain open on all four sides and never be enclosed as a garage or as living space.

Commented [JB6]: In the County this is allowed as long as it meets front setbacks. If not, an approved variance will be needed to allow a reduction of the front setback.

(D) Appeals. An applicant may appeal a decision of the Zoning Administrator regarding the compatibility requirement to the Hearing Officer in accordance with § 154-03.02(C).

~~*Table 15-1- Basic Guidelines for Accessory Buildings and Structures*~~			
~~***Height***~~		~~***Area***~~	~~***Accessory Structure Setback***~~
~~More than 8 feet~~	~~OR~~	~~More than 200 square feet~~	~~3 feet + 1 foot for each foot over 8 feet in height~~
~~8 feet or less~~	~~AND~~	~~121 - 200 square feet~~	~~3 feet~~
~~8 feet or less~~	~~AND~~	~~0 - 120 square feet~~	~~0 feet~~
~~Structures larger than 200 square feet or 10 feet in wall height require a building permit.~~ ~~Electrical requires separate permits.~~ ~~Additional building requirements may apply.~~			

§ 154-05.04 Low Density Residential Districts (R-1-6, R-1-8, R-1-12, R-1-20 and R-1-40).

Commented [JB7]: Accessory structures are allowed in all residential zoning districts.

(D) *Permitted accessory uses.*

(1) Accessory uses of buildings or structures customarily incident to any use permitted by this subchapter such as swimming pools, **inhabitable buildings such as** servant and guest quarters without kitchen facilities, **and pool houses,** ~~private garages, as hereinafter provided, or private work shops,~~ provided that none shall be conducted for gain or that no accessory buildings shall be inhabited by anyone other than those employed by the owner or tenant of the premises, and further provided, that in the event such accessory structure or building is used in whole or in part for living quarters, same shall be set back at least ten feet from the rear lot line of any lot;

ORDINANCE NO. O2025-037

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AMENDING CHAPTER 154 OF THE YUMA CITY CODE, AS AMENDED, RELATING TO ACCESSORY BUILDINGS, USES AND STRUCTURES

WHEREAS, from time to time it may be desirable to review and modify the code in keeping with the context of a dynamic and growing community; and,

WHEREAS, the City of Yuma Planning and Zoning Commission held a public hearing on August 11, 2025 in Case no: ZONE-44216-2025 in the manner prescribed by law for the purpose of amending the City of Yuma Zoning Code; and,

WHEREAS, due and proper notice of the public hearing was given in the time, form, substance and manner provided by law, including publication of notice of the hearing in the Yuma Sun on July 18, 2025; and,

WHEREAS, the City Council has considered the recommendation of the Planning and Zoning Commission to approve the zoning code text amendment in Case No: ZONE-44216-2025 and the probable impact on the cost to construct housing for sale or rent that may occur as a result of this amendment, and finds that the recommendation complies with and conforms to the goals and objectives of the Yuma General Plan, as amended.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: Yuma City Code, Title 15, Chapter 154, Article 15, Subsection 15 Accessory Buildings, Uses and Structures in Certain Residential Districts is amended to insert the bolded text and delete the strike through text:

(A) Applicability. Accessory buildings or structures and uses shall be incidental to the principal residential use. They must be detached from the principal building, occupy less floor area, cover less lot area, and have a use that is secondary to the primary structure(s) and use(s) on the property. Accessory buildings or structures **are non-inhabitable structures that** include **garages,** storage sheds, workshops, outdoor barbeques, outdoor fireplaces, **unenclosed (fully open on all sides) shade structures for parking or yard shade,** background composting site subject to the performance standards noted in § 154-15.18(A) and any other structures as determined by the Zoning Administrator. Buildings, structures, and uses may all function as "accessory," subject to the provisions below.

(B) Accessory uses. Accessory buildings or structures may be used for home occupations in compliance with § 154-15.08.

(C) **Accessory buildings or structures shall comply with all applicable building and fire codes. Utility connections may be permitted.**

(D) A three (3) foot clearance on two adjacent sides of the structure shall be provided in order to maintain fire and emergency access through the property. The three (3) foot separation does not apply to unenclosed (fully open on all sides) shade structures.

(E) Accessory buildings or structures may not be located within an established easement without written permission from the authorizing agencies.

(F) Accessory buildings or structures**: Large, Small and Unenclosed shade structures for parking**.

(1) **Large** Accessory buildings or structures that exceed 200 square feet in area or **exceed** ~~eight~~ **nine (9)** feet in height are ~~permitted in residential districts,~~ subject to the following standards:

(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. ~~Plumbing is permitted in accessory buildings for a washing machine only~~.

(b) Setback.

1. Accessory buildings or structures shall be located **at least ten (10) feet** behind the ~~midpoint of the~~ principal building **as measured from the nearest front facing corner**. The leading edge of such buildings, including overhangs, shall be setback at least ~~three~~ **five (5)** feet from side and rear property lines. **If the structure is unenclosed (fully open on all sides) the side and rear property line setback may be reduced to three (3) feet.** ~~An additional one foot setback is required for every additional foot in height above eight feet.~~ This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats if the setbacks illustrated on the plat are the same as the standard setbacks for that zoning district. If the setbacks illustrated on the plat are larger than the standard setbacks for that zoning district, then the platted setbacks take precedence.

2. Accessory buildings or structures constructed using similar construction materials to the principal residence may be constructed in line with the principal residence.

3~~2~~. Accessory buildings **or structures** in the Agriculture (AG) district shall comply with the setback standards required in the district.

4~~3~~. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.

~~4. On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

~~5. Accessory buildings or structures shall comply with all applicable building and fire codes.~~

(c) Height. The maximum allowable building height shall be 25 feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the accessory structure will be higher than the principal structure roofline. ~~See Illustration 15-1.~~

(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.

(e) Compatibility. Accessory buildings or structures shall be designed with a logical hierarchy of masses with regard to height, size, and volume; and use construction materials and colors that are contextually appropriate and compatible with the principal building and surrounding neighborhood. An accessory building or structure shall not exceed 50% of the total square footage of the primary residence.

(2) **Small** Accessory buildings or structures that are ~~between 121 square feet and~~ up to 200 square feet in area~~,~~ and **up to** ~~less than eight~~ **nine (9)** feet in height are ~~permitted in residential districts,~~ subject to the following standards:

(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. ~~Plumbing is permitted for a washing machine only.~~

(b) Setback.

1. Accessory buildings or structures shall not be located in the required front yard building setback. The leading edge of such buildings, including overhangs, shall be setback at least ~~three feet~~ **one (1) foot** from side and rear property lines. **The one (1) foot setback to the side and rear property lines may be reduced to zero feet if all drainage from the building or structure is directed to the subject property.** This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats.
2. An accessory structure used as a carport shall be setback three (3) feet from the side and rear property lines.
3. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.
4. **Accessory buildings or structures that are no taller than the adjacent fence line may have the street setback standard reduced to one (1) foot.** ~~On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

(c) Height. The maximum allowable building height shall be less than ~~eight (8)~~ **nine (9)** feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the structure will be higher than the principal structure roofline.

(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.

~~(3) Accessory buildings or structures that are 120 square feet or less in area and less than eight feet in height are permitted in residential districts, subject to the following standards:~~

~~(a) Use. Accessory buildings or structures shall not be used as a dwelling, except where permitted by Zoning District. Plumbing is permitted for a washing machine only.~~

~~(b) Setback.~~

~~1. Accessory buildings or structures shall not be located in the required front yard building setback. The leading edge of such buildings, including overhangs, can be set along the side and rear property lines. This provision is applicable within certain identified zoning districts regardless of setback illustrations on plats. A four foot separation between the accessory structure and any other structures shall be provided in order to maintain fire and emergency access.~~

~~2. Accessory buildings or structures shall comply with the street setback standards required in the applicable zoning district.~~

~~3. On a through lot, accessory buildings or structures shall not be located closer to the rear property line than the distance required for the front yard building setback.~~

~~(c) Height. The maximum allowable building height shall be less than eight feet or the height of the principal building, whichever is less. On lots with elevation changes, accessory structures shall not be permitted on lot areas where the structure will be higher than the principal structure roofline.~~

~~(d) Area. Accessory buildings or structures shall comply with lot coverage regulations for the applicable zoning district.~~

(3) Unenclosed shade structures for parking located within the front yard setback are subject to the following development standards:

(a) The structure shall be permanently affixed to the ground by anchoring or slab attachment and supported by piers, columns or support elements and shall not be attached to the principal residence;

(b) The structure shall not be enclosed and no wall taller than three (3) feet may be constructed between piers, columns or support elements of the structure;

(c) The structure shall maintain a minimum setback of eight (8) feet from any right-of-way line and a minimum setback of three (3) feet from any side or rear property line;

(d) The structure shall not exceed twelve (12) feet in height, or the maximum height of the primary residential building, whichever is less;

(e) The maximum area for all shade structures within the front yard setback shall not exceed 240 square feet;

(f) A paved surface shall be provided under the structure;

(g) The structure may not be used for a home occupation;

(h) The structure may not be used for outdoor storage. All outdoor storage shall be located outside the front yard area and screened from the view of public rights-of-way by a solid wall or fence; and,

(i) The structure shall remain open on all four sides and never be enclosed as a garage or as living space.

(D) Appeals. An applicant may appeal a decision of the Zoning Administrator regarding the compatibility requirement to the Hearing Officer in accordance with § 154-03.02(C).

~~***Table 15-1- Basic Guidelines for Accessory Buildings and Structures***~~			
~~***Height***~~		~~***Area***~~	~~***Accessory Structure Setback***~~
~~More than 8 feet~~	~~OR~~	~~More than 200 square feet~~	~~3 feet + 1 foot for each foot over 8 feet in height~~
~~8 feet or less~~	~~AND~~	~~121 - 200 square feet~~	~~3 feet~~
~~8 feet or less~~	~~AND~~	~~0 - 120 square feet~~	~~0 feet~~
~~Structures larger than 200 square feet or 10 feet in wall height require a building permit.~~ ~~Electrical requires separate permits.~~ ~~Additional building requirements may apply.~~			

SECTION 2: ~~That the~~ Yuma City Code, Title 15, Chapter 154, Article 5, Subsection 4 Low Density Residential Districts, Paragraph (D) (1) is amended to insert the bolded text and delete the strike through text:

(D) *Permitted accessory uses.*

(1) Accessory uses of buildings or structures customarily incident to any use permitted by this subchapter such as swimming pools, **inhabitable buildings such as** servant and guest quarters without kitchen facilities, **and pool houses,** ~~private garages, as hereinafter provided, or private work shops,~~ provided that none shall be conducted for gain or that no accessory buildings shall be inhabited by anyone other than those employed by the owner or tenant of the premises, and further

provided, that in the event such accessory structure or building is used in whole or in part for living quarters, same shall be set back at least ten feet from the rear lot line of any lot;

SECTION 3: It shall be unlawful for any person, firm or corporation to violate, or cause the violation of, any provision of this ordinance. Any person, firm or corporation violating any of the provisions in this ordinance shall be guilty of a class 1 misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed $1,000 or by imprisonment for not more than ten days or both fine and imprisonment. Each separate day or part thereof during which any violation of said sections occurs or continues shall be deemed to constitute a separate offense, and upon conviction thereof shall be punishable as herein provided.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

City of Yuma

City Council Report

File #: O2025-039 **Agenda Date:** 9/17/2025 **Agenda #:** 3.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Fire	☐ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☒ Ordinance - Adoption
Community Risk Reduction	☐ Unique & Creative	☐ Public Hearing

TITLE:
Amend Yuma City Code: 2024 International Fire Code Adoption with Local Amendments

SUMMARY RECOMMENDATION:
Amend Yuma City Code Chapter 131, Sections 131-15 through 131-19 and adopt by reference the 2024 International Fire Code, commonly known as 2024 IFC, including Appendices B, C, D, E, F, G, H, and I, with local amendments. (Fire) (Kayla Warren)

STRATEGIC OUTCOME:
A current, well integrated fire code for the jurisdiction supports the City Council's strategic outcome of Safe and Prosperous.

REPORT:
The 2018 International Fire Code is the City of Yuma's current Fire Code, adopted on December 19, 2018, with local amendments. Updated editions of the code are published every three years and the City of Yuma follows a six-year cycle for updating codes.

As part of the update cycle, City Council recently introduced ordinances adopting updates to the 2024 International Building Code (2024 IBC), the 2024 International Residential Code (2024 IRC, the 2024 International Existing Building Code (2024 IEBC) and the 2024 International Property Maintenance Code (2024 IPMC), each with local amendments recommended by the Building Advisory Board or the Residential Advisory Board.

To stay current with the code cycle and establish sound criteria for regulating existing buildings and structures, it is necessary to update and amend the City's Fire Code, adopting by reference the 2024 International Fire Code, including Appendices B, C, D, E, F, G, H and I with Amendments recommended by the Building Advisory Board dated July 9, 2025.

Amendments include the following:

Fees
A bonfire fee was added back to the fee schedule and a new fee was added for carbon dioxide detection and alarm system installations/alterations.

Fire Flow Requirements and Hydrant Spacing
Requirements extended to include stand-alone commercial parking lots where transfer and/or storage of hazardous materials inside of vehicles/trailers is present as a new use (to be spaced no more than 1,000 feet apart to ensure coverage of transportation-related hazards).

Emergency Communication System Exemption
Amended to be less restrictive than the 2024 IFC: Exempts single-story buildings under 50,000 square feet with no underground areas from requiring emergency responder communication enhancements.

Fire Sprinklers
Sprinkler exceptions amended to address ambulatory care, woodworking, manufacture or storage of lithium-ion lithium metal batteries or energy storage systems, manufacture or storage of distilled spirits, storage or manufacture of upholstered furniture or mattresses, storage of commercial motor vehicles, storage of lithium-ion or lithium metal powered vehicles, bulk storage of tires, or storage or use of hazardous materials (in line with the 2021 and 2024 editions of the IFC).

Fire Alarm Requirements for Existing Residential Buildings
Amended to be less restrictive than the 2024 IFC:
Group R-1 (Hotels, Motels, etc.) - Section 1103.7.5:
Requires installation of fire and smoke alarms whenever buildings experience Level 1 or greater alterations.
Group R-2 (Apartments, Dormitories, etc.) - Section 1103.7.6:
Requires a manual fire alarm and occupant notification system in buildings over 3 stories or with more than 16 units, whenever buildings experience Level 1 or greater alterations.

Fireworks
Section amended to reference State law and current City of Yuma Code.

Overall Major Technical and Safety Updates:
Lithium-Ion Battery Safety: A new Section 320 addresses the storage and handling of lithium-ion and lithium metal batteries, expanding sprinkler requirements to various occupancies involved in their use, manufacturing, or storage.

Energy Storage Systems (ESS): The code now provides updated guidance on the installation, operation, and decommissioning of ESS.

Powered Micromobility Devices: A new Section 322 introduces requirements for the safe charging and storage of devices like e-bikes and scooters, focusing on product listings, separation distances, and detection systems.

Carbon Monoxide Detection: CO alarms or detection systems are now mandated for all occupancy types, extending beyond the previous focus on residential and educational facilities.

A2L Refrigerants: The code acknowledges the use of mildly flammable A2L refrigerants, incorporating safety measures based on the Global Harmonized Standards (GHS).

Code Organization and Formatting
Enhanced Readability: The code has transitioned to a single-column format with modernized fonts, improving

readability.

Change Tracking: QR codes have replaced traditional margin markings, allowing users to access detailed information about code changes directly.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
NONE

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/05/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/04/2025

ORDINANCE NO. O2025-039

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AMENDING TITLE 13 OF THE YUMA CITY CODE, CHAPTER 131, ADOPTING BY REFERENCE *INTERNATIONAL FIRE CODE 2024,* INCLUDING APPENDICES B, C, D, E, F, G, H, AND I, AND THE AMENDMENTS RECOMMENDED BY THE BUILDING ADVISORY BOARD DATED JULY 9, 2025, AND PROVIDING A PENALTY FOR VIOLATIONS THEREOF

WHEREAS, the City of Yuma currently utilizes the 2018 Edition of the International Fire Code, with amendments; and,

WHEREAS, the City Council has considered the recommendation of the City of Yuma Building Advisory Board based on their actions taken at a meeting on July 9, 2025, and recommending adoption of International Fire Code 2024, with Appendices B, C, D, E, F, G, H, and I, and the Amendments shown in this ordinance,

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: Yuma City Code, Title 13, Chapter 131, Section 15, is repealed and replaced with the following where strikethrough represents deletions and underlining represents additions:

§ 131-15 Adoption of a model Fire Code, International Fire Code, ~~2018~~ 2024 Edition.

That certain document, three (3) copies of which are on file as public record in the office of the City Clerk of the City of Yuma, known as the International Fire Code, ~~2018~~ 2024 Edition, including Appendices B, C, D, E, F, G, H, and I, published by the International Code Council, with certain amendments listed herein, ~~which document was made a public record by Resolution No. R2023-003 of the City,~~ is hereby adopted by reference and made a part of the Yuma City Code as if fully set out in this article.

SECTION 2: Yuma City Code, Title 13, Chapter 131, Section 16, is repealed and replaced with the following where strikethrough represents deletions and underlining represents additions:

§ 131-16 Amendments

NOTE: The section numbers that follow are the reference sections found in the International Fire Code ~~2018~~ 2024.

(A) **Section [A] 101.1 Title.** Amend to read, "These regulations shall be known as the Fire Code of the City of Yuma, herein after referred to as 'this code.'"

(B) **Amend Section [A] 102.3 Change of Use or Occupancy** to add the following section, "**Section [A] 102.3.1 Fire Sprinklers.** For the purpose of determining if a change of use or a change of occupancy will be a more hazardous operation requiring the retrofit of a fire sprinkler system, the "Means of Egress Hazard Categories Table" (for life safety) in the edition of the International Existing Building Code currently adopted by the City of Yuma will be referenced."

(C) **Section [A] 102.4 Application of the building code.** Amend to read, "The design and construction of new structures shall comply with the building code currently adopted by the City of Yuma, and any alterations, additions, changes in use or changes in structures required by this code, which are within the scope of the building code currently adopted by the City of Yuma, shall be made in accordance therewith."

(D) **Section [A] 103.1 ~~General~~ Creation of agency.** Amend to read, "The division of Community Risk Reduction, within the Fire Department is established within the jurisdiction under the direction of the fire code official. The function of the division shall be the implementation, administration, and enforcement of the provisions of this code."

(~~E~~) ~~**Section [A] 105.4.2.1 Fire protection system shop drawings.** Amend to read, "Plan submittal documents shall include either a statement of the design criteria for the fire protection system(s) to also include a current fire flow test within the past 12 months or the complete design, plans, calculations and data for the fire protection system(s). If only the statement of design criteria and fire flow test is initially submitted, the complete design, plans, calculations and data for the fire protection system(s) shall be submitted to indicate conformance to this code and the *construction documents* and shall be *approved* in writing by the Fire Department prior to the start of system installation. In addition, where applicable, shop drawings, calculations and data shall be submitted and shall contain all information as required by the referenced installation standards in Chapter 9."~~

(E~~F~~) Amend **Section [A] 105.5~~6~~ Required operational permits**, to add the following section, "**Section [A] 105.6.~~51~~ 58 Permissible Consumer Fireworks.** For the sale, on-site handling, storage, and/or manufacture of permissible consumer fireworks (1.4G)."

(F~~G~~) Amend **Section [A] 105.5~~6~~ Required operational permits**, to add the following section, "**Section [A] 105.5~~6~~.59 ~~2~~ Flame Effects.** For the use of flame effects before a proximate audience."

(G~~H~~) **Section [A] 108~~6~~.2 Schedule of permit fees.** Amend by adding Fire Activity Permit Fee Table 1-A:

TABLE 1-A: FIRE ACTIVITY PERMIT FEES

Schedule of Fire Activity Permit Fees	
Type	Fee
Carnivals and Fairs	$75.00
Display Fireworks	$150.00
Pyrotechnics before a proximate audience	$150.00
Flame Effects before a proximate audience	$75.00
Explosives and Blasting	$150.00
Membrane Structures and Tents (per Chapter 31)	$125.00
Open Burning	$150.00
Fire Inspections Mandated by the State for Licensing	$75.00
Fire Sprinkler Alterations	$75.00 over the counter permit plus $75.00 an hour inspection fee
Fire Alarm Alterations	$75.00 over the counter permit plus $75.00 an hour inspection fee
Carbon Dioxide System Installations/Alterations	$75.00 over the counter permit plus $75.00 an hour inspection fee

Sale or Storage of Permissible Consumer Fireworks	$75.00
Permissible Consumer Fireworks Sales Tent	$200.00
Tire Storage (in excess of 500 tires)	$150.00
Fire inspections needed for other state or local programs	$75.00
Fuel Tank Removal	$150.00
Bonfire	$75.00

Other Inspections and Fees:

1. Inspections outside of normal business hours, $75 per hour* (minimum charge – 2 hours)
2. Re-inspection fees of $75 per hour*, for work not ready for inspection AND/OR another application for the standard hourly fee is for the commercial fire inspection program. There will be no charge for the initial annual commercial fire inspection and one follow-up; however, should the business require more than one follow-up re-inspection that business shall be charged at the standard hourly fee with a one-hour minimum charge for each additional re- inspection.
3. Inspections on Weekends and Holidays, $150 per hour* (minimum charge – 2 hours)
4. Inspection fees for which no fee is specifically indicated, $75 per hour* (minimum charge – one-half hour)
5. Additional plan review required by changes, additions or revisions to plans, $75 per hour* (minimum charge – one-half hour)
6. For use of outside consultant. For plan checking or inspections, Actual Costs**

*****Or the total hourly cost to the jurisdiction, whichever is the greatest. This shall include supervision, hourly wages and fringe benefits of the employee involved. Staffing may not always be available to accommodate these inspection requests.

** Actual costs include administrative and overhead costs.

(H) **Section [A] 106.2.2 Fire protection system shop drawings.** Amend to read, "Plan submittal documents shall include either a statement of the design criteria for the fire protection system(s) to also include a current fire flow test within the past 12 months or the complete design, plans, calculations, and data for the fire protection system(s). If only the statement of design criteria and fire flow test is initially submitted, the complete design, plans, calculations, and data for the fire protection system(s) shall be submitted to indicate conformance to this code and the construction documents and shall be approved in writing by the Fire Department prior to the start of system installation. In addition, where applicable, shop drawings, calculations and data shall be submitted and shall contain all information as required by the referenced installation standards in Chapter 9."

(I) **Section [A] 112.5 ~~09.1~~ Board of appeals established.** Amend to add the following sentence at the end of the section, "Whenever reference is made to the "Board of Appeals" in the City Fire Code, it shall mean the City of Yuma "Building Advisory Board."

(J) **Section [A] 113.3.3 Prosecution of violations.** Amend to add the following sentence at the end of the section, "Any action taken by the authority having jurisdiction on such premises shall be charged against the real estate upon which the premises is located and shall be a lien upon such real estate."

(~~J~~K) **Section [A] 113.4 ~~10.4~~ Violation penalties.** Amend to read, "Any person who violates a provision of this code or fails to comply with any of the requirements thereof or who erects, constructs, alters or repairs a building or structure in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate issued under the provisions of this code, shall be subject to the penalty and fine described in this ordinance."

(L~~K~~) **Section [A] 114.4 ~~2.4~~ Failure to comply.** Amend to read, "Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be subject to the penalty and fine described in this ordinance."

(M~~L~~) **Section 307.4 Location.** Amend to read, "The location for open burning shall be at the approval of the Authority Having Jurisdiction, as outlined in the required operational permit from section 105.5.36 ~~6.32~~."

(N) **Section 311.5 Placards.** Amend to read "Any vacant or abandoned buildings or structures determined to be unsafe pursuant to Section 115 relating to structural or interior hazards may be marked as required by Sections 311.5.1-311.5.6

(O~~M~~) Amend **Section 311.5 Placards** to add "**Section 311.5.6 Authority to Placard.** The Authority Having Jurisdiction is authorized to placard, post signs, erect barriers or take similar measures as necessary to secure public safety on any vacant, abandoned, or unoccupied building, structure, premises or portions thereof."

(P~~N~~) **Section 503.2.3 Surface.** Amend to read, "Fire department access roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be provided with a paved surface, in accordance with the COY engineering standard for a local road, or another method acceptable to the Authority Having Jurisdiction."

(Q~~O~~) **Section 507.3 Fire flow.** Amend to read, "Fire-flow requirements for buildings or portions of buildings and facilities, ~~and~~ exterior storage of hazardous materials, and stand-alone commercial parking lots where transfer and/or storage of hazardous materials inside of vehicles/trailers is present as a new use, shall be in accordance with Appendix B, or another approved method determined by the Authority Having Jurisdiction."

(R~~P~~) Amend **Section 507.3 Fire flow** to add "**Section 507.3.1 Exterior storage of hazardous materials.** Fire-flow requirements for exterior storage of hazardous materials shall be in accordance with Appendix B, Table B105.1(2) for Type V-B based on square footage of the entire storage area, or another approved method determined by the Authority Having Jurisdiction."

(S) Amend **Section 507.3 Fire flow** to add "**Section 507.3.2 Commercial parking lots.** Fire-flow requirements for stand-alone commercial parking lots where transfer and/or storage of hazardous materials inside of vehicles/trailers is present as a new use shall be in accordance with Appendix B, Table B105.1(2) for Type V-B based on square footage of the entire storage area, or another approved method determined by the Authority Having Jurisdiction."

(T~~Q~~) Amend **Section 507.5.1 Where Required** to add **Exception** "3. For detached one and two-family dwellings that are protected with a minimum NFPA 13D automatic sprinkler system, the distance shall not exceed 1,000 feet, as approved by the Authority Having Jurisdiction."

(U~~R~~) Amend **Section 507.5 Fire hydrant systems** to add, "**Section 507.5.1.2 Hydrants for exterior storage of hazardous materials.** Facilities with exterior storage of hazardous materials shall provide hydrant spacing in accordance with Appendix C."

(V) Amend **Section 507.5 Fire hydrant systems** to add, "**Section 507.5.1.3 Hydrants for commercial parking lots.** Stand-alone commercial parking lots where transfer and/or storage of hazardous materials inside of vehicles/trailers is present as a new use shall provide hydrant spacing not to exceed 1,000 feet to provide for transportation hazards.

(W) Amend **Section 510.1 Emergency responder communications enhancement systems in new buildings, Exception #4** to read "One-story buildings not exceeding 50,000 square feet with no below ground area(s).

(X~~S~~) Amend **Section 901.6.3 Records** to add, "**Section 901.6.3.2 Systems and Equipment Service Records.** Systems and Equipment Service Records. All persons who perform inspection, testing, and/or maintenance services on fire and life safety systems and equipment on commercial properties within the City of Yuma shall submit all compliant and non-compliant reports to the Yuma Fire Department via an electronic format and in a method approved by the Authority Having Jurisdiction, as stated in Yuma Fire Department policies. These systems include but are not limited to automatic fire sprinkler systems, fire alarm systems, commercial kitchen hood suppression systems, commercial kitchen hood cleaning, active smoke control systems, private fire hydrant systems, fire pumps, spray booths, special suppression systems, foam systems, and standpipes."

(Y~~T~~) Amend **Section 901 General** to add the following sections:
"**Section 901.11 Impaired and Nuisance Alarm Prone Systems.** Impaired fire alarm systems shall include, but shall not be limited to, required systems that are not fully operational, are no longer monitored as required by the Authority Having Jurisdiction, or are under renovation or repair.
Section 901.11.1 Notification. The system owner or designated representative shall immediately notify the Authority Having Jurisdiction in an approved manner when a fire alarm system is impaired.
901.11.2 Standby Fire Personnel. The Authority Having Jurisdiction shall be authorized to require standby fire personnel or an approved fire watch in accordance with 901.7 at premises in which required fire alarm systems are impaired or classified as chronic nuisance alarm prone systems.
901.11.3 Chronic Nuisance Alarm Prone Systems Defined. Fire alarm systems that have produced five or more nuisance alarms in a 365-day period shall be classified as chronic nuisance alarm prone systems.
901.11.4 Service Required. The Authority Having Jurisdiction shall be authorized to require central station service be provided for chronic nuisance alarm prone systems.
901.11.5 Immediate Notification. Fire alarm supervising stations and fire alarm service companies shall immediately notify the Authority Having Jurisdiction when any of the following conditions exists:
(1) A fire alarm system is impaired.
(2) Required system monitoring is no longer being provided.
(3) Required testing, service, and maintenance is no longer being provided.
(4) A fire alarm system cannot be serviced or repaired to make the system fully operational.
(5) A fire alarm system cannot be serviced or repaired to eliminate chronic nuisance alarms.
901.11.6 Replacement. The system owner shall replace required fire alarm systems that cannot be serviced or repaired to eliminate system impairments or chronic nuisance alarms."
901.11.7 Penalties. Penalties for excessive false or nuisance alarms shall be in accordance with Yuma City Code Section 111-02.

(Z~~U~~) **Section 903.2.1 – 903.2.10 Where Required.** Amend to read,

"A. An automatic sprinkler system shall be installed throughout all levels of all buildings here after constructed, EXCEPT for Group U occupancies and one/two family dwellings.

1. Exception 1: Buildings housing a group A-1, A-2, A-3, A-4, A-5, ~~B~~, E, ~~F-1, F-2,~~ M, ~~S-1, or S-2~~ occupancy having ~~square footage less than~~five hundred (500) square feet or less. (Note: For the purposes of this article, fire resistive firewalls will not be considered a barrier creating a separate building.)

2. Exception 2: Buildings housing a Group B occupancy, without cooking equipment, ambulatory care, or hazardous materials, having ~~square footage less than~~ two thousand (2,000) square feet or less. (Note: For the purposes of this article, fire resistive firewalls will not be considered a barrier creating a separate building.) If this exception is utilized, then any future expansions of the footprint will trigger an automatic fire sprinkler retrofit requirement.

3. Exception 3: Buildings housing a Group S or F occupancy, without high piled storage ~~or~~, woodworking, manufacture or storage of lithium-ion lithium metal batteries or energy storage systems, manufacture or storage of distilled spirits, storage or manufacture of upholstered furniture or mattresses, storage of commercial motor vehicles, storage of lithium ion or lithium metal powered vehicles, bulk storage of tires, or storage or use of hazardous materials, having ~~square footage less than~~ two thousand (2,000) square feet or less. (Note: For the purposes of this article, fire resistive firewalls will not be considered a barrier creating a separate building.) If this exception is utilized, then any future expansions of the footprint will trigger an automatic fire sprinkler retrofit requirement.

4. Exception 4: Temporary use of modular or factory-built structures shall not be required to provide an automatic fire sprinkler system, provided that the use of the structure and the "Certificate of Occupancy" is limited to one year from the time of set up to removal.

5. Exception 5: Free standing open canopy structure. When automatic fire sprinklers are not required by the current building code adopted by the City of Yuma, and when the structure meets each of the following criteria, fire sprinklers will not be required:

a. The structure shall not exceed 10,000 square feet.
b. The entire covered area is open on all sides void of interior walls or partitions.
c. Setbacks from property lines or other structures are in accordance with the current building code adopted by the City of Yuma.
d. The building/structure use is not classified as hazardous, or mercantile occupancy.
e. Portable fire extinguishers are installed in accordance with NFPA 10.
f. Open flames and devices emitting flames or creating a glow capable of igniting combustible materials shall not be used in or adjacent to the structure.
g. An approved water supply capable of supplying the required fire flow shall be provided.
h. No cooking equipment or operations are present.
i. It is not being used to cover another building, pod, or space with any type of wall present; (Exception: 500 square feet or less kiosk underneath fuel island canopy).

Note: Any changes to the freestanding open canopy structure or its use may result in the loss of this exception and may require a retrofit of an automatic fire sprinkler system.

6. Exception 6: 24 hour assisted living care homes within a one- or two-family dwelling with 10 or fewer persons receiving care, unless required by Arizona Revised Statutes and/or Arizona Administrative Code.

B. Retrofit of fire sprinklers to existing structures. An existing building that undergoes a "change of occupancy" as outlined in section 102.3, whereby the new occupancy is deemed a greater hazard than the previous occupancy, the building will be treated as a new building and will require the installation of fire sprinklers. The "Means of Egress Hazard Categories Table" (for life safety) in the edition of the International Existing Building Code currently adopted by the City of Yuma shall be referenced to determine occupancy hazard level.

C. Any building except Group U occupancies and one/two family dwellings, which undergoes one or more renovations, that total an excess of 50% of value as assessed by the ~~building code~~ August 2024 publishing of the International Code Council Building Valuation Data Chart, that doesn't meet another exception in this section, shall meet the requirements of this section.

D. Any building that increases in size by a total summation of 50% as a result of one or more expansions, that doesn't meet another exception in this section, will require a retrofit of an automatic fire sprinkler."

E. RV Storage sprinkler system design criteria shall be Extra Hazard 2 (EH2) or greater.

(AA~~V~~) **Section 904.~~12~~ 14.1 Manual system operation.** Amend to read, "A manual actuation device shall be located at or near a means of egress from the cooking area, as approved by the Authority Having Jurisdiction. The manual actuation device shall be installed not more than 48 inches (1200 mm) nor less than 42 inches (1067 mm) above the floor and shall clearly identify the hazard protected. The manual actuation shall require a maximum force of 40 pounds (178 N) and a maximum movement of 14 inches (356 mm) to actuate the fire suppression system.

Exception: Automatic sprinkler systems shall not be required to be equipped with manual actuation means."

(BB~~W~~) Amend **Section 904.~~12~~14 Commercial cooking systems** to add, "**Section 904.~~12~~14.6 Visual notification.** Automatic fire extinguishing systems for commercial cooking systems shall be equipped with an audible/visual device that activates upon system actuation, as approved by the Authority Having Jurisdiction."

(CC~~X~~) Amend **Section 912.2 Location** to add "**Section 912.2.3 Remote Location.** The fire department connection shall be remotely located from the building, or in a location approved by the Authority Having Jurisdiction."

(DD) **Section 1103.7.5 Group R-1**. Amend to read, "A fire alarm and smoke alarms shall be installed in existing Group R-1 occupancies in accordance with Sections 1103.7.5.1 through 1103.7.5.2.1 when the building undergoes a Level 1 (or higher) alteration, as defined in the International Existing Building Code adopted by the City of Yuma.

(EE) **Section 1103.7.6 Group R-2**. Amend to read, "A manual fire alarm that activates the occupant notification system in accordance with Section 907.5 shall be installed in existing Group R-2 occupancies more than three stories in height or with more than 16 dwelling or sleeping units when the building undergoes a Level 1 (or higher) alteration, as defined in the International Existing Building Code adopted by the City of Yuma.

(FF~~Y~~) **Section 1201.2 Electrical wiring and equipment.** Amend to read, "Electrical wiring and equipment used in connection with energy systems shall be installed and maintained in accordance with Chapter 12, Section 603, NFPA 70, and NFPA 855, Standard for the Installation of Stationary Energy Storage Systems."

(GG~~Z~~) **Section 2301.1 Scope.** Amend to read, "Automotive motor fuel-dispensing facilities, marine motor fuel-dispensing facilities, fleet vehicle motor fuel-dispensing facilities, aircraft motor-vehicle fuel-dispensing facilities and repair garages shall be in accordance with this chapter and the International Building Code, International Fuel Gas Code, International Mechanical Code, and NFPA 30A, Code for Motor Fuel-dispensing Facilities and Repair Garages. Such operations shall include both those that are open to the public and private operations."

(HH~~AA~~) **Section 2806.2 Cold decks.** Amend to read, "Cold decks shall not exceed 125 feet in length, 75 feet in width and 12.5 feet in height. Cold decks shall be separated from adjacent cold decks or other exposures by not less than 100 feet.

Exception: The size of cold decks shall be determined by the fire code official where the decks are protected by special fire protection including, but not limited to, additional fire flow, portable turrets and deluge sets, and hydrant hose houses equipped with approved fire-fighting equipment capable of reaching the entire storage area in accordance with Chapter 9."

(~~BB~~ II) **Section 2807.2 Size of piles.** Amend to read, "Piles shall not exceed 12.5 feet in height, 75 feet in width and 125 feet in length. Piles shall be separated from adjacent piles or other exposures by approved fire apparatus access roads.

Exception: The fire code official is authorized to allow the pile size to be increased where additional fire protection is provided in accordance with Chapter 9. The increase shall be based on the capabilities of the system installed."

(~~CC~~JJ) Amend **Section 2807 Storage of Wood Chips and Hogged Material Associated with Timber and Lumber Production Facilities** to add, "**Section 2807.6 Pile separation.** A clear space of not less than 30 ft. (4.6 m) shall be maintained between piles and exposing structures, yard equipment, or stock, depending on the degree of exposure hazard."

(~~DD~~KK) **Section 2808.3 Size of piles.** Amend to read, "Piles shall not exceed 12.5 feet in height, 75 feet in width and 125 feet in length. Stackable products shall not be stacked in excess of 12.5 feet in height, 40 feet in width, and 125 feet in length.

~~Exception: The *fire code official* is authorized to allow the pile size to be increased where a fire protection plan is provided for approval that includes, but is not limited to, the following:~~

~~1. Storage yard areas and materials-handling equipment selection, design and arrangement shall be based on sound fire prevention and protection principles.~~

~~2. Factors that lead to spontaneous heating shall be identified in the plan, and control of the various factors shall be identified and implemented, including provisions for monitoring the internal condition of the pile.~~

~~3. The plan shall include means for early fire detection and reporting to the public fire department; and facilities needed by the fire department for fire extinguishment including a water supply and fire hydrants.~~

~~4. Fire apparatus access roads around the piles and access roads to the top of the piles shall be established, identified and maintained.~~

~~5. Regular yard inspections by trained personnel shall be included as part of an effective fire prevention maintenance program.~~

~~Additional fire protection called for in the plan shall be provided and shall be installed in accordance with this code. The increase of the pile size shall be based on the capabilities of the installed fire protection systems and features."~~

(~~EE~~LL.) **Section 2808.4 Pile separation.** Amend to read, "A clear space of not less than 30 ft. shall be maintained between piles and property lines, exposing structures, yard equipment, or stock, depending on the degree of exposure hazard. Approved fire apparatus access roads shall be provided within the separation space in accordance with Section 503."

(~~FF~~MM) Amend **~~Section~~ Chapter ~~2810~~ 28 ~~Outdoor Storage of Pallets at Pallet Manufacturing and Recycling Facilities~~ Lumber Yards and Agro-Industrial, Solid Biomass, and Woodworking Facilities** to add **"Section 2811 Air Curtain Destructor and Firebox Procedures."**

2811.1. Outdoor fires in an air curtain destructor/firebox. Prior to conducting an outdoor fire in an air curtain destructor or firebox, the owner or operator of the air curtain destructor shall obtain an applicable permit from ADEQ, and follow all applicable state requirements in addition to this section.

2811.2 Air Curtain Destructor Requirements. The following must be complied with prior to use of an air curtain destructor:

(1) The length of the firebox must not exceed the length of the plenum.
(2) The firebox shall be lined with refractory materials.
(3) The depth of the firebox shall be of such a distance to allow all burning material to be below the curtain of air created by the air curtain destructor.
(4) The width of the firebox shall not extend beyond the length of the nozzle action.
(5) The firebox must have four stable, vertical sides.
(6) When air curtain destructor locations are established or changed, an inspection of the newly located air curtain destructor must be made and approved by the Yuma Fire Department prior to use; and if the new location deviates from a previously approved location, another inspection and approval by the Yuma Fire Department must be made.
(7) Air curtain destructors must be operated in accordance with their manufacturer's specifications.

2811.3 Equipment Set-Up.
(1) An owner or operator of an air curtain destructor shall use a firebox and not a pit or trench to conduct outdoor burning.
(2) The equipment must be positioned so as to allow the blower's airflow to strike at a downward angle no less than 24 inches below the opposite rim of the firebox.
(3) There shall be at least 1,000 feet between any two-air curtain destructors, or per manufacturer's guidelines, whichever is greater.
(4) An air curtain destructor shall be located at least 500 feet from any residence or building structure, or per manufacturer's guidelines, whichever is greater.

(5) An air curtain destructor shall be located at least 500 feet from any pipeline or fuel storage area, or per manufacturer's guidelines, whichever is greater.
(6) An air curtain destructor shall be located at least 250 feet from any power lines, or per manufacturer's guidelines, whichever is greater.
(7) Material that is not being worked or is being stockpiled to be burned at a later date by using an air curtain destructor shall be kept at least 75 feet from the air curtain destructor while the bum is taking place, or per manufacturer's guidelines, whichever is greater.

2811.4 Operation of Blower.
(1) The proper blower speed must be maintained according to manufacturer's specifications.
(2) The blower must be operating when and as long as any material in the firebox is burning.

2811.5 Loading of the Firebox.
(1) When loading (feeding) the firebox, the material must not extend above the air curtain (blower airflow).
(2) The loading of materials into the firebox must be discontinued at a minimum of 2 hours prior to the end of the designated burning hours. The blower must continue to operate until the end of the burning hours or until combustion is completed.
(3) Adequate measures must be taken to assure that no emissions emanate from materials left in the firebox (i.e., when combustion is completed). All materials left in the firebox must be extinguished with water or covered over with a minimum of 1 foot of mineral soil.

2811.6 Firebox Clean-Out. All materials removed from the firebox must be completely extinguished and all reasonable precautions taken to control emissions and fires

2811.7 Burning Hours for Air Curtain Destructors. Burning hours must be consistent with ADEQ rules and regulations and be conducted during the following periods, unless otherwise waived or directed by the ADEQ Director on a specific day basis.
(1) Year-round: ignite fire no earlier than one hour after sunrise; and
(2) Year-round: extinguish fire no later than two hours before sunset;
(3) While complying with the above schedule, the owner/operator/occupant must also ensure it is a burn day locally for each day of burning. Burning using an air curtain destructor is not authorized on weekends or on holidays. Prohibited materials shall never be burned in an air curtain destructor.

2811.8 Definitions.

AIR CURTAIN DESTRUCTOR-A device designed to form a curtain of air over a firebox in which burning occurs that aids in more complete combustion through increases in turbulence and combustion time. Above ground air curtain destructors are the only type of air curtain destructor allowed in the City of Yuma.

DANGEROUS MATERIAL-Any substance or combination of substances that is capable of causing bodily harm or property loss unless neutralized, consumed, or otherwise disposed of in a controlled and safe manner.

FIREBOX - The chamber or compartment inside of an air curtain destructor where materials are burned.

PROHIBITED MATERIALS - Non-paper garbage from the processing, storage, service or consumption of food; books, magazines, fiberboard, packaging, rags, fabrics, office records, chemically treated or soaked wood; lead-painted wood; linoleum flooring, and composite counter tops; tires; animal wastes and carcasses, coal, liquid or gelatinous hydrocarbons tar, explosives or ammunition; oleanders, leaves, grass clippings, refuse;

asphalt shingles or asphalt; tar paper; plastic and rubber products, including bottles for household chemicals; plastic grocery and retail bags; waste petroleum products, such as waste crankcase oil, transmission oil, and oil filters; transformer oils; asbestos; batteries; anti-freeze; aerosol spray cans; electrical wire insulation; thermal insulation; polyester products; hazardous waste products such as paints, pesticides, cleaners and solvents, stains and varnishes, and other flammable liquids; plastic pesticide bags and containers; and hazardous material containers including those that contained lead, cadmium, mercury and arsenic compounds."

(NN) **Amend Section 3303.1 Program development and maintenance,** Amend first sentence to read, "When required by the Fire Code Official or the Building Official, the owner or owner's authorized agent shall be responsible for the development, implementation and maintenance of an approved, written site safety plan establishing a fire prevention program at the project site applicable throughout all phases of the construction, repair, alteration or demolition work."

(~~GG~~OO) Amend Section **3405 Outdoor Storage** to add "**Section 3405.8 Outdoor Storage of Altered Tire Material.** Outdoor storage of altered tire material in the form of chunks, chips, or crumbs shall be protected in accordance with 3405.8.1 through 3405.8.5.

3405.8.1 A 10 ft (3 m) fence shall be maintained around the altered tire material storage area.
3405.8.2 Altered tire material piles shall be kept 50 ft (15 m) from perimeter fencing.
3405.8.3 Potential ignition sources such as welding, smoking, or other open flame uses shall not be allowed within 20 ft (6 m) of the altered tire pile.
3405.8.4 Individual altered tire material piles shall not be located on site in excess of 90 days.
3405.8.5 Individual altered tire material piles shall be kept sheltered from precipitation."

(~~HH~~PP) **Section 5001.1 Scope.** Amend to read, "Prevention, control and mitigation of dangerous conditions related to storage, dispensing, use and handling of hazardous materials shall be in accordance with this chapter, and NFPA 400, Hazardous Materials Code.

This chapter shall apply to all hazardous materials, including those materials regulated elsewhere in this code, except that where specific requirements are provided in other chapters, those specific requirements shall apply in accordance with the applicable chapter. Where a material has multiple hazards, all hazards shall be addressed.

Exceptions:

1. In retail or wholesale sales occupancies, the quantities of medicines, foodstuff or consumer products and cosmetics containing not more than 50 percent by volume of water-miscible liquids and with the remainder of the solutions not being flammable shall not be limited, provided that such materials are packaged in individual containers not exceeding 1.3 gallons (5 L).

2. Quantities of alcoholic beverages in retail or wholesale sales occupancies shall not be limited providing the liquids are packaged in individual containers not exceeding 1.3 gallons (5 L).

3. Application and release of pesticide and agricultural products and materials intended for use in weed abatement, erosion control, soil amendment or similar applications where applied in accordance with the manufacturers' instructions and label directions.

4. The off-site transportation of hazardous materials where in accordance with Department of Transportation (DOT) regulations.

5. Building materials not otherwise regulated by this code.

6. Refrigeration systems (see Section 605).

7. Stationary storage battery systems regulated by Section 1206.2.

8. The display, storage, sale or use of fireworks and explosives in accordance with Chapter 56.

9. Corrosives utilized in personal and household products in the manufacturers' original consumer packaging in Group M occupancies.

10. The storage of distilled spirits and wines in wooden barrels and casks.

11. The use of wall-mounted dispensers containing alcohol-based hand rubs classified as Class I or II liquids where in accordance with Section 5705.5."

(QQ) Section 5601.1.3 **Fireworks**. Amend to read: "The possession, manufacture, storage, sale, handling, and use of fireworks are prohibited, with exception as allowed in Arizona Revised Statutes, and Yuma City Code.

(~~H~~RR) **CHAPTER 80 REFERENCED STANDARDS.** Amend to add the following referenced standards:
- NFPA 30A-~~18~~24: Code for Motor Fuel-dispensing Facilities and Repair Garages, Section 2301.1
- NFPA 855-23: Standard for the Installation of Stationary Energy Storage Systems, Section 1201.2
- NFPA 400-~~16~~25: Hazardous Materials Code, Section 5001.1

(~~JJ~~SS) **APPENDIX A BOARD OF APPEALS.** Not adopted.

(~~KK~~TT) **APPENDIX B FIRE FLOW REQUIREMENTS FOR BUILDINGS.** Adopted

(~~LL~~UU) **APPENDIX C FIRE HYDRANT LOCATIONS AND DISTRIBUTION.** Adopted.

(~~MM~~VV). **APPENDIX D FIRE APPARATUS ACCESS ROADS.** Adopted.

(~~NN~~WW) **APPENDIX E HAZARD CATEGORIES.** Adopted.

(~~OO~~XX) **APPENDIX F HAZARD RANKING.** Adopted.

(~~PP~~YY) **APPENDIX G CRYOGENIC FLUIDS – WEIGHT AND VOLUME EQUIVALENTS.** Adopted.

(~~QQ~~ZZ) **APPENDIX H HAZARDOUS MATERIALS MANAGEMENT PLAN (HMIP) AND HAZARDOUS MATERIALS INVENTORY STATEMENT (HMIS) INSTRUCTIONS.** Adopted.

(~~RR~~AAA) **APPENDIX I FIRE PROTECTION SYSTEMS – NONCOMPLIANT CONDITIONS.** Adopted.

(~~SS~~BBB) **APPENDIX J BUILDING INFORMATION SIGN.** Not adopted.

(~~TT~~CCC) **APPENDIX K CONSTRUCTION REQUIREMENTS FOR EXISTING AMBULATORY CARE FACILITIES.** Not adopted.

(~~UU~~DDD) **APPENDIX L REQUIREMENTS FOR FIRE FIGHTER AIR REPLENISHMENT SYSTEMS.** Not adopted.

(~~VV~~EEE) **APPENDIX M HIGH-RISE BUILDINGS – RETROACTIVE AUTOMATIC SPRINKLER REQUIREMENT.** Not adopted.

(~~WW~~FFF) **APPENDIX N INDOOR TRADE SHOWS AND EXHIBITIONS.** Not adopted.

(GGG) **APPENDIX O VALET TRASH AND RECYCLING COLLECTION IN GROUP R-2 OCCUPANCIES.** Not adopted.

SECTION 3: All ordinance or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed, effective thirty (30) days from the adoption hereof. All ordinances or parts of ordinances not amended or repealed by the provisions of this Ordinance shall remain in full force and effect.

SECTION 4: This Ordinance does not affect the rights and duties that matured, penalties that were incurred, or proceedings that were begun before the effective date of this Ordinance.

SECTION 5: If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 6: Any person, firm, corporation, or entity violating any of the provisions or requirements of this Ordinance shall be guilty of a class 1 misdemeanor and shall be punished as provided in §10-99 of this code by a fine not to exceed $1,000 or by imprisonment for not more than ten days or by both such fine and imprisonment. Each separate day or part thereof during which any violation of said sections occurs or continues shall be deemed to constitute a separate offense.

SECTION 7: Three copies of the International Fire Code 2024, with Appendices B, C, D, E, F, G, H, and I shall be kept as exhibits on file at the City Clerk's Office.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

City of Yuma

City Council Report

File #: O2025-040 **Agenda Date:** 9/17/2025 **Agenda #:** 4.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Community Development	☐ Active & Appealing	☐ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☒ Ordinance - Adoption
Community Planning	☐ Unique & Creative	☐ Public Hearing

TITLE:
Rezoning of Property: Northwest Corner of Colorado Street and 20th Avenue

SUMMARY RECOMMENDATION:
Rezone approximately 1.62 acres located at the northwest corner of Colorado Street and 20th Avenue, Yuma, AZ, from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District (Community Development/Community Planning) (Alyssa Linville)

STRATEGIC OUTCOME:
Approval of this rezone will support residential development in the City that will be responsibly constructed, meeting all codes and requirements. This rezone furthers the City Council's strategic outcomes of Safe and Prosperous and Respected and Responsible.

REPORT:
The subject property is located at the northwest corner of Colorado Street and 20th Avenue. The property is 1.62 acres and is currently vacant. In 2025, the property was the subject of a General Plan Amendment to change the land use designation from Low Density Residential to High Density Residential.

With this request the applicant is seeking to rezone the property from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District for multi-family development. Specifically, the applicant intends to construct two rows of 12 one-story apartments, for a total of 24 units, and a parking lot with approximately 50 spaces. All new development will be required to meet City of Yuma development standards. The request to rezone the property from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District conforms with the General Plan.

On August 11, 2025, the Planning and Zoning Commission voted 5-0 to recommend approval of the request to rezone approximately 1.62 acres from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District for the property located at the northwest corner of Colorado Street and 20th Avenue, Yuma, AZ, subject to the following conditions:

1. The conditions listed below are in addition to City codes, rules, fees and regulations that are applicable to this action.

2. The Owner's signature on the application for this land use action shall constitute a waiver of any claims for diminution in value pursuant to A.R.S. § 12-1134.

3. The Owner/Developer shall provide the expected peak hour trips generated from this facility based on the Trip Generation Manual from the Institute of Traffic Engineers interpreted by an Arizona registered engineer with traffic experience. If the peak hour trips exceed 100 trips per hour, then a full traffic study will be requested.

4. Each of the conditions listed above shall be completed within two (2) years of the effective date of the rezoning ordinance or prior to the issuance of a Building Permit, Certificate of Occupancy or City of Yuma Business License for this site, whichever occurs first. If the conditions of approval are not completed within the above timeframe then the rezone shall be subject to ARS § 9-462.01.

EXCERPT FROM PLANNING AND ZONING COMISSION MEETING MINUTES:

Meredith Rojas, Associate Planner summarized the staff report and recommended **APPROVAL.**

QUESTIONS FOR STAFF
None

APPLICANT/APPLICANT'S REPRESENTATIVE
"Najah Edias, on behalf of Edias Engineering was available for questions.

"Chairman Chris Hamel asked will each apartment have its own backyard. **Edias** answered yes and further stated that these would be not just apartments, but a home.

PUBLIC COMMENT
None

"Motion by Vice Chairman John Mahon second by Commissioner Ashlie Pendleton to APPROVE ZONE-44208-2025 as presented.

"Motion carried unanimously, (5-0) with one recused and one vacancy.'

Planning and Zoning Staff Report - Attached

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
NONE

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☒ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/05/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/04/2025

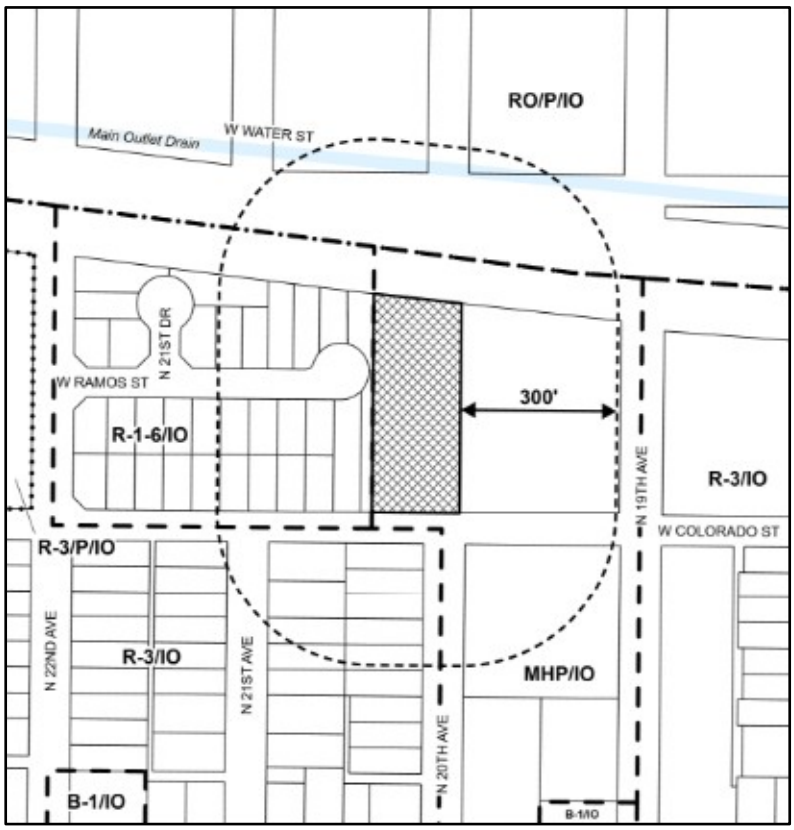
STAFF REPORT TO THE PLANNING AND ZONING COMMISSION
DEPARTMENT OF COMMUNITY DEVELOPMENT
COMMUNITY PLANNING DIVISION
CASE TYPE – REZONE
CASE PLANNER: MEREDITH ROJAS

Hearing Date: August 11, 2025 **Case Number**: ZONE-44208-2025

Project Description/ Location: This is a request by Edais Engineering Inc, on behalf of Loneram LLC, to rezone approximately 1.62 acres from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District for the property located at the northwest corner of Colorado Street and 20th Avenue, Yuma, AZ.

	Existing Zoning	Use(s) on-site	General Plan Designation
Site	Manufactured Housing Park/Infill Overlay (MHP/IO)	Vacant	High Density Residential
North	Recreation and Open Space (RO)	Colorado River Levee Linear Park, West Wetlands Park	Resort/Recreation/ Open Space
South	High Density Residential/Infill Overlay (R-3/IO)	Single-family homes	Low Density Residential
East	Manufactured Housing Park/Infill Overlay (MHP/IO)	Colorado Street Trailer Park	Low Density Residential
West	Low Density Residential/Infill Overlay (R-1-6/IO)	Single-family homes	Low Density Residential

Location Map



Prior site actions: Incorporation, City Charter, effective January 12, 1915; Rezoning, C-10-63 (Res A to Res C), 1963; Rezoning, Z83-32 (Res C to MH), Ordinance 2179, effective February 18, 1984; Conditional Use Permit, CU84-1 (expansion of RV park), approved January 24, 1984; Conditional Use Permit, CU85-16 (time extension), approved January 28, 1986; Loneram Lot Tie / Lot Split recorded June 12, 2025 (Fee # 2025-14531); General Plan Amendment, GP-43807-2025, Resolution No. R2025-081, approved August 6, 2025

Staff Recommendation: Staff recommends **APPROVAL** of the rezoning from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District, subject to the conditions shown in Attachment A.

Suggested Motion: Move to **APPROVE** rezone ZONE-44208-2025 as presented, subject to the staff report, information provided during this hearing, and the conditions in Attachment A.

Effect of the Approval: By approving the rezone, the Planning and Zoning Commission is recommending approval to City Council for the request to rezone approximately 1.62 acres from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District for the property located at the northwest corner of Colorado Street and 20th Avenue, Yuma, AZ, subject to the conditions outlined in Attachment A, and affirmatively finds that the request is in conformance with the City of Yuma General Plan.

Staff Analysis: The subject property is located at the northwest corner of Colorado Street and 20th Avenue. The property is 1.62 acres and is currently vacant. In 2025, the property was the subject of a General Plan Amendment to change the land use designation from Low Density Residential to High Density Residential.

With this request the applicant is seeking to rezone the property from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District for multi-family development. Specifically, the applicant intends to construct two rows of 12 one-story apartments, for a total of 24 units, and a parking lot with approximately 50 spaces.

All new development will be required to meet City of Yuma development standards, including regulations related to building setbacks and heights, paved access and parking, lighting, landscaping, private and common open space, lot coverage, sidewalks, and stormwater retention.

The request to rezone the property from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District conforms with the General Plan.

1. Does the proposed zoning district conform to the Land Use Element? Yes.

Land Use Element:											
Land Use Designation:	High Density Residential										
Issues:	None										
Historic District:	Brinley Avenue		Century Heights		Main Street		None	X			
Historic Buildings on Site:	Yes		No	X							

2. Are there any dedications or property easements identified by the Transportation Element?
No.

FACILITY PLANS						
Transportation Master Plan	**Planned**	**Existing**	**Gateway**	**Scenic**	**Hazard**	**Truck**
Colorado St – Local	29 FT HW	30 FT HW				
Bicycle Facilities Master Plan	Colorado River Levee – Existing bike path; 1st St – Proposed bike lane					
YCAT Transit System	3rd Street at 20th Avenue - Green Route 4/4A					
Issues:	None					

3. Does the proposed rezoning of the property conform to the remaining elements of the general plan? Yes.

Parks, Recreation and Open Space Element:		
Parks and Recreation Facility Plan		
Neighborhood Park:	Existing: Kiwanis Park	Future: Kiwanis Park
Community Park:	Existing: Joe Henry Park Complex	Future: Joe Henry Park Complex
Linear Park:	Existing: Colorado River Levee Linear Park	Future: Colorado River Levee Linear Park
Issues:	None	

Housing Element:	
Special Need Household:	N/A
Issues:	None

Redevelopment Element:								
Planned Redevelopment Area:	West Riverfront Study Area							
Adopted Redevelopment Plan:	North End:		Carver Park:		None:	X		
Conforms:	Yes		No		NA			

Conservation, Energy & Environmental Element:					
Impact on Air or Water Resources	Yes		No	X	
Renewable Energy Source	Yes		No	X	
Issues:	None				

Public Services Element:

Population Impacts
Population projection per 2023 5-year American Community Survey
Police Impact Standard:
1 officer for every 530 citizens;
2020 Conservation Plan
Water demand: 207 gallons/day/person;
Wastewater generation:
70 gallons per day per person

Multi-Family		Population	Impact	Consumption		Generation
Maximum	Per Unit		**Officers**	**GPD**	**AF**	**GPD**
49	1.8	88	0.17	18,257	20.5	6,174
Minimum						
21	1.8	38	0.07	7,825	8.8	2,646

Fire Facilities Plan:	Existing: Fire Station No. 1					Future: Fire Station No. 1		
Water Facility Plan:	Source:	City	X	Private		Connection:	6" PVC line on Colorado Street and Bonita Estates	
Sewer Facility Plan:	Treatment:	City	X	Septic		Private		8" line on Colorado Street and Bonita Estates
Issues:	None							

Safety Element:								
Flood Plain Designation:	X Protected by Levee	Liquefaction Hazard Area:	Yes	X	No			
Issues:	None							

Growth Area Element:

Growth Area:	Araby Rd & Interstate 8		Arizona Ave & 16th St				Avenue B & 32nd St.			
	North End		Pacific Ave & 8th St		Estancia		None	X		
Issues:	None									

4. Does the proposed rezoning conform to the adopted facilities plan?

Yes.

5. Does the proposed rezoning conform to Council's prior approval of rezonings, development agreements or subdivisions for this site?

Yes. A General Plan Amendment was approved on August 6, 2025, that changed the land use designation from Low Density Residential to High Density Residential.

Public Comments Received: None Received

External Agency Comments: None Received

Neighborhood Meeting Comments: See Attachment E

Proposed conditions delivered to applicant on: 07/14/25

Final staff report delivered to applicant on: 08/04/25

- [X] Applicant agreed with all of the conditions of approval on: 07/25/25
- [ ] Applicant did not agree with the following conditions of approval:
- [ ] Planner is unable to make contact with the applicant

Attachments

A	B	C	D	E	F	G	H
Conditions of Approval	Conceptual Site Plan	Agency Notifications	Agency Comments	Neighborhood Meeting Comments	Neighbor Notification List	Neighbor Postcard	Aerial Photo

Prepared By: Meredith Rojas **Date:** 07/22/25

Meredith Rojas
Associate Planner (928) 373-5000, x3047
Meredith.Rojas@yumaaz.gov

Reviewed By: Jennifer L. Albers **Date:** 7/22/25

Jennifer L. Albers
Assistant Director of Planning

Approved By: Alyssa Linville **Date:** 07/31/25

Alyssa Linville
Director, Community Development

ATTACHMENT A
CONDITIONS OF APPROVAL

The following conditions have been found to have a reasonable nexus and are roughly proportionate to the impact of the proposed rezone for the site:

Department of Planning and Neighborhood Services Comments: Alyssa Linville, Director (928) 373-5000 x 3037

1. The conditions listed below are in addition to City codes, rules, fees and regulations that are applicable to this action.

2. The Owner's signature on the application for this land use action shall constitute a waiver of any claims for diminution in value pursuant to A.R.S. § 12-1134.

Department of Engineering, Andrew McGarvie, Engineering Manager, (928) 373-5000 x 3044

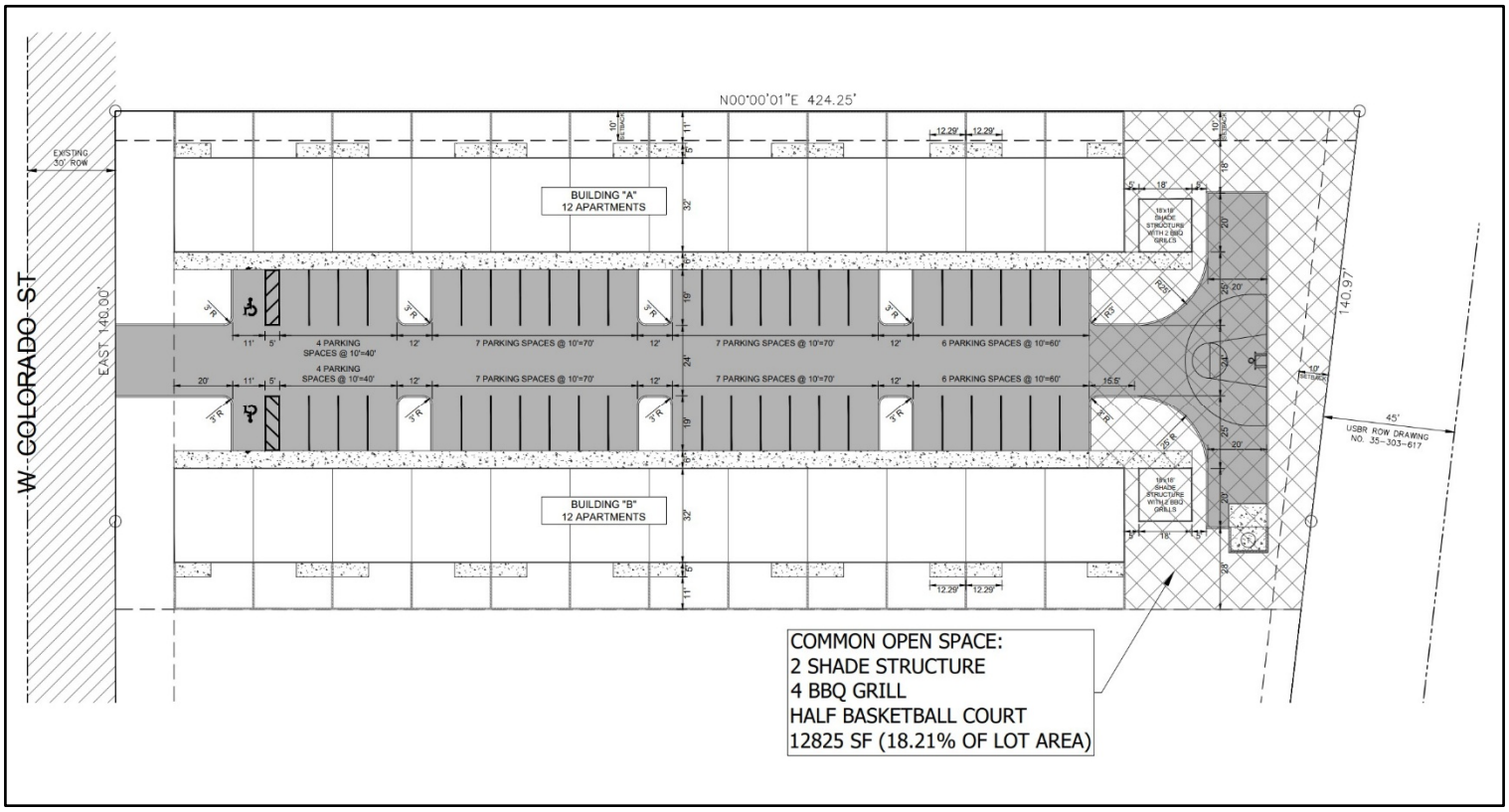
3. The Owner/Developer shall provide the expected peak hour trips generated from this facility based on the Trip Generation Manual from the Institute of Traffic Engineers interpreted by an Arizona registered engineer with traffic experience. If the peak hour trips exceed 100 trips per hour, then a full traffic study will be requested.

Community Planning, **Meredith Rojas, Associate Planner, (928) 373-5000 x 3047**

4. Each of the conditions listed above shall be completed within two (2) years of the effective date of the rezoning ordinance or prior to the issuance of a Building Permit, Certificate of Occupancy or City of Yuma Business License for this site, whichever occurs first. If the conditions of approval are not completed within the above timeframe then the rezone shall be subject to ARS § 9-462.01.

Any questions or comments regarding the Conditions of Approval as stated above should be directed to the staff member who provided the comment. Name and phone numbers are provided.

ATTACHMENT B
CONCEPTUAL SITE PLAN



ATTACHMENT C
AGENCY NOTIFICATIONS

- **Legal Ad Published: The Sun** 07/18/25
- **300' Vicinity Mailing:** 06/23/25
- **34 Commenting/Reviewing Agencies noticed:** 06/25/25
- **Site Posted on:** 06/25/25
- **Neighborhood Meeting:** 07/02/25
- **Hearing Date:** 08/11/25
- **Comments due:** 07/07/25

External List (Comments)	**Response Received**	**Date Received**	**"No Comment"**	**Written Comments**	**Comments Attached**
Yuma County Airport Authority	YES	06/26/25	X		
Yuma County Engineering	NR				
Yuma County Public Works	YES	06/25/25	X		
Yuma County Water Users' Assoc.	YES	06/27/25	X		
Yuma County Planning & Zoning	NR				
Yuma County Assessor	NR				
Arizona Public Service	NR				
Time Warner Cable	NR				
Southwest Gas	NR				
Qwest Communications	NR				
Bureau of Land Management	NR				
YUHS District #70	NR				
Yuma Elem. School District #1	NR				
Crane School District #13	NR				
A.D.O.T.	NR				
Yuma Irrigation District	NR				
Arizona Fish and Game	NR				
USDA – NRCS	NR				
United States Postal Service	NR				
Yuma Metropolitan Planning Org.	NR				
El Paso Natural Gas Co.	NR				
Western Area Power Administration	YES	06/25/25	X		
Ft. Yuma Quechan Tribe	YES	06/25/25	X		
City of Yuma Internal List (Conditions)	**Response Received**	**Date Received**	**"No Conditions"**	**Written Conditions**	**Comments Attached**
Police	NR				
Parks & Recreation	NR				
Development Engineer	YES	07/10/25		X	X
Fire	YES	06/26/25			X
Building Safety	NR				
City Engineer	NR				
Traffic Engineer	NR				
MCAS / C P & L Office	YES	06/26/25	X		
Utilities	NR				
Public Works	NR				
Streets	NR				

ATTACHMENT D
AGENCY COMMENTS

DATE:	06/26/2025	NAME:	Kayla Franklin	TITLE:	Fire Marshal
AGENCY:	City of Yuma, Development Engineering			PHONE:	928-373-4865
Enter comments below:					
Fire Department Turnaround (Hammerhead) must meet COY Engineering Standards, and basketball hoop cannot encroach into drive area. A clear vertical space of 13'6" must be maintained for fire apparatus.					

DATE:	07/10/2025	NAME:	Andrew McGarvie	TITLE:	Engineering Manager
AGENCY:	City of Yuma, Development Engineering			PHONE:	928-373-5000 ext. 3044
Enter comments below:					
The Owner/Developer shall provide the expected peak hour trips generated from this facility based on the Trip Generation Manual from the Institute of Traffic Engineers interpreted by an Arizona registered engineer with traffic experience. If the peak hour trips exceed 100 trips per hour, then a full traffic study will be requested.					

ATTACHMENT E
NEIGHBORHOOD MEETING COMMENTS

Date Held: 07/02/25 **Location:** Room 190, One City Plaza, Yuma
Attendees: Staff: Meredith Rojas; Joshua Darrow, Jennifer Albers; Applicants: Alaa El Anba, Jose Salazar; Ron Martin; Jeff Martin; Audrey Eichten Huettl

Summary of Attendees' Comments Related to the Project:

- No neighbors in attendance. No comments or questions.

ATTACHMENT F
NEIGHBOR NOTIFICATION LIST

Property Owner	Mailing Address	City/State/Zip Code
ADAIR LAINE W & RENA F	2030 W RAMOS ST	YUMA, AZ 85364
ALVARADO FAMILY TRUST 2-4-2021	8606 MENKAR RD	SAN DIEGO, CA 92126
CANIZALES ALEXANDER	2110 S 48TH WY	YUMA, AZ 85364
CARBALLO ERNESTO JR	2075 W RAMOS ST	YUMA, AZ 85364
CARVAJAL JORGE	2098 W COLORADO ST	YUMA, AZ 85364
CASTANEDA JUAN	179 N 21ST AVE SP C	YUMA, AZ 85364
CONDE MANUEL	2111 W RAMOS ST	YUMA, AZ 85364
CONTRERAS CARMEN L	147 N 21ST AVE	YUMA, AZ 85364
DE LA HOYA MARIO & RAMONA	196 N 20TH AVE	YUMA, AZ 85364
ESCALERA ANDRES R & JUANA AYALA	2054 W COLORADO ST	YUMA, AZ 85364
GILL RAYMOND S & LUPE ELOISE HURTADO JT	291 N 21ST DR	YUMA, AZ 85364
GUERRA SARA T AND JOSE JR JT	2096 W RAMOS ST	YUMA, AZ 85364
LONERAM LLC	PO BOX 1985	YUMA, AZ 85366
LUGO GLORIA A	2102 W RAMOS ST	YUMA, AZ 85364
LUNA JOSE E & CRISTINA JT	180 N 20TH AVE	YUMA, AZ 85364
MORALES OLIVIA ELIZARRARAZ	6834 HOLLENBECK ST	HUNTINGTON PARK, CA 90255
NAVARRO BROTHERS TRUST 11-8-2024	11643 E 34TH ST	YUMA, AZ 85367
PACHECO RUBEN B & MARIA M URIAS JT	170 N 20TH AVE	YUMA, AZ 85364
PITCAIRN ALAN TRUST 5-16-1990	5744 LA JOLLA CORONA DR	LA JOLLA, CA 92037
RAMOS JEWLIAN	2053 W RAMOS ST	YUMA, AZ 85364
RAMOS MARTIN JACOB & MARILYN	2074 W RAMOS ST	YUMA, AZ 85364
REYNA RUBEN ENRIQUEZ & MARIA ELENA CPWROS	2124 W COLORADO ST	YUMA, AZ 85364
RODRIGUEZ HERMINIO & ROSALVA CPWROS	PO BOX 2998	YUMA, AZ 85366
ROMERO CAMILO DURAN	2112 W COLORADO ST	YUMA, AZ 85364
SACO & SADIK PROPERTIES LLC	2301 S 4TH AVE	YUMA, AZ 85364
SOTELO RAUL M & MARIA DE LOS ANGELES V CPWROS	2097 W RAMOS ST	YUMA, AZ 85364
TELLEZ DANIEL V	2123 W RAMOS ST	YUMA, AZ 85364
VALENZUELA OSCAR L & ANGELICA JT	174 N 21ST AVE	YUMA, AZ 85364
VEL PROPERTIES LLC	PO BOX 387	YUMA, AZ 85366
YUMA CITY OF	ONE CITY PLAZA	YUMA, AZ 85364

ATTACHMENT G
NEIGHBOR MAILING

This is a request by Edais Engineering Inc, on behalf of Loneram LLC, to rezone approximately 1.62 acres from the Manufactured Housing Park (MHP) District to the High Density Residential (R-3) District for the property located at the northwest corner of Colorado Street and 20th Avenue, Yuma, AZ.

MEETING DATE, TIME & LOCATION
FOR CASE #
ZONE-44208-2025

NEIGHBORHOOD MEETING
07/02/2025 @ 5PM
Yuma City Hall, One City Plaza,
Yuma, AZ, Room #190

PUBLIC HEARING
08/11/2025 @ 4:30pm
City Hall Council Chambers
One City Plaza, Yuma, AZ.



Because you are a neighbor within 300' of northwest corner of Colorado Street and 20th Avenue, Yuma, AZ, you are invited to attend these public meetings to voice your comments. If you have questions or wish to submit written comments, please contact Meredith Rojas by phone at (928) 373-5000 ext. 3047 or by email at Meredith.Rojas@YumaAz.gov. All written comments must be submitted by 12:00 pm **(the day of the hearing)** to be included in the public record for consideration during the hearing.

ATTACHMENT H
AERIAL PHOTO



Subject Property

ORDINANCE NO. O2025-040

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AMENDING CHAPTER 154 OF THE YUMA CITY CODE, REZONING CERTAIN PROPERTY LOCATED IN THE MANUFACTURED HOUSING PARK (MHP) DISTRICT TO THE HIGH DENSITY RESIDENTIAL (R-3) DISTRICT, AND AMENDING THE ZONING MAP TO CONFORM WITH THE REZONING

WHEREAS, the City of Yuma Planning and Zoning Commission held a public hearing on August 11, 2025 in Zoning Case No: ZONE-44208-2025 in the manner prescribed by law for the purpose of rezoning a parcel of real property hereafter described to the High Density Residential (R-3) District as provided in Chapter 154 of the Yuma City Code; and,

WHEREAS, due and proper notice of the public hearing was given in the time, form, substance, and manner provided by law, including publication of notice of the hearing in the Yuma Sun on July 18, 2025; and,

WHEREAS, the City Council has considered the recommendation of the Planning and Zoning Commission to approve the rezoning in Case No: ZONE-44208-2025 and the probable impact on the cost to construct housing for sale or rent that may occur as a result of this rezoning, and finds that the recommendation complies with and conforms to the goals and objectives of the Yuma General Plan, as amended.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: The following described real property, depicted in Exhibit A, attached:

A parcel of land being located in the Northwest Quarter of the Northwest Quarter of Section 34, Township16 South, Range 22 East, of the Gila and Salt River Base and Meridian, and being more particularly described as follows,

Parcel 1 of the Loneram Lot Split/Lot Tie, Fee# 2025-14531, Bk.37, Pg.23, Dated: 6-12-2025 as recorded in the Yuma County Recorder's Office, Yuma County, City of Yuma, Arizona.

Containing 1.62 acres, more or less.

shall be placed in the High Density Residential (R-3) District, as defined by Chapter 154 of the Yuma City Code as amended; that upon this Ordinance becoming final, the described real property shall be subject to all rules, regulations and requirements of Chapter 154 of the Yuma City Code, as amended, pertaining to the High Density Residential (R-3) District, and that the zoning map adopted under Chapter 154 of the Yuma City Code is ordered to be changed and amended so as to show that the real property described in this Ordinance will be located within the High Density Residential (R-3) District.

SECTION 2: The following conditions must be met and/or completed in order for the zoning amendment to be final:

1. The conditions listed below are in addition to City codes, rules, fees and regulations that are applicable to this action.

2. The Owner's signature on the application for this land use action shall constitute a waiver of any claims for diminution in value pursuant to A.R.S. § 12-1134.

3. The Owner/Developer shall provide the expected peak hour trips generated from this facility based on the Trip Generation Manual from the Institute of Traffic Engineers interpreted by an Arizona registered engineer with traffic experience. If the peak hour trips exceed 100 trips per hour, then a full traffic study will be required.

SECTION 3: Each of the conditions listed above shall be completed within two (2) years of the effective date of this rezoning ordinance or prior to the issuance of a building permit or business license for this site, whichever occurs first. If the conditions of approval are not completed within the above timeframe, then the rezone shall be subject to A.R.S. § 9-462.01.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

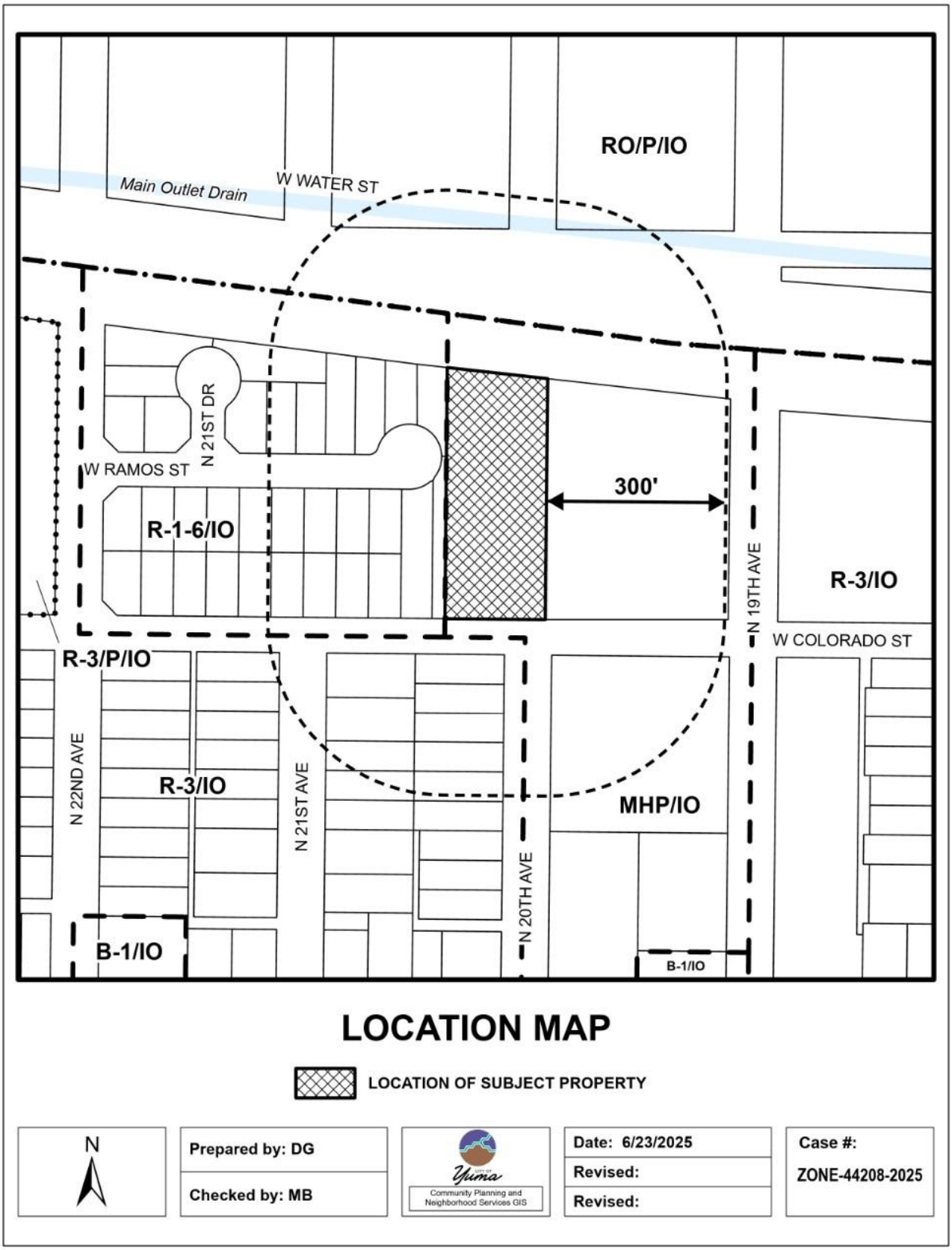
ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

Exhibit A


RO/P/IO
Main Outlet Drain
W WATER ST
N 21ST DR
W RAMOS ST
300'
R-1-6/IO
R-3/IO
N 19TH AVE
W COLORADO ST
R-3/P/IO
N 22ND AVE
R-3/IO
N 21ST AVE
MHP/IO
N 20TH AVE
B-1/IO
B-1/IO
LOCATION MAP
LOCATION OF SUBJECT PROPERTY
N
Prepared by: DG
Checked by: MB
Community Planning and Neighborhood Services GIS
Date: 6/23/2025
Revised:
Revised:
Case #:
ZONE-44208-2025

City of Yuma

City Council Report

File #: O2025-041 **Agenda Date:** 9/17/2025 **Agenda #:** 5.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Community Development	☐ Active & Appealing	☐ Resolution
	☒ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☒ Ordinance - Adoption
Community Planning	☐ Unique & Creative	☐ Public Hearing

TITLE:
Statutory Compliance Hearing/Amendment: Ordinance O2022-048

SUMMARY RECOMMENDATION:
Pursuant to A.R.S. § 9-462.01, determine compliance with the conditions of approval for rezoning Ordinance O2022-048, and introduce an ordinance to amend O2022-048 to extend the time to comply with the rezoning conditions. (Community Development/ Community Planning) (Alyssa Linville)

STRATEGIC OUTCOME:
This statutory compliance hearing and ordinance will validate the zoning for residential development that will be responsibly constructed, meeting all codes and requirements. This statutory compliance hearing furthers the City Council's strategic outcomes of Safe and Prosperous and Respected and Responsible.

REPORT:
On October 5, 2022, the City Council adopted Ordinance O2022-048, authorizing the property located at the southeast corner of 24th Street and Avenue 7½E, Yuma, Arizona, to be rezoned from the Limited Commercial (B-1) District to the Medium Density Residential/Planned Unit Development Overlay (R-2/PUD) District. Ordinance O2022-048 required that the following conditions of approval be completed within two (2) years of approval:

1. The conditions listed below are in addition to City codes, rules, fees and regulations that are applicable to this action.

2. The Owner's signature on the application for this land use action shall constitute a waiver of any claims for diminution in value pursuant to A.R.S. § 12-1134.

3. The Owner shall submit to the City of Yuma, for recordation, a signed and notarized Avigation Easement on the property acknowledging potential noise and overflight of aircraft from both daily and special operations of the Marine Corps Air Station and the Yuma International Airport.

4. The common area/retention basin shall be designed to include at a minimum, one ramada and two barbeque grills.

5. A homeowner's association shall be established to maintain the amenities within the common area/retention basin.

6. Increased exterior architectural features shall include tile roofs, shiplap siding, and a front porch.

7. Xeriscape landscape design in the front yards featuring an irrigation system, a drought tolerant shade tree planted within four to eight feet of the sidewalk, and accent shrubs.

8. Each of the conditions listed above shall be completed within two (2) years of the effective date of the rezoning ordinance or prior to the issuance of a Building Permit, Certificate of Occupancy or City of Yuma Business License for this site, whichever occurs first. If the conditions of approval are not completed within the above timeframe then the rezone shall be subject to § 9-462.01.

DETERMINATION:
Arizona Revised Statutes § 9-462.01(E) states that if the time for completion of a condition has expired, the City shall notify the owner, schedule a public hearing, and take administrative action to "extend, remove, or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification."

In this case, the property owner still wants the property rezoned to the Medium Density Residential/Planned Unit Development (R-2/PUD) District, as they are ready to proceed with the development of this residential project. The property owner will complete the remaining Conditions of Approval required under Zoning Case ZONE-37623-2021 through the subdivision process.

RECOMMENDATION:
At the close of the public hearing, staff recommends that City Council introduce the attached ordinance which amends Ordinance O2022-048 by extending the deadline to comply with the conditions of approval for the rezone from two years to five years.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP -	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
NOT APPLICABLE

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☐ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/05/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/04/2025

ORDINANCE NO. O2025-041

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AMENDING ORDINANCE O2022-048 TO EXTEND THE TIME FOR COMPLIANCE WITH CONDITIONS FOR THE REZONING OF CERTAIN PROPERTY FROM LIMITED COMMERCIAL (B-1) DISTRICT TO THE MEDIUM DENSITY RESIDENTIAL/PLANNED UNIT DEVELOPMENT (R-2/PUD) DISTRICT AND AMENDING THE ZONING MAP TO CONFORM THERETO

WHEREAS, the City Council adopted Ordinance No. O2022-048 on October 5, 2022, rezoning certain property subject to conditions which have not been fully met; and,

WHEREAS, pursuant to Arizona Revised Statutes (A.R.S.) § 9-462.01 and Ordinance No. O2022-048, a statutory compliance hearing was held on September 17, 2025 and this amendment to Ordinance No. O2022-048 was introduced; and,

WHEREAS, the City seeks to resolve the outstanding conditions to bring the property into compliance with the rezoning to the Medium Density Residential/Planned Unit Development (R-2/PUD) District,

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: The words "two (2) years" in Section 3 of Ordinance No. O2022-048 is amended to "five (5) years."

SECTION 2: Subject to this amendment, Ordinance No. O2022-048 shall remain in full force and effect.

Adopted this _____ day of _____, 2025.

APPROVED:

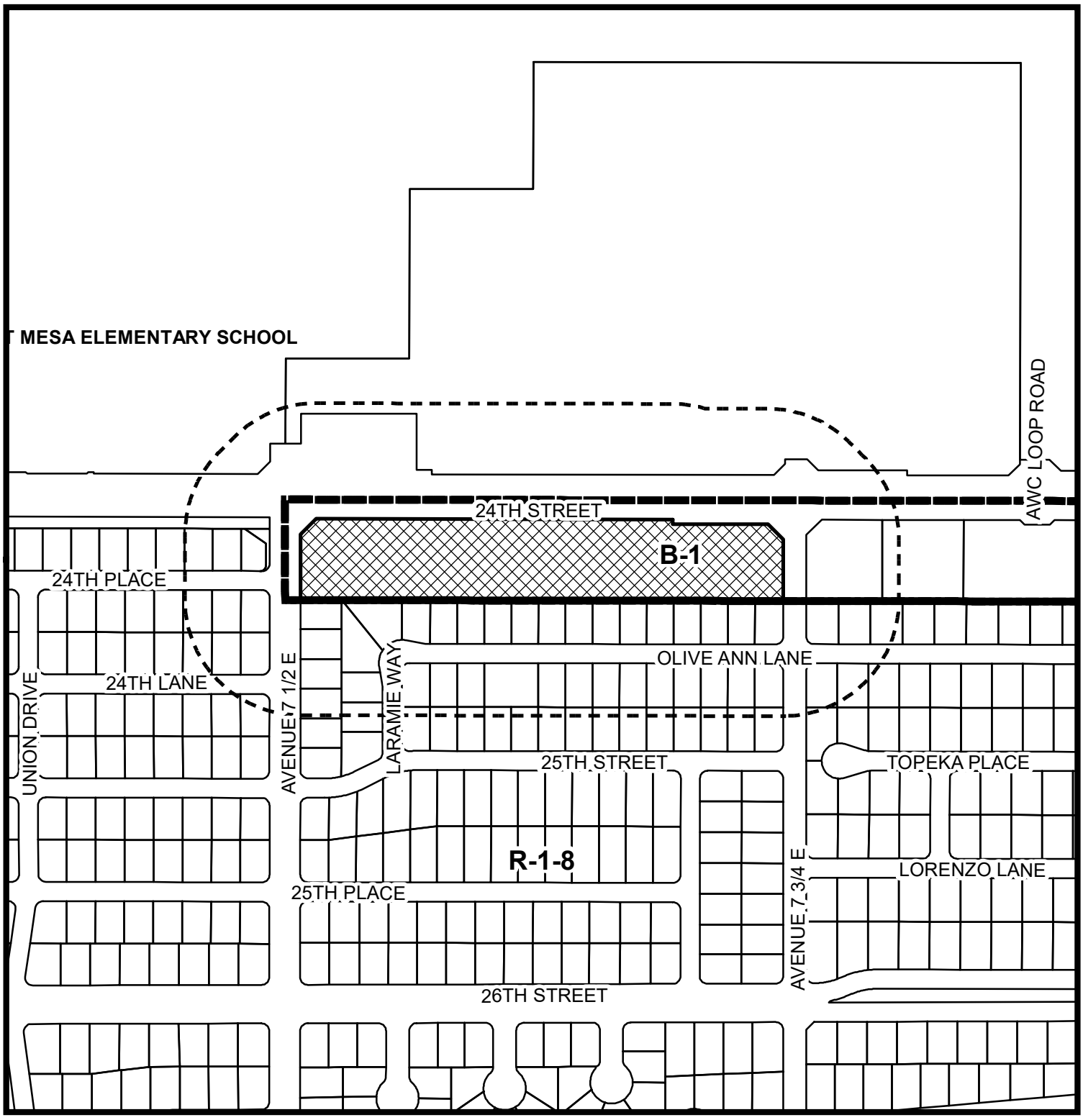
_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney



LOCATION MAP

LOCATION OF SUBJECT PROPERTY

N W E S	Prepared by: AL Checked by:	City of Yuma Information Technology Services Enterprise GIS	Date: 12-23-21 Revised: Revised:	Case #: ZONE-37623-2021

City of Yuma

City Council Report

File #: O2025-042 **Agenda Date:** 9/17/2025 **Agenda #:** 6.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Finance	☐ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☒ Ordinance - Adoption
	☐ Unique & Creative	☐ Public Hearing

TITLE:
Issuance of Utility System Revenue Obligations (Utility Revenue Bonds) Series 2025

SUMMARY RECOMMENDATION:
Adopt an ordinance authorizing the issuance, sale, and delivery of Utility System Revenue Obligations (Utility Revenue Bonds) Series 2025 to fund $44,000,000 water and wastewater improvements in the FY 2026-2030 Capital Improvement Plan, refund prior obligations (bonds) if advantageous, and cover issuance costs, with final terms delegated to the City Administrator and Finance Director within Council-approved limits. (City Administration/Finance) (Jay Simonton/Doug Allen)

STRATEGIC OUTCOME:
The issuance of Utility System Revenue Obligations (Utility Revenue Bonds) supports the City Council's strategic outcome of Safe and Prosperous by providing the funding needed to complete critical water and wastewater improvements that serve residents and businesses, ensure reliable utility services, and support future growth. This financing approach demonstrates responsible stewardship of City resources by leveraging favorable market conditions, providing predictable repayment costs, and preserving long-term financial flexibility.

REPORT:
The municipal bond market is currently favorable for new borrowing and refinancing. Bonds are one of the primary tools cities use to finance major capital projects too large to be funded within a single year's revenue stream.

By issuing bonds, the City is able to complete significant improvements now-such as upgrades to the water and wastewater systems-while spreading repayment into predictable annual costs over time. This approach allows the City to maintain reliable utility services, support community growth, and preserve cash reserves for emergencies and ensuring compliance with Arizona's Annual Expenditure Limitation (AEL).

The proposed ordinance authorizes the City to issue Utility System Revenue Obligations (Utility Revenue Bonds) to take advantage of favorable market conditions. Repayment will be secured by a pledge of net revenues from the City's water and wastewater systems, after payment of operations and maintenance costs. These obligations are not backed by property taxes and will never constitute a general obligation of the City.

The City will use proceeds of $44,000,000 to fund:

- Water and wastewater utility improvements identified in the FY 2026-2030 Capital Improvement Plan
- Refund prior utility revenue obligations (utility revenue bonds) if market conditions provide cost savings
- Pay the costs of issuance

The obligations will be underwritten by Stifel, Nicolaus & Company, Incorporated, which also underwrote the City's 2021 Public Safety Personnel Retirement System refinancing and the 2021 Desert Dunes Utility System Revenue Obligations. A trustee will be appointed through an indenture agreement to oversee the issuance. The obligations will be issued in book-entry form, with interest qualifying for tax-exempt treatment under federal law.

Because interest rates are volatile, the ordinance delegates authority to the City Administrator and Finance Director to finalize repayment schedules, maturities, callable features, credit enhancements, and aggregate principal within the limits set by Council. Final sale results, including interest rates and repayment schedules, will be reported back to City Council. Adoption of this ordinance is scheduled for October 1, 2025, with the bond sale expected in late November or early December 2025.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP n/a	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
Issuing utility system revenue obligations will accelerate completion of needed water and wastewater improvements, provide predictable annual repayment costs, and preserve fund balances for unforeseen situations. This financing approach also helps the City manage Arizona's Annual Expenditure Limitation, as both bond proceeds and repayments are excluded from the state-imposed spending cap.

Unspent bond proceeds will remain available in future fiscal years until the associated projects are completed.

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

1. Ordinance
2. Preliminary Official Statement
3. Obligation Indenture
4. Obligation Purchase Agreement
5. Series 2025 Purchase Agreement

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☐ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/09/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/08/2025

ORDINANCE NO. O2025-042

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, PROVIDING FOR THE SALE AND EXECUTION AND DELIVERY OF UTILITY SYSTEM REVENUE AND/OR REVENUE REFUNDING OBLIGATIONS, IN ONE OR MORE SERIES, AND AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY WITH RESPECT THERETO OF AGREEMENTS NECESSARY OR APPROPRIATE AS PART OF FINANCING AND/OR REFINANCING PART OF THE WATERWORKS AND SEWER PLANT AND SYSTEM OF THE CITY; DELEGATING TO THE CITY ADMINISTRATOR AND THE DIRECTOR OF FINANCIAL SERVICES OF THE CITY CERTAIN AUTHORITY WITH RESPECT TO THE PURPOSES HEREOF; AND DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES

WHEREAS, the City Council of the City of Yuma, Arizona (the "City"), has determined to finance the capital costs of improvements (the "2025 Projects") and to refinance the capital costs of improvements (the "Refinanced Projects" and, collectively with the 2025 Projects, the "Projects") to the complete waterworks and sewer plant and system of the City; and

WHEREAS, it is necessary and in the best interests of the City that the hereinafter described Obligations be incurred and sold and the proceeds thereof used to finance and/or refinance the costs of the Projects; and

WHEREAS, therefore, the City Council has determined to cause the execution and delivery of a Series 2025 Purchase Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Purchase Agreement"), in substantially the form presented at the meeting at which this Ordinance is being introduced and adopted, by which the City will agree to purchase the Projects; and

WHEREAS, the costs of the Projects will be financed and/or refinanced through the sale and execution and delivery of certain proportionate interests (to be executed in one or more series, referred to collectively herein as the "Obligations") in the Purchase Agreement pursuant to, and secured by, a Series 2025 Obligation Indenture, to be dated as of the date of the Purchase Agreement (the "Indenture"), from the City to a bank authorized to exercise corporate trust powers in the State of Arizona, appointed as provided hereby, as trustee (the "Trustee"), in substantially the form presented at the meeting at which this Ordinance is being introduced and adopted; and

WHEREAS, refinancing the Refinanced Projects will be accomplished by refinancing all or a portion of the payments due pursuant to the Series 2015 Utilities City Purchase Agreement, dated

as of October 1, 2015 (the "2015 Purchase Agreement"), to the City of Yuma Municipal Property Corporation (the "Corporation"); and

WHEREAS, the payments due from the City pursuant to the 2015 Purchase Agreement secure certain payments due with respect to the Corporation's Senior Lien Utility System Revenue Refunding Bonds, Series 2015 (the amounts of such bonds to be refunded as provided herein are referred to herein as the "Bonds Being Refunded"); and

WHEREAS, the City Council (i) will receive a proposal from Stifel, Nicolaus & Company, Incorporated ("Stifel"), serving in the capacity of and designated as the underwriter (the "Underwriter"), and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission (the "MA Rule"), and has determined that the Obligations may be sold through negotiation to the Underwriter on such terms as may hereafter be approved by the hereinafter defined Authorized Representatives; and (ii) may receive a proposal from Stifel, serving in the capacity of and designated as the placement agent (the "Placement Agent"), and not acting as a municipal advisor as defined in the MA Rule, and has determined that the Obligations may be placed by the Placement Agent on such terms as may hereafter be approved by the Authorized Representatives; and

WHEREAS, the City will execute and deliver a Continuing Disclosure Undertaking, to be dated the date of the Obligations (the "Undertaking"), with respect to the Obligations, in substantially the form included as an appendix to the hereinafter described Preliminary Official Statement if any of the Obligations are to be sold to the Underwriter; and

WHEREAS, the City has the requisite power and authority to execute and deliver the Purchase Agreement and to cause the sale and execution and delivery of the Obligations, and all acts, conditions and things required by the Constitution and laws of the State of Arizona and the requirements of the City to happen, exist and be performed precedent to and as a condition to the adoption of this Ordinance have happened, exist and have been performed in the time and manner required to make the Purchase Agreement a valid and binding limited, special obligation of the City; and

WHEREAS, there have been presented to the City Council at the meetings at which this Ordinance is being introduced and adopted, and there are on file with the City Clerk, the proposed forms of: (1) the Purchase Agreement; (2) the Indenture; (3) the Undertaking; (4) an obligation purchase agreement, to be dated the date of the sale of the Obligations (the "Purchase Contract"), by and between the City and the Underwriter, to be executed and delivered if any of the Obligations are sold to the Underwriter; and (5) a preliminary official statement, to be dated the date of the dissemination thereof (the "Preliminary Official Statement"), relating to the Obligations, which, as to be revised after the sale of the Obligations if any of the Obligations are sold to the Underwriter pursuant to the Purchase Contract, shall constitute the Official Statement, to be dated the date of sale of the Obligations (the "Official Statement"), relating to the Obligations, the Preliminary Official Statement and the Official Statement to be used in connection with the public offering of the Obligations if any of the Obligations are sold to the Underwriter pursuant to the Purchase Contract; and

WHEREAS, the City is authorized and empowered pursuant to law to issue or cause to be issued obligations to finance the costs of various capital facilities owned or to be owned by the City; and

WHEREAS, it is contemplated that certain expenditures made by the City with regard to the 2025 Projects will be reimbursed from the proceeds of the sale of obligations to be issued in the future by or on behalf of the City (including the Obligations).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF YUMA AS FOLLOWS:

SECTION 1:

(a) For the purpose of providing funds to finance and/or refinance the costs of the Projects and the related costs of the sale and execution and delivery of the Obligations, the Obligations shall be sold and executed and delivered. The Obligations shall be dated the date of their initial authentication and delivery, shall be issued in such form and denominations, shall be payable as to interest and principal on such dates, shall be executed in such manner and shall have such other provisions, including, without limitation, provisions with respect to redemption prior to maturity, as set forth in the form of the Indenture, with such additions, deletions and modifications consistent with this Ordinance as shall be approved by the Authorized Representatives executing and delivering the same on behalf of the City, the execution and delivery thereof to constitute conclusive evidence of their approval and of such additions, deletions or modifications. The entity to serve as Trustee, which of the Obligations will be sold to the Underwriter pursuant to the Purchase Contract or placed by the Placement Agent pursuant to the hereinafter defined Placement Agreement, the series name and designation of each series of the Obligations, the aggregate principal amount of the Obligations (which will not exceed $44,000,000 in aggregate principal amount for Obligations to be used to finance the costs of the 2025 Projects), the period over which the Obligations shall mature (but not later than a final maturity in 2046), the provisions for redemption in advance of the Obligations, the provisions for redemption of the Bonds Being Refunded (including the method of redemption and the amounts and dates of redemption thereof), the date the Obligations are to be sold to the Underwriter and/or placed by the Placement Agent, the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear and the terms upon which the Obligations are to be sold to the Underwriter or placed by the Placement Agent (including determinations of price, original issue discount and premium and underwriting/placement agent compensation), so long as the arbitrage yield on the Obligations to be used to finance the costs of the 2025 Projects calculated for federal income tax purposes is not more than five and one-half percent (5.5%) and the refunding of the Bonds Being Refunded, if consummated, results in a present value savings, net of all costs with respect to the refunding of the Bonds Being Refunded, of at least three percent (3%) of the principal amount of the Bonds Being Refunded, shall be determined by the City Administrator and the Director of Financial Services of the City or the designees of any of them (collectively, the "Authorized Representatives") to which such authority is hereby delegated.

(b) The Authorized Representatives are hereby authorized to execute, and the Clerk is hereby authorized to attest and deliver, respectively, the Purchase Agreement, the Indenture, the Undertaking and the Purchase Contract, which are hereby approved in substantially the form presented to the City Council at the time of introduction and adoption of this Ordinance, with such

additions, deletions and modifications (particularly with respect to any modifications needed based on whether the Obligations are sold to the Underwriter pursuant to the Purchase Contract or placed by the Placement Agent pursuant to the Placement Agreement (including execution and delivery of one or more Purchase Agreements or Indentures, if necessary)) as shall be approved by those officers executing and delivering the same on behalf of the City, the execution and delivery thereof to constitute conclusive evidence of their approval, and of such additions, deletions and modifications. The Authorized Representatives are hereby authorized to enter into, if necessary, an Escrow Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Escrow Trust Agreement"), with the Trustee or another bank authorized to exercise corporate trust powers in the State of Arizona, as escrow trustee (the "Escrow Trustee"), in standard form, for the establishment of an escrow to pay principal of and interest on the Bonds Being Refunded and to refund the Bonds Being Refunded.

(c) The Trustee (including in its capacity as Seller pursuant to the Purchase Agreement) and the Escrow Trustee are hereby requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement and the Escrow Trust Agreement and the sale and execution and delivery of the Obligations and the refunding of the Bonds Being Refunded and are further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by them.

(d) The Authorized Representatives are hereby authorized to cause the sale and execution and delivery of the Obligations and are hereby delegated the authority to complete any information missing in, or necessary for the consummation of the transactions contemplated by, the Purchase Agreement, the Indenture, the Escrow Trust Agreement, the Undertaking and the Purchase Contract. The Authorized Representatives are authorized to select, and execute and deliver contracts with, appropriate professionals (including special counsel) to provide various professional services with respect to the sale and execution and delivery of the Obligations as well as to provide for such other matters (including credit enhancement providers if deemed advantageous by them) as are necessary in order to accomplish the purposes of this Ordinance. The Authorized Representatives are hereby further authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such credit enhancement, including those making provision for the repayment of amounts advanced for credit enhancement thereunder. The fees, costs and expenses with respect to the foregoing shall be paid from proceeds of the sale of the Obligations or any other legally available moneys. The Authorized Representatives are hereby authorized to receive and expend such funds as necessary to accomplish the purposes of this Ordinance, including payment of installment payments related to debt service on the Obligations.

SECTION 2: The Obligations are (i) to be sold to the Underwriter pursuant to the terms of the Purchase Contract, and/or (ii) to be placed by the Placement Agent with a purchaser or purchasers (collectively, the "Purchasers") pursuant to the terms of a Placement Agent Agreement, in standard form, to be dated the date of the placement of the Obligations (the "Placement Agreement"), by and between the City and the Placement Agent, to be executed and delivered if any of the Obligations are placed by the Placement Agent, in each case as such terms are to be determined as provided hereinabove.

SECTION 3: The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on the "Net Revenues" (as defined in the Purchase Agreement) and the restriction on the issuance of further parity obligations secured by the Net Revenues are approved and confirmed.

SECTION 4: The preparation, distribution and use of the Preliminary Official Statement relating to the Obligations in substantially the form presented to the City Council at the meeting at which this Ordinance was adopted, is in all respects hereby ratified, approved and confirmed, and the Authorized Representatives are hereby authorized, if necessary, to certify or otherwise represent that the Preliminary Official Statement, in original or revised form, is a "deemed final" official statement (except for permitted omissions) of the City as of a particular date for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authorized Representatives are authorized and directed to approve if any of the Obligations are sold to the Underwriter pursuant to the Purchase Contract, on behalf of the City Council, and to execute and deliver, the Official Statement in substantially the form of the Preliminary Official Statement, modified to reflect matters related to the sale of the Obligations, for distribution and use in connection with the offering and sale of the Obligations. The execution and delivery of the final Official Statement by the Authorized Representatives shall be conclusively deemed to evidence the approval of the status, form and contents thereof by the City Council.

SECTION 5: If any section, paragraph, clause or phrase of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Ordinance. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof. The City Council hereby declares that this Ordinance would have been adopted with each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the execution and delivery of the Obligations pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Ordinance may be held illegal, invalid or unenforceable.

SECTION 6: All actions of the officers, employees and agents of the City including the City Council that conform to the purposes and intent of this Ordinance and which further the actions contemplated by this Ordinance, whether taken before or after adoption of this Ordinance, are hereby ratified, confirmed and approved. The proper officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Ordinance (including entering into any agreements for administrative or procedural requirements requested by the Purchasers if any of the Obligations are placed by the Placement Agent pursuant to the Placement Agreement).

SECTION 7:

(a) The following terms shall have the meanings assigned thereto as follows:

"official intent" means a declaration of intent of the City to reimburse an original expenditure with proceeds of an obligation;

"original expenditure" means an expenditure for a governmental purpose that is originally paid from a source other than a reimbursement bond; and

"reimbursement bond" means the portion of an issue of obligations allocated to reimburse an original expenditure that was paid before the issue date of such issue.

(b) This Ordinance is official intent relating to reimbursement for the original expenditures for the 2025 Projects which are capital expenditures (being any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles) made within sixty (60) days before and any time after the date of this Ordinance. The maximum principal amount of obligations (including the reimbursement bonds for such purposes) to be issued for the 2025 Projects is expected not to exceed $44,000,000.

(c) On the date of this Ordinance, the City Council has a reasonable expectation (being that a prudent person in the same circumstances would have based on all the objective facts and circumstances) that it will reimburse such original expenditures with proceeds of such obligations. Official intents have not been declared by the City as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for such projects. Moreover, the City does not have a pattern (other than in extraordinary circumstances) of failure to reimburse actual original expenditures covered by official intents.

(d) With certain exceptions, an allocation in writing that evidences use of proceeds of the reimbursement bonds to reimburse the original expenditures shall be made not later than 18 months after the later of (i) the date that the original expenditure is paid, or (ii) the date the project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid.

(e) This Ordinance shall be included as of the date hereof in the publicly available official records of the City, such records being maintained and supervised by the Clerk of the City in the main administrative office of the City, and shall remain available for public inspection on a reasonable basis.

Adopted this ____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

CERTIFICATION

I hereby certify that the foregoing Ordinance No. O2025-042 was duly passed and adopted by the City Council of the City of Yuma, Arizona, at a regular meeting held on the ____ day of _____, 2025, and the vote was ____ ayes and _____ nays.

_____

Lynda L. Bushong
City Clerk

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

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

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

$20,880,000*
UTILITY SYSTEM REVENUE
OBLIGATIONS, SERIES 2025A

$21,480,000*
UTILITY SYSTEM REVENUE
OBLIGATIONS, SERIES 2025B

DRAFT I
9/4/2025

Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF YUMA, ARIZONA
Pursuant to a Series 2025 Purchase Agreement,
Dated as of November 1, 2025*

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

The Utility System Revenue Obligations, Series 2025A (the "2025A Obligations") and the Utility System Revenue Obligations, Series 2025B (collectively with the 2025A Obligations, the "Obligations") are being executed and delivered pursuant to a Series 2025 Obligation Indenture, to be dated as of November 1, 2025*, between the City of Yuma, Arizona (the "City"), and [TRUSTEE], as trustee (the "Trustee"). Interest with respect to the Obligations will be payable semiannually on July 1 and January 1 of each year, commencing January 1, 2026*. The Obligations will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), for purposes of the book-entry-only system described herein and will be available to ultimate purchasers in the amounts of $5,000 of principal represented by the Obligations of a series due on a specific maturity date, or any integral multiple thereof, pursuant to the book-entry-only system maintained by DTC. Payments of principal and interest with respect to the Obligations will be paid by the Trustee to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the Obligations. See APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM."

The Obligations are being executed and delivered for the purpose of (i) financing the costs of improvements to the City's waterworks and sewer plant and system (the "System"), and (ii) paying costs incurred in connection with the execution and delivery of the Obligations. See "SOURCES AND USES OF FUNDS" herein.

SEE MATURITY SCHEDULES ON INSIDE FRONT COVER PAGES

The Obligations will be subject to redemption prior to maturity as described herein. See "THE OBLIGATIONS - Redemption Provisions."

The Obligations will evidence undivided proportionate interests of the Holders (as defined herein) thereof in the right to receive certain installments of the Purchase Price (as defined herein) pursuant to a Series 2025 Purchase Agreement, to be dated as of November 1, 2025* (the "Purchase Agreement"), between the City and the Trustee in its capacity as seller. Principal and interest with respect to the Purchase Agreement, together with principal and interest on the outstanding Parity Obligations (as defined herein) and any additional Parity Obligations, will be payable solely from the Net Revenues (as defined herein) derived by the City from the operation of the System. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE OBLIGATIONS" herein. *The Obligations will not be general obligations of the City and will not constitute an indebtedness of the City when computing its bonded indebtedness for purposes of debt limitations imposed by constitutional or statutory provisions, a charge against the general credit limitations imposed by constitutional or statutory provisions or against the general credit or taxing power of the City nor a liability of the City for payment of the Obligations other than from the sources described herein.*

THE "RISK FACTORS" SECTION OF THIS OFFICIAL STATEMENT SHOULD BE REVIEWED PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO THE OBLIGATIONS.

The Obligations will be offered when, as and if executed and delivered by the Trustee, subject to the approving opinion of Greenberg Traurig, LLP, Special Counsel, as to validity of the Obligations and tax exemption. Certain matters will be passed upon for the Underwriter identified below by its counsel, Ballard Spahr LLP, Phoenix, Arizona. It is expected that the Obligations will be available for delivery through the facilities of DTC on or about November __, 2025*.

This cover page contains only a brief description of the Obligations and the security therefor. It is not intended to be a summary of material information with respect to the Obligations. Investors should read the entire Official Statement to obtain information necessary to make an informed investment decision.

STIFEL

* *Subject to change.*

$20,880,000*
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025A
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF YUMA, ARIZONA,
Pursuant to a Series 2025 Purchase Agreement,
Dated as of November 1, 2025*

MATURITY SCHEDULE*

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP®[(1)] No. 988522
2026	$1,040,000	%	%	
2027	650,000			
2028	680,000			
2029	715,000			
2030	750,000			
2031	785,000			
2032	825,000			
2033	870,000			
2034	910,000			
2035	955,000			
2036	1,005,000			
2037	1,055,000			
2038	1,110,000			
2039	1,165,000			
2040	1,220,000			
2041	1,285,000			
2042	1,355,000			
2043	1,425,000			
2044	1,500,000			
2045	1,580,000			

* *Subject to change.*

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$21,480,000*
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025B
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF YUMA, ARIZONA,
Pursuant to a Series 2025 Purchase Agreement,
Dated as of November 1, 2025*

MATURITY SCHEDULE*

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP®[1] No. 988522
2026	$2,100,000	%	%	
2027	1,760,000			
2028	1,845,000			
2029	1,935,000			
2030	2,035,000			
2031	2,135,000			
2032	2,245,000			
2033	2,355,000			
2034	2,475,000			
2035	2,595,000			

* *Subject to change.*

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CITY OF YUMA, ARIZONA

MAYOR AND CITY COUNCIL

Douglas J. Nicholls, *Mayor*

Carol Smith, *Deputy Mayor*

Mark Martinez, *Councilmember*

Leslie McClendon, *Councilmember*

Arturo Morales, *Councilmember*

Chris Morris, *Councilmember*

Karen Watts, *Councilmember*

CITY ADMINISTRATION

Jay Simonton, *Interim City Administrator*

Douglas Allen, *Director of Financial Services*

Richard Files, *City Attorney*

Karla Bailey, *Assistant Director of Finance*

Lynda Bushong, *City Clerk*

SPECIAL COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

TRUSTEE

[TRUSTEE]
[Location]

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City of Yuma, Arizona (the "City"), or Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), 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 foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the City's Utility System Revenue Obligations, Series 2025A or Utility System Revenue Obligations, Series 2025B (collectively, the "Obligations") by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

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

The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All information, estimates and assumptions contained herein have been based on past experience and on the latest information available and are believed to be accurate and reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of forecasts, projections, opinions, assumptions, or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City or the Underwriter and its accuracy cannot be guaranteed. The information and forward looking statements 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, as amended, or any state securities law and will not be listed on any stock or other securities exchange in reliance upon certain exemptions. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the merits of the Obligations, the accuracy or adequacy of this Official Statement, or approved the Obligations for sale.

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

The City will agree to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

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OFFICIAL STATEMENT

$20,880,000*
UTILITY SYSTEM REVENUE
OBLIGATIONS, SERIES 2025A

$21,480,000*
UTILITY SYSTEM REVENUE
OBLIGATIONS, SERIES 2025B

Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF YUMA, ARIZONA
Pursuant to a Series 2025 Purchase Agreement,
Dated as of November 1, 2025*

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the cover page, the inside front cover pages and the appendices hereto, is to provide information in connection with the sale and execution and delivery of the $20,880,000* principal amount of Utility System Revenue Obligations, Series 2025A (the "2025A Obligations") and the $21,480,000* principal amount of Utility System Revenue Obligations, Series 2025B (the "2025B Obligations" and, collectively with the 2025A Obligations, the "Obligations"), evidencing proportionate interests of the registered owners of each Obligation (the "Holders"), in certain installment payments (the "Purchase Payments" and collectively, the "Purchase Price") to be paid by the City of Yuma, Arizona (the "City"), pursuant to a Series 2025 Purchase Agreement, to be dated as of November 1, 2025* (the "Purchase Agreement"), between [TRUSTEE] (the "Trustee"), in its capacity as seller, and the City. The Obligations will be executed and delivered pursuant to a Series 2025 Obligation Indenture, to be dated as of November 1, 2025* (the "Indenture"), between the City and the Trustee in its capacity as trustee thereunder.

For definitions of certain capitalized terms used in this Official Statement and not otherwise defined, as well as for certain provisions of the Purchase Agreement and the Indenture, see APPENDIX F – "OBLIGATIONS DOCUMENTS SUMMARIES."

The Purchase Payments will be payable from and secured by a first lien on and pledge of the Net Revenues (as defined herein) on a parity with the pledge and lien granted by the City for the payment and security of $44,360,000 outstanding principal amount of Senior Lien Utility System Revenue Refunding Bonds, Series 2015, issued by the City of Yuma Municipal Property Corporation (the "Corporation"), the debt service with respect to which is secured by payments due pursuant to the Series 2015 Utilities City Purchase Agreement, dated as of October 1, 2015, by and between the City and the Corporation, $64,755,000 outstanding principal amount of the City's Utility System Revenue Obligations, Series 2021, the debt service with respect to which is secured by payments due pursuant to the Series 2021 Purchase Agreement, dated as of December 1, 2021, by and between the City and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), and any Parity Obligations.

"Net Revenues" means that portion of the Revenues remaining after deducting sufficient funds for the Operation and Maintenance Expenses of the System (as defined herein), subject to certain additions or subtractions under certain circumstances as provided in the Purchase Agreement. "Revenues" means and includes all income, moneys, and receipts to be received by the City, directly or indirectly, from the ownership, use, or operation of the System, including any waste material or by-products of the System, and also including investment income. Revenues will include the allocable portion of any development, impact, connection or related fee or charge available as a result of the existence of the System. "Operation and Maintenance Expenses" means all costs reasonably incurred in connection with the operation, use and maintenance of the System, including (i) repairs necessary to keep the System in efficient and economical operating condition, (ii) the payments of premiums for insurance required to be carried on the System, (iii) payments of reasonable Administrative Expenses, and (iv) generally all expenses of the System except depreciation, interest expense on the Obligations or Parity Obligations, and interest expense on any obligations subordinate to the Obligations or Parity Obligations.

* *Subject to change.*

The offering of the Obligations is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Obligations. Accordingly, prospective purchasers of the Obligations should read this entire Official Statement before making their investment decision.

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

References to provisions of State of Arizona (the "State" or "Arizona") law, whether codified in the Arizona Revised Statutes or uncodified, or of the Arizona Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

Copies of the forms of the Purchase Agreement and the Indenture may be obtained, until the delivery of the Obligations, from Stifel, Nicolaus & Company Incorporated (the "Underwriter"), upon request to: Stifel, Nicolaus & Company, Incorporated, 2801 E. Camelback Road, Suite 300, Phoenix, Arizona 85016, Attention: Municipal Finance. After delivery of the Obligations, copies of such documents may be obtained from the Trustee upon request to: [TRUSTEE], [TRUSTEE ADDRESS], Attention: Corporate Trust Services.

THE OBLIGATIONS

Authorization and Purpose

The Trustee will be authorized to execute and deliver the Obligations pursuant to the provisions of the Indenture and an ordinance adopted by the Mayor and Council of the City on October 1, 2025 (the "Ordinance").

The Obligations are being executed and delivered for the purpose of (i) financing the costs of improvements to the System (collectively, the "Projects"), and (ii) paying costs incurred in connection with the execution and delivery of the Obligations. See "SOURCES AND USES OF FUNDS" herein.

General Provisions

The Obligations will be dated the date of initial delivery thereof and will be issued in the form of fully registered obligations in amounts of $5,000 of principal of a series due on a maturity date or any integral multiple thereof. As described in APPENDIX H - "BOOK-ENTRY-ONLY SYSTEM," the Obligations will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as DTC, or its nominee, is the registered owner of all of the Obligations, all payments on the Obligations will be made directly to DTC for payment to the owners as described in APPENDIX H – "BOOK-ENTRY-ONLY SYSTEM."

The Obligations will bear interest from their dated date, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2026*. The Obligations will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside front cover pages of this Official Statement. Interest will be computed on the basis of a year comprised of three hundred sixty (360) days consisting of twelve (12) months of thirty (30) days each. Interest on the Obligations will be paid by the Trustee to the owners thereof (initially Cede & Co., as nominee of DTC) as shown on the registration books maintained by the Trustee, at the close of business on the 15th day of the month next preceding each Obligation Payment Date (the "Record Date"). So long as the Obligations are in DTC's book-entry-only system, and thereafter at the written request and expense of the owners of $1,000,000 or more in aggregate principal amount of Obligations delivered to the Trustee prior to a Record Date, interest and principal will be paid by wire transfer to a bank account in the continental United States.

* *Subject to change.*

Redemption Provisions*

The 2025A Obligations maturing before or on July 1, 20__, will not be subject to redemption prior to maturity. The 2025A Obligations maturing on or after July 1, 20__, will be subject to redemption, in whole or in part on any date on or after July 1, 20__, in increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity by payment of the principal amount of each Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

The 2025B Obligations maturing before or on July 1, 20__, will not be subject to redemption prior to maturity. The 2025B Obligations maturing on or after July 1, 20__, will be subject to redemption, in whole or in part on any date on or after July 1, 20__, in increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity by payment of the principal amount of each Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

Notice of and Procedure for Redemption

Notice of any redemption will be sent by first-class mail not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Holder of each Obligation, initially DTC, to be redeemed, in whole or in part, at the address shown on the registration books maintained by the Trustee or at such other address as may be furnished by such Holders to the Trustee.

Any notice of redemption given as described in the preceding paragraph will also contain a statement that on the redemption date, the redemption price of such Obligations called for redemption will become due and payable and that, from and after such date, the Obligations being redeemed will cease to accrue interest; provided, that no notice of redemption shall be sent unless (i) the Trustee has on deposit funds to effect such redemption, or (ii) such redemption notice states that the call for optional redemption is conditioned upon the deposit with the Trustee of an amount sufficient to pay the principal of the Obligations being redeemed on the redemption date.

SECURITY FOR AND SOURCE OF PAYMENT OF THE OBLIGATIONS

General

For the amounts payable pursuant to the Purchase Agreement (including the Purchase Price), the Trustee, in its separate capacity as seller, will sell and convey to the City, and the City will purchase from the Trustee, in its separate capacity as seller, the Projects to be financed with the proceeds of the Obligations.

The Obligations represent undivided proportionate interests of the Holders thereof in the right to receive the Purchase Payments to be paid by the City pursuant to the Purchase Agreement, which includes amounts sufficient to pay when due the principal of and interest on the Obligations. During the term of the Purchase Agreement, the Purchase Payments will be required to be made regardless of damage to the Projects or commercial frustration of purpose, without right of set-off or counterclaim, regardless of any contingencies and whether or not the City possesses or uses the waterworks and sewer plant and system of the City (collectively, the "System"). The obligation of the City to make the Purchase Payments will continue until all of the Purchase Payments and all other amounts due under the Purchase Agreement have been paid. No security interest will be held by the Trustee for the benefit of the Holders of the Obligations in any portion of the Projects or the System. Remedies available upon a failure of the City to make the Purchase Payments when due will be limited and will not include acceleration of the Purchase Payments or recourse to the Projects or any portion of the System. For a description of events of default and remedies under the Purchase Agreement, see APPENDIX F – "OBLIGATIONS DOCUMENTS SUMMARIES – The Purchase Agreement – Purchase Events of Default" and "– Remedies on Default by City." For information concerning the System, see APPENDIX A – "CITY OF YUMA, ARIZONA – THE SYSTEM."

Source of Purchase Payments

The obligation of the City to make the Purchase Payments under the Purchase Agreement will be payable from and secured by a first lien on, pledge of, and security interest in, the Net Revenues.

* *Subject to change.*

Such lien on, pledge of and security interest in the Net Revenues will be on parity with the outstanding Parity Obligations and any additional Parity Obligations subsequently issued or incurred under separate documentation in accordance with the Purchase Agreement.

The pledge of, lien on and security interest in the Net Revenues will be irrevocably made in the Purchase Agreement and created for the prompt and punctual payment of the principal of and interest on the Obligations and to make other payments specified. None of the Obligations, the outstanding Parity Obligations or any of the additional Parity Obligations will be entitled to priority or distinction over any of the others in the application of the Net Revenues, regardless of the issuance or incurrence of the Obligations, the outstanding Parity Obligations or any of the additional Parity Obligations in series or the delivery of the Obligations, the outstanding Parity Obligations or any of the additional Parity Obligations prior to the delivery of the Obligations, the outstanding Parity Obligations or any other of the additional Parity Obligations of that series or regardless of the time or times the Obligations, the outstanding Parity Obligations or the additional Parity Obligations mature or are called for redemption prior to maturity or otherwise. The Obligations, the outstanding Parity Obligations and the additional Parity Obligations will be co-equal as to the pledge of and lien on the Net Revenues for the payment thereof and will share ratably, without preference, priority or distinction, as to the source or method of payment or security therefor.

Neither the Obligations nor the obligations of the City pursuant to the Purchase Agreement constitute a debt or a pledge of the full faith and credit of the City, the State or any political subdivision thereof for constitutional or statutory purposes. The Obligations do not obligate the City to levy or pledge any form of ad valorem *or other taxes. The Obligations are a limited obligation of the City secured solely by Net Revenues and otherwise as provided in the Ordinance and the Purchase Agreement.*

Rate Covenant

The City has covenanted and agreed in the Purchase Agreement to at all times establish, fix, maintain and collect rates, fees and other charges for all utility services furnished by the System fully sufficient at all times, (a) to pay the Operation and Maintenance Expenses of the System; (b) to produce an aggregate amount of Net Revenues in each Fiscal Year equal to the sum of (i) one hundred twenty percent (120%) of Interest Requirement and Principal Requirement for the then current Fiscal Year on all obligations payable from a first lien pledge of Net Revenues, including the Obligations and any Parity Obligations (collectively, the "Senior Obligations") then outstanding in such Fiscal Year, and (ii) one hundred percent (100%) of the aggregate of the debt service on comparable payments, separately payable and secured on a basis subordinate to the Senior Obligations by Net Revenues; and (c) to produce Net Revenues in each Fiscal Year which will remedy all deficiencies in payments into any of the funds and accounts described in the Purchase Agreement and in the Indenture required from prior Fiscal Years for the payment of the Purchase Price as well as the payment of principal of and interest on Parity Obligations.

The City will cause an amount of Net Revenues to be included in the annual budget and appropriation for every Fiscal Year commencing with the Fiscal Year immediately following the delivery of the Purchase Agreement sufficient to meet all requirements of the Purchase Agreement.

Additional Parity Obligations; No Prior Obligations

Pursuant to the provisions of the Purchase Agreement, the City may, in the future, incur additional Parity Obligations having a lien upon and payable from Net Revenues on parity with the Obligations, but only as provided in the Purchase Agreement.

The City will not incur any obligations payable from Net Revenues in the future on a parity with its obligations under the Purchase Agreement or any outstanding Parity Obligations except for (a) additional Parity Obligations entered into or issued for the purpose of refunding the Senior Obligations if, upon the incurring of such Parity Obligations, the conditions specified in the next paragraph are met, or (b) additional Parity Obligations entered into or issued for purposes other than refunding the Senior Obligations and for the purpose of providing funds to make improvements and expansions to the existing System, to purchase capacity rights in sewage treatment plant facilities owned by other political subdivisions of the State, to purchase capacity rights in water treatment plant facilities owned by other political subdivisions of the State, to acquire land, rights in land or water rights for the System, to provide reasonable reserves for Senior Obligations, to refund Senior Obligations or to refund other bonds of the City, if any, whether

revenue bonds, general obligation bonds or other bonds or obligations, issued to provide funds to construct or acquire additions, extensions, improvements, expansions or replacements to the System if, upon the incurring of such Parity Obligations, the conditions specified in the Purchase Agreement are met.

Any or all of the Senior Obligations may be refunded at maturity, upon redemption in accordance with their terms or with the consent of the holders thereof, and the refunding Parity Obligations so entered into or issued will constitute Parity Obligations; provided, however, that: (a) the requirements in the next paragraph shall be satisfied, except that for the purpose of the calculation required in the next paragraph, the percentage requirement on such Parity Obligations will be taken into consideration only in any future Fiscal Year in which any fractional part of such Parity Obligations will remain outstanding after the issuance of such Parity Obligations and the City Clerk shall have received a statement of an Independent Certified Public Accountant demonstrating the same; or (b) all outstanding Senior Obligations are being refunded under arrangements which immediately result in making provision for the payment of the refunded Senior Obligations.

Additional Parity Obligations may also be issued for other than refunding purposes as described above if, prior to the issuance thereof, the City will not, at the time of the issuance thereof, be in default under any Senior Obligations or under the Purchase Agreement or Parity Obligation Documents or any related credit or reserve fund instrument, and there shall have been procured and filed with the City Clerk and the Trustee a certificate or report by an Independent Certified Public Accountant to the effect that the aggregate amount of Net Revenues for the last full Fiscal Year immediately preceding the issuance thereof were equal to the sum of (i) not less than one hundred twenty percent (120%) of the highest aggregate Interest Requirement and Principal Requirement of all outstanding Senior Obligations to fall due and payable in the current or any future Fiscal Year, including the obligations proposed to be issued, (ii) not less than one hundred percent (100%) of the aggregate amounts payable in such Fiscal Year and secured on a subordinate basis by Net Revenues, and (iii) not less than one hundred percent (100%) of any additional amounts required to maintain or fund necessary fund balances under the Purchase Agreement or any documents constituting or authorizing Parity Obligations.

Any statement of an Independent Certified Public Accountant required pursuant to the preceding paragraph may contain the following adjustments to Net Revenues for such most recently completed Fiscal Year:

(a) If Revenues have been increased as a result of construction of additions or acquisitions to the System made prior to the issuance thereof but during either the Fiscal Year in which the same are to be issued or in the preceding Fiscal Year, such increased Revenues may be treated as if such additions to the System were completed on the first day of the Fiscal Year used for purposes of the computation. The Revenues derived from such additions and acquisitions to the System may be converted for purposes of computation to estimated Net Revenues which would have been derived therefrom if said additions and acquisitions had actually been completed on the first day of the year used for computation purposes, such estimates to be made by an Independent Engineer.

(b) If all or part of the proceeds thereof are to be expended for the acquisition of existing water or wastewater properties or facilities, there may be added to the Net Revenues of such preceding Fiscal Year the Net Revenues which would have been derived from the operation of such properties or facilities if such properties or facilities had been acquired or operated by the City under the applicable rate schedule of the City during the entire preceding Fiscal Year, such Net Revenues to be estimated by an Independent Engineer.

(c) If prior to the issuance thereof and subsequent to the first day of such preceding Fiscal Year, the City shall have increased its rates or charges imposed for water or wastewater 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 Independent Engineer.

The Purchase Agreement provides that the City may not incur any obligations payable from the Net Revenues ranking prior to the obligations of the City under the Purchase Agreement.

SOURCES AND USES OF FUNDS

Sources of Funds:	2025A Obligations	2025B Obligations	Total
Principal Amount of Obligations	$20,880,000.00*	$21,480,000.00*	$42,360,000.00*
[Net] Original Issue Premium			
Total Sources			
Uses of Funds:			
Payment of Costs of the Projects			
Payment of Costs of Issuance *(a)*			
Total Uses			

(a) Costs related to the execution and delivery of the Obligations, including underwriter's compensation.

* *Subject to change.*

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The following table illustrates certain information relating to the operation of the System and estimated debt service coverage ratio for total annual debt service requirements provided by Net Revenues.

HISTORICAL, UNAUDITED ACTUAL AND BUDGETED NET REVENUES AND DEBT SERVICE COVERAGE

	Audited					Unaudited Actual *(a)*	Budgeted *(a)*
	2019/20	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Revenues							
Water Services and Fees	$ 24,314,126	$ 25,590,121	$ 26,094,894	$ 27,595,387	$ 28,374,604	$ 29,168,211	$ 29,375,130
Water Non-Rate Revenues	2,181,115 *(b)*	934,864 *(b)*	1,274,740	2,434,819	4,877,452	4,547,910	2,570,250
Water Capacity Fees	2,688,781	3,141,281	3,226,474	1,545,956	2,590,211	3,230,030	2,900,000
Wastewater Services and Charges	15,470,458	15,911,054	16,509,915	17,976,835	19,000,086	18,376,138	20,132,000
Wastewater Non-Rate Revenues	3,302,648	2,718,056	1,814,791	6,903,515	6,997,504	5,988,244	2,906,086
Wastewater Capacity Fees	3,103,944	3,458,574	3,571,913	1,607,047	2,804,712	3,522,223	3,400,000
Total Revenues	$ 51,061,072	$ 51,753,950	$ 52,492,727	$ 58,063,559	$ 64,644,569	$ 64,832,756	$ 61,283,466
Operation and Maintenance Expenses							
Water Personnel Expenses	$ 5,750,313	$ 5,282,034	$ 5,196,654	$ 6,440,820	$ 7,519,555	$ 8,737,002	$ 9,308,801
Water Operating Expenses	6,732,644	6,723,997	8,181,188	8,041,579	8,956,826	9,762,533	11,112,419
Wastewater Personnel Expenses	4,723,514	4,352,510	4,352,510	5,070,392	6,252,622	6,082,908	7,276,484
Wastewater Operating Expenses	5,991,132	6,013,934	6,858,710	7,923,986	8,554,494	8,967,218	10,039,578
Total Operation and Maintenance Expenses	$ 23,197,603	$ 22,372,475	$ 22,803,430	$ 27,476,777	$ 31,283,497	$ 33,549,661	$ 37,737,282
Net Revenues *(c)*	$ 27,863,469	$ 29,381,475	$ 29,689,297	$ 30,586,782	$ 33,361,072	$ 31,283,095	$ 23,546,184
Debt Service							
Outstanding Debt Service for Existing Parity Obligations and Bonds	$ 13,572,898	$ 13,428,917	$ 13,554,843	$ 13,276,583	$ 12,224,288	$ 12,197,538	$ 12,183,788
Net Revenue Bond Debt Service Coverage *(d)*	2.05x	2.19x	2.19x	2.30x	2.73x	2.56x	1.93x
Net Revenue Bond Debt Service Coverage without Capacity Fees	1.63x	1.70x	1.69x	2.07x	2.29x	2.01x	1.42x

(a) Amounts are unaudited actual or budgeted and are subject to change until audit. These amounts are "forward-looking" statements and should be considered with an abundance of caution.

(b) The Water Non-Rate Revenues of the System were adversely affected in audited Fiscal Years 2019/20 and 2020/21 by the decline in fixed income market interest rates due to COVID-19, the adverse effects of which were reflected in the year-over-year declines in revenue.

(c) Represents amount of System revenues available after payment of the Operation and Maintenance Expenses.

(d) Debt Service Coverage is computed using Net Revenues available for debt service for each Fiscal Year divided by the annual debt service on the outstanding Parity Obligations.

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DEBT SERVICE REQUIREMENTS AND PROJECTED DEBT SERVICE COVERAGE

The following table sets forth (i) the annual debt service requirements of the outstanding Parity Obligations, (ii) the annual debt service requirements of each series of the Obligations, (iii) the combined annual debt service requirements following execution and delivery of the Obligations, and (iv) the projected debt service coverage based on unaudited actual Net Revenues for the Fiscal Year ended June 30, 2025.

SCHEDULE OF ANNUAL UTILITY SYSTEM REVENUE OBLIGATION DEBT SERVICE REQUIREMENTS AND PROJECTED DEBT SERVICE COVERAGE *(a)*

Fiscal Year	Net Revenues *(b)*	Utility System Revenue Obligations Outstanding Debt Service	The 2025A Obligations*			The 2025B Obligations*			Total Aggregate Debt Service*	Annual Debt Service Coverage *(d)*
			Principal	Interest *(c)*	Total	Principal	Interest *(c)*	Total		
2023/24	$33,361,072									
2024/25	31,283,095	$12,224,288							$12,224,288	2.56x
2025/26	23,546,184	12,197,538	$1,040,000	$609,000 *(e)*	$1,649,000	$2,100,000	$626,500 *(e)*	$2,726,500	13,846,538	2.26x *(f)*
2026/27		12,183,788	650,000	992,000	1,642,000	1,760,000	969,000	2,729,000	13,825,788	2.26x
2027/28		12,171,538	680,000	959,500	1,639,500	1,845,000	881,000	2,726,000	13,811,038	2.27x
2028/29		12,084,788	715,000	925,500	1,640,500	1,935,000	788,750	2,723,750	13,725,288	2.28x
2029/30		12,049,488	750,000	889,750	1,639,750	2,035,000	692,000	2,727,000	13,689,238	2.29x
2030/31		12,023,438	785,000	852,250	1,637,250	2,135,000	590,250	2,725,250	13,660,688	2.29x
2031/32		11,994,038	825,000	813,000	1,638,000	2,245,000	483,500	2,728,500	13,632,038	2.29x
2032/33		6,481,700	870,000	771,750	1,641,750	2,355,000	371,250	2,726,250	8,123,450	3.85x
2033/34		6,486,200	910,000	728,250	1,638,250	2,475,000	253,500	2,728,500	8,124,450	3.85x
2034/35		6,481,600	955,000	682,750	1,637,750	2,595,000	129,750	2,724,750	8,119,350	3.85x
2035/36		6,484,600	1,005,000	635,000	1,640,000				8,124,600	3.85x
2036/37		6,484,600	1,055,000	584,750	1,639,750				8,124,350	3.85x
2037/38		6,481,400	1,110,000	532,000	1,642,000				8,123,400	3.85x
2038/39		6,484,800	1,165,000	476,500	1,641,500				8,126,300	3.85x
2039/40		6,484,200	1,220,000	418,250	1,638,250				8,122,450	3.85x
2040/41		6,484,400	1,285,000	357,250	1,642,250				8,126,650	3.85x
2041/42			1,355,000	293,000	1,648,000				1,648,000	18.98x
2042/43			1,425,000	225,250	1,650,250				1,650,250	18.96x
2043/44			1,500,000	154,000	1,654,000				1,654,000	18.91x
2044/45			1,580,000	79,000	1,659,000				1,659,000	18.86x
		$155,282,400	$20,880,000	$11,978,750	$32,858,750	$21,480,000	$5,785,500	$27,265,500	$188,141,150	

(a) Prepared by the Underwriter. Amounts may not add due to rounding.

(b) Reflects audited Net Revenues available for debt service for the Fiscal Year ended June 30, 2024, unaudited actual Net Revenues available for debt service for the Fiscal Year ended June 30, 2025, and budgeted Net Revenues available for debt service for the Fiscal Year ended June 30, 2026, as provided by the City. See "HISTORICAL, UNAUDITED ACTUAL AND BUDGETED NET REVENUES AND DEBT SERVICE COVERAGE" herein. Amounts for the Fiscal Years ended June 30, 2025, and June 30, 2026, are unaudited actual or budgeted, respectively, and are subject to change until audit. These amounts are "forward-looking" statements and should be considered with an abundance of caution

(c) Interest is estimated.

(d) Debt service coverage is computed using unaudited actual Net Revenues available for debt service for the Fiscal Year ended June 30, 2025, divided by the combined annual debt service on the outstanding Parity Obligations and the Obligations.

(e) The first interest payment on the Obligations will be due January 1, 2026. Thereafter, interest payments will be made semiannually on July 1 and January 1 until the final maturity, or prior redemption, of the Obligations.*

(f) Represents the maximum annual debt service coverage on the combined annual debt service for the outstanding Parity Obligations and the Obligations.

* *Subject to change.*

RISK FACTORS

Investment in the Obligations involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the Obligations for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Obligations. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Limited Obligations

The obligation of the City under the Purchase Agreement will not constitute a debt or a pledge of the full faith and credit of the City, the State or any other political subdivision thereof. The City will not pledge any form of *ad valorem* property taxes to the payment of the Obligations. The Obligations will be special, limited obligations of the City, secured only by the Purchase Payments which are to be paid from, and secured by a pledge of, the Net Revenues. No security interest will be held by the Trustee for the benefit of the owners of the Obligations in any portion of Projects or the System. Remedies available to the Trustee upon a failure of the City to make the Purchase Payments when due will be generally limited to specific performance against the City to payment from the Net Revenues.

No assurance can be made that the Net Revenues, estimated or otherwise, will be realized by the City in amounts sufficient to pay the Purchase Payments. In addition, the realization of future Net Revenues is subject to, among other things, the capabilities of management of the City, the ability of the City to provide water and sewer management services to its customers, and the ability of the City to meet its covenant to fix, prescribe, and collect rates and charges for the System in amounts sufficient to timely pay the Purchase Payments. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE OBLIGATIONS – Rate Covenant." Additional obligations may be incurred in the future that are secured by the Net Revenues on a parity with the Obligations. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE OBLIGATIONS – Additional Parity Obligations; No Prior Obligations."

System Expenses and Future Rates

Increases in expenses could require a significant increase in rates or charges in order to pay for projects and to pay the debt service on any Parity Obligations, including, without limitation, the Purchase Payments securing the Obligations. Also, any such rate increases could increase the likelihood of nonpayment by purchasers of water and sewer services from the City and could also decrease demand from such purchasers and may impact the City's ability to make the Purchase Payments, which could in turn adversely impact the City's ability to make payments of the principal of and interest on the Obligations.

Utility Costs

No assurance can be given that any future significant reduction or loss of power would not materially adversely affect the operations of the System. The operations of the System on a daily basis require a significant amount of electrical power and natural gas. Electricity is needed to run pumps, lights, computers, mechanical valves and other machinery. Prices for electricity or gas may increase, which could adversely affect the System's financial condition.

System Demand

There can be no assurance that the local demand for the services provided by the System will be maintained at levels described in this Official Statement. Because of the potential for changes in demographics within the boundaries of the City, as well as unpredictable future hydrological conditions, it is possible for the demand for water and sewer services to decline over the term of the Obligations. In addition, major economic disruptions and recession may adversely affect the economic activity of the region in general, resulting in decreased economic activity, increased unemployment and a reduction in residential and commercial construction all of which could cause a decline in the demand for water and wastewater services. A significant decline in demand might create a situation in which the City could not increase rates sufficiently to offset the decrease in customers or usage. This could reduce the City's ability to make the Purchase Payments, which could in turn adversely impact the City's ability to make payments of the principal of and interest on the Obligations as and when due.

Water Supply and Drought Conditions

The ability of the System to operate effectively can be affected by the water supply available to the City, which is situated in a desert environment. If the water supply decreases significantly, whether by operation or mandatory supply restrictions, prohibitively high water costs or otherwise, System sales may diminish and Net Revenues available to pay the Purchase Payments may be adversely affected. The City has planned and managed reserve supplies to account for normal occurrences of drought conditions.

The Colorado River System has experienced over-allocation and extensive drought conditions have persisted for several years. To address the ongoing drought the State of Arizona developed the 2007 Drought Contingency Plan (DCP), which is administered by the Bureau of Reclamation. The DCP regulates water shortages for surface water entitlement users of the Colorado River. The DCP uses Arizona's water priority system to identify and regulate those users that will be subject to water restrictions and shortages. Colorado River water priorities are determined by type and length of historic use. Arizona's Colorado River surface water priority system is divided into six tiers, with each tier (beginning with Tier 1) being senior and prioritized over the other. As drought conditions persist the DCP will regulate water shortages to tiers 4, 5, and 6 water entitlement holders. Arizona's Colorado River surface water entitlement holders' tiers 1, 2, and 3 are not subject to any water shortages or restrictions as outlined by Arizona's DCP. The City holds 1,478 acre-feet of Priority 1 – Present Perfected Water Rights, and 48,522 acre-feet of Third Priority Colorado River water. These are some of the oldest and best water rights on the lower Colorado River and the City's water portfolio is expected to remain at 100%. See APPENDIX A – "CITY OF YUMA, ARIZONA – THE SYSTEM."

Security of the System

To ensure water quality and delivery service are maintained, the City continually plans and prepares for emergency situations such as fire, power failure, or possible terrorist activities. There can be no assurance that any existing or additional safety and security measures will prove adequate in the event of an emergency situation affecting the System, or that costs of security measures will not be greater than presently anticipated. Further, damage to certain components of the System could require the City to increase expenditures for repairs to the System significantly enough to adversely impact the City's ability to make the Purchase Payments, which could in turn adversely impact the City's ability to make payments of the principal of and interest on the Obligations.

Factors Adversely Affecting Development

The allocable portion of any development, impact, connection or related fee or charge available as a result of the existence of the System are paid to the City as building permits are pulled for the construction of new homes and other structures. The pace at which building permits are pulled will be affected by changes in general economic conditions, fluctuations in land prices both locally and nationally, availability of water, water treatment, wastewater treatment and power necessary for development, changes in the income tax treatment of land and ownership, changes in the availability and cost of borrowed funds and numerous other factors. In addition, land development operations are subject to comprehensive federal, State and local regulation. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, the availability of an assured water supply, construction activity, land use, zoning, school and health requirements and many other matters.

In areas of substantial growth, such as the City, public and or political attitudes toward growth are subject to shifts from support for growth to opposition to growth. Although growth cannot be prevented, no assurance can be given that the City Council as now constituted or a future City Council will not delay or defer action required for continued growth. Such action by the City Council as now constituted or a future City Council could have a material adverse effect on future collections of any development, impact, connection or related fee or charge available as a result of the existence of the System.

Limitations on Remedies

Any remedies available to the owners of the Obligations upon the occurrence of an Indenture Event of Default or a Purchase Event of Default will be in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

Further, enforceability of the rights and remedies of the owners of the Obligations, and the obligations incurred by the City, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, receivership, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the I exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against political subdivisions in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Obligations to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights. The opinion to be delivered by Special Counsel concurrently with the execution and delivery of the Obligations that the Obligations constitute valid and binding limited obligations of the City and the Indenture constitutes a valid and binding obligation of the City will be subject to such limitations and the various other legal opinions to be delivered concurrently with the execution and delivery of the Obligations will be similarly qualified. See APPENDIX D – "FORM OF OPINION OF SPECIAL COUNSEL."

If the City fails to comply with its covenants under the Purchase Agreement to pay the Purchase Payments, there can be no assurance of the availability, or timeliness, of remedies adequate to protect the interests of the Holders of the Obligations.

Statutory and Regulatory Compliance; Future Legislation

The System is subject to a variety of federal and State statutory and regulatory requirements. Laws and regulations governing water and wastewater treatment and the delivery of water are enacted and promulgated by federal, State and local government agencies. Compliance with these laws and regulations is and will continue to be costly and, as more stringent standards are developed to ensure safe drinking water standards and the provision of water for other purposes, such costs will likely increase.

The City's failure to comply with applicable laws and regulations could result in significant fines and penalties. Such claims are payable from assets of the System or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for public agency water and sewer systems such as that operated by the City may also lead to administrative orders issued by federal or State regulators. The City is unable to predict the adoption or amendment of any such laws, rules or regulations, or their effect on the operations of the System or financial condition of the City. Future compliance with such orders can also impose substantial additional costs on the System.

No assurance can be given that the cost of compliance with such laws, regulations, and orders would not adversely affect the ability of the System to generate Net Revenues sufficient to pay the debt service on any Obligations, outstanding Parity Obligations or additional Parity Obligations, including, without limitation, the Purchase Payments, which could in turn adversely impact the City's ability to make payments of the principal of and interest on the Obligations.

Limited Secondary Market for the Obligations

There can be no guarantee that there will ever be a secondary market for purchase or sale of the Obligations or, if a secondary market exists, that the Obligations can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues

for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Loss of Tax Exemption on the Obligations

As discussed under heading "TAX EXEMPTION," the Interest Portion (as defined herein) received by Holders of the Obligations could become included in gross income for purposes of federal income taxation, retroactive to the date the Obligations were executed and delivered, as a result of future acts or omissions of the City in violation of its covenants in the Indenture and the Purchase Agreement.

Economic, Political, Social, and Environmental Conditions

Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, and/or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, imposition of tariffs or other trade restrictions, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage, and natural disasters. The City cannot guarantee that prices for electricity will not increase, which could adversely affect the System's financial condition.

Cybersecurity; Other Safety and Security Risks

Cybersecurity breaches could damage the City's information and security systems and cause material disruption to its operations. The occurrence of military conflicts and terrorist activities, including cyber terrorism, could also adversely impact the operations of the System or the finances of the City. The City maintains active security (including information security) and emergency preparedness programs and has a number of security measures and safeguards in place. However, there can be no assurance that any existing or additional safety and security measures will prove adequate in the event that military conflicts or terrorist activities, including cyber terrorism, or acts of malfeasance are directed against the assets of the System or the information technology systems of the City. The costs of security measures or of remedying damage from security breaches could be greater than presently anticipated.

LITIGATION

To the knowledge of appropriate representatives of the City, no litigation or administrative action or proceeding is pending or threatened to restrain or enjoin, or seeking to restrain or enjoin: the execution or delivery of the Purchase Agreement, the Indenture or the Obligations, the application of the proceeds of the Obligations or the pledge and/or collection of Net Revenues to pay the principal of, and interest on, the Obligations; contesting or questioning the proceedings and authority under which the Purchase Agreement, the Indenture or the Obligations have been authorized and are to be sold, executed or delivered, or the validity of the Obligations.

The City is party to various lawsuits and other claims incidental to the ordinary course of its operations. The City's management believes, based on the advice of the City Attorney, that the resolution of such matters will not have a materially adverse effect on the City's financial position. Certificates of appropriate representatives of the City to that effect will be delivered at the time of the original delivery of the Obligations.

TAX EXEMPTION

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the execution and delivery of the Obligations in order that the portion of each of the Purchase Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Holders of the Obligations (the "Interest Portion") be and remain excludable

from gross income for federal income tax purposes. The City's failure to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the Obligations. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion.

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

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

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

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

Original Issue Discount and Original Issue Premium

Certain of the Obligations ("Discount Obligations") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Obligation determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public

offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Obligation over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Obligation (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Obligations, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Obligation.

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

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

Changes in Federal and State Tax Law

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

Information Reporting and Backup Withholding

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

Obligations may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

LEGAL MATTERS

Legal matters incident to the execution and delivery of the Obligations and with regard to the tax-exempt status of the Interest Portion are subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel ("Special Counsel"), whose services have been retained by the City. The signed legal opinion of Special Counsel, dated and premised on the law in effect as of the date of the Obligations, will be delivered to the Underwriter at the time of original delivery of the Obligations. Certain legal matters will be passed upon for the Underwriter by Ballard Spahr LLP, counsel to the Underwriter.

The proposed text of the legal opinion is set forth as APPENDIX D – "FORM OF OPINION OF SPECIAL COUNSEL." The legal opinion to be delivered may vary from the text of APPENDIX D - "FORM OF OPINION OF SPECIAL COUNSEL" if necessary to reflect the facts and law existing on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to the Obligations subsequent to the original delivery of the Obligations.

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

The legal opinions to be delivered concurrently with the delivery of the Obligations will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein dated and speaking only as of the date of delivery of the Obligations. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") and Fitch Ratings, Inc. ("Fitch") have assigned the ratings of "___" and "___," respectively, to the Obligations. The significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P, One California Street, 31st Floor, San Francisco, California 94111 and Fitch, One State Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or the marketability of the Obligations. The City will covenant in its continuing disclosure undertaking with respect to the Obligations that it will file notice of any formal change in any rating relating to the Obligations. See "CONTINUING DISCLOSURE" and APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the Holders 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, 2026 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices"). The Annual Reports and the Notices will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's

Electronic Municipal Market Access system as described in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices is set forth in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING."

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price.

[To be updated/confirmed upon receipt of the City's third-party continuing disclosure report]

FINANCIAL STATEMENTS

The financial statements of the City as of June 30, 2024, and for its Fiscal Year then ended, included as APPENDIX E – "CITY OF YUMA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024" to this Official Statement, have been audited by Baker Tilly US, LLP, as stated in its opinion included therein. **The City has not requested the consent of Baker Tilly US, LLP to include its report and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX E OF THIS OFFICIAL STATEMENT ARE CURRENT AS OF THEIR DATE ONLY AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE CITY.

UNDERWRITING

The Obligations will be purchased by the Underwriter 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 the 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 without amendment of the Official Statement.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

RELATIONSHIP AMONG PARTIES

Special Counsel has previously represented the Underwriter and is currently representing the Underwriter with respect to other financings and has acted or is acting as special counsel with respect to other obligations underwritten by the Underwriter and may do so in the future. Special Counsel also serves and has served as special counsel for one or more of the political subdivisions that the City territorially overlaps. Counsel to the Underwriter has previously acted as special counsel with respect to other obligations underwritten by the Underwriter and may continue to do so in the future if requested. Counsel to the Underwriter currently represents the City on other unrelated matters and may continue to do so in the future.

CONCLUDING STATEMENT

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

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

CITY OF YUMA, ARIZONA

By: _____
John D. Simonton, Interim City Administrator

APPENDIX A

CITY OF YUMA, ARIZONA – THE SYSTEM

General Background

The "System" consists of the City's water treatment plants and distribution systems (the "Water System") and the City's wastewater treatment plants and collection system (the "Wastewater System"). The System is the primary municipal and industrial utility service provider within the corporate limits of the City.

The System is self-sufficient in terms of operation and maintenance. The City's Finance Department, which has the responsibility for all financial administration in the City, performs general accounting duties for the System. The System is managed by the City's Utilities Department (the "Department"). The Department currently employs [144] fulltime employees, of which more than half possess an Arizona Department of Environmental Quality ("ADEQ") issued license. The System is currently in compliance with all United States Environmental Protection Agency regulations ("EPA").

ADEQ has notified the City by letter dated November 9, 2021 (the "ADEQ Notice") that a pre-existing waiver from the enhanced coagulation requirements of the Disinfection Byproducts (DBP) rule under the Safe Drinking Water Act is no longer warranted. The ADEQ Notice includes a recommendation that the City demonstrate compliance with the applicable regulations or improve and optimize processes on a going forward basis. The ADEQ Notice also describes a public notice that may need to be issued by the Water System to all customers under the circumstances and in the manner described in the ADEQ Notice. Lastly, the ADEQ Notice confers a right to an administrative appeal or to request an administrative hearing regarding ADEQ's determination. The deadline for an appeal or request for a hearing is December 9, 2021. The City expects to exercise its appeal right prior to such deadline. The expected costs of compliance with the regulations and recommendations included in the ADEQ Notice (regardless of the outcome of any appeal) will not have a material adverse effect on the finances or operations of the System, or the security and source of payment of the Obligations.

The City's Engineering Department is responsible for engineering activities involving administration, planning and directing the System design, mapping and records, system information and construction contract compliance, long and short-range system planning.

The System is operated in a manner similar to a private business enterprise in that the costs of providing goods and services to the general public on a continuing basis are financed primarily by user charges and fees. The System's accounting records are kept separate from City general government accounting records. Although a separate audit of the System's records is not conducted, they are subject to audit procedures in conjunction with the annual audit of the City's combined financial statements. The System's authority and responsibility are derived from the City's Charter and ordinances and resolutions of the Mayor and Council. The Mayor and Council also adopt the System's annual budget, which in accordance with State laws governing municipal water systems, establishes water rates and fee structures and provides overall policy direction.

Water and Wastewater Systems

With an annual production of 8.8 billion gallons, the City provides drinking water to a static population of more than 110,000 customers in a service area that encompasses over 106 square miles. The City's primary water source is provided by the Colorado River, which is administered by the U.S. Bureau of Reclamation. The City has a 50,000 acre-foot consumptive use entitlement of Colorado River Water. The City has also secured the delivery rights to an additional 17,000 acre-feet of Yuma Diversion Colorado River water through conversion agreements with Yuma County Water Users Association. The City has three groundwater wells to augment the surface water supplies. Using both surface and groundwater, the water treatment system includes two treatment plants, three major booster pump stations, and eight storage facilities with a combined storage capacity of 17.5 million gallons. The water treatment plants include the Main Street Facility with a capacity of 40 million gallons per day and the Agua Viva Facility at 29 million gallons per day. Water transmission/distribution system infrastructure includes two pressure zones with approximately 550 miles of pipe, over 17,200 valves, more than 3,900 fire hydrants and over 33,000 water meters.

Wastewater services are provided to more than 90,000 customers by the System with annual processed wastewater exceeding 3.6 billion gallons. Regulated through EPA and ADEQ permits, the wastewater treatment system includes three wastewater treatment and water reclamation facilities, two major pumping station and twenty-five lift stations. Current treatment capacity of 15.56 million gallons per day includes the Figueroa Facility at 12 million gallons, the Desert Dunes Water Reclamation Facility at 3.3 million gallons and the Jackrabbit Mesa Facility at .26 million gallons per day. Wastewater infrastructure of the System includes 370 miles of sanitary sewer collection lines and force mains with over 5,700 sanitary sewer manholes. The Projects consist of expansion of the Desert Dunes Water Reclamation Facility to a treatment capacity of 6.6 million gallons per day.

Billing Procedures

The City's Financial Services Department also performs all accounting services for the System, and the bills for water and wastewater services are billed together on a monthly customer statement.

If a water bill has not been paid before the next monthly bill is generated, a $20 delinquency fee is charged. If the delinquent portion is not paid by the due date of the second bill, the water service is discontinued, as noticed on the second bill, until such time as the account is fully paid. In addition, the customer is charged a fee of $50 in order to have service restored.

The City also requires a security deposit for new utility customers.

Utility Accounts

The following tables illustrate the number and type of customer accounts.

TABLE A-1
Number of Utility Accounts
City of Yuma, Arizona

Year	Water	Wastewater
2025*		
2024		
2023		
2022		
2021		

* *2025 account data current through _____ 2025.*

TABLE A-2
Customer Classes - Water
City of Yuma, Arizona

	Residential		Industrial		Commercial		
Year	Inside *(a)*	Outside *(a)*	Inside	Outside	Inside	Outside	Total
2025*							
2024	32,265	4,546	622	253	3,522	969	42,177
2023	26,991	2,655	445	165	3,737	591	34,584
2022	26,699	2,430	441	163	3,567	509	33,809
2021	25,789	2,421	438	192	3,855	525	33,220

* *2025 account data current through _____ 2025.*

(a)"Inside" and "Outside" in TABLES A-2, A-3 and A-4 refers to inside City limits and outside City limits.

TABLE A-3
Customer Classes - Wastewater
City of Yuma, Arizona

	Residential		Industrial		Commercial		
Year	**Inside**	**Outside**	**Inside**	**Outside**	**Inside**	**Outside**	**Total**
2025*							
2024	31,103	2,121	963	81	1,732	274	36,275
2023	26,019	1,239	689	53	1,838	167	30,005
2022	24,967	1,208	676	51	532	152	27,586
2021	23,571	1,151	429	53	1,685	153	27,042

* *2025 account data current through _____ 2025.*

TABLE A-4
Number of Accounts by Meter Size - 2024
City of Yuma, Arizona

Meter	Residential		Industrial		Commercial		
Size	**Inside**	**Outside**	**Inside**	**Outside**	**Inside**	**Outside**	**Total**
5/8"	23,054	4,060	94	155	1,022	307	28,691
3/4"	5,922	259	31	15	493	175	6,895
1"	3,236	137	231	48	1,063	159	4,873
1 1/2"	38	91	52	5	270	15	471
2"	14	-	208	31	648	82	984
3"	-	-	6	-	19	228	252
4"	-	-	-	-	-	-	-
6"	-	-	1	-	7	3	11
8"	-	-	-	-	-	-	-
Total	32,265	4,546	622	253	3,522	969	42,177

Water and Wastewater Rates

Water Rates

In January 2015, the City adopted a resolution implementing a series of rate increases for five years, impacting Fiscal Year 2015 through Fiscal Year 2019. The total cumulative rate increase of the five-year period equated to a total increase of 13%. The current water capacity fees were last adjusted in 2016. The water usage rates vary by several factors. The base charge is determined by whether the customer is located inside or outside city limits, and by meter size. Rates for accounts outside city limits are approximately 33% greater than those inside the City. Volumetric charges vary according to the type of account, i.e., single-family residential, multifamily residential or commercial. Irrigation accounts are charged commercial rates with a single unit volumetric rate.

Wastewater Rates

Wastewater rates received the same incremental adjustments as described above in January 2015. The City currently charges residential (single and double family) customers a flat monthly charge, while commercial customers are charged a monthly service charge and a volume charge. A dual meter rate classification denotes users with separately metered water, which is not returned to the City wastewater collection system. Rates for industrial users are based on wastewater volume, biochemical oxygen demand, suspended solids, and other pollutants in accordance with Pretreatment Regulations. The City has approximately 20-24 industrial customers who are subject to biological

oxygen demand (BOD) and total suspended solids (TSS) surcharges. Rates for accounts outside city limits are approximately 33% greater than those inside the City.

Current Water Rates

TABLE A-5
Current Water Rates
City of Yuma, Arizona

		Inside the City $/mo	Outside the City $/mo
Base Charge	5/8" meter	17.82	23.70
Base Charge	¾" meter	17.82	23.70
Base Charge	1" meter	21.56	28.67
Base Charge	1½"meter	27.93	37.15
Base Charge	2" meter	34.26	45.57
Base Charge	3" meter	62.09	82.58
Base Charge	4" meter	93.72	124.65
Base Charge	6" meter	172.79	229.81
Base Charge	8" meter	251.83	334.93

TABLE A-6
Current Water Usage Charges
City of Yuma, Arizona

	Residential Usage Charge		**Industrial Usage Charge**		**Commercial and Irrigation Usage Charge**	
	Inside the City $/100cuft	Outside the City $/100cuft	Inside the City $/100cuft	Outside the City $/100cuft	Inside the City $/100cuft	Outside the City $/100cuft
0-10 hcf	1.56	2.07	1.56	2.07	1.75	2.29
11-30 hcf	1.83	2.43	1.83	2.43	1.75	2.29
31+ hcf	2.10	2.79	2.10	2.79	1.75	2.29

Current Capacity and Usage Charges

TABLE A-7A
Base Capacity Charges by Meter Size – Residential
City of Yuma, Arizona

[TO COME]

TABLE A-7B
Base Capacity Charges by Meter Size – Commercial
City of Yuma, Arizona

[TO COME]

TABLE A-8
Current Wastewater Usage Charges
City of Yuma, Arizona

	Residential Usage Charge		Multifamily Usage Charge		Commercial Usage Charge		Industrial Usage Charge	
	Inside the City	Outside the City	Inside the City $/100cuft	Outside the City $/100cuft	Inside the City $/100cuft	Outside the City $/100cuft	Inside the City $/100cuft	Outside the City $/100cuft
Base Charge	$36.91	$49.12	$4.74	$6.30	$4.74	$6.30	$2.10	$2.77
Per HCF	--	--	2.10	2.77	2.10	2.77	--	--
BOD per LB	--	--	--	--	--	--	0.30	0.40
TSS per LB	--	--	--	--	--	--	0.30	0.40

[Remainder of page left intentionally blank.]

TABLE A-9 shows the System Usage Charges for the past ten fiscal years broken down between residential and commercial/industrial users.

TABLE A-9
Summary of Usage Charges

[TO COME]

TABLE A-10 summarizes capacity fee revenues for the past ten fiscal years.

TABLE A-10
Capacity Fee Revenues

[TO COME]

[Remainder of page left intentionally blank.]

Other Fees and Charges

The System receives additional revenue from various other fees and charges. These fees and charges include fire hydrant fees, delinquent fees, service establishment fees, water transfer fees, water system development fees, interest earnings and miscellaneous other income. A summary of the revenues received by the System from these sources in recent fiscal years follows:

TABLE A-11
Revenues from Other Fees and Charges

[TO COME]

TABLE A-12
Actual and Projected Water Usage (1,000 gallons)
Fiscal Year Ending June 30

	Actual			Projected		
	2023	2024	2025*	2026	2027	2028
Water						
Residential						
Commercial						
Industrial						
Total						

* *2025 account data current through _____ 2025.*

TABLE A-13
Top Ten Customers of the System

[TO COME]

(a) Comprised of 4 accounts.

(b) Comprised of 2 accounts.

TABLE A-14
Changes in Number of Customers

Since Fiscal Year 2015/16, the average number of customers served by the System has been:

Fiscal Year	Average # of Customers	% Increase
2016	30,312	1.5%
2017	30,830	1.7%
2018	31,421	1.9%
2019	31,993	1.8%
2020	32,502	1.6%
2021	33,159	2.0%
2022		
2023		
2024		
2025		

Capital Improvements

The City's Capital Improvement Program ("CIP") is revised each year to reflect changes in anticipated needs and project priority. CIP projects include System expansions that are determined by the City to be necessary to meet the needs of the System. For Fiscal Year 2025/26, the City is estimating for the System approximately $___,___,000 for CIP projects (of which approximately $44,000,000 is being financed with the proceeds of the Obligations) and has a five year plan for Fiscal Years 2025/26 through 2030/31 totaling approximately $___,___,000 (of which approximately $44,000,000 is being financed with the proceeds of the Obligations).

APPENDIX B

CITY OF YUMA, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information regarding the City is provided for background information only. No representation is made as to the relevance of the data to the repayment of the Obligations. The Obligations are payable solely from Purchase Payments to be paid by the City under the Purchase Agreement which are secured by the Net Revenues as described under the heading "SECURITY FOR AND SOURCE OF PAYMENT OF THE OBLIGATIONS."

General

The City is located in the southwestern corner of Arizona at the confluence of the Colorado and Gila Rivers. Historically, the City has been the crossing site between states and territories East and West of the Colorado River. Known originally as Colorado City, then Arizona City, and finally as Yuma City, this community was first established in 1854. Incorporated under the name Arizona City in 1871, it was reincorporated as Yuma in 1873 in the Arizona Territory. After Arizona became a state, the City was incorporated under the laws of the State in 1914. The City serves as the county seat of Yuma County, Arizona (the "County") and encompasses approximately 120 square miles. The City is located equidistant between the City of Phoenix, Arizona ("Phoenix") and the City of San Diego, California ("San Diego"), with travel times of approximately 2.5 hours from the City to either Phoenix or San Diego. Today, the City remains a crossroads for air and land transportation. The City's major air transportation is provided by Yuma International Airport and major land transportation is comprised of Interstate 8, U.S. Route 95 and Union Pacific Railroad. The following table illustrates population statistics for the City, the County and the State.

Population Statistics

	City of Yuma	Yuma County	State of Arizona
2024 Estimate *(a)*	102,726	217,978	7,621,703
2020 Census	95,548	203,881	7,151,502
2010 Census	93,064	195,751	6,392,017
2000 Census	77,515	160,026	5,130,632
1990 Census	56,966	106,895	3,665,339
1980 Census	42,481	76,205	2,716,546

(a) Data as of July 2024.

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

Municipal Government and Organization

The City operates under a Council-Administrator form of government, as provided by its Charter. The City was incorporated in 1914 and adopted a City Charter in 1914 and is also subject to the general laws of the State applicable to all cities. In addition, under the Arizona Constitution, the City may exercise all powers of local self-government to the extent not in conflict with applicable general laws.

Legislative authority is vested in a seven-member City Council. The six City Council members are elected at large on a nonpartisan ballot for staggered four-year terms. The Mayor is elected at large and is a voting member of the City Council. The City Council fixes the duties and compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing moneys, licensing and regulating businesses and trades and other municipal purposes. The City Council appoints the City Administrator who has full responsibility for executing City Council policies and administering City operations. City employees are hired under personnel rules specified by the City Council.

Key City Administrative Staff

John D. Simonton, Acting City Administrator

Mr. John D. Simonton has over 25 years of public service experience. Mr. Simonton started his career at the City as Project Manager, specializing in Water and Wastewater Infrastructure Projects. Mr. Simonton was promoted to Director of Utilities in 2010 and led the department for almost a decade Mr. Simonton now serves as the Acting City Administrator. In his current role, he oversees the Public Works, Engineering, Utilities, and Parks and Recreation departments. Mr. Simonton has an extensive background in the areas of municipal infrastructure, water and wastewater utilities, and engineering. Mr. Simonton holds a Bachelor of Science Degree in Mechanical Engineering Technology and a Master of Public Administration from Northern Arizona University.

Douglas Allen, Director of Financial Services

Mr. Douglas Allen is the Director of Finance for the City of Yuma. Mr. Allen joined the City in July of 2021 and oversees a full service Finance Department, which has an approved staff of 33 individuals and a service area of over 110,000 customers.

Mr. Allen brings more than 25 years of progressive management experience in government finance and administration. He began serving in Arizona in the early 2000s as Director of Finance and Deputy County Administrator with Yuma County.

Most recently, Mr. Allen served as the Chief Financial Officer (CFO) for the Town of Paradise Valley, Arizona; the CFO for the Salt River Pima-Maricopa Indian Community's Education Division; and the Director of Administrative Services for the City of Buckeye, Arizona.

Before moving to Arizona, Mr. Allen held financial management positions in Wisconsin and Illinois with Kenosha County's Department of Human Services and the City of North Chicago. He is a Certified Public Accountant (CPA) and has a Bachelor of Arts degree in Accounting.

Jeremiah McCall, Utilities Department Director

Mr. Jeremiah McCall is the Director of Utilities for the City of Yuma. Mr. McCall oversees a comprehensive Water/Wastewater utility, which has an approved staff of 144 individuals and a service area of over 110,000 customers. Mr. McCall has over 20 years of experience in the water utility industry, including experience in both Water and Wastewater Treatment and Hazardous Waste Management. Mr. McCall received his Bachelor of Science degree from Northern Arizona University, is a Certified Public Manager and a graduate of the Arizona State University Water Management Program.

Economy

The principal economic activities of the City and the County are government, agriculture, education and healthcare. The City and the County are responsible for supplying the United States with approximately 90 percent of its winter, leafy vegetables. The City is the center of the 4FrontED Region, which encompasses four states in two nations, 1.65 million people, and total GDP of $20 billion. Commercial Border crossings between the United States and Mexico are available in the City of San Luis, Arizona and Mexicali, Baja California, Mexico. Due to the central location of the City in the 4FrontED Region and close proximity to the United States-Mexico border, there are regional economic and social ties between the City, San Diego and the Mexican states of Sonora and Baja California.

Due to the methodology used to calculate unemployment rates and large seasonal employment in the agriculture and tourism industries, the unemployment rates for the City and the County have been consistently high. Such rates do not accurately reflect the actual unemployment within the City and County.

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

UNEMPLOYMENT AVERAGES *(a)*

Calendar Year	City of Yuma	Yuma County	State of Arizona	United States of America
2025 *(b)*	9.0%	11.5%	3.8%	4.2%
2024	8.9	12.4	3.6	4.0
2023	9.6	13.2	3.9	3.7
2022	9.5	12.5	3.8	3.6
2021	8.2	13.1	5.1	5.4
2020	12.9	17.1	7.8	8.1

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

(b) Data through _____ 2025.

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

See the following table for a list of the major employers located in and within close proximity to the City.

MAJOR EMPLOYERS
City of Yuma, Arizona

Employer	Description	Approximate Number of Employees
Yuma Regional Medical Center	Healthcare	3,763
Yuma Proving Ground	Military	2,520
Yuma County	Government	1,355
City of Yuma	Government	1,270
Yuma Elementary School District #1	Education	1,259
Yuma Union High School District	Education	1,059
Department of Corrections R&R	Government	1,022
Advanced Call Center	Business services	346
Department of Economic Security	Government	325
City of Somerton	Government	219

Source: The City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

Sales Tax Collections

The following table illustrates sales tax collections for the City.

TABLE B-4

Sales Tax Collections

Fiscal Year	Collections
2024	34,573,426
2023	32,890,150
2022	31,368,329
2021	28,160,761
2020	24,312,176

APPENDIX C

CITY OF YUMA, ARIZONA – FINANCIAL INFORMATION

The following information regarding the City is provided for background information only. No representation is made as to the relevance of the data to the repayment of the Obligations. The Obligations are payable solely from Purchase Payments to be paid by the City under the Purchase Agreement which are secured by the Net Revenues as described under the heading "SECURITY FOR AND SOURCE OF PAYMENT OF THE OBLIGATIONS."

OUTSTANDING INDEBTEDNESS

Total Senior Lien Utility Revenue Bonds/Obligations Outstanding and to be Outstanding *(a)*
City of Yuma, Arizona

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding and to be Outstanding*
2015	$89,675,000	Advance refunding	2032	$ 44,360,000
2021	71,040,000	Water and wastewater system improvements	2024	64,755,000
Total Utility System Revenue Indebtedness Outstanding				$ 109,115,000
Plus: The 2025A Obligations				20,880,000
Plus: The 2025B Obligations				$21,480,000
Total Utility System Revenue Indebtedness Outstanding and to be Outstanding				$ 151,475,000

* *Subject to change.*

(a) The payments are secured, or to be secured, by a first lien pledge of the Net Revenues.

Excise Tax Revenue Pledged Revenue Obligations Outstanding and to be Outstanding *(a)(b)*
City of Yuma, Arizona

Issue Series	Original Amount	Purpose	Final Maturity Date	Balance Outstanding
2015	$48,105,000	Current refunding, advance refunding, land acquisiton & construction	7/1/2035	$ 28,385,000
2021 TX	159,475,000	Funding PSPRS & CORP unfunded liabilities	7/15/2038	121,445,000
Total Excise Tax Revenue Indebtedness Outstanding				$ 149,830,000

(a) The payments with respect to such indebtedness are secured by a first lien pledge of revenues from City excise taxes and State shared revenues.

(b) The City Council has adopted an ordinance authorizing the execution and delivery of not to exceed $72,000,000 aggregate principal amount of the City's pledged revenue obligations, in one or more series (the "2025 Pledged Revenue Obligations"). The 2025 Pledged Revenue Obligations will be offered pursuant to a separate official statement and will not be secured by the Net Revenues. It is expected that the 2025 Pledged Revenue Obligations will be executed and delivered in [November] 2025. This table does not reflect the planned execution and delivery of the 2025 Pledged Revenue Obligations.

Senior Lien Road Tax and Subordinate Lien Excise Revenue Bonds Outstanding *(a)*
City of Yuma, Arizona

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2015	$40,280,000	Advance refunding	2027	$ 22,630,000
Total Senior Lien Road Tax and Subordinate Lien Excise Revenue Indebtedness Outstanding				$ 22,630,000

(a) The payments with respect to such bonds are secured by a first lien pledge of revenues from a dedicated road tax and a second lien pledge of revenues from City excise taxes and State shared revenues.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

Retirement Benefits

The City contributes to the retirement plans described below: the cost-sharing Arizona State Retirement System ("ASRS") and the multiple-employer Public Safety Personnel Retirement System ("PSPRS"). Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the City and each covered employee contribute in the case of each.

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

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

Starting on page 90 in APPENDIX C – "CITY OF YUMA, ARIZONA AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024" is information about the plans based on GASB's Statements Nos. 67 and 68. Please refer to APPENDIX C for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX C, the latter supersedes the former.

The Arizona State Retirement System

ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2024, the unfunded liability for ASRS was $18.73 billion with a funding ratio of 74.0% and an assumed earning rate of 7.0%. As of June 30, 2024, the City reported a liability of $47,880,896 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the City) and active members of ASRS are equal. For Fiscal Year 2025/26, the actuarially determined contribution rate for the City and active members of ASRS is 12.00% (11.86% for retirement and health insurance and 0.14% for long-term disability).

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

Fiscal Year ended	Retirement and Health Insurance Premiums	Long-term Disability	Total Contribution Rate	Funded Status	Pension Contributions
June 30, 2026	11.86%	0.14%	12.00%	unavailable	unavailable
June 30, 2025	12.12	0.15	12.27	unavailable	unavailable
June 30, 2024	12.14	0.15	12.29	74.0%	$5,418,412
June 30, 2023	12.03	0.14	12.17	73.1	4,744,398
June 30, 2022	12.22	0.19	12.41	72.7	3,999,644

The Public Safety Personnel Retirement System

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

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

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

"Tier 1" Members	"Tier 2" Members	"Tier 3" Members
Hired into PSPRS position before January 1, 2012	Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017	Hired into PSPRS position on or after July 1, 2017

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

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

Police

	Fiscal Year Ended				
	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022
Actuarially Determined Contribution Rates					
Tier 1/2 Defined Benefit Employer (a)	16.66%	14.59%	10.22%	57.73%	71.09%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employee (a)(b)	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 3 Defined Benefit Employer (a)(c)	15.49%	13.18%	9.63%	57.67%	70.77%
Tier 3 Defined Benefit Employee (a)	8.69%	8.89%	9.56%	9.94%	9.94%
Tier 3 Defined Contribution Employer (a)	17.54%	15.02%	10.67%	58.58%	70.71%
Tier 3 Defined Contribution Employee	10.74%	10.73%	10.60%	10.85%	9.88%
Pension Funded Status	N/A	N/A	94.7%	96.8%	100.1%
Health Funded Status	N/A	N/A	218.1%	217.2%	203.4%
Total City (Employer) Pension and Contribution	N/A	N/A	$9,177,720	$10,099,360	$12,031,813

(a) Does not include additional contribution percentage of 3% associated with Tier 2 & 3 defined benefit members additionally participating in the defined contribution plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date and 3% for Tier 3 members.

(a) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.

(c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

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	Fire				
	Fiscal Year Ended				
	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022
Actuarially Determined Contribution Rates					
Tier 1/2 Defined Benefit Employer (a)	19.00%	19.16%	14.21%	58.91%	74.23%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employee (a)(b)	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 3 Defined Benefit Employer (a)(c)	13.60%	14.28%	9.76%	55.82%	70.72%
Tier 3 Defined Benefit Employee (a)	8.69%	8.89%	9.56%	9.94%	9.94%
Tier 3 Defined Contribution Employer (a)	15.65%	16.12%	10.80%	10.85%	70.66%
Tier 3 Defined Contribution Employee	10.74%	10.73%	10.60%	56.73%	9.88%
Pension Funded Status	N/A	N/A	100.1%	58.5%	41.2%
Health Funded Status	N/A	N/A	120.1%	127.0%	115.9%
Total City (Employer) Pension and Contribution	N/A	N/A	$8,963,751	$9,366,002	$9,818,616

(a) Does not include additional contribution percentage of 3% associated with Tier 2 & 3 defined benefit members additionally participating in the defined contribution plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date and 3% for Tier 3 members.

(b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.

(c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

Statutory Changes and Court Decisions Regarding the PSPRS. PSPRS is operated under the umbrella of the Public Safety Personnel Retirement System and the Public Safety Personnel Retirement System Board of Trustees. Since 2011 there have been various retirement program modifications designed to mitigate the increasing unfunded liabilities in the programs. Some of these modifications were enacted by the Arizona Legislature and other changes (like Prop 124) were implemented by voter approved amendments to the State Constitution. Additionally, in some instances, modifications enacted by the Arizona Legislature were reversed based on the outcome of successful court challenges. Substantively, the modifications have included changes to contribution rates, retirement criteria, funding horizons, retirement benefits and post-retirement benefit increase calculations.

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

Other Post-Employment Retirement Benefits

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The City is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB Statement No. 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan.

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

Governmental Accounting Standards ("GASB")

The Governmental Accounting Standards Board adopted Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires cost-sharing employers to report their "proportionate share" of the plan's net pension liability in their government-wide financial statements. GASB 68 also requires that the cost-sharing employer's pension expense component include its proportionate share of the system's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. The pension liability was measured as of June 30, 2023. See Note 9 in APPENDIX C – "CITY OF YUMA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024." for further discussion of the City and its pension liability including the net pension liability associated with PSPRS.

New Reporting Requirements - Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, is designed to improve financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

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APPENDIX D

FORM OF OPINION OF SPECIAL COUNSEL

[Closing Date]

[TRUSTEE]
Phoenix, Arizona

Re: Utility System Revenue Obligations, Series 2025A and Utility System Revenue Obligations, Series 2025B, Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price To Be Paid by the City of Yuma, Arizona, Pursuant to a Series 2025 Purchase Agreement, Dated as of November 1, 2025*

We hereby certify that we have examined a transcript of the proceedings relating to the initial execution and delivery of the Utility System Revenue Obligations, Series 2025A (the "*2025A Obligations*") in the aggregate principal amount of $20,880,000* and the Utility System Revenue Obligations, Series 2025B (collectively with the 2025A Obligations, the "*Obligations*") in the aggregate principal amount of $21,480,000* and fully registered form, dated the date of their initial execution and delivery. The Obligations are being executed and delivered to finance the costs of certain improvements to the waterworks and sewer plant and system (the "*System*") serving the City of Yuma, Arizona (the "*City*").

We have examined the law and such documents and matters as we have deemed necessary to render this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon, and have assumed due compliance with the provisions of, such documents and have relied upon certifications and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, the use to be made of the proceeds of the Obligations. Reference is made to certifications of, and opinions of counsel to, parties with respect to the existence and powers of such parties to enter into and perform the instruments referred to, the authorization, execution and delivery of such instruments by such parties and such instruments being binding upon and enforceable against such parties; we express no opinion as to such matters.

The Obligations are being executed and delivered pursuant to the Series 2025 Obligation Indenture, dated as of November 1, 2025* (the "*Indenture*"), by and between the City and [TRUSTEE], in its capacity as trustee (the "*Trustee*"). Each of the Obligations represents an undivided and proportionate interest in certain obligations of the City pursuant to the Series 2025 Purchase Agreement, dated as of November 1, 2025* (the "*Purchase Agreement*"), by and between the Trustee, in its separate capacity as seller (the "*Seller*"), and the City, as purchaser, pursuant to which the City has agreed to make certain installment purchase payments to the Seller. The Obligations are payable solely, as to both principal and interest, from such installment purchase payments made by the City pursuant to the Purchase Agreement. The City and the Seller have assigned certain of their rights in and benefits from, and of their obligations pursuant to, the Purchase Agreement to the Trustee pursuant to the Indenture.

Based upon the foregoing, we are of the opinion as of this date, which is the date of initial execution and delivery of the Obligations against payment therefor, that:

1. The Indenture, the Purchase Agreement and the Obligations are valid and binding and enforceable in accordance with their terms. The rights of the owners of the Obligations and the enforceability of those rights pursuant to the Obligations as well as the Indenture and the Purchase Agreement may, however, be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights, and the enforcement of those rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity. The enforceability of the indemnification provisions in the Purchase Agreement and the Indenture may be affected by applicable securities laws.

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* *Subject to change.*

2. The obligation of the City for the payment of the installment purchase payments required to be paid by the City pursuant to the provisions of the Purchase Agreement constitute a valid and binding limited, special obligation of the City, payable together with any other obligations issued on parity therewith, solely from and secured solely by a pledge of, a lien on and a security interest in the Net Revenues (as defined in the Purchase Agreement), consisting generally of revenues derived by the City from the operation of the System after sufficient funds have been provided for the operation and maintenance expenses of the System. Such payments are not secured by an obligation or pledge of any moneys raised by taxation; the Obligations do not represent or constitute a debt or pledge of the general credit of the City or the State of Arizona and the Purchase Agreement, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

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

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

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

Respectfully submitted,

APPENDIX E

CITY OF YUMA, ARIZONA –
AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

APPENDIX F

OBLIGATIONS DOCUMENTS SUMMARIES

The following summaries are supplemental to and should be read together with "SECURITY FOR AND SOURCE OF PAYMENT OF THE OBLIGATIONS" herein. These summaries are a brief description of certain provisions of the Purchase Agreement and the Indenture and certain definitions therein not defined elsewhere in this Official Statement, should not be considered a full statement thereof and are qualified in their entirety by reference to the Purchase Agreement and the Indenture, copies of which are available as set forth in this Official Statement under the heading "INTRODUCTORY STATEMENT."

Definitions

For the purposes hereof and in addition to those defined prior to the Appendices hereof, the following words and phrases will have the following meanings:

"Administrative Expenses" means the reasonable cost or value of all services rendered by the City and its various departments with respect to the System.

"Bond Year" means a 12-month period beginning July 2 of the calendar year and ending on the next succeeding July 1.

"Business Day" means a day on which banks located in the City of Phoenix, Arizona, and in the city or cities in which the principal office of the Trustee and the Paying Agents are not required or authorized by law or executive order to remain closed.

"City Representative" means the City Administrator, the Director of Financial Services of the City or any other person at any time designated to act on behalf of the City by written certificate furnished to the Trustee containing the specimen signature of such person and signed by the City Administrator or his or her designee. Such certificate may designate one or more alternates.

"Consultant" means an independent utility consultant or firm of such consultants having a favorable reputation with respect to the matters in question.

"Corporation" means City of Yuma Municipal Property Corporation, a corporation organized under the laws of the State of Arizona.

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

"Depository Trustee" means any financial institution meeting the requirements as a successor Trustee under Section 8.6 of the Indenture that may be designated by the City.

"Fiscal Year" means the 12-month period used by the City for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

"Holder" means the registered owner of any Obligation.

"Independent Certified Public Accountant" means a firm of certified public accountants which is not in the regular employ of the City on a salary basis.

"Independent Engineer" means an independent engineer or firm of such engineers having a favorable reputation with respect to the matters in question.

"Interest Requirement" means (i) with respect to the Obligations, as of any date of calculation, the interest amount on the Obligations due during the applicable Fiscal Year, and (ii) with respect to Parity Obligations, as of any date of calculation, the amount required to be paid by the City during the applicable Fiscal Year with respect to interest on Parity Obligations.

"Improvements Fund" means the fund of that name created pursuant to Section 2.2 of the Purchase Agreement.

"Indenture Event of Default" means any one of those events set forth in Section 7.1 of the Indenture.

"Interest Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1 of the Indenture.

"Obligation Fund" means the fund of that name created pursuant to Section 5.1 of the Indenture.

"Obligation Payment Date" means each January 1 and July 1, commencing, January 1, 2026*, so long as any Obligations are Outstanding.

"Opinion of Counsel" means a written opinion of an attorney or firm of attorneys who or which (except as otherwise expressly provided in the Indenture or in the Purchase Agreement) may be counsel for the City or the Trustee, provided that such attorney or firm of attorneys may not be an employee of the Trustee.

"Outstanding" means when used with reference to the Obligations, as of any date of determination, all Obligations theretofore executed and delivered except:

(i) Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Obligations that are deemed paid and no longer Outstanding as provided in the Indenture;

(iii) Obligations in lieu of which other Obligations have been executed and delivered pursuant to the provisions of the Indenture relating to Obligations destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Obligation is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken under the Indenture or under the Purchase Agreement by the Holders of a specified percentage in principal amount of Obligations, Obligations held by or for the account of the City, or any Person controlling, controlled by, or under common control with any of them.

"Parity Obligation Documents" means any ordinance, indenture, contract or agreement of the City constituting or authorizing Parity Obligations.

"Parity Obligations" means the Series 2015 Bonds, the Series 2021 Obligations and Senior Obligations having a lien payable from Net Revenues of the System on a parity with the Series 2015 Bonds, the Series 2021 Obligations and the Obligations which may hereafter be issued by the City (or any financing conduit acting on behalf of the City) in compliance with the terms of Article IV of the Purchase Agreement.

"Parity Lien Test Debt Service" means an amount of money equal to the highest aggregate Interest Requirement and Principal Requirement of all outstanding Senior Obligations to fall due and payable in the current or any future Fiscal Year. For purposes of determining Parity Lien Test Debt Service for any Fiscal Year, the interest requirement on the Senior Obligations shall be determined based on interest on all outstanding Senior Obligations to

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* *Subject to change.*

their stated maturity dates unless the City shall have given irrevocable instructions to redeem some or all outstanding Senior Obligations pursuant to the Indenture or the Parity Obligation Documents, in which case the interest requirement on the Senior Obligations shall be determined based on interest on all outstanding Senior Obligations to their stated maturity or, with respect to Senior Obligations for which such irrevocable redemption instructions have been given, prior redemption dates. In case any Parity Obligations outstanding or proposed to be issued shall bear interest at a variable rate, the interest requirement of such Parity Obligations in each Fiscal Year during which such variable rate applies shall be computed at the lesser of (i) the maximum rate which such Parity Obligations may bear under the terms of their issuance, or (ii) the rate of interest established for long-term bonds by the 20-year bond index most recently published by *The Bond Buyer* of New York, New York, prior to the date of computation (or in the absence of such published index, some other index selected in good faith by the Director of Financial Services of the City after consultation with one or more reputable, experienced investment bankers as being equivalent thereto).

"Principal Requirement" means (i) with respect to the Obligations, as of any date of calculation, the principal amount of the Obligations maturing or subject to mandatory redemption pursuant to the Indenture during the applicable Fiscal Year, and (ii) with respect to Parity Obligations, as of any date of calculation, the amount required to be paid by the City during the applicable Fiscal Year with respect to principal of Parity Obligations. In computing the Principal Requirement for Parity Obligations, an amount of Parity Obligations required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of Parity Obligations maturing on the scheduled maturity date.

"Paying Agent" means the banks or trust companies and their successors designated as the paying agencies or places of payment for the Obligations. The Trustee is designated as the initial Paying Agent for the Obligations.

"Permitted Investments" has the meaning provided in the Indenture.

"Person" shall include an individual, an association, unincorporated organization, a corporation, partnership, joint venture, or government or agency or political subdivision thereof.

"Principal Account" means the account of the Obligation Fund of that name created pursuant to Section 5.1 of the Indenture.

"Principal Installment" means, for any particular date, the aggregate of the principal amount of Obligations that are due on such date.

"Purchase Event of Default" means one of the events defined as such in Section 7.1 of the Purchase Agreement.

"Purchase Price" means the sum of the payments paid pursuant to Sections 5.4(i) and (ii) of the Indenture from amounts to be paid by or on behalf of the City as the purchase price for the Projects.

"Series 2015 Bonds" means the Senior Lien Utility System Revenue Refunding Bonds, Series 2015 of the Corporation, dated October 21, 2015.

"Series 2021 Obligations" means the Utility System Revenue Obligations, Series 2021 of the City, dated December 28, 2021.

"Special Counsel" means an attorney or a firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the City.

"Special Counsel's Opinion" means an opinion signed by Special Counsel.

The Purchase Agreement

* * * * *

Section 2.1. Agreement to Cause Execution and Delivery of Obligations; Application of Obligation Proceeds. In order to provide funds for payment of the costs of the acquisition, construction and improvement of the Projects, the Obligations shall be executed and delivered under the Indenture.

Section 2.2. Improvements Fund.

(a) The City shall establish and maintain a separate fund known as the *"Improvements Fund,"* which shall be funded from amounts transferred to the City by the Trustee pursuant to the Indenture. Moneys in the Improvements Fund shall be disbursed by the City for the following purposes and for no other purposes:

(i) to the extent not paid by the Trustee from the Costs of Issuance Fund established under the Indenture, the costs described in the Indenture;

(ii) payment for labor, services, materials and other necessities used or furnished in the acquisition, improvement and construction of the Projects, and all real and personal property deemed necessary in connection with the Projects and for the miscellaneous expenses incidental to any of the foregoing including the premium on each performance and payment bond;

(iii) reimbursement of capital expenditures relating to the Projects advanced prior to the execution and delivery of the Obligations; and

(iv) payment of the portion of the Purchase Price representing interest on the Obligations during the acquisition, construction and improvement of the Projects.

(b) Before any of the foregoing payments may be made, the City shall maintain a record with respect to each such payment to the effect that: (i) none of the items for which the payment is proposed to be made has formed the basis for any payment previously made from the Improvements Fund, (ii) each item for which payment is proposed to be made is or was necessary in connection with the Projects, and (iii) each item for which payment is proposed to be made is for a purpose permitted by the Purchase Agreement.

(c) In the case of any contract providing for the retention of a portion of the contract price, subject to Sections 2.3 and 2.4, the City may pay from the Improvements Fund only the net amount remaining after deduction of any such portion.

(d) The City shall notify the Trustee of the completion date of the Projects by delivery of a certificate signed by the City Representative stating that (i) acquisition, construction and improvement of the Projects has been completed, and (ii) all obligations and costs in connection with the Projects and payable out of the Improvements Fund have been paid and discharged, except for amounts retained by the City for payment of costs of the Projects not yet due and payable. Any moneys held in the Improvements Fund upon delivery of such certificate that are not needed to pay costs of the Projects shall be transferred by the City to the Trustee for deposit to the Interest Account or the Principal Account as indicated in such certificate.

* * * * *

Section 3.3. Amounts Payable After Execution and Delivery of Obligations. After providing for any amounts due pursuant to Section 2.4(c) of the Purchase Agreement, the Net Revenues received pursuant to Section 4.1 of the Purchase Agreement shall be paid for the following purposes and in the following order of priority, after decreasing any such payment for any interest income or gain received, or increasing such payment for any loss realized, during the preceding month in the account to which such payment is to be deposited:

(i) Fees and expenses of the Trustee in accordance with the provisions of Section 8.8 of the Indenture to the Trustee.

(ii) The payments on the dates and in the amounts set forth in the Schedules attached to the Purchase Agreement for deposit to the Interest Account and/or the Principal Account, as applicable.

In the event the City should fail to make when due any of the payments required by this Section, the installment so in default shall continue as an obligation of the City, payable solely from the Net Revenues, until the amount in default shall have been fully paid, and the City shall pay the same with interest thereon at the rate applicable to the corresponding maturities of Obligations, from the date said payment was to be made to the date of payment by the City until paid. The Purchase Agreement shall be deemed and construed to be a "net purchase agreement," and the payments provided for in this Section shall be an absolute net return to the Seller, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided in the Purchase Agreement. The City shall cause an amount of Revenues to be included in the annual budget for every Fiscal Year sufficient to meet all requirements of the Purchase Agreement.

* * * * *

Section 4.1. Limitation of Source of City Payments.

(a) The Purchase Agreement is a limited, special obligation of the City, payable solely and secured as to the payment in accordance with the terms and the provisions of the Purchase Agreement.

(b) The Net Revenues are pledged by the City to the payment of all amounts due with respect to the Obligations, and such amounts shall be secured by a prior and paramount lien on and pledge of the Net Revenues on parity of lien with the pledge and lien granted by the City for the payment and security of the Parity Obligations. The amounts due with respect to the Obligations, the Parity Obligations and any additional Parity Obligations (exclusive of the City's repayment obligations with respect to reserve fund credit instruments, if any, in connection with the Parity Obligations, and any similar obligations with respect to reserve fund credit instruments to be entered into by the City with respect to additional obligations which shall be secured by Net Revenues on a subordinate basis), shall be equally and ratably secured by said pledge and lien without one having priority over the other. The City intends that this pledge shall be a prior and paramount lien on and a first pledge of such Net Revenues, as will be sufficient to make all payments with respect to the Obligations, and the City covenants to make the payments with respect to the Obligations from Net Revenues, except to the extent that it chooses to make such payments from other legally available funds at its sole option. In no event shall the City be required to make the payments with respect to the Obligations from any revenues, receipts or sources not derived from the Net Revenues of the System.

(c) Amounts payable by the City under the Purchase Agreement shall never constitute a general obligation of the City or a pledge of *ad valorem* property taxes by the City. Nothing contained in this Section shall be construed as limiting any authority granted elsewhere herein to incur this Purchase Agreement or Parity Obligations nor be deemed a limitation upon the issuance of bonds, notes or other obligations under any law pertaining to the City secured by moneys, income and funds other than the Net Revenues and other moneys and investments pledged hereunder or under the Indenture. After the application of the Net Revenues for the purposes herein, they may be used for any lawful purpose.

* * * * *

Section 4.3. Prior Lien Obligations. The City shall not incur any obligations payable from the Net Revenues ranking prior to the obligations of the City under the Purchase Agreement.

* * * * *

Section 5.1. Utilities; Maintenance of the System in Good Condition; Repair and Replacement Fund. All maintenance and repair of the Projects and utilities therefor shall be the responsibility of the City. (In exchange for the payment of the amounts due under the Purchase Agreement, the Seller shall provide nothing more than the Projects.) The City shall (a) maintain the System in good condition, (b) operate the same in a proper and economical manner and at reasonable cost, and (c) faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State.

Section 5.2. Insurance. The City shall maintain insurance on the System (which may take the form of or include an adequately-funded program of self-insurance), for the benefit of the Holder or Holders of the Obligations payable wholly or in part from the Revenues, for the full insurable value of all buildings and machinery and equipment therein, against loss or damage by fire, lightning, tornado or winds, and all other combustible property against loss or damage by fire or lightning, and other coverages and amounts of insurance (including public liability and damage to property of others to the extent deemed prudent by the City), normally carried by others on similar operations. The cost of such insurance may be paid as an Operation and Maintenance Expense. All money received for losses under any such insurance policies, except public liability policies, is pledged by the City as security for the payment of the Purchase Agreement until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, including repairing the System. Self-insurance may be maintained for the System either separately or in connection with any general self-insurance retention program or other insurance program maintained by the City; provided that (a) any such program has been adopted by the City and (b) an independent insurance or actuarial consultant appointed by the City annually reviews and reports to the City in writing that any such program is adequate and actuarially sound. All proceeds of any condemnation awards with respect to the System shall be deposited with the Trustee and applied to the *pro rata* payment of the Obligations.

Section 5.3. No Sale; Lease or Encumbrance Exceptions.

(a) The City shall not sell, lease, encumber or in any manner dispose of the System as a whole until all of the Obligations and all interest thereon shall have been paid in full or provision for payment has been made in accordance with the Indenture.

(b) The City may sell, lease or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exists: (a) such property is not necessary for the operation of the System, (b) such property is not useful in the operation of the System, (c) such property is not profitable in the operation of the System or (d) the disposition of such property will be advantageous to the System and will not adversely affect the security for the Holders of the Obligations. In addition, the City may sell to any municipality or political subdivision of the State or any agency of any one or more of them, any portion of the System if there is filed with the City Clerk a certificate executed by the Consultant showing that, in opinion of such Consultant, the proposed sale will not reduce the Net Revenues to be received in the full Fiscal Year next succeeding such sale to an amount less 120% of Parity Lien Test Debt Service. In making such computation, the Consultant shall consider such matters as such Consultant deems appropriate including: (i) anticipated diminution of Revenues; (ii) anticipated increase or decrease in Operation and Maintenance Expenses attributable to the sale; and (iii) reduction, if any, in annual principal and interest requirements attributable to the application of the sale proceeds for payment of Obligations then Outstanding.

(c) The City may sell or otherwise transfer the System as a whole to any municipality or political subdivision or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own and operate the System on behalf of the public, and that undertakes in writing, filed with the City Clerk, the City's obligations under the Purchase Agreement; provided that there shall be first filed with the City Clerk (1) a Special Counsel's Opinion to the effect that (A) such sale will not cause interest on any of the Obligations to become subject to federal income taxation, (B) such sale will not materially diminish the security of the Holders of the Obligations (which opinion may be based on the Consultant's report described in clause (2), below), and (C) the obligations of the City under the Purchase Agreement have been validly assumed by such transferee and are the valid and legally binding obligations of such transferee, and (2) an opinion of a Consultant expressing the view that such transfer in and of itself will not result in any diminution of the Net Revenues to the extent that in the full Fiscal Year next succeeding such transfer the Net Revenues will be less than 125% of Parity Lien Test Debt Service. In reaching this conclusion, the Consultant shall take into consideration such factors as he may deem significant including any rate schedule to be imposed by said political subdivision or agency.

(d) Notwithstanding the above provisions, the City may sell or lease all or any part of the System in connection with the issuance of additional Parity Obligations to finance additional improvements to the System or refinance the Obligations or additional Parity Obligations provided that such sale or lease does not permit foreclosure, or other loss by the City, of such portion of the System.

* * * * *

Section 5.6. Disconnection of Service for Non-Payment; No Free Service.

(a) The City shall diligently enforce payment of all bills for services supplied by the System. If a bill becomes delinquent and remains so for a period to be determined in accordance with City policy from time to time, the City shall discontinue service in accordance with the laws of the State to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for payment satisfactory to the City shall have been made. The City shall do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

(b) No free service shall be furnished by the System to the City or any department thereof or to any person, firm or corporation, public or private, or to any public agency or instrumentality, except as provided in the Purchase Agreement. The reasonable cost and value of all service rendered to the City and its various departments by the System shall be charged against the City and will be paid for as the service occurs from the City's current funds. All payments so made shall be considered Revenues and shall be applied in the manner provided in the Purchase Agreement for the application of the Revenues of the System.

Section 5.7. No Competing System. The City shall not, to the extent permitted by law, grant a franchise or permit for the operation of any competing system in the City.

* * * * *

Section 5.9. Conflicts with Outstanding Parity Obligations. To the extent of any conflict between the provisions of this Article and those of the Parity Obligation Documents for the Series 2015 Bonds, the provisions of such Parity Obligation Documents shall prevail so long as amounts remain unpaid or unprovided for pursuant to the Series 2015 Bonds.

* * * * *

Section 7.1. Purchase Events of Default. Any one or more of the following events ("Purchase Events of Default") shall constitute a default under the Purchase Agreement:

(a) The City shall fail to make any payment when due under Section 3.3(ii) of the Purchase Agreement; or

(b) The City shall fail to make any payment under Section 3.3(i) of the Purchase Agreement for a period of 30 days after notice of such failure shall have been given in writing to the City by the Seller or by the Trustee; or

(c) The City shall fail to perform any other covenant in the Purchase Agreement for a period of 30 days after written notice specifying such default shall have been given to the City by the Seller or the Trustee, provided that if such failure is a type that it cannot be remedied within such 30 day period, it shall not be deemed a Purchase Event of Default so long as the City diligently tries to remedy the same, which it shall certify in writing to the Trustee; or

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy statutes, as amended, or under any similar acts that may be enacted after execution of the Purchase Agreement.

Section 7.2. Remedies on Default by City. Upon the occurrence of a Purchase Event of Default, the Seller shall, but only if requested to do so by the Trustee, without further demand or notice, exercise any of the available remedies at law or in equity, including, but not limited to, specific performance, however under no circumstances may amounts due under the Purchase Agreement be accelerated. Upon the filing of suit by the Trustee, any court having jurisdiction of the action may appoint a receiver to administer the System for the City with power to

charge and collect fees sufficient to pay all of the Operation and Maintenance Expenses and to make all required payments under the Purchase Agreement. The Seller may assign any or all of its rights and privileges under this Section to the Trustee, and upon furnishing evidence of such assignment to the City, the Trustee may exercise any or all of such rights or privileges as it may deem advisable.

* * * * *

Section 8.12. Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Trustee acknowledges that the Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated in the Purchase Agreement and that provides that the City may within three years after its execution cancel any contract (including the Purchase Agreement) without penalty or further obligation made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

The Indenture

Granting Clauses. Pursuant to the Indenture, the Trustee has been granted a security interest in and the following described property has been released, assigned, transferred, pledged mortgaged, granted and conveyed to the Trustee:

A. All rights and interests of the Seller in, under and pursuant to the Purchase Agreement as assigned, mortgaged, hypothecated and pledged to the Trustee pursuant to the Purchase Agreement, provided that the assignment made by this clause shall not include any right to limitation of liability, indemnification of liability, or payment or reimbursement of fees, costs or expenses,

B. Amounts on deposit from time to time in the funds and accounts created pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, and

C. Any and all other real or personal property of any kind from time to time after execution of the Indenture by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security under the Indenture for the Obligations, by the City or by anyone on its behalf or with its written consent, in favor of the Trustee.

* * * * *

Section 1.3. All Obligations Equally and Ratably Secured; Obligations Not General Obligations of the City. All of the Obligations executed and delivered under the Indenture and at any time Outstanding shall in all respects be equally and ratably secured by the Indenture, without preference, priority, or distinction on account of the date or dates or the actual time or times of the execution and delivery or maturity of the Obligations, so that all Obligations at any time Outstanding under the Indenture shall have the same right, lien and preference under the Indenture and shall all be equally and ratably secured by the Indenture. The Obligations shall be payable solely out of the revenues and other security pledged by the Indenture and shall not constitute an indebtedness or general obligation of the City within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or be a charge against its general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

* * * * *

Section 5.3. Flow of Funds into the Obligation Fund. The following payments to the Trustee shall be applied in the following manner:

(i) The Trustee shall deposit to the Interest Account amounts paid pursuant to Section 3.3(ii) of the Purchase Agreement. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement shall also be deposited in the Interest Account.)

(ii) The Trustee shall deposit to the Principal Account amounts paid pursuant to Section 3.3(ii) of the Purchase Agreement as well as the total of any amounts received for any redemption of Obligations. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement shall also be deposited in the Principal Account.)

Section 5.4. Flow of Funds out of the Obligation Fund. Amounts in the following accounts shall be applied in the following manner:

(i) Amounts in the Interest Account shall be used to pay interest on the Obligations as it becomes due.

(ii) Amounts in the Principal Account shall be used to retire Obligations by payment at their scheduled maturity date or redemption date.

* * * * *

Section 5.6. Investment of Moneys Held by Trustee.

(a) Moneys in all funds and accounts held by the Trustee shall be invested by the Trustee, as soon as possible upon receipt of immediately available funds at its designated corporate trust office, to the fullest amount possible, in Permitted Investments as directed, in writing, by the City Representative; provided that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof. In the event no investment direction is given to the Trustee by the City, then the Trustee shall hold such funds uninvested in cash.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made and (ii) the Trustee maintains separate records for each fund and account and such investments are accurately reflected therein.

* * * * *

Section 7.1. Events of Default. Each of the following is declared an "Indenture Event of Default" under the Indenture:

(a) If payment of any installment of interest on any Obligation is not made in full when the same becomes due and payable;

(b) If payment of the principal of any Obligation is not made in full when the same becomes due and payable;

(c) If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of all or any part of the interests pledged under the Indenture and such custody or control continues for more than 60 days;

(d) If the City defaults in the due and punctual performance of any other covenants, conditions, agreements or provisions on its part to be performed as provided in the Indenture or in the Obligations and such default

continues for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Trustee, unless within such 30 days the City commences and diligently pursues in good faith appropriate corrective action, and certify as such to the Trustee and such failure does not continue for a period of more than 60 days; the Trustee may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25 percent in principal amount of the Obligations then Outstanding; or

(e) If any event of default provided by Section 7.1 of the Purchase Agreement occurs.

Section 7.2. Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Indenture Event of Default and in accordance with the Indenture and the Purchase Agreement, the Trustee may, and upon the written request of the Holders of not less than a majority in principal amount of the Obligations Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, protect and enforce its rights and the rights of the Holders under the Indenture and the Purchase Agreement by such suits, actions or proceedings as the Trustee, being advised by counsel, deems expedient, including but not limited to, an action for the recovery of any amounts due under the Indenture or for damages for the breach of the Indenture, and the Trustee may pursue any other remedy which the law affords, including the remedy of specific performance. The Trustee shall also have those remedies provided pursuant to the Purchase Agreement subject to any limitations on such remedies set forth therein.

(b) Regardless of the happening of an Indenture Event of Default and subject to Section 7.7 of the Indenture, the Trustee, if requested in writing by the Holders of not less than a majority in principal amount of the Obligations then outstanding shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it deems necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts that may be unlawful or in violation of the Indenture, or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Obligations not making such request.

Section 7.3. No Acceleration. In no event shall the Trustee have the right to accelerate or cause to become immediately due and payable, or payable in advance of their scheduled maturity dates, other than because of optional redemption pursuant to the Indenture and then only to the extent of the amount to be so redeemed amounts due under the Indenture.

Section 7.4. Application of Revenues and Other Moneys After Default.

(a) During the continuance of an Indenture Event of Default all moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture, shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the Obligation Fund, and all amounts held by the Trustee under the Indenture shall be applied as follows provided, that if the amount available shall not be sufficient to pay in full any amount or amounts then due, then to the payment thereof ratably in a manner consistent with Section 3.3 of the Purchase Agreement, according to the amounts due to the Persons entitled thereto, without any discrimination or preference:

First: To the payment of all installments of interest then due (including interest on amounts not paid when due on the Obligations); and

Second: To the payment of the unpaid Principal Installments or redemption price that shall have become due, whether at maturity or by call for redemption, in the order of their due dates.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal of the Obligations to be paid

on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Obligation until such Obligation is presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

(c) Whenever all principal of and interest on the Obligations that has become due has been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid and the Obligation Fund contains the amounts then required to be credited thereto, any balance remaining shall be paid to the City.

* * * * *

Section 7.7. Individual Holder Action Restricted.

(a) No Holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust or for any remedy under the Indenture except for the right to institute any suit, action or proceeding in equity or at law for the enforcement of the Trustee's duties and powers under the Indenture upon the occurrence of all of the following events:

(i) The Holders of at least a majority in principal amount of Obligations Outstanding have made written request to the Trustee to proceed to exercise the powers granted in the Indenture; and

(ii) Such Holders have offered to indemnify the Trustee as provided in Section 8.2(v) of the Indenture; and

(iii) The Trustee has failed or refused to exercise the duties or powers granted in the Indenture for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) During such 60-day period no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a greater majority in principal amount of Obligations then Outstanding.

(b) No one or more Holders of Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the security thereof or to enforce any right under the Indenture except in the manner provided in the Indenture and for the equal benefit of the Holders of all Obligations Outstanding.

(c) Nothing contained in the Indenture shall affect or impair, or be construed to affect or impair, the right of the Holder of any Obligation (i) to receive payment of the principal of or interest on such Obligation, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Obligation may institute or prosecute any such suit if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of the Indenture on the moneys, funds and properties pledged under the Indenture for the equal and ratable benefit of all Holders of Obligations.

* * * * *

Section 7.9. Waiver of Indenture Event of Default.

(a) No delay or omission of the Trustee or of the Holder of any Obligations to exercise any right or power accruing upon any Indenture Event of Default shall impair any such fight or power or shall be construed to be a waiver of any such Indenture Event of Default or an acquiescence therein. Every power and remedy given by the Indenture may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Indenture Event of Default that in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under, the provisions of the Indenture, or before the completion of the enforcement of any other remedy under the Indenture.

(c) In case of any waiver by the Trustee of an Indenture Event of Default under the Indenture, the City, the Trustee and the Holders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver shall extend to any subsequent or other Indenture Event of Default. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Indenture Event of Default in accordance with this Section.

* * * * *

Section 8.1. Certain Duties and Responsibilities of Trustee.

(a) Except during the continuance of an Indenture Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions which are required by any provision of the Indenture or the Purchase Agreement, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture or the Purchase Agreement on their face.

(b) In case an Indenture Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.

(c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or breach of trust, except that:

(i) this subsection (c) shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith and without negligence, willful misconduct or breach of trust by a president or vice-president of the board of directors, the president or vice-president of the executive committee of the board of directors, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any associate or senior associate, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence in accordance with the direction of the Holders of the Outstanding Obligations as provided in the Indenture relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture and

(iv) no provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the City for all reasonable costs, expenses, attorneys' and other fees and expenses, and all other reasonable disbursements, including its own fees and expenses, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence, willful misconduct or breach of trust.

(d) Whether or not therein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.2. Certain Rights of Trustee. Except as otherwise provided in Section 8.1 of the Indenture:

* * * * *

(v) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Holders pursuant to the Indenture unless such Holders shall have offered to the Trustee satisfactory security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

* * * * *

Section 8.6. Removal and Resignation of Trustee.

(a) The Trustee may resign at any time from the trusts created by the Indenture by giving written notice of the resignation to the City and any Paying Agents and by mailing written notice of the resignation to the Holders as their names and addresses appear on the register it maintains with respect to the Obligations at the close of business 15 days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the City and any Paying Agents and signed by (i) the City Representative or (ii) by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding. The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Indenture with respect to the duties and obligations of the Trustee by an instrument signed by the City or by any court of competent jurisdiction upon the application of the City, or the Holders of not less a majority in aggregate principal amount of the Obligations then Outstanding under the Indenture. Any removal shall not take effect until a successor Trustee has been appointed. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation or removal is given, the Trustee may apply, at the expense of the City, to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

(c) In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the City shall be entitled to appoint a successor Trustee acceptable to the City.

(d) If the Holders of a majority of the principal amount of Obligations then Outstanding object to the successor Trustee so appointed by the City and if such Holders designate another Person qualified to act as the Trustee, the City shall then appoint as the Trustee the Person so designated by the Holders.

* * * * *

Section 8.8. Trustee's Fees and Expenses.

(a) The Trustee shall be entitled to be paid from time to time reasonable compensation for all services rendered by it under the Indenture; to reimbursement upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of the Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct or breach of trust; and, together with the Trustee's officers, directors, agents and employees, to be indemnified by the City, for, from and against any loss, liability or expense arising out of or in connection with the acceptance or administration of the trust or its duties under the Indenture.

* * * * *

Section 9.1. Supplements Not Requiring Consent of Holders. The City acting through the City Representative and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more supplements to the Indenture for one or more of the following purposes:

(i) to cure any ambiguity or formal defect or omission in the Indenture or to correct or supplement any provision in the Indenture that is inconsistent with any other provision in the Indenture, or to make any other provisions with respect to matters or questions arising under the Indenture provided such action shall, in the opinion of counsel, which may be counsel to the City, delivered to the Trustee, not materially adversely affect the interests of the Holders;

(ii) to grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(iii) to secure additional revenues or provide additional security or reserves for payment of the Obligations and necessary, related provisions therefor;

(iv) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder;

(v) to provide for the appointment of a successor trustee or co-trustee pursuant to the terms of the Indenture;

(vi) to permit Obligations in bearer form if the City and the Trustee receive a Special Counsel's Opinion that such action will not cause the interest on any Obligations to become includible in gross income for purposes of federal income taxes;

(vii) to preserve the exclusion of the interest on the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur obligations (specifically not limited to the Obligations) the interest on which is likewise exempt from federal and State income taxes; and

(viii) to adopt procedures for the disclosure of information to Holders and to others in accordance with any guidelines for such purpose promulgated by the American Bankers Association or some other similar national organization, as such guidelines may be made applicable to the Indenture by agreement of the Trustee and the City.

Section 9.2. Supplements Requiring Consent of Holders.

(a) Other than supplements to the Indenture referred to in Section 9.1 of the Indenture and subject to the terms and provisions and limitations contained in the Indenture and not otherwise, the Holders of not less than a majority in principal amount of the Obligations then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the City Representative and the Trustee of such supplement as shall be deemed necessary and desirable by the City and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided, however, nothing in this Section or Section 9.1 of the Indenture shall permit or be construed as permitting a supplement to the Indenture that would:

(i) extend the stated maturity of or time for paying interest on any Obligation or reduce the principal amount of or rate of interest payable on any Obligation without the consent of the Holder of such Obligation;

(ii) prefer or give a priority to any Obligation over any other Obligation without the consent of the Holder of such Obligation;

(iii) reduce the principal amount of Obligations then outstanding the consent of the Holders of which is required to authorize such supplement without the consent of the Holders of all Obligations then Outstanding;

(iv) increase the principal amount of Obligations then Outstanding, the request of the Holders of which is required by Section 7.1(d) of the Indenture, without the consent of the Holders of all Obligations then Outstanding; or

(v) reduce the redemption price of any Obligation upon optional redemption or reduce any period of time prior to commencement of any optional redemption period set forth in Section 3.2 of the Indenture without the consent of the Holder of such Obligation.

(b) If at any time the City requests the Trustee to enter into a supplement pursuant to this Section, the Trustee shall, upon being satisfactorily and specifically indemnified by the City with respect to expenses with respect to such supplement, cause notice of the proposed execution of such supplement to be mailed by first class mail, postage pre-paid, to all registered Holders of Obligations then Outstanding at their addresses as they appear on the registration books for the Obligations. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail, or the failure of such Holder to receive, the notice required by this Section, and any such failure shall not affect the validity of such supplement when consented to and approved as provided in this Section. Such notice shall be prepared by the City, briefly set forth the nature of the proposed supplement and state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

* * * * *

Section 9.4. Amendments to Purchase Agreement Not Requiring Consent of Holders. The Trustee may, without the consent of or notice to any of the Holders, consent to and join with the City in the execution and delivery of any amendment, change or modification of the Purchase Agreement that is required (i) by the provisions of the Purchase Agreement; (ii) to cure any ambiguity or formal defect or omission or to correct or supplement any provision of the Purchase Agreement that is inconsistent with any other provision of the Purchase Agreement, or to make any other provisions with respect to matters or questions arising under the Purchase Agreement provided that the modification, in the opinion of counsel delivered to the Trustee under this Section, does not materially adversely affect the interests of the Holders; and (iii) to preserve the exclusion of the interest on the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur bonds or other obligations (specifically not limited to the Obligations authorized by the Indenture) the interest on which is likewise exempt from federal and State income taxes; and (vi) in connection with any other change in the Purchase Agreement that, in the opinion of counsel delivered to the Trustee, will not materially adversely affect the interests of the Holders or, in the opinion of the Trustee, the Trustee. In executing any amendment to the Purchase Agreement, the Trustee shall be entitled to receive and rely on an Opinion of Counsel, which may be counsel to the City, stating that such amendment is authorized or permitted under the Indenture and under the Purchase Agreement and, if applicable, will not materially adversely affect the interests of the Holders.

Section 9.5. Amendments to Purchase Agreement Requiring Consent of Holders.

(a) Except for amendments, changes or modification to the Purchase Agreement referred to in Section 9.4 of the Indenture and subject to the terms, provisions and limitations contained in the Indenture and not otherwise, the Trustee may consent to and join with the City in the execution and delivery of any amendment, change or modification to the Purchase Agreement only with the consent of the Holders of not less than a majority in principal amount of Obligations then Outstanding, given as provided in this Section, provided, however, no such amendment, change or modification may affect the obligation of the City to make payments, under the Purchase Agreement or reduce the amount of or extend the time for making such payments without the consent of the Holders of all Obligations then Outstanding.

* * * * *

Section 10.1. Discharge of Indenture.

(a) If payment of all principal of and premium, if any, and interest on all of the Obligations in accordance with their terms and as provided in the Indenture and in the Purchase Agreement is made, or is provided for in accordance with Article 10 of the Indenture, and if all other sums, if any, payable under the Indenture shall be paid, then the liens, estates and security interests granted by the Indenture shall cease. Thereupon, upon the request of the City, and upon receipt by the Trustee of an Opinion of Counsel addressed to the City and the Trustee stating that all conditions precedent to the satisfaction and discharge of the lien of the Indenture have been satisfied, the Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien of the Indenture and the Trustee shall transfer all property held by it under the Indenture, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the Obligations, to the City or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection with the Indenture.

(b) The City may at any time surrender to the Trustee for cancellation any Obligations previously executed and delivered that the City may have acquired in any manner whatsoever and such Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.2. Providing for Payment of Obligations.

(a) Payment of all or any part of the Obligations in authorized denominations may be provided for by the deposit with the Trustee or a Depository Trustee of moneys or Defeasance Obligations that are not redeemable in advance of their maturity dates. The moneys and the maturing principal and interest income on such Defeasance Obligations, if any, shall be sufficient, as evidenced by a certificate of an independent nationally recognized certified public accountant or firm of such accountants, to pay when due the principal or redemption price of and interest on such Obligations. The moneys and Defeasance Obligations shall be held by the Trustee or such Depository Trustee irrevocably in trust for the Holders of such Obligations solely for the purpose of paying the principal or redemption price of and interest on such Obligations as the same shall mature, come due or become payable upon prior redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable, to the Trustee or such Depository Trustee as to the dates upon which any such Obligations are to be redeemed prior to their respective dates.

* * * * *

(c) If payment of Obligations is so provided for, the Trustee or the Depository Trustee shall mail a notice so stating to each Holder of an Obligation so provided for.

(d) Obligations, the payment of which has been provided for, in accordance with this Section, shall no longer be deemed outstanding under or secured by the Indenture. The obligation in respect of such Obligations shall nevertheless continue but the Holders of those Obligations will thereafter be entitled to payment only from the moneys or Defeasance Obligations deposited with the Trustee or such Depository Trustee to provide for the payment of such Obligations.

(e) No Obligation may be so provided for if, as a result thereof or of any other action in connection with which the provisions for payment of Obligation is made, the interest payable on any Obligation is made includible in gross income for purposes of federal income taxes. The Trustee and the City may rely upon a Special Counsel's Opinion to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Obligations.

* * * * *

Section 11.10 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Trustee acknowledges that the Indenture is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated in the Indenture and which provides that the City may within three years after its execution cancel any contract (including the Indenture) without penalty or further obligation made by the City if any person significantly involved in initiating,

negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

* * * * *

APPENDIX G

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CITY OF YUMA, ARIZONA

$20,880,000*	$21,480,000*
UTILITY SYSTEM REVENUE	UTILITY SYSTEM REVENUE
OBLIGATIONS, SERIES 2025A	OBLIGATIONS, SERIES 2025B

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "*Undertaking*") is executed and delivered by the City of Yuma, Arizona (the "*City*"), in connection with the execution and delivery of $20,880,000* principal amount of Utility System Revenue Obligations, Series 2025A (the "*2025A Obligations*") and $21,480,000* principal amount of Utility System Revenue Obligations, Series 2025B (the "*2025B Obligations*" and, collectively, the "*Obligations*"). The Obligations are being executed and delivered pursuant to the Series 2025 Obligation Indenture, dated as of November 1, 2025* (the "*Indenture*"), by and between the City and [TRUSTEE], as trustee (the "*Trustee*"). The City covenants and agrees as follows:

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

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

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

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

"Commission" means the Securities and Exchange Commission.

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

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

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

"Final Official Statement" means the Final Official Statement relating to the Obligations, dated _____, 2025.

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

* *Subject to change.*

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"Purchase Agreement" means the Series 2025 Purchase Agreement, dated as of November 1, 2025*, by and between the City and the Trustee, in its separate capacity as "Seller."

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

"State" means the State of Arizona.

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

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

CUSIP (Base No. 988522)	Maturity Date (July 1)
2025A Obligations	
2025B Obligations	

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

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

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

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

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* *Subject to change.*

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

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

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

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

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

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

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

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

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

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

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the

Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

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

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

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

Dated: [Closing Date]

CITY OF YUMA, ARIZONA

By.....
John D. Simonton, Acting City Administrator

ATTEST:

.....
Lynda L. Bushong, City Clerk

APPROVED AS TO FORM:

.....
Richard W. Files, City Attorney

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Final Official Statement in TABLES A-1 through and including A-6, TABLES A-8 through and including A-11, TABLE A-13, TABLE A-14 and "HISTORICAL, UNAUDITED ACTUAL AND BUDGETED NET REVENUES AND DEBT SERVICE COVERAGE" (in each case, actual results for most recently completed fiscal year only).

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

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the City.

Audited Financial Statements will be prepared according to GAAP.

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

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

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

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

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

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

Purchases of the 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 Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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 Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to a remarketing agent, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to a remarketing agent. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to a remarketing agent'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 use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the Underwriter or their agents and counsel take responsibility for the accuracy thereof.

SERIES 2025 OBLIGATION INDENTURE

by and between

CITY OF YUMA, ARIZONA

and

_____,
as Trustee

Dated as of _____ 1, 2025

relating to

$____,000
Utility System Revenue Obligations, Series 2025A
and
$____,000
Utility System Revenue Obligations, Series 2025B
Evidencing Proportionate Interests of the Holders Thereof in
Installment Payments of the Purchase Price to be Paid by the
City of Yuma, Arizona,
Pursuant to a Series 2025 Purchase Agreement,
Dated as of _____ 1, 2025

(This Table of Contents is for informational purposes only and is not to be considered a part of the Series 2025 Obligation Indenture)

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SERIES 2025 OBLIGATION INDENTURE

This SERIES 2025 OBLIGATION INDENTURE, dated as of _____ 1, 2025 (this "*Indenture*"), by and between the CITY OF YUMA, ARIZONA, a municipal corporation of the State of Arizona (the "*City*"), and _____, a national banking association authorized to exercise trust powers in the State of Arizona, as trustee, and any successor to its duties hereunder (the "*Trustee*"),

W ITNESSETH:

WHEREAS, the Trustee, in its separate capacity as seller (the "*Seller*"), and the City, as purchaser, have entered into a Series 2025 Purchase Agreement, dated as of _____ 1, 2025 (the "*Purchase Agreement*"), pursuant to which the execution and delivery of certain Utility System Revenue Obligations, Series 2025A (the "*2025A Obligations*") and Utility System Revenue Obligations, Series 2025B (the "*2025B Obligations*" and, collectively with the 2025A Obligations, the "*Obligations*"), Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by the City of Yuma, Arizona, Pursuant to a Series 2025 Purchase Agreement, dated as of _____ 1, 2025, to purchase the Projects (as defined in the Purchase Agreement) has been provided; and

WHEREAS, for the purpose of obtaining the moneys to finance the costs of the Projects, rights pursuant to the Purchase Agreement have been assigned and transferred to the Trustee for purposes hereof, and in consideration of such assignment and the execution hereof, the Trustee shall execute and deliver the Obligations, each evidencing (notwithstanding the multiple series) a proportionate interest in certain rights pursuant to the Purchase Agreement, including the right to receive payment of the Purchase Price (as defined in the Purchase Agreement);

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH: That in order to secure all of the Obligations executed and delivered pursuant hereto, the payment of principal and interest thereon, the rights of the Holders (as defined herein) of the Obligations and the performance and observance of the covenants and conditions contained herein and in the Obligations and the Purchase Agreement, the Trustee shall receive and hold as security for the Holders of the Obligations, and there shall be granted a security interest in and released, assigned, transferred, pledged, mortgaged, granted and conveyed unto the Trustee or any successor to its duties hereunder, the following described property:

A. All rights and interests of the Seller in, under and pursuant to the Purchase Agreement as assigned, mortgaged, hypothecated and pledged pursuant to the Purchase Agreement, provided that the assignment made by this clause shall not include any right to limitation of liability, indemnification of liability, or payment or reimbursement of fees, costs or expenses,

B. Amounts on deposit from time to time in the funds and accounts created pursuant hereto subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, and

C. Any and all other real or personal property of any kind from time to time after execution hereof by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Obligations, by the City or by anyone on its behalf or with its written consent, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

TO HAVE AND TO HOLD all said properties assigned, mortgaged, hypothecated and pledged and conveyed by the Seller, including all additional property that by the terms hereof has or may become subject to the encumbrance hereof, unto the Trustee and its successors in trust and its assigns forever, subject, however, to the rights reserved hereunder,

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of the Obligations executed and delivered and Outstanding (as defined herein) hereunder, without preference, priority or distinction as to lien or otherwise of any of the Obligations over any other or others of the Obligations to the end that each Holder of the Obligations has the same rights, privileges and lien under and by virtue hereof, and for the benefit of the Insurer with respect to the Insurer Reimbursement Amounts; and conditioned, however, that if all liabilities, obligations and sums at any time secured hereby shall be well and truly paid, or caused to be paid fully and promptly when due, and all of the covenants, warranties and agreements contained herein shall promptly, faithfully and strictly be kept, performed and observed, then and in such event, this Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereinafter set forth.

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Definitions. Unless the context otherwise requires, the following words and phrases shall have the following meanings:

"*Business Day*" means a day on which banks located in the City of Phoenix, Arizona, and in the city or cities in which the principal office of the Trustee and the Paying Agents are not required or authorized by law or executive order to remain closed.

"*City Representative*" means the City Administrator, the Director of Financial Services of the City or any other person at any time designated to act on behalf of the City by written certificate furnished to the Trustee containing the specimen signature of such person and signed by the City Administrator or his or her designee. Such certificate may designate one or more alternates.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

"*Costs of Issuance Fund*" means the fund of that name created pursuant to Section 5.1.

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

"*Depository Trustee*" means any financial institution meeting the requirements as a successor Trustee under Section 8.6 that may be designated by the City.

"*DTC*" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"*Fitch*" shall mean Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, "*Fitch*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"*Holder*" means the registered owner of any Obligation.

"Improvements Fund" means the fund of that name created pursuant to Section 2.2 of the Purchase Agreement.

"*Indenture Event of Default*" means any one of those events set forth in Section 7.1.

"*Interest Account*" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

"*Moody's*" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, "*Moody's*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"*Obligation Fund*" means the fund of that name created pursuant to Section 5.1.

"*Obligation Payment Date*" means each January 1 and July 1, commencing _____ 1, 20__, so long as any Obligations are Outstanding.

"*Opinion of Counsel*" means a written opinion of an attorney or firm of attorneys who or which (except as otherwise expressly provided herein or in the Purchase Agreement) may be counsel for the City or the Trustee, provided that such attorney or firm of attorneys may not be an employee of the Trustee.

"*Outstanding*" when used with reference to the Obligations, means, as of any date of determination, all Obligations theretofore executed and delivered except:

(i) Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Obligations that are deemed paid and no longer Outstanding as provided herein;

(iii) Obligations in lieu of which other Obligations have been executed and delivered pursuant to the provisions hereof relating to Obligations destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Obligation is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder or under the Purchase Agreement by the Holders of a specified percentage in principal amount of Obligations, Obligations held by or for the account of the City, or any Person controlling, controlled by, or under common control with, any of them.

"*Paying Agent*" means the banks or trust companies and their successors designated as the paying agencies or places of payment for the Obligations. The Trustee is designated as Paying Agent for the Obligations.

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

"*Person*" shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

"*Principal Account*" means the account of the Obligation Fund of that name created pursuant to Section 5.1.

"*Principal Installment*" means, for any particular date, the aggregate of the principal amount of Obligations that is due on such date.

"*Record Date*" means (i) with respect to any Obligation Payment Date occurring on the first calendar day of any month, the fifteenth day of the calendar month next preceding that Obligation Payment Date (regardless of whether such fifteenth day is a Business Day) or (ii) such other date as may be designated pursuant to Section 2.2(c).

"*S&P*" means Standard & Poor's Financial Services LLC, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for the type of credit in question, "*S&P*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by written notice to the Trustee.

"*Securities Depository*" has the meaning provided in Section 2.8.

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

"*Special Counsel's Opinion*" means an opinion signed by Special Counsel.

"*State*" means the State of Arizona.

Section 1.2 Interpretation.

(a) Any reference herein to the City Council or any officer of the City shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. References to "Articles" and "Sections" are to those in this Indenture, unless otherwise specified.

Section 1.3 All Obligations Equally and Ratably Secured; Obligations Not General Obligations of the City. All of the Obligations executed and delivered hereunder and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the execution and delivery or maturity of the Obligations, so that all Obligations at any time Outstanding hereunder shall have the same right, lien and preference hereunder and shall all be equally and ratably secured hereby. The Obligations shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness or general obligation of the City within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or be a charge against its general credit or a charge against the general credit or the taxing powers of the City, the State or any political subdivision thereof.

ARTICLE II
AUTHORIZATION AND TERMS OF OBLIGATIONS

Section 2.1 Authorization of Obligations. The Trustee is hereby authorized and directed, upon receipt of a request in writing from the City Representative, to prepare, execute and deliver the 2025A Obligations and the 2025B Obligations to, or upon the direction of, Stifel, Nicolaus & Company, Incorporated, as the underwriter of the Obligations, in the aggregate original principal amount of $____,000 and $____,000, respectively.

Section 2.2 Form, Date and Payment Terms of Obligations.

(a) The Obligations shall:

(i) Be dated the date of their initial execution and delivery, be executed and delivered in denominations of $5,000 of principal each or any integral multiple thereof, and bear interest from the most recent Obligation Payment Date to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the date of their initial execution and delivery. Said interest shall represent the portion of each installment of the Purchase Price designated as interest and coming due during the six-month period (or portion thereof) preceding each Obligation Payment Date paid pursuant to Section 5.4(i); provided that the first installment shall be for interest from the date of initial execution and delivery of the Obligations to _____ 1, 20__. The proportionate share of the portion of each installment of the Purchase Price designated as interest with respect to any Obligation shall be computed by multiplying the portion of each installment of the Purchase Price designated as principal with respect to such Obligation by the rate of interest applicable to such Obligation (on the basis of a 360-day year of twelve 30-day months).

(ii) Mature on July 1 in the years and amounts and bear interest at rates per annum (calculated on the basis of a 360-day year of twelve 30-day months) as follows:

2025A Obligations

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate

2025B Obligations

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate

(b) The Obligations shall be executed and delivered only in fully registered form and shall be numbered or otherwise designated in a manner specified by the Trustee so as to distinguish each Obligation from every other Obligation.

(c) Interest on the Obligations shall be payable when due to the Holder in whose name such Obligation is registered at the close of business on the Record Date with respect to each Obligation Payment Date, irrespective of any transfer or exchange of such Obligation subsequent to such Record Date and prior to such Obligation Payment Date, unless there is a default in the payment of interest due on such Obligation Payment Date. In the event of any such default, such defaulted interest shall be payable to the Holder in whose name such Obligation is registered at the close of business on a special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee to the Holders of the Obligations not less than 15 days preceding such special Record Date. Such notice shall be mailed to the Holders in whose name the Obligations are registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer of any Obligation subsequent to the mailing of such notice and on or before the special Record Date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee(s) along with the Obligation(s).

(d) Principal of and interest on the Obligations shall be payable when due in any coin or currency of the United States of America that is legal tender for the payment of public and private debts. Principal of the Obligations shall be payable at the designated corporate trust office of the Trustee upon surrender of the Obligation on or after the maturity date. Payment of interest on the Obligations shall be made by check or draft mailed to the registered address of the Person entitled thereto; except that, upon the written direction of any Holder of not less than $1,000,000 in aggregate principal amount of Obligations (which direction shall remain effective for so long as such Holder owns not less than $1,000,000 in Obligations or until such Holder countermands such written direction in writing), the payment of interest on the Obligations owned by such Holder may be made by wire transfer of immediately available funds to an account located in a bank within the United States pursuant to wire transfer directions issued by such Holder.

(e) Any payment due on any Obligation that is not paid when due shall bear interest at a rate equal to the rate of interest borne on such Obligation, from the date such payment is due until the payment is made. Such interest shall be calculated based upon an assumption of a 360-day year of twelve 30-day months, with such interest compounded semiannually.

Section 2.3 Mutilated, Destroyed, Lost and Stolen Obligations. If (a) any mutilated Obligation is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Obligation, and (b) there is delivered to the Trustee such security or indemnity as the Trustee may require to hold the Trustee harmless, then, in the absence of notice to the Trustee that such Obligation has been acquired by a bona fide purchaser and upon the Holder paying the reasonable expenses of the Trustee and of any security or indemnity obligation required by the Trustee, the Trustee shall execute and deliver, in exchange for such mutilated Obligation or in lieu of such destroyed, lost or stolen Obligation, a new Obligation of like series, principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Obligation has become, or will on or before the next Obligation Payment Date become, due and payable, the Trustee may, in its discretion, pay such Obligation when due instead of delivering a new Obligation.

Section 2.4 Execution of Obligations. All Obligations shall be executed by and in the name of the Trustee by manual signature of an authorized representative of the Trustee. If any authorized representative of the Trustee whose signature appears on any Obligation ceases to be such authorized representative before the date of initial execution and delivery of the Obligations, such signature shall nevertheless be effective.

Section 2.5 Registration, Transfer and Exchange of Obligations.

(a) All Obligations executed and delivered hereunder shall be negotiable, subject to the provisions for registration and transfer thereof contained herein or in the Obligations.

(b) So long as any Obligations are Outstanding, the Trustee shall maintain at its offices books for the registration and transfer of Obligations and shall provide for the registration and transfer of any Obligation under such reasonable regulations as the Trustee may prescribe. The Trustee shall act as registrar for purposes of exchanging and registering Obligations in accordance with the provisions hereof.

(c) Each Obligation shall be transferable only upon the registration books maintained by the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any Obligation, the Trustee shall authenticate and deliver, in the name of the transferee, one or more new Obligations, of the same series, aggregate principal amount and maturity as the surrendered Obligation.

(d) Any Obligation, upon surrender thereof to the Trustee together with written instructions satisfactory to the Trustee, duly executed by the registered Holder or his attorney duly authorized in writing, may, at the option of the registered Holder thereof, be exchanged for Obligations of any other authorized denominations, with an equal aggregate principal amount and the same maturity.

(e) All Obligations surrendered in any exchange or transfer of Obligations shall forthwith be cancelled by the Trustee.

(f) In connection with any such exchange or transfer of Obligations the Holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.6 Persons Deemed Owners. The Person in whose name any Obligation shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal of and interest on any Obligation shall be made only to or upon the written order of the registered Holder thereof (subject to provisions in this Indenture regarding the Record Date). Such payment shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the amount so paid.

Section 2.7 Non-Presentment of Obligations. In the event any Obligation shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, if moneys sufficient to pay the principal of and interest on such Obligation shall have been deposited hereunder for such payment, all liability to the Holder thereof for the payment of such Obligation shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys as provided herein, without liability for interest thereon, for the benefit of the Holder of such Obligation, who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Obligation.

Section 2.8 Book-Entry. The Trustee or the City may from time to time enter into, and discontinue, an agreement with a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended (the "*Securities Depository*"), which is the owner of the Obligations, to establish procedures with respect to the Obligations not inconsistent with the provisions of this Indenture; provided, that, notwithstanding any other provisions of this Indenture, any such agreement may provide that different provisions for notice to the Securities Depository may be set forth herein and that a legend shall appear on each Obligation so long as the Obligations are subject to such agreement. With respect to Obligations registered in the name of a Securities Depository (or its nominee), the Trustee shall not have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Obligations. The City has entered into an agreement with DTC, and in and while such agreement is in effect, the procedures established therein shall apply to the Obligations notwithstanding any other provisions of this Indenture to the contrary. As long as DTC is the Securities Depository with respect to the Obligations, the Trustee shall be a "DTC Direct Participant."

ARTICLE III
REDEMPTION OF OBLIGATIONS

Section 3.1 Right to Redeem. The Obligations shall be subject to redemption prior to maturity, in any order of maturity, as directed by the City, at such times, to the extent and in the manner provided herein.

Section 3.2 Redemption of Obligations.

(a) The 2025A Obligations maturing prior to or on July 1, 20__, are not subject to optional redemption prior to maturity. The 2025A Obligations maturing on and after July 1, 20__, are subject to redemption, in whole or in part on any date on or after July 1, 20__, in increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity (as provided in Section 3.3 below) by payment of the principal amount of each 2025A Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

(b) The 2025B Obligations maturing prior to or on July 1, 20__, are not subject to optional redemption prior to maturity. The 2025B Obligations maturing on and after July 1, 20__, are subject to redemption, in whole or in part on any date on or after July 1, 20__, in

increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity (as provided in Section 3.3 below) by payment of the principal amount of each 2025B Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

Section 3.3 Selection of Obligations to be Redeemed. If less than all of the Obligations of the same maturity are to be redeemed upon any redemption of Obligations hereunder, the Trustee shall select the Obligations to be redeemed by lot or in such other manner as the Trustee shall deem fair. In making such selection, the Trustee shall treat each Obligation as representing that number of Obligations of the lowest authorized denomination as is obtained by dividing the original principal amount of each such Obligation by such minimum denomination.

Section 3.4 Partial Redemption of Obligations. Upon the selection and notice of redemption and the surrender of any Obligation for redemption in part only, the Trustee shall execute and deliver to or upon the written order of the Holder thereof, at the expense of the City, a new Obligation(s) of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Obligation surrendered.

Section 3.5 Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Obligations so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Obligations on such date. If on the date fixed for redemption moneys or Defeasance Obligations sufficient for payment of the redemption price and accrued interest on such date are held by the Trustee as provided herein, interest on the Obligations so called for redemption shall cease to accrue, such Obligations shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Trustee and the amount of such Obligations so called for redemption shall be deemed paid and no longer Outstanding.

Section 3.6 Notice of Redemption.

(a) Whenever redemption of Obligations is to be made, the Trustee shall give notice of the redemption of such Obligations, which notice shall specify the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Obligations are to be redeemed, the numbers or other distinguishing marks of such Obligations so to be redeemed, including CUSIP numbers, and, in the case of Obligations to be redeemed in part only, such notice shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Obligation to be redeemed the redemption price thereof, as appropriate, of such Obligation or the specified portion thereof in the case of an Obligation to be redeemed in part only, together with interest accrued to the redemption date on such Obligations or portion thereof so to be redeemed and that, from and after such date, the Obligations being redeemed will cease to accrue interest. Notwithstanding the foregoing, no notice of redemption shall be sent unless (i) the Trustee has on deposit sufficient funds to effect such redemption, or (ii) the redemption notice states that redemption is contingent upon receipt of such funds prior to the redemption date. Such redemption notices may state that no representation is made as to the correctness or accuracy of the CUSIP numbers printed therein or on the Obligations.

(b) Such notice shall be given by mailing a copy of such notice, first class United States mail postage prepaid, not less than 30 days nor more than 60 days before the redemption date, to all Holders of any Obligations or portions of Obligations that are to be redeemed at their last addresses appearing upon the registry books. Such notice shall be mailed a second time to any Holder of Obligations that have been called for redemption if such Holder has not presented such Obligations for payment of the redemption price within 60 days after the redemption date. Failure to mail any such notice, or a defect in such notice, as to any Obligation shall not affect the validity of the proceedings for the redemption of any other Obligation, and failure to mail such second notice shall not affect the validity of the proceedings for the redemption of any Obligation.

ARTICLE IV
FORM OF OBLIGATIONS

The 2025A Obligations shall be substantially in the form set forth in **Exhibit A** hereto and the 2025B Obligations shall be substantially in the form set forth in **Exhibit B** hererto, in each case with such omissions, insertions and variations as are consistent with the provisions hereof.

ARTICLE V
REVENUES AND FUNDS

Section 5.1 Creation of Funds and Accounts. The Trustee shall create the Costs of Issuance Fund and the Obligation Fund. The Obligation Fund shall contain the following accounts: (i) the Interest Account, and (ii) the Principal Account. Such funds and accounts shall be held in trust for the benefit of the Holders.

Section 5.2 Application of Obligation Proceeds. The Trustee shall receive $_____, being the proceeds of the sale of the Obligations (including original issue premium, net of underwriter's discount), (i) $_____ of which shall be transferred to the City for deposit to the Improvements Fund, and (ii) the balance of which ($_____) shall be deposited in the Costs of Issuance Fund and applied pursuant to Section 5.5.

Section 5.3 Flow of Funds Into the Obligation Fund. The following payments to the Trustee shall be applied in the following manner:

(i) The Trustee shall deposit to the Interest Account amounts paid pursuant to Section 3.3(ii) of the Purchase Agreement. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement shall also be deposited in the Interest Account.)

(ii) The Trustee shall deposit to the Principal Account amounts paid pursuant to Section 3.3(ii) of the Purchase Agreement as well as the total of any amounts received for any redemption of Obligations. (Amounts transferred pursuant to Section 2.2(d) of the Purchase Agreement shall also be deposited in the Principal Account.)

Section 5.4 Flow of Funds Out of the Obligation Fund. Amounts in the following accounts shall be applied in the following manner:

(i) Amounts in the Interest Account shall be used to pay interest on the Obligations as it becomes due.

(ii) Amounts in the Principal Account shall be used to retire Obligations by payment on their scheduled maturity date or redemption date.

Section 5.5 Flow of Funds Out of Costs of Issuance Fund. Moneys in the Costs of Issuance Fund shall be disbursed by the Trustee at the direction of the City for costs and expenses relating to the sale, credit enhancement and execution and delivery of the Obligations, including, but not limited to "out of pocket" expenses and charges, fees and disbursements of the financial advisor to the City, counsel, rating agencies, printing expenses and other expenses reasonably incurred by the City or the Trustee in connection therewith. On the earlier of _____ 1, 2026, or when all the above-described costs have been paid, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Obligation Fund, and the Costs of Issuance Fund shall be closed. The Trustee shall rely fully on any such request for disbursement by the City pursuant to this Section and shall not be required to make any investigation in connection therewith.

Section 5.6 Investment of Moneys Held by Trustee.

(a) Moneys in all funds and accounts held by the Trustee shall be invested by the Trustee, as soon as possible upon receipt of immediately available funds at its designated corporate trust office, to the fullest amount possible, in Permitted Investments as directed, in writing, by the City Representative; provided that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof. The Trustee may conclusively rely upon the City Representative's written investment instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification to the Trustee that such directed investments constitute Permitted Investments and comply with the requirements of this Section. In the event no investment direction is given to the Trustee by the City, then the Trustee shall hold such funds uninvested in cash.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investment, provided that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made, and (ii) the Trustee maintains separate records for each fund and account and such investments are accurately reflected therein.

(c) The Trustee may make any investment permitted by this Section, through or with its own commercial banking or investment departments unless otherwise directed by the City Representative.

(d) In computing the amount in any fund or account, Permitted Investments purchased as an investment of moneys therein shall be valued at market. In determining market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

(e) The Trustee shall sell at the best price obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to make any required payment or transfer from the fund or account for which such investment was made.

(f) The City shall not knowingly use or direct or permit the use of any moneys of the City in its possession or control in any manner that would cause any Obligation to be an "arbitrage bond" within the meaning ascribed to such term in section 148 of the Code, or any successor section of the Code. The City shall comply with and take all actions required by any arbitrage or similar certificate and will continue to do so notwithstanding any satisfaction or discharge of this Indenture. The Trustee shall not be responsible for determining whether the yield on any investments made in accordance with the Indenture would cause, or whether any other facts exist which would cause, any Obligation to become an arbitrage bond under section 148 of the Code, or successor section of the Code.

(g) The City recognizes that it may obtain brokerage confirmations or written statements containing comparable information at no additional cost. The City agrees that brokerage confirmations are not required to be issued by the Trustee for each month in which a monthly statement of investments is provided by the Trustee. No statement needs to be provided, however, for any fund or account for any month in which no investment activity occurred during such month in such fund or account.

(h) The City acknowledges that the legal obligation to pay the purchase price of directed investments arises immediately at the time of the purchase. The Trustee may elect to provisionally credit funds and accounts with moneys representing income or principal payments due on, or sales proceeds due in respect of, investments therein, or to provisionally credit funds and accounts with the investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source. Any such crediting shall be provisional in nature, and the Trustee shall be authorized to reverse such crediting in the event that it does not receive good funds with respect thereto. Nothing in this Indenture shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206.

Section 5.7 Liability of Trustee for Investments. The Trustee shall not be liable for any loss resulting from the making of any investment made in accordance with the provisions hereof, except for its own negligence, willful misconduct or breach of trust.

Section 5.8 Investment Income. Except as otherwise provided herein, interest income and gain received, or loss realized, from investments or moneys in any fund or account shall be credited, or charged, as the case may be, to such respective fund or account.

ARTICLE VI
CERTAIN COVENANTS

Section 6.1 Payment of Principal and Interest. Subject to the limited liability and sources of payment specified herein, the Obligations shall be promptly paid in the amounts due at the place, on the dates and in the manner provided herein and in said Obligations according to the terms thereof. The amounts due on the Obligations are payable solely from moneys held or received by the Trustee hereunder, all of which are hereby specifically assigned and pledged to such payment in the manner and to the extent specified herein and nothing herein or in the Obligations shall be construed as assigning or pledging any other funds or assets of the City.

Section 6.2 Performance of Covenants. Subject to the limited liability and sources of payment described herein and except to the extent assigned to the Trustee hereunder, the City shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Obligation executed, authenticated and delivered hereunder and in all proceedings of the City pertaining thereto.

Section 6.3 Instruments of Further Assurance. The City shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Trustee all interests, revenues and receipts pledged hereby to the payment of the principal of and interest on the Obligations in the manner and to the extent contemplated herein.

Section 6.4 Rights under Series 2025 Purchase Agreement. The Trustee may enforce all rights under the Purchase Agreement for and on behalf of the Holders, whether or not the City is then in default hereunder.

Section 6.5 Protection of Lien. The City shall not make or create or agree to permit to be made or created any assignment or lien on a parity with or having priority or preference over the assignment and lien hereof upon the interests granted hereby or any part thereof except as otherwise specifically provided in the Purchase Agreement. No obligation, the payment of which is secured by property or revenues pledged hereunder, shall be executed and delivered by the City except in lieu of, or upon transfer of registration or exchange of, any Obligation except as provided in the Purchase Agreement.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Events of Default. Each of the following is an *"Indenture Event of Default"*:

(a) If payment of any installment of interest on any Obligation is not made in full when the same becomes due and payable;

(b) If payment of the principal of any Obligation is not made in full when the same becomes due and payable;

(c) If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of all or any part of the interests pledged hereunder and such custody or control continues for more than 60 days;

(d) If the City defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions on its part to be performed as provided herein or in the Obligations and such default continues for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Trustee, unless within such 30 days the City shall commence and diligently pursue in good faith appropriate corrective action, and certify as such to the Trustee; the Trustee may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25 percent in principal amount of the Obligations then Outstanding; or

(e) If any event of default provided by Section 7.1 of the Purchase Agreement occurs.

Section 7.2 Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Indenture Event of Default and in accordance with Article VII hereof and Article VII of the Purchase Agreement, the Trustee may, and upon the written request of the Holders of not less than a majority in principal amount of the Obligations Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Holders hereunder and the Obligations by such suits, actions or proceedings as the Trustee, being advised by counsel, deems expedient, including but not limited to, an action for the recovery of any amounts due hereunder or for damages for the breach of this Indenture, and the Trustee may pursue any other remedy that the law affords, including the remedy of specific performance. The Trustee shall also have those remedies provided pursuant to Article VII of the Purchase Agreement, subject to any limitations on such remedies set forth in such Article VII.

(b) Regardless of the happening of an Indenture Event of Default and subject to Section 7.7, the Trustee, if requested in writing by the Holders of not less than a majority in principal amount of the Obligations then Outstanding shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it deems necessary or expedient (i) to prevent any impairment of the security hereunder by any acts that may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions hereof and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Obligations not making such request.

Section 7.3 No Acceleration. In no event shall the Trustee have the right to accelerate or cause to become immediately due and payable, or payable in advance of their

scheduled maturity dates, other than because of optional redemption pursuant thereto and then only to the extent of the amount to be so redeemed and only pursuant to Article III hereof, any amounts due hereunder.

Section 7.4 Application of Revenues and Other Moneys After Default.

(a) During the continuance of an Indenture Event of Default all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the Obligation Fund, and all amounts held by the Trustee hereunder shall be applied as follows; provided, that if the amount available shall not be sufficient to pay in full any amount or amounts then due, then to the payment thereof ratably in a manner consistent with Section 3.3 of the Purchase Agreement, according to the amounts due to the Persons entitled thereto, without any discrimination or preference:

First: To the payment of all installments of interest then due (including interest on amounts not paid when due on the Obligations); and

Second: To the payment of the unpaid Principal Installments or redemption price of any Obligations that have become due, whether at maturity or by call for redemption, in the order of their due dates.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal of the Obligations to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Obligation until such Obligation is presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

(c) Whenever all principal of and interest on the Obligations that has become due has been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid and the Obligation Fund contains the amounts then required to be credited thereto, any balance remaining shall be paid to the City.

Section 7.5 Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Trustee or the Holders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute on or after the date hereof.

Section 7.6 Remedies Vested in Trustee. Any cause of action (including the right to file proof of claims) hereunder or under any of the Obligations may be enforced by the Trustee, without the possession of any of the Obligations or the production thereof in any trial or

other proceedings relating thereto. Any such suit or proceeding may be brought without the necessity of joining as plaintiffs or defendants any Holders of the Obligations. Subject to the provisions of Section 7.4, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Obligations.

Section 7.7 Individual Holder Action Restricted.

(a) No Holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder except for the right to institute any suit, action or proceeding in equity or at law for the enforcement of the Trustee's duties and powers hereunder upon the occurrence of all of the following events:

(i) The Holders of at least a majority in principal amount of Obligations Outstanding have made written request to the Trustee to proceed to exercise the powers granted herein; and

(ii) Such Holders have offered the Trustee indemnity as provided in Section 8.2(v); and

(iii) The Trustee has failed or refused to exercise the duties or powers herein granted for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) During such 60 day period no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a greater majority in principal amount of Obligations then Outstanding.

(b) No one or more Holders of Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Obligations Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Obligation (i) to receive payment of the principal of or interest on such Obligation, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Obligation may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the moneys, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Obligations.

Section 7.8 Termination of Proceedings. In case any proceeding taken on account of an Indenture Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Holders, then the City, the Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights and powers of the Trustee and the Holders shall continue as if no such proceeding had been taken.

Section 7.9 Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any Holder of the Obligations to exercise any right or power accruing upon any Indenture Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Indenture Event of Default or an acquiescence therein. Every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive in writing any Indenture Event of Default that in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) In case of any waiver by the Trustee of an Indenture Event of Default hereunder, the City, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Indenture Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Indenture Event of Default in accordance with this Section.

Section 7.10 Notice of Default.

(a) Within 30 days after (i) the occurrence of an Indenture Event of Default under Section 7.1(a) or (b) of which the Trustee is deemed to have notice, or (ii) receipt by the Trustee of written notice of an Indenture Event of Default under Section 7.1(c), (d) or (e), the Trustee shall, unless such Indenture Event of Default has been cured, give written notice thereof by first class mail to each Holder of an Obligation then Outstanding, provided that, except in the case of a default in the payment of Principal Installments or the redemption price of or interest on any of the Obligations, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Holders.

(b) The Trustee shall immediately notify the City of (i) the occurrence of an Indenture Event of Default under Section 7.1(a) or (b), and (ii) when the Trustee has received written notice of an Indenture Event of Default under Section 7.1(c), (d) or (e).

Section 7.11 Limitation of Liability.

(a) Except for the payment of amounts pursuant to the Purchase Agreement when due and the performance of the other covenants and agreements of the City contained in the Purchase Agreement and herein, the City shall have no pecuniary obligation or liability to any of the other parties or to the Holders with respect to this Indenture or the terms, execution, delivery or transfer of the Obligations, or the distribution of applicable portions of the Purchase Price to the Holders by the Trustee.

(b) The City shall not have any obligation or liability to any of the other parties or to the Holders with respect to the performance by the Trustee of any duty imposed upon it under this Indenture; nor shall the Trustee have any obligation or liability to any of the other

parties or to the Holders with respect to the performance by the City of any duty imposed upon it under this Indenture.

Section 7.12 Limitations on Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Holders that may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Holders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture and, to the extent consistent with the provisions of this Indenture, by law.

ARTICLE VIII
THE TRUSTEE

Section 8.1 Certain Duties and Responsibilities.

(a) Except during the continuance of an Indenture Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions that are required by any provision hereof or of the Purchase Agreement, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture or the Purchase Agreement on their face.

(b) In case an Indenture Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or breach of trust, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith and without negligence or willful misconduct by a president or vice-president of the board of directors, the president or vice-president of the executive committee of the board of directors, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above

designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence in accordance with the direction of the Holders of the Outstanding Obligations as provided herein relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the City for all reasonable costs, expenses, attorneys' and other fees, and all other reasonable disbursements, including its own fees, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence, willful misconduct or breach of trust.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.2 Certain Rights of Trustee. Except as otherwise provided in Section 8.1:

(i) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(ii) Any request or direction of the City mentioned herein shall be sufficiently evidenced by a certificate of the City Representative, and any action of the City Council of the City may be sufficiently evidenced by a copy of a resolution or ordinance certified by the Clerk or Assistant Clerk of the City to have been duly adopted by the City Council of the City and to be in full force and effect on the date of such certification and delivered to the Trustee.

(iii) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of the City Representative.

(iv) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and

protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(v) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(vi) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, obligation, note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(vii) The Trustee may engage agents and attorneys to assist it in executing any of the trusts or powers hereunder or performing any duties hereunder and shall not be liable for the negligence or misconduct of such agents and attorneys so long as the Trustee exercises due care in the selection thereof.

(viii) The Trustee shall not be responsible for the recording or filing of any documents relating to the Purchase Agreement or this Indenture.

(ix) The Trustee shall be under no responsibility to approve or evaluate any expert or other skilled person selected by the City for any of the purposes expressed in this Indenture or the Purchase Agreement.

Section 8.3 Employment of Experts. The Trustee is authorized to employ as its agents such attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Trustee), as it reasonably may deem necessary to assist it to carry out any of its obligations hereunder, and shall be reimbursed by the City for all reasonable charges and expenses in so doing.

Section 8.4 Enforcement of Performance by Others. Except as provided in Section 8.1 or otherwise specifically provided herein, it shall not be the duty of the Trustee to monitor or see that any duties and obligations imposed herein or in the Purchase Agreement upon the City are performed.

Section 8.5 Right to Deal in Obligations and Take Other Actions. The Trustee may in good faith buy, sell or hold and deal in any Obligations with like effect as if it were not such Trustee and may commence or join in any action that a Holder is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof or of the Purchase Agreement is to be construed to limit or restrict the right of the Trustee to engage in such business with the City or any Holder. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required hereby and by the Purchase Agreement, constitute a breach of trust on the part of the Trustee, but neither shall engaging in such business abrogate, alter or diminish any duty or obligation of the Trustee as Trustee hereunder.

Section 8.6 Removal and Resignation of Trustee.

(a) The Trustee may resign with 30 days' written notice to the City from the trusts created hereby by giving written notice of the resignation to the City and any Paying Agents and by mailing written notice of the resignation to the Holders as their names and addresses appear on the register it maintains with respect to the Obligations at the close of business fifteen days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the City and any Paying Agents and signed by (i) the City Representative or (ii) by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding. The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by an instrument signed by the City or by any court of competent jurisdiction upon the application of the City, or the Holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding under this Indenture. Any removal shall not take effect until a successor Trustee has been appointed. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation or removal is given, the Trustee may apply, at the expense of the City, to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

(c) In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the City shall be entitled to appoint a successor Trustee acceptable to the City.

(d) If the Holders of a majority of the principal amount of Obligations then Outstanding object to the successor Trustee so appointed by the City and if such Holders designate another Person qualified to act as the Trustee, the City shall then appoint as the Trustee the Person so designated by the Holders.

(e) Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall be a trust company or bank having the powers of a trust company as to trusts, qualified to do trust business in the State and having an officially reported combined capital, surplus, undivided profits and reserves aggregating at least $200,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(f) Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, power and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all

interest it may have to the successor Trustee. The predecessor Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

(g) Each successor Trustee, not later than ten days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Holder of an Obligation.

(h) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee without the execution or filing of any paper or any further act, provided such company shall be eligible as a successor Trustee under this Indenture.

Section 8.7 Proof of Claim. The Trustee shall have the right and power to take actions in the name and place of the City or the Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all of the Holders.

Section 8.8 Trustee's Fees and Expenses.

(a) The Trustee shall be entitled to be paid from time to time reasonable compensation for all services rendered by it hereunder; to reimbursement upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct or breach of trust; and to be indemnified by the City, for, from and against any loss, liability or expense arising out of or in connection with the acceptance or administration of this trust or its duties hereunder. The Trustee's right to indemnity shall not extend to claims, suits and actions successfully brought against the Trustee for, or losses, liabilities or expenses determined by a court of competent jurisdiction to have been incurred as a result of the Trustee's own negligence, bad faith, willful misconduct or breach of trust. In the event any action or proceeding is instituted or pending against the Trustee by reason of or in connection with the acceptance or administration of this trust or the Trustee's duties hereunder, the City may, at its election, assume the defense of any such action or proceeding with counsel satisfactory to the Trustee. If any such action or proceeding includes any claims alleging the Trustee's own negligence, bad faith, willful misconduct or breach of trust, the Trustee shall reimburse the City its expenses (including reasonable attorneys' fees), if any, of assuming the defense of such action or proceeding if it is determined by a final judgment of a court of competent jurisdiction that the Trustee is not entitled to be indemnified as authorized in this Section. The Trustee may, however, retain its own counsel and still be indemnified against the cost of employing counsel and all other expenses despite an assumption of the defense by the City if the Trustee believes in good faith that there are defenses available to it that are not available to the City or that are adverse to or in conflict with those available to the City and that the Trustee believes in good faith cannot be effectively asserted by common counsel. The Trustee always has

the right to employ separate counsel but, subject to the preceding sentence, the fees and expenses of its separate counsel must be paid by the Trustee unless the City has agreed to pay the fees and expenses of the Trustee's separate counsel. Any settlement of any such action or proceeding shall not, of itself, create a presumption as to the merits of any claims alleging the Trustee's own negligence, bad faith, willful misconduct or breach of trust. The Trustee's rights to compensation, reimbursement and indemnity while serving as Trustee hereunder shall survive resignation or removal of the Trustee or discharge of this Indenture. The indemnification provided by this Section shall be in addition to and not a limitation of the indemnity provided to the Trustee, in its capacity as Seller, under the Purchase Agreement.

(b) Any provision hereof to the contrary notwithstanding, if the City fails, within 30 days of receiving an itemized invoice and back-up documentation, to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any surplus moneys on hand in any fund or account created pursuant hereto.

Section 8.9 Destruction of Obligations. Upon payment of or surrender to the Trustee for cancellation of any Obligation, the Trustee shall destroy such Obligation.

Section 8.10 Reports. The Trustee shall quarterly, or at such other intervals as the Trustee and the City shall from time to time agree upon (but in no event more frequently than monthly), prepare and submit to the City reports covering all moneys received and all payments, expenditures and investments made as the Trustee hereunder since the last previous such report. The Trustee's records shall be kept in accordance with corporate trust industry standards and shall be available for inspection by the City, or any of its agents, at any time, upon reasonable prior notice, during regular business hours.

Section 8.11 Separate or Co-Trustee.

(a) At any time or times, solely for the purpose of meeting any legal requirements of any jurisdiction other than the State, the City and the Trustee shall have power to appoint, and, upon the request of the Trustee or of the Holders of at least a majority in principal amount of Obligations then Outstanding and the City shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons, approved by the Trustee and, unless an Indenture Event of Default has occurred and is continuing, reasonably acceptable to the City, either to act as co-trustee or co-trustees, jointly with the Trustee of all or any part of the pledged property, or to act as separate trustee or separate trustees of all or any part of the pledged property, and to vest in such Person or Persons, in such capacity, such title to the pledged property or any part thereof, and such rights, powers, duties, trusts or obligations as the City and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

(b) If the City shall not have joined in such appointment within 30 days after the receipt by it of a request so to do, or in case an Indenture Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

(c) The City shall execute, acknowledge and deliver all such instruments as may reasonably be required by any such co-trustee or separate trustee for more fully and certainly vesting in such co-trustee or separate trustee the property, rights, powers and duties intended to be vested in such co-trustee or separate trustee.

(d) Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(i) The Obligations shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations hereby conferred upon the Trustee in respect to the custody, control and management of moneys, papers, securities and other personal property shall be exercised, solely by the Trustee.

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(iii) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee and such co-trustee or separate trustee shall abide by such request.

(iv) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(v) The Trustee may at any time, by any instrument in writing, with the concurrence of the City, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Indenture Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee. Upon the request of the Trustee, the City shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.

(vi) No Trustee or any Paying Agent hereunder shall be personally liable by reason of any act or omission of any other trustee or paying agent hereunder, nor will the act or omission of any trustee or paying agent hereunder be imputed to any other trustee or paying agent.

(vii) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(viii) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

(e) Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) with such title to the pledged property or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment subject to all the terms hereof. Every such acceptance shall be filed with the Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing signed by the Trustee and any co-trustee or separate trustee, constitute the Trustee, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

(f) In case any co-trustee or separate trustee shall dissolve, cease to exist, become incapable of acting, resign or be removed, the title to the pledged property, and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 8.12 Recitals and Representations.

(a) The recitals, statements and representations contained herein, or in any Obligation (excluding the Trustee's authentication on the Obligations or any recitals or representations concerning the Trustee or its powers) shall not be taken or construed as made by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

(b) The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof, of the Obligations, or the validity or sufficiency of insurance or self-insurance program to be provided or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. Except as to defaults described in Sections 7.1(a) and (b) of which the Trustee is deemed to have notice, the Trustee shall have no duty of inquiry with respect to any default or Events of Default described herein without receipt by the Trustee of written notice of a default or an Indenture Event of Default from any Holder.

(c) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or other

disclosure or sales material prepared or distributed in connection with the execution and delivery of the Obligations.

ARTICLE IX
SUPPLEMENTS TO INDENTURE AND AMENDMENTS TO PURCHASE AGREEMENT

Section 9.1 Supplements Not Requiring Consent of Holders. The City acting through the City Representative and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more supplements to this Indenture for one or more of the following purposes:

(i) to cure any ambiguity or formal defect or omission herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder provided such action shall, in the opinion of counsel, which may be counsel to the City, delivered to the Trustee under Section 9.3(a), not materially adversely affect the interests of the Holders;

(ii) to grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(iii) to secure additional revenues or provide additional security or reserves for payment of the Obligations and necessary, related provisions therefor;

(iv) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder;

(v) to provide for the appointment of a successor trustee or co-trustee pursuant to the terms of Section 8.6 and Section 8.11;

(vi) to permit Obligations in bearer form if the City and the Trustee receive a Special Counsel's Opinion that such action will not cause the interest on any Obligations to become includible in gross income for purposes of federal income taxes;

(vii) to preserve the exclusion of the interest on the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur obligations (specifically not limited to the Obligations authorized hereby) the interest on which is likewise exempt from federal and State income taxes; and

(viii) to adopt procedures for the disclosure of information to Holders and to others in accordance with any guidelines for such purpose promulgated by the American Bankers Association or some other similar national organization, as such guidelines may be made applicable to this Indenture by agreement of the Trustee and the City.

Section 9.2 Supplements Requiring Consent of Holders.

(a) Other than supplements referred to in Section 9.1 and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Holders of not less than a majority in principal amount of the Obligations then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such supplement as shall be deemed necessary and desirable by the City and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular respect, any of the terms or provisions contained herein; provided, however, nothing in this Section or Section 9.1 shall permit or be construed as permitting a supplement that would:

(i) extend the stated maturity of or time for paying interest on any Obligation or reduce the principal amount of or rate of interest payable on any Obligation without the consent of the Holder of such Obligation;

(ii) prefer or give a priority to any Obligation over any other Obligation without the consent of the Holder of such Obligation;

(iii) reduce the principal amount of Obligations then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Obligations then Outstanding;

(iv) increase the principal amount of Obligations then Outstanding, the request of the Holders of which is required by Section 7.1(d), without the consent of the Holders of all Obligations then Outstanding; or

(v) reduce the redemption price of any Obligation upon optional redemption or reduce any period of time prior to commencement of any optional redemption period set forth in Section 3.2 without the consent of the Holders of such Obligation.

(b) If at any time the City requests the Trustee to enter into a Supplement pursuant to this Section, the Trustee shall, upon being satisfactorily and specifically indemnified by the City with respect to expenses with respect to such Supplement, cause notice of the proposed execution of such Supplement to be mailed by first class mail, postage pre-paid, to all registered Holders of Obligations then Outstanding at their addresses as they appear on the registration books herein provided for, by the means provided in Article XII. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail, or the failure of such Holder to receive, the notice required by this Section, and any such failure shall not affect the validity of such Supplement when consented to and approved as provided in this Section. Such notice shall be prepared by the City, briefly set forth the nature of the proposed Supplement and state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

(c) If within such period as shall be prescribed by the City, following the mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the principal amount or number of Obligations specified in subsection (a) for the Supplement in question which instrument or instruments shall refer to the

proposed Supplement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee and the City may execute such Supplement in substantially such form, without liability or responsibility to any Holder of any Obligation, whether or not such Holder shall have consented thereto.

(d) Any such consent shall be binding upon the Holder of the Obligation giving such consent and upon any subsequent Holder of such Obligation and of any Obligation executed and delivered in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Obligation giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the execution by the Trustee of such Supplement, such revocation. At any time after the Holders of the required principal amount or number of Obligations shall have filed their consents to the Supplement, the Trustee shall make and file with the City a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required amount or number of the Obligations Outstanding shall have consented to and approved the execution of such Supplement as herein provided, no Holder of any Obligation shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

(f) S&P, Fitch and Moody's, if maintaining a rating on the Obligations, shall be provided a copy of any proposed supplement or any amendment to the Purchase Agreement at least 15 days prior to the execution of such Supplement or amendment.

Section 9.3 Execution and Effect of Supplements.

(a) In executing any Supplement permitted by this Article, the Trustee and the City shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted hereby. The Trustee may but shall not be obligated to enter into any such Supplement that affects the Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplement in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplement shall form a part hereof for all purposes and every Holder of an Obligation theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Obligation authenticated and delivered after the execution and delivery of any Supplement in accordance with this Article may, and if required by the Trustee shall, bear a notation in a form approved by the Trustee as to any matter provided for in such Supplement. If the Trustee shall so determine, upon receipt of Special Counsel's Opinion, new Obligations so modified as to conform, in the opinion of the Trustee, to any such Supplement may be executed and delivered by the Trustee in exchange for and upon surrender of Obligations then Outstanding.

Section 9.4 Amendments to Purchase Agreement Not Requiring Consent of Holders. The Trustee may, without the consent of or notice to any of the Holders, consent to and join with the City in the execution and delivery of any amendment, change or modification of the Purchase Agreement that is required (i) by the provisions thereof; (ii) to cure any ambiguity or formal defect or omission therein or to correct or supplement any provision therein which may be inconsistent with any other provision therein, or to make any other provisions with respect to matters or questions arising thereunder provided such action shall, in the opinion of counsel delivered to the Trustee under this Section, not materially adversely affect the interests of the Holders; (iii) to preserve the exclusion of the interest on the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to incur bonds or other obligations (specifically not limited to the Obligations authorized hereby) the interest on which is likewise exempt from federal and State income taxes; and (iv) in connection with any other change therein, which in the opinion of the Trustee will not materially adversely affect the interests of the Holders or, in the opinion of the Trustee, the Trustee. In executing any amendment to the Purchase Agreement, the Trustee shall be entitled to receive and rely on an Opinion of Counsel, which may be counsel to the City, stating that such amendment is authorized or permitted under this Indenture and under the Purchase Agreement and, if applicable, will not materially adversely affect the interests of the Holders.

Section 9.5 Amendments to Purchase Agreement Requiring Consent of Holders.

(a) Except for amendments, changes or modification to the Purchase Agreement referred to in Section 9.4 hereof and subject to the terms, provisions and limitations contained in this Article and not otherwise, the Trustee may consent to and join with the City in the execution and delivery of any amendment, change or modification to the Purchase Agreement only upon the consent of not less than a majority in principal amount of Obligations then Outstanding, given as provided in this Section; provided, however, no such amendment, change or modification may affect the obligation of the City to make payments under the Purchase Agreement or reduce the amount of or extend the time for making such payments without the consent of the Holders of all Obligations then Outstanding.

(b) If at any time the City shall request the consent of the Trustee to any such amendment, change or modification to the Purchase Agreement, the Trustee shall, upon being satisfactorily indemnified by the City with respect to expenses, cause notice of the proposed amendment, change or modification to be given in the same manner as provided in Section 9.2 with respect to Supplements hereto. Such notice shall be prepared by the City, briefly set forth the nature of the proposed amendment, change or modification and state that copies thereof are on file at the office of the Trustee for inspection by all Holders.

(c) If the consent to and approval of the execution of such amendment, change or modification is given by the Holders of not less than the aggregate principal amount or number of Obligations specified in subsection (a) within the time and in the manner provided by Section 9.2 with respect to Supplements hereto, but not otherwise, such amendment, change or modification may be consented to, executed and delivered upon the terms and conditions and with like binding effect upon the Holders as provided in Section 9.2 and Section 9.3 with respect to Supplements hereto.

ARTICLE X
SATISFACTION AND DISCHARGE

Section 10.1 Discharge.

(a) If payment of all principal of and interest on all of the Obligations in accordance with their terms and as provided herein and in Section 3.7 of the Purchase Agreement is made, or is provided for in accordance with this Article, and if all other sums, if any, payable hereunder shall be paid, then the liens, estates and security interests granted hereby shall cease. Thereupon, upon the request of the City, and upon receipt by the Trustee of an Opinion of Counsel addressed to the City and the Trustee stating that all conditions precedent to the satisfaction and discharge of the lien hereof have been satisfied, the Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien hereof and the Trustee shall transfer all property held by it hereunder, other than moneys or obligations held by the Trustee for payment of amounts due or to become due on the Obligations and to the City or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection herewith.

(b) The City may at any time surrender to the Trustee for cancellation any Obligations previously executed and delivered that the City may have acquired in any manner whatsoever and such Obligations upon such surrender and cancellation shall be deemed to be paid and retired.

Section 10.2 Providing for Payment of Obligations.

(a) Payment of all or any part of the Obligations in authorized denominations may be provided for by the deposit with the Trustee or a Depository Trustee of moneys or Defeasance Obligations that are not redeemable in advance of their maturity dates. The moneys and the maturing principal and interest income on such Defeasance Obligations, if any, shall be sufficient, as evidenced by a certificate or report (the "Verification Report") of an independent nationally recognized certified public accountant or firm of such accountants selected by the City, to pay when due the principal or redemption price of and interest on such Obligations. The moneys and Defeasance Obligations shall be held by the Trustee or the Depository Trustee irrevocably in trust for the Holders of such Obligations solely for the purpose of paying the principal or redemption price of and interest on such Obligations as the same shall mature, come due or become payable upon redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable to the Trustee or Depository Trustee as to the dates upon which any such Obligations are to be redeemed prior to their respective dates.

(b) Notwithstanding the foregoing, no deposit under subsection (a) above shall be deemed a payment of such Obligation as aforesaid until the earlier of: (i) proper notice of redemption of such Obligation shall have been given in accordance with the provisions of Section 3.6 hereof or, in the event said Obligation is not to be redeemed within the next succeeding sixty (60) days, until the City shall have given the Trustee irrevocable instructions in form satisfactory to the Trustee, to notify, as soon as practicable, the Holder of such Obligation in

accordance with Section 3.6 hereof, that the deposit required by subsection (a) above has been made with the Trustee and that said Obligation is deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption price, if any, on said Obligation, plus interest thereon to the due date or redemption date thereof, or (ii) the maturity of such Obligation.

(c) If payment of Obligations is so provided for, the Trustee or the Depository Trustee shall mail a notice so stating to each Holder of an Obligation so provided for.

(d) Obligations, the payment of which has been provided for in accordance with this Section, shall no longer be deemed Outstanding hereunder or secured hereby. The obligation in respect of such Obligations shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the moneys or Defeasance Obligations deposited with the Trustee or the Depository Trustee to provide for the payment of such Obligations.

(e) No Obligation may be so provided for if, as a result thereof or of any other action in connection with which the provisions for payment of such Obligation is made, the interest payable on any Obligation is made includible in gross income for purposes of federal income taxes. The Trustee and the City may rely upon a Special Counsel's Opinion to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Obligations.

Section 10.3 Payment of Obligations After Discharge. Notwithstanding the discharge of the lien hereof as in this Article provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Obligations and the registration, transfer, exchange and replacement of Obligations as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of or interest on any Obligation remaining unclaimed for two years after the same shall become due and payable at maturity by declaration as provided herein, shall then be paid to the City and the Holders of any Obligations not theretofore presented for payment shall thereafter be entitled to look only to the City for payment thereof and all liability of the Trustee or any Paying Agent with respect to such moneys shall thereupon cease. The obligations of the Trustee under this Section shall be subject, however, to the requirements of any applicable law regarding the disposition of unclaimed property.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Evidence of Acts of Holders.

(a) Any request, direction, consent or other instrument provided hereby to be signed and executed by the Holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Obligations, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Trustee

and the City, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(i) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(ii) The ownership of Obligations shall be proved by the register of such Obligations.

(b) Nothing in this Section shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient.

(c) Any action taken or suffered by the Trustee pursuant to any provision hereof, upon the request or with the assent of any Person who at the time is the Holder of any Obligation, shall be conclusive and binding upon all future Holders of the same Obligation.

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Obligations is intended or shall be construed to give to any Person other than the parties hereto, the City and the Holders of the Obligations any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained.

Section 11.3 Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Obligations executed and delivered pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 11.4 Holidays. When the date on which principal of or interest on any Obligation is due and payable is not a Business Day, payment may be made on Obligations presented at such place of payment on the next Business Day with effect as though payment were made on the due date, and, if such payment is made, no additional interest shall accrue from and after such due date. When any other action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with effect as though performed on the appointed day or within the specified period.

Section 11.5 Governing Law. This Indenture and the Obligations are contracts made under the laws of the State and shall be governed and construed in accordance with such laws.

Section 11.6 Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to the Trustee, addressed to it at 1101 West Washington Street, Tempe, Arizona 85288, Attention: Global Corporate Trust;

(ii) If to the registered Holder of an Obligation, addressed to such Holder at the address shown on the registration books kept pursuant hereto; and

(iii) If to the City, addressed to it at One City Plaza, Yuma, Arizona 85364, Attention: City Administrator, with a copy to Greenberg Traurig, LLP, 2375 East Camelback Road, Suite 800, Phoenix, Arizona, Attention: Paul Gales.

(b) The parties listed above may from time to time by notice in writing to the others designate a different address or addresses for notices hereunder.

(c) Unless otherwise provided herein, all notices, approvals, consents, requests and any communications to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the City chooses to use electronic signatures to sign documents delivered to the Trustee, the City agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 11.7 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one instrument.

Section 11.8 Waiver of Personal Liability. No director, elected official, officer, agent, financial advisor, counsel or employee of the City shall be individually or personally liable for the payment of the principal amount or redemption price of or interest on the Obligations; but nothing herein contained shall relieve any such director, officer, agent, financial advisor, counsel or employee from the performance of any official duty provided by law.

Section 11.9 Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein. Except as provided herein, the trust under this Indenture shall not be assigned to any other person, corporation, partnership or trustee unless the Trustee is required by

law to divest, or does divest, itself of its trust department or unless the Trustee shall sell or assign substantially all of its corporate trust business in which event the trust hereunder shall be continued by the Trustee's successor in interest.

Section 11.10 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Trustee acknowledges that this Indenture is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the City may within three (3) years after its execution cancel any contract (including this Indenture) without penalty or further obligation made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The Trustee shall take all such actions as possible to avoid violation of such statute.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the E-verify requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Trustee of the foregoing shall be deemed a material breach of this Indenture and may result in the termination of the services of the Trustee by the City. The City retains the legal right to randomly inspect the documents and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such documents and records open for random inspection during normal business hours by the City. The Trustee shall cooperate with the random inspections by the City including granting the City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such documents and records confidential.

(c) To the extent applicable under Section 35-393, et seq., Arizona Revised Statutes, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Indenture shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the City determines that the Trustee's certification above is false or that it has breached such agreement, the City may impose remedies as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, the Trustee hereby certifies it does not currently, and for the duration of this Indenture shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certification is made to the best knowledge of the Trustee without any current independent investigation or without any future independent investigation for the duration of this Indenture. If the Trustee becomes aware during the duration of this Indenture that it is not in compliance with such certification, the Trustee shall take such actions as provided by law, including providing the required notice to the City. If the City determines that the Trustee is not

in compliance with the foregoing certification and has not taken remedial action, the City shall terminate the Trustee's role as Trustee hereunder pursuant to Article VIII.

Section 11.11 Facsimile Instructions. The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture sent by Electronic Means. As used in this Section, "Electronic Means" means unsecured e-mail as a portable document format ("pdf") or other replicating image attached to an email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder; provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions ("Authorized Officers"), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The City agrees that the Trustee cannot determine the identity of the actual sender of such electronic instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee, and the City and the Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent instruction received via other means. The City agrees (i) to assume all risks arising out of the use of such Electronic Means to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk or interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11.12 Force Majeure. The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, "acts of God", terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

* * *

[Signature page follows.]

IN WITNESS WHEREOF, the City has caused these presents to be signed in the name and on its behalf by its duly authorized officer and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

_____, as Trustee

By.....
Authorized Representative

CITY OF YUMA, ARIZONA

By.....
John D. Simonton, Interim City Administrator

ATTEST:

.....
Lynda L. Bushong, City Clerk

APPROVED AS TO FORM:

.....
Richard W. Files, City Attorney

EXHIBIT A

FORM OF 2025A OBLIGATION

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

UTILITY SYSTEM REVENUE OBLIGATION, SERIES 2025A
Evidencing Proportionate Interests of the Holder Hereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF YUMA, ARIZONA,
Pursuant to a Series 2025 Purchase Agreement,
Dated as of _____ 1, 2025

No: ..... Denomination: .....

Interest Rate:	Maturity Date:	Dated:	CUSIP:
.....%	July 1, ...	_____, 2025	988522 .....

REGISTERED OWNER: .....

PRINCIPAL AMOUNT: ..... DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Utility System Revenue Obligation, Series 2025A (this "*obligation*"), is the owner of an undivided proportionate interest in the right to receive certain installments of the "Purchase Price" pursuant to that certain Series 2025 Purchase Agreement, dated as of _____ 1, 2025 (the "*Purchase Agreement*"), by and between ....., a national banking association authorized to exercise trust powers in the State of Arizona, in its separate capacity as seller (the "*Seller*"), and the City of Yuma, Arizona, a municipal corporation of the State of Arizona, as purchaser (the "*City*"), which installments and certain other rights and interests under the Purchase Agreement have been assigned to ....., in its separate capacity as trustee (together with any successor thereto, the "*Trustee*"), pursuant to that certain Series 2025 Obligation Indenture, dated as of _____ 1, 2025 (the "*Indenture*"), by and between the City and the Trustee.

The registered owner of this obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the maturity date set forth above, the principal amount set forth above,

representing a portion of the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on _____ 1, 20__, and semiannually on _____ 1 and _____ 1 of each year thereafter until payment in full of said portion of principal, the registered owner's proportionate share of the installments of the Purchase Price denominated as interest coming due during the six month period (or portion thereof) immediately preceding each of such dates; provided that the first installment shall be for interest from the date of initial execution and delivery to _____ 1, 20__. Said proportionate share of the portion of such installments designated as interest is the result of the multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

The proportionate share of the portion of the installments of the Purchase Price denominated as interest is payable when due to the person in whose name this obligation is registered at the close of business on the 15th day of the calendar month next preceding each interest payment date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this obligation is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the person in whose name such obligation is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the holders of the obligations not less than 15 days preceding such special record date. Such notice shall be mailed to the holder in whose name this obligation is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer on any obligation subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the obligation or obligations. (Any payment due hereon that shall not be paid when due shall bear interest at the rate of interest, compounded semiannually, set forth above from the date such payment is due until the payment is made.)

Principal of and interest on this obligation are payable in lawful money of the United States of America that on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check mailed by the Trustee as paying agent to the registered address of the person entitled thereto; *provided*, *however*, that the Indenture provides that upon certain circumstances the payments of interest on this obligation may, at the direction of the person in whose name this obligation is registered, be made by wire transfer of immediately available funds. The proportionate share of the portion of the installments of the Purchase Price denominated as principal, when due, shall be paid upon surrender of this obligation at the designated corporate trust office of the Trustee.

This obligation is one of a series, limited in aggregate original principal amount of $____,000 (the "*Obligations*"), which have been executed and delivered under the Indenture and are limited, special revenue obligations, payable solely from the sources (particularly the Purchase Agreement) and in the manner described in the Indenture, in order to finance the costs of certain improvements to the waterworks and sewer plant and system of the City. The payments to be made by the City pursuant to the Purchase Agreement are to be in an amount sufficient to make the payments due on the Obligations, and payments by the City under the Purchase Agreement are to be made from, and secured by a pledge of, certain revenues, proceeds and receipts to be derived by the City from such system. Under the restrictions set out in the Purchase Agreement, additional

parity obligations may be incurred by the City payable from such revenues. (No senior obligations may be incurred by the City payable from such revenues.) For a more complete statement of the provisions made to secure payment of the Obligations, the revenues from and conditions under which this obligation is payable, statements of the terms under which the Purchase Agreement may be modified and the general covenants and provisions pursuant to which this obligation is issued, reference is made to the Indenture.

This obligation shall not constitute a debt of the City, the State of Arizona or any political subdivision thereof within the meaning of any provision of the Constitution or laws of the State of Arizona and shall not constitute or give rise to a pecuniary liability of the City, the State of Arizona or any other political subdivision thereof or a charge against the general credit or taxing powers of any of them. This obligation and the interest hereon are enforceable exclusively from the revenues pledged thereto in the Purchase Agreement, and no holder hereof shall have the right to compel any exercise of the taxing power of the City to pay this obligation or the interest hereon.

Counterparts or copies of the Indenture and the other documents referred to herein are on file at the designated office of the Trustee, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Trustee, the City, and the registered owners of the Obligations under such documents, to all of which the registered owner hereof, by acceptance of this obligation, assents.

The Obligations maturing prior to or on July 1, 20__, are not subject to optional redemption prior to maturity. The Obligations maturing on and after July 1, 20__, are subject to redemption, in whole or in part on any date on or after July 1, 20__, in increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity (as provided in the Indenture) by payment of the principal amount of each Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

Notice of redemption shall be mailed not less than 30 days nor more than 60 days prior to the date set for redemption to each registered owner of an Obligation to be so redeemed at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any Obligation shall not affect the validity of the proceedings for the redemption of any other Obligation. On the specified redemption date all Obligations called for redemption shall cease to bear interest and shall no longer be secured by the Indenture provided funds for redemption are on deposit at the place of payment at that time.

The registered owner of this obligation shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Indenture and other documents referred to therein may be modified or amended to the extent permitted by and as provided therein. Certain amendments, modifications or changes that would affect the rights of registered owners of Obligations may be made only with the consent of a majority of the registered owners of the Obligations then outstanding under the Indenture, as

provided in the Indenture. Any such consent by the registered owner of this obligation shall be conclusive and binding upon such registered owner and all subsequent registered owners. However, as to certain other amendments that will not materially adversely affect the interests of the registered owners, no consent of any owner shall be required.

The Obligations are and shall be executed and delivered only in fully registered form. Subject to the limitations provided for in the Indenture, this obligation may be exchanged for a like aggregate principal amount payable at maturity of Obligations of the same maturity in authorized denominations.

The Obligations are transferable by the registered owner thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Indenture and upon surrender and cancellation of this obligation. Upon such transfer a new Obligation or Obligations of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be executed and delivered to the transferee in exchange.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture in connection with any exchange or transfer.

The Trustee and any paying agent may treat the registered owner of this obligation as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

As used herein, the term "owner" means the person who at the time of nonpayment of an Obligation is entitled under the terms of such Obligation to payment thereof.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the execution and delivery of this obligation have existed, have happened and have been performed in due form, time and manner as required by law.

IN TESTIMONY WHEREOF, this obligation has been executed and delivered by the Trustee, acting pursuant to the Indenture.

Date:.....

....., as Trustee

By.....
Authorized Representative

ASSIGNMENT

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

TEN COM -- as tenants in common	UNIF GIFT/TRANS MIN ACT -- ..... (Cust.)
TEN ENT -- as tenants by the entireties	Custodian for ..... Under Uniform (Minor)
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	Gifts/Transfers to Minors Act of ..... (State)

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto .....
(Please Print or Typewrite Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee) the within obligation and all rights thereunder, and irrevocably constitutes and appoints ..... attorney to transfer the within obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: .....

Signature Guaranteed:

.....	.....
(Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee).	Notice: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within obligation in every particular without alteration or enlargement or any change whatsoever.

(END OF FORM OF 2025A OBLIGATION)

EXHIBIT B

FORM OF 2025B OBLIGATION

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

UTILITY SYSTEM REVENUE OBLIGATION, SERIES 2025B
Evidencing Proportionate Interests of the Holder Hereof in
Installment Payments of the Purchase Price to be Paid by the
CITY OF YUMA, ARIZONA,
Pursuant to a Series 2025 Purchase Agreement,
Dated as of _____ 1, 2025

No: ..... Denomination: .....

Interest Rate:	Maturity Date:	Dated:	CUSIP:
.....%	July 1, ...	_____, 2025	988522 .....

REGISTERED OWNER: .....

PRINCIPAL AMOUNT: ..... DOLLARS

The registered owner identified above, or registered assigns, as the registered owner of this Utility System Revenue Obligation, Series 2025B (this "*obligation*"), is the owner of an undivided proportionate interest in the right to receive certain installments of the "Purchase Price" pursuant to that certain Series 2025 Purchase Agreement, dated as of _____ 1, 2025 (the "*Purchase Agreement*"), by and between ....., a national banking association authorized to exercise trust powers in the State of Arizona, in its separate capacity as seller (the "*Seller*"), and the City of Yuma, Arizona, a municipal corporation of the State of Arizona, as purchaser (the "*City*"), which installments and certain other rights and interests under the Purchase Agreement have been assigned to ....., in its separate capacity as trustee (together with any successor thereto, the "*Trustee*"), pursuant to that certain Series 2025 Obligation Indenture, dated as of _____ 1, 2025 (the "*Indenture*"), by and between the City and the Trustee.

The registered owner of this obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the maturity date set forth above, the principal amount set forth above,

representing a portion of the installments of the Purchase Price denominated as principal coming due on the Maturity Date set forth above, and to receive on _____ 1, 20__, and semiannually on _____ 1 and _____ 1 of each year thereafter until payment in full of said portion of principal, the registered owner's proportionate share of the installments of the Purchase Price denominated as interest coming due during the six month period (or portion thereof) immediately preceding each of such dates; provided that the first installment shall be for interest from the date of initial execution and delivery to _____ 1, 20__. Said proportionate share of the portion of such installments designated as interest is the result of the multiplication of the aforesaid portion of such installments designated as principal by the rate per annum set forth above.

The proportionate share of the portion of the installments of the Purchase Price denominated as interest is payable when due to the person in whose name this obligation is registered at the close of business on the 15th day of the calendar month next preceding each interest payment date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this obligation is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the person in whose name such obligation is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the holders of the obligations not less than 15 days preceding such special record date. Such notice shall be mailed to the holder in whose name this obligation is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer on any obligation subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the obligation or obligations. (Any payment due hereon that shall not be paid when due shall bear interest at the rate of interest, compounded semiannually, set forth above from the date such payment is due until the payment is made.)

Principal of and interest on this obligation are payable in lawful money of the United States of America that on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check mailed by the Trustee as paying agent to the registered address of the person entitled thereto; *provided*, *however*, that the Indenture provides that upon certain circumstances the payments of interest on this obligation may, at the direction of the person in whose name this obligation is registered, be made by wire transfer of immediately available funds. The proportionate share of the portion of the installments of the Purchase Price denominated as principal, when due, shall be paid upon surrender of this obligation at the designated corporate trust office of the Trustee.

This obligation is one of a series, limited in aggregate original principal amount of $____,000 (the "*Obligations*"), which have been executed and delivered under the Indenture and are limited, special revenue obligations, payable solely from the sources (particularly the Purchase Agreement) and in the manner described in the Indenture, in order to finance the costs of certain improvements to the waterworks and sewer plant and system of the City. The payments to be made by the City pursuant to the Purchase Agreement are to be in an amount sufficient to make the payments due on the Obligations, and payments by the City under the Purchase Agreement are to be made from, and secured by a pledge of, certain revenues, proceeds and receipts to be derived by the City from such system. Under the restrictions set out in the Purchase Agreement, additional

parity obligations may be incurred by the City payable from such revenues. (No senior obligations may be incurred by the City payable from such revenues.) For a more complete statement of the provisions made to secure payment of the Obligations, the revenues from and conditions under which this obligation is payable, statements of the terms under which the Purchase Agreement may be modified and the general covenants and provisions pursuant to which this obligation is issued, reference is made to the Indenture.

This obligation shall not constitute a debt of the City, the State of Arizona or any political subdivision thereof within the meaning of any provision of the Constitution or laws of the State of Arizona and shall not constitute or give rise to a pecuniary liability of the City, the State of Arizona or any other political subdivision thereof or a charge against the general credit or taxing powers of any of them. This obligation and the interest hereon are enforceable exclusively from the revenues pledged thereto in the Purchase Agreement, and no holder hereof shall have the right to compel any exercise of the taxing power of the City to pay this obligation or the interest hereon.

Counterparts or copies of the Indenture and the other documents referred to herein are on file at the designated office of the Trustee, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Trustee, the City, and the registered owners of the Obligations under such documents, to all of which the registered owner hereof, by acceptance of this obligation, assents.

The Obligations maturing prior to or on July 1, 20__, are not subject to optional redemption prior to maturity. The Obligations maturing on and after July 1, 20__, are subject to redemption, in whole or in part on any date on or after July 1, 20__, in increments of $5,000 of principal amount due on a specific maturity date, in any order of maturity, all as directed by the City, and by lot within a maturity (as provided in the Indenture) by payment of the principal amount of each Obligation to be redeemed plus interest accrued to the date fixed for redemption, without premium.

Notice of redemption shall be mailed not less than 30 days nor more than 60 days prior to the date set for redemption to each registered owner of an Obligation to be so redeemed at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any Obligation shall not affect the validity of the proceedings for the redemption of any other Obligation. On the specified redemption date all Obligations called for redemption shall cease to bear interest and shall no longer be secured by the Indenture provided funds for redemption are on deposit at the place of payment at that time.

The registered owner of this obligation shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Indenture and other documents referred to therein may be modified or amended to the extent permitted by and as provided therein. Certain amendments, modifications or changes that would affect the rights of registered owners of Obligations may be made only with the consent of a majority of the registered owners of the Obligations then outstanding under the Indenture, as

provided in the Indenture. Any such consent by the registered owner of this obligation shall be conclusive and binding upon such registered owner and all subsequent registered owners. However, as to certain other amendments that will not materially adversely affect the interests of the registered owners, no consent of any owner shall be required.

The Obligations are and shall be executed and delivered only in fully registered form. Subject to the limitations provided for in the Indenture, this obligation may be exchanged for a like aggregate principal amount payable at maturity of Obligations of the same maturity in authorized denominations.

The Obligations are transferable by the registered owner thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Indenture and upon surrender and cancellation of this obligation. Upon such transfer a new Obligation or Obligations of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be executed and delivered to the transferee in exchange.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture in connection with any exchange or transfer.

The Trustee and any paying agent may treat the registered owner of this obligation as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

As used herein, the term "owner" means the person who at the time of nonpayment of an Obligation is entitled under the terms of such Obligation to payment thereof.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the execution and delivery of this obligation have existed, have happened and have been performed in due form, time and manner as required by law.

IN TESTIMONY WHEREOF, this obligation has been executed and delivered by the Trustee, acting pursuant to the Indenture.

Date:.....

....., as Trustee

By.....
Authorized Representative

ASSIGNMENT

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

TEN COM -- as tenants in common	UNIF GIFT/TRANS MIN ACT -- ..... (Cust.)
TEN ENT -- as tenants by the entireties	Custodian for ..... Under Uniform (Minor)
JT TEN -- as joint tenants with right of survivorship and not as tenants in common	Gifts/Transfers to Minors Act of ..... (State)

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto .....
(Please Print or Typewrite Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee) the within obligation and all rights thereunder, and irrevocably constitutes and appoints ..... attorney to transfer the within obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: .....

Signature Guaranteed:

.....	.....
(Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee).	Notice: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within obligation in every particular without alteration or enlargement or any change whatsoever.

(END OF FORM OF 2025B OBLIGATION)

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025A

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025B

OBLIGATION PURCHASE AGREEMENT

November __, 2025

City of Yuma, Arizona
City Hall
1 City Plaza
Yuma, Arizona 85364

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated (the "Underwriter") hereby offers to enter into this Obligation Purchase Agreement (this "Obligation Purchase Agreement") with the City of Yuma, Arizona (the "Issuer"), a municipal corporation duly organized and validly existing under and pursuant to the laws of the State of Arizona (the "State" or "Arizona"), whereby the Underwriter will purchase and the Issuer will sell the Obligations (as defined herein). The Underwriter is making this offer subject to the acceptance by the Issuer at or before 11:59 P.M., Arizona Time, on the date hereof. If the Issuer accepts this Obligation Purchase Agreement, this Obligation Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriter. The Underwriter may withdraw this Obligation Purchase Agreement upon written notice delivered by the Underwriter to the Issuer at any time before the Issuer accepts this Obligation Purchase Agreement.

1. PURCHASE AND SALE.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to cause [NAME OF TRUSTEE], as trustee (the "Trustee"), to execute, sell and deliver to the Underwriter, all (but not less than all) of the [$____,000] aggregate principal amount of "City of Yuma, Arizona Utility System Revenue Obligations, Series 2025A" (the "Series 2025A Obligations") and the [$____,000] aggregate principal amount of "City of Yuma, Arizona Utility System Revenue Obligations, Series 2025B" (the "Series 2025B Obligations" and collectively with the Series 2025A Obligations, the "Obligations"), at the purchase price of $_____, representing the aggregate principal amount of the Obligations

less an Underwriter's discount of $_____, [plus net original issue premium of $_____][less a net original issue discount of $_____]. The Underwriter intends to make an initial bona fide public offering of the Obligations at a price or prices (or at a yield or yields) described in the Schedule attached hereto; provided, however, the Underwriter reserves the right to change such initial public offering prices (or yields) as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Obligations (but in all cases subject to the requirements of Section 4 hereof), and may offer and sell the Obligations to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices (or yields greater than the yields) set forth therein (but in all cases subject to the requirements of Section 4 hereof).

(b) The Issuer acknowledges and agrees that with respect to the transaction contemplated hereby: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer expressly are set forth in this Obligation Purchase Agreement; and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. DESCRIPTION AND PURPOSE OF THE OBLIGATIONS.

(a) The Obligations have been authorized pursuant to an Ordinance adopted by the Mayor and Council of the Issuer on [October 1, 2025] (the "Ordinance"). The Obligations shall be dated the date of delivery and executed and delivered and secured under and pursuant to the Series 2025 Obligation Indenture, to be dated as of November 1, 2025 (the "Indenture"), by and between the Issuer and the Trustee. The Obligations represent undivided proportionate interests of the holders thereof in the installment payments of the Purchase Price (each a "Payment," and collectively, the "Payments") to be paid by the Issuer pursuant to the Series 2025 Purchase Agreement, to be dated as of November 1, 2025 (the "Purchase Agreement"), by and between the Issuer, as purchaser, and the Trustee, as seller, as the purchase price for the Projects (as defined in the Purchase Agreement). The Payments will be secured by revenues from Net Revenues (as defined in the Purchase Agreement) as described in the Purchase Agreement.

(b) The proceeds of the sale of the Obligations will be used to (i) pay the costs of the Project, and (ii) pay certain costs of execution and delivery of the Obligations.

(c) The Obligations shall become payable in the years, bear interest, produce the yields or prices and be subject to redemption at the times and in the amounts, all as set forth in the Schedule attached hereto. The terms of the Obligations shall be otherwise as described in the Indenture.

3. DELIVERY OF THE OFFICIAL STATEMENT AND OTHER DOCUMENTS.

(a) The Issuer has approved and delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated November __, 2025, which, including the cover page, the inside front cover page and all appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the Issuer that the Underwriter may deliver the Preliminary Official Statement and a final Official Statement (as defined herein) electronically over the internet and in printed paper form. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Exchange Act ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than the Closing Date (as defined herein), the Issuer shall deliver to the Underwriter a final Official Statement relating to the Obligations dated the date hereof (such Official Statement, including the cover page, the inside front cover page and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Special Counsel (as defined herein) and the Underwriter, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (the "MSRB") and to meet potential customer requests for copies of the Official Statement. The Underwriter agrees to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Market Access system, if required by MSRB Rule G-32. The Official Statement shall be executed by and on behalf of the Issuer by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer hereby agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (the "SEC") including in a word-searchable pdf format including any amendments thereto. The Issuer hereby ratifies, confirms and consents to and approves the use and distribution by the Underwriter before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriter of the Official Statement in connection with the public offering and sale of the Obligations.

(c) In order to assist the Underwriter in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Undertaking, to be dated the Closing Date (the "Undertaking"), of the Issuer, to provide annual financial information and notices of the occurrence of specified events. A description of the Undertaking is set forth in, and a form of such undertaking is attached as APPENDIX G - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to, the Preliminary Official Statement and the Official Statement.

4. ESTABLISHMENT OF ISSUE PRICE.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Obligations and shall execute and deliver to the Issuer at Closing (as defined herein) an "issue price" or similar certificate, substantially in the form of Exhibit A attached hereto, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Obligations.

(b) [Except as otherwise set forth in Schedule I to Exhibit A (Issue Price Certificate) attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Obligations (the "10% Test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Obligation Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which the Underwriter has sold to the public each maturity of Obligations. [If at that time the 10% test has not been satisfied as to any maturity of the Obligations, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Obligations of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Obligations of that maturity or (ii) the 10% test has been satisfied as to the Obligations of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or special counsel.] For purposes of this Section, if Obligations mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Obligations.

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

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

ii. the date on which the Underwriter has sold at least 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

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

[c][d] The Underwriter confirms that:

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

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

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

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

(ii) any selling group agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Obligations to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Obligations of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

[(d)][(e)] The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member

of the selling group to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations.

[e][f] The Underwriter acknowledges that sales of any Obligations to any person that is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

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

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

(iv) "sale date" means the date of execution of this Obligation Purchase Agreement by all parties.

5. ISSUER'S REPRESENTATIONS. The Issuer represents to and agrees with the Underwriter that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to cause the sale, execution and delivery of the Obligations to the Underwriter pursuant to the Ordinance and the Indenture, to pledge the revenues from Net Revenues pursuant to the Purchase Agreement and to execute, deliver and perform its obligations, as the case may be, under this Obligation Purchase Agreement, the Purchase Agreement, the Indenture, the Undertaking (collectively, the "Issuer Documents"), and the Obligations, and to perform and consummate all obligations and transactions required or contemplated by each of the Issuer Documents and the Official Statement.

(b) The Ordinance approving and authorizing the execution and delivery by the Issuer of the Issuer Documents and the offering, sale, execution and delivery of the Obligations upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the Mayor and Council of the Issuer called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Issuer Documents and the Obligations conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the Obligations, when duly executed and authenticated in accordance with the Indenture and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Purchase Agreement and the Indenture and secured by a legally valid and binding pledge and lien on, and payable from, revenues from Net Revenues as described in the Purchase Agreement, subject to applicable Creditors' Rights Laws (as defined herein).

(d) The Issuer has executed and delivered or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except as the enforceability thereof may be limited by application of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, "Creditors' Rights Laws"). Each of the Issuer Documents has been executed and delivered or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined herein), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Ordinance, the sale

and execution and delivery of the Obligations and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Issuer Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Ordinance and the Issuer Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction (including with respect to the requirements of Section 35-501(B), Arizona Revised Statutes) which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Obligations for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made and as to the authority of the representative to deliver such certificates and make such representation.

(h) Between the date hereof and the time of the Closing and to the extent it may legally agree to do so pursuant to applicable law, the Issuer shall not, without the prior written consent of the Underwriter, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The financial statements of the Issuer as of June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since June 30, 2024, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12, the information contained in the Preliminary Official Statement (excluding therefrom any information regarding DTC (as defined herein) and the information under the heading "UNDERWRITING," as to which no representations or warranties are made), as of its

date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom any information regarding DTC and the information under the heading "UNDERWRITING," as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" as defined in Rule 15c2-12 (unless the Underwriter notifies the Issuer by the Closing Date of an unsold balance, in which case the "underwriting period" shall be deemed to end on the Closing Date), the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date of the Official Statement and the Closing any event shall occur which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter.

(n) Except as described in the Preliminary Official Statement and Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer: (i) seeking to restrain or enjoin the sale or execution and delivery of any of the Obligations, or the levy, collection, pledge and/or payment, as applicable, of the revenues from Net Revenues as described in the Purchase Agreement, securing the payment of the Obligations; (ii) in any way contesting or affecting any authority for the execution and delivery of the Obligations or the validity or binding effect of any of the Issuer Documents; (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Ordinance or any provision thereof or the application of the proceeds of the Obligations; (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto;

or (v) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement and Official Statement or any of the Issuer Documents. The Issuer shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Obligations.

(o) Except as described in the Official Statement, during the last five years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) Except as described in the Official Statement, the Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(q) The Issuer has not granted a lien on, made a pledge of or agreed to apply the revenues from Net Revenues and other moneys payable pursuant to the Purchase Agreement except as provided or permitted in the Purchase Agreement or as described in the Official Statement.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or on the Underwriter's behalf and shall survive the delivery of the Obligations.

6. UNDERWRITER'S REPRESENTATIONS. The Underwriter represents to and agrees with the Issuer that:

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

(b) This Obligation Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the Issuer, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Obligation Purchase Agreement may be limited by application of Creditors' Rights Laws.

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

(d) The Underwriter and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Obligation Purchase Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of

Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

7. Closing.

The date of the payment for and delivery of the Obligations (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery of the Obligations herein sometimes called the "Closing") shall be at 8:00 A.M., Arizona Time, on November __, 2025, or at such other time or date as the Underwriter and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will cause to be delivered to the Underwriter, at the offices of Greenberg Traurig, LLP ("Special Counsel"), or at such other place as the Underwriter and the Issuer may mutually agree upon, the Obligations, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 8. At the Closing, (i) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Obligations, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer, and (ii) the Issuer shall deliver or cause to be delivered the Obligations to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Underwriter at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Obligations shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

8. CONDITIONS PRECEDENT.

The Underwriter has entered into this Obligation Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Obligation Purchase Agreement are and shall be subject to the following additional conditions:

(a) The representations and agreements of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Ordinance, the Obligations and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) The Issuer shall perform or have performed all of its obligations required under or specified in the Ordinance, the Obligations, the Issuer Documents and the Official Statement to be performed at or prior to the Closing.

(d) The Issuer shall have delivered to the Underwriter the Official Statement by the time, and in the numbers, required by Section 3 of this Obligation Purchase Agreement.

(e) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Obligations, the Issuer Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(f) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Ordinance, the Obligations, the Issuer Documents, the revenues from Net Revenues as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Obligations.

(g) At or prior to the Closing, the Underwriter shall receive the transcript of proceedings of the Issuer relating to the execution and delivery of the Obligations, including, but not limited to, the following documents (in each case with only such changes as the Underwriter shall approve):

(i) The approving opinion of Special Counsel relating to the Obligations, dated the Closing Date, substantially in the form attached as Appendix D to the Official Statement, and, if not otherwise directly addressed to the Underwriter, a reliance letter with respect thereto addressed to the Underwriter;

(ii) The supplemental opinion of Special Counsel, addressed to the Underwriter, dated the Closing Date, and substantially in the form of Exhibit B attached hereto;

(iii) The opinion of counsel to the Issuer, addressed to the Underwriter and Special Counsel, dated the Closing Date, and substantially in the form of Exhibit C attached hereto;

(iv) The opinion of Ballard Spahr LLP, counsel to the Underwriter, dated the date of the Closing and addressed to the Underwriter, and covering such matters as the Underwriter may reasonably request;

(v) A certificate, dated the Closing Date, signed by an authorized officer of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Obligations and the Issuer Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement and the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the execution and delivery of the Obligations, (ii) in any way contesting or affecting any authority for

the execution and delivery of the Obligations, the validity of the Obligations, the Ordinance or any Issuer Document or the levy, collection and pledge, as applicable, of the revenues from Net Revenues imposed and levied or to be imposed and levied to pay all the Payments, or the imposition thereof, (iii) in any way contesting the creation, existence or powers of the Issuer or the application of the proceeds of the Obligations, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, or the Obligations or any Issuer Document; (d) no authority or proceedings for the execution and delivery of the Obligations has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Obligations has been filed with or received by such authorized officer; (e) the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of any information in the Preliminary Official Statement or the Official Statement regarding DTC and the information under the heading "UNDERWRITING"; (f) the financial statements of the Issuer as of June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth; (g) except as disclosed in the Preliminary Official Statement and the Official Statement, since June 30, 2024, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer and the Issuer has not incurred since June 30, 2024, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Preliminary Official Statement and the Official Statement; and (h) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(vi) A certificate or certificates, dated the Closing Date, signed by an authorized officer of the Trustee to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Purchase Agreement and the Indenture (together for purposes of this

paragraph, the "Trustee Documents") and to authenticate, execute and deliver the Obligations to the Underwriter; (b) the Trustee is duly authorized to enter into the Trustee Documents and to authenticate, execute and deliver the Obligations to the Underwriter pursuant to the Indenture; (c) when delivered to and paid for by the Underwriter at the Closing, the Obligations will have been duly authenticated, executed and delivered by the Trustee; (d) the execution and delivery of the Trustee Documents and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Trustee Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trustee Documents under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trustee Documents; and (e) to the best knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the execution and delivery of the Obligations or the collection of revenues to be applied to pay the principal and interest with respect to the Obligations, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trustee Documents, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trustee Documents or the power and authority of the Trustee to enter into and perform its duties under the Trustee Documents and to authenticate, execute and deliver the Obligations to or upon the order of the Underwriter;

(vii) Executed or certified copies of each of the Issuer Documents;

(viii) A tax certificate of the Issuer, in form satisfactory to Special Counsel, executed by such officials of the Issuer as shall be satisfactory to the Underwriter;

(ix) A certified copy of the Ordinance;

(x) Specimen Obligations;

(xi) A counterpart original of the Official Statement manually executed on behalf of the Issuer by an authorized officer of the Issuer;

(xii) Evidence satisfactory to the Underwriter that Standard & Poor's Financial Services LLC and Fitch Ratings, Inc. have assigned ratings for the Obligations of "____" and "____," respectively (together, the "Ratings"), and that the Ratings are then in effect;

(xiii) Evidence that the Issuer has caused or will cause to be filed the Report of Bond and Security Issuance Pursuant to Section 35-501(B), Arizona Revised Statutes;

(xiv) Evidence that a Form 8038-G relating to the Obligations has been executed by the Issuer and will be filed with the Internal Revenue Service within the applicable time limit;

(xv) A copy of the Issuer's executed Blanket Letter of Representation to DTC; and

(xvi) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel to the Underwriter or Special Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

9. TERMINATION.

If the Issuer shall be unable to satisfy the conditions of the Underwriter's obligations contained in this Obligation Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Obligation Purchase Agreement, this Obligation Purchase Agreement may be cancelled by the Underwriter at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Underwriter to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions

contained in this Obligation Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter.

(a) The Underwriter shall also have the right, before the time of Closing, to cancel its obligations to purchase the Obligations, by written notice (or by telephone confirmed in writing) by the Underwriter to the Issuer, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each hereinafter referred to as a "Termination Event"):

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

(A) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Obligations; or

(B) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

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

(D) legislation shall have been enacted by the Congress of the

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

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

(F) any rating on securities of the Issuer secured by a pledge of the revenues from Net Revenues on a parity with the pledge of such amounts to be made for the Payments is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(ii) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Obligations or the ability of the Underwriter to enforce contracts for the sale of the Obligations; or

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

(iv) a material disruption in securities settlement, payment or clearance services affecting the Obligations shall have occurred; or

(v) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension

of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(vi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the offering, sale or execution and delivery of the Obligations, including the underlying obligations as contemplated by this Obligation Purchase Agreement or by the Official Statement, or any document relating to the offering, sale or execution and delivery of the Obligations, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

(b) Upon the occurrence of a Termination Event and the termination of this Obligation Purchase Agreement by the Underwriter, all obligations of the Issuer and the Underwriter under this Obligation Purchase Agreement shall terminate, without further liability.

10. AMENDMENTS TO OFFICIAL STATEMENT.

During the period commencing on the date of the Official Statement and ending twenty-five (25) days from the "end of the underwriting period" (as defined in Rule 15c2-12) the Issuer shall advise the Underwriter if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the underwriting period, the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and shall amend or supplement the Official Statement (in form and substance satisfactory to counsel to the Underwriter) so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The expenses of preparing such amendment or supplement shall be borne by the Issuer. For the purpose of this Section, the Issuer will furnish to the Underwriter such information with respect to itself as the Underwriter may from time to time reasonably request.

11. EXPENSES.

(a) Whether or not the Obligations are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Issuer's obligations hereunder. If the Obligations are delivered by the Issuer to the Underwriter, the Issuer shall pay, from the proceeds of the Obligations or from other funds of the Issuer, the following expenses: (i) the cost of preparing, duplicating or printing, mailing and delivering the Issuer Documents, including the cost of electronically distributing the Preliminary Official Statement and

the Official Statement and any amendment or supplement of either; (ii) the cost of preparation and printing of the definitive Obligations; (iii) the fees and expenses of the Issuer, the Trustee, Special Counsel, counsel to the Underwriter, and any entity performing continuing disclosure compliance research or providing continuing disclosure compliance reports and any other experts or consultants retained by the Issuer; (iv) the charges of any rating agency with respect to the Obligations; (v) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Obligations, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the Issuer and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of Issuer personnel, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 11, and (vi) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Issuer Documents and/or the initial offering, sale and delivery of the Obligations. The Issuer has authorized, and does hereby authorize, the Underwriter to pay certain of such expenses on behalf of the Issuer from proceeds of the Obligations at Closing as further described in the closing memorandum relating to the Obligations.

(b) If the Obligations are sold to the Underwriter by the Issuer, the Issuer shall pay out of the proceeds of the Obligations the discount of the Underwriter or the purchase price paid for the Obligations shall reflect such discount.

(c) Except as otherwise provided in this Section 11, the Underwriter shall pay the cost, if any, of qualifying the Obligations for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Obligations and all other expenses incurred by it in connection with its public offering and distribution of the Obligations, not described above.

12. USE OF DOCUMENTS.

The Issuer hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Obligations, this Obligation Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Issuer Documents, and the information contained herein and therein.

13. QUALIFICATION OF SECURITIES.

The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Obligations for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. NOTICES.

Any notice or other communication to be given to the Issuer under this Obligation Purchase Agreement may be given by delivering the same in writing to City of Yuma, City Hall, 1 City Plaza, Yuma, Arizona 85364, Attention: City Manager, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the following address:

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016
Attention: Mark Reader, Managing Director

15. BENEFIT.

This Obligation Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including their successors or assigns), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Obligation Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Obligations hereunder; or (iii) any termination of this Obligation Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Issuer pursuant to Section 11 hereof shall remain in full force and effect notwithstanding the termination of this Obligation Purchase Agreement under Section 9 hereof).

16. GOVERNING LAW. THIS OBLIGATION PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA.

17. WAIVER OF JURY TRIAL. THE ISSUER HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS OBLIGATION PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. MISCELLANEOUS.

(a) This Obligation Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

(b) If any section, paragraph, subdivision, sentence, clause or phrase of this Obligation Purchase Agreement shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions of this Obligation Purchase Agreement. The parties to this Obligation Purchase Agreement declared they would have executed this Obligation

Purchase Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase of this Obligation Purchase Agreement, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Obligation Purchase Agreement may be held to be illegal, invalid, or unenforceable. If any provision of this Obligation Purchase Agreement contains any ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

(c) This Obligation Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

(d) To the extent applicable by provision of law, this Obligation Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein by this reference.

(e) The electronic signature of a party to this Obligation Purchase Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Obligation Purchase Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means, electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Underwriter; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an electronic mail or internet message.

[Signature page follows.]

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

.....
Mark Reader, Managing Director

Approved and Agreed to: November __, 2025, at ____ P.M.

CITY OF YUMA, ARIZONA

By.....

Printed Name: .....

Title: .....

SCHEDULE

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025A

Maturity Dates (July 1)	Principal Amounts	Interest Rates	Yields
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			

* Yield calculated to first optional redemption date: July 1, 203_.

Optional Redemption. The Obligations payable before or on July 1, 203_, will not be subject to redemption prior to their stated maturity dates. The Obligations payable on or after July 1, 203_, will be subject to redemption prior to their stated maturity dates, at the option of the Issuer, in whole or in part on July 1, 203_, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Obligation prepaid plus interest accrued to the date fixed for redemption, without premium.

[Mandatory Redemption. The Obligations payable on July 1, 20__, will be prepaid on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption, without premium:]

Obligations Paying July 1, 20__	
Redemption Date (July 1)	Principal Amount
20__ (stated maturity date)	

SCHEDULE

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025B

Maturity Dates (July 1)	Principal Amounts	Interest Rates	Yields
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			

_____

[* Yield calculated to first optional redemption date: July 1, 203_.]

[*Optional Redemption*. The Obligations payable before or on July 1, 203_, will not be subject to redemption prior to their stated maturity dates. The Obligations payable on or after July 1, 203_, will be subject to redemption prior to their stated maturity dates, at the option of the Issuer, in whole or in part on July 1, 203_, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Obligation prepaid plus interest accrued to the date fixed for redemption, without premium.]

[Mandatory Redemption. The Obligations payable on July 1, 20__, will be prepaid on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption, without premium:]

Obligations Paying July 1, 20__	
Redemption Date (July 1)	Principal Amount
20__ (stated maturity date)	

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025A

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025B

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

1. Obligation Purchase Agreement. On November __, 2025 (the "Sale Date"), Stifel and City of Yuma, Arizona (the "Issuer") executed an Obligation Purchase Agreement (the "Purchase Contract") in connection with the sale of the Obligations. Stifel has not modified the Purchase Contract since its execution on the Sale Date.

2. Price.

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

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

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

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

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

(iv) On the date the 10% Test is satisfied with respect to all Maturities of the Obligations, Stifel will execute a supplemental certificate

substantially in the form attached hereto as Schedule C with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

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

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

3. Defined Terms.

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

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

(c) *Issuer* means City of Yuma, Arizona.

(d) *Maturity* means Obligations with the same credit and payment terms. Obligations with different maturity dates, or Obligations with the same maturity date but different stated interest rates, are treated as separate Maturities.

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

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Obligations. The Sale Date of the Obligations is November __, 2025.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated November __, 2025 and with respect to compliance with the federal income tax rules affecting the Obligations, and by Special Counsel, in connection with rendering its opinion that the interest on the Obligations is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Obligations.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
Mark Reader

By: _____
[underwriter]

Dated: November __, 2025

SCHEDULE A

General Rule Maturities

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025

[$____,000]
CITY OF YUMA, ARIZONA
UTILITY SYSTEM REVENUE OBLIGATIONS, SERIES 2025B

The aggregate issue price of all maturities of the Obligations is $_____

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF SPECIAL COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

November __, 2025

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Re: Utility System Revenue Obligations, Series 2025A and Utility System Revenue Obligations, Series 2025B, Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by the City of Yuma, Arizona to [NAME OF TRUSTEE], as Trustee Pursuant to a Series 2025 Purchase Agreement, Dated as of November 1, 2025

Pursuant to an Obligation Purchase Agreement, dated November __, 2025 (the "Purchase Contract"), between the City of Yuma, Arizona and Stifel, Nicolaus & Company, Incorporated, we have delivered to you our approving opinion of even date herewith (the "Approving Opinion") relating to the captioned Obligations. All terms used herein shall have the same meaning assigned in the Purchase Contract.

With the same exceptions, reliances and assumptions provided in the Approving Opinion and further relying specifically on the opinion of the City Attorney, dated the date hereof, as to the matters addressed therein, we hereby supplement the Approving Opinion and further advise you as follows:

1. The Issuer has all requisite power and authority pursuant to the Constitution and laws of the State (a) to execute and deliver, as applicable, the Issuer Documents, (b) to approve, execute and authorize the use and distribution of the Preliminary Official Statement and the Official Statement and (c) to carry out and consummate the transactions contemplated by the Official Statement, the Issuer Documents and the Obligations (including performing the applicable obligations pursuant thereto).

2. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the Official Statement, the Issuer Documents and the Obligations.

3. The Issuer Documents have been duly authorized, executed and delivered, as applicable, by the Issuer, are in full force and effect and, assuming due and valid authorization, execution and delivery by, and enforceability against, if any, the other party thereto, constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms. The foregoing is subject to applicable bankruptcy, insolvency, reorganization, moratorium,

and other similar laws affecting the enforcement of creditors' rights and the principles of equity in the event equitable remedies are sought.

4. Adoption of the Ordinance, authorization, execution and delivery, as applicable, of, and the due performance by the Issuer of the Issuer Documents and the approval, execution and authorization of the use and distribution of, the Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby and each of such instruments, do not and will not conflict with, or constitute on the part of the Issuer a material breach of or default under, any federal or State constitutional or statutory provision.

5. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Obligations and other than approvals that may be required under "blue sky" laws of any jurisdiction) is required in connection with the adoption by the Mayor and Council of the Issuer of the Ordinance or the authorization, execution, delivery and performance, as applicable, by the Issuer of the Issuer Documents and the consummation of the transactions contemplated by the Official Statement.

6. The information contained (but not incorporated by reference) in the Preliminary Official Statement, as of its date and as of November __, 2025, and the Official Statement, as of its date and as of the date hereof, in the tax caption on the cover thereof, under the headings "INTRODUCTORY STATEMENT," "THE OBLIGATIONS," "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS," "TAX EXEMPTION" and "CONTINUING DISCLOSURE" (except as it relates to compliance with prior undertakings as to which we express no opinion) therein, and in Appendix D – "FORM OF OPINION OF SPECIAL COUNSEL," Appendix F – "OBLIGATIONS DOCUMENTS SUMMARIES," and Appendix G – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," thereto, insofar as such information purports to summarize certain provisions of the laws of the State and the United States of America, the Obligations, the Indenture, the Purchase Agreement, the Escrow Agreement and the Undertaking fairly present the information purported to be shown; provided, however, that such information does not purport to summarize all the provisions of, and is qualified in its entirety by, the complete laws and documents that are summarized, and, based solely on our participation in the transaction as Special Counsel, nothing has come to our attention that would lead us to believe that the information and statements in the Preliminary Official Statement, as of its date and as of November __, 2025, and the Official Statement, as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that we express no view as to the financial statements of the Issuer, any other financial forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Official Statement regarding DTC. We have not undertaken to review or determine independently, and assume no responsibility for, the accuracy or completeness of the information in the Preliminary Official Statement or the Official Statement except to the extent indicated hereinabove.

7. It is not necessary in connection with the sale and execution of the Obligations to the public to register the Obligations pursuant to the Securities Act of 1933, as amended, or to qualify the Indenture pursuant to the Trust Indenture Act of 1939, as amended.

You may rely upon the Approving Opinion as though it were specifically addressed to you.

This letter is provided pursuant to Section 8(g)(ii) of the Purchase Contract and is being given solely for the information of and assistance to the addressee of this letter in its capacity as the underwriter of the Obligations. In giving this opinion to such underwriter, it is expressly understood that no attorney-client relationship is being created thereby. Without our express prior written permission, this opinion may not be relied upon by any person other than such underwriter and is not to be used, circulated, quoted, or otherwise referred to in connection with the offering of the Obligations, except that reference may be made to this opinion in any list of closing documents pertaining to the execution and delivery of the Obligations.

Respectfully submitted,

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE ISSUER

[LETTERHEAD OF CITY ATTORNEY]

November __, 2025

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Greenberg Traurig, LLP
Phoenix, Arizona

Re: Utility System Revenue Obligations, Series 2025A and Utility System Revenue Obligations, Series 2025B, Evidencing Proportionate Interests of the Holders Thereof in Installment Payments of the Purchase Price to be Paid by the City of Yuma, Arizona to [NAME OF TRUSTEE], as Trustee Pursuant to a Series 2025 Purchase Agreement, Dated as of November 1, 2025

I hold the office of City Attorney of the City of Yuma, Arizona (the "City"), and in that capacity render this opinion pursuant to the Obligation Purchase Agreement, dated November __, 2025 (the "Purchase Contract"), with respect to the captioned Obligations. (The capitalized terms used in this opinion and not otherwise defined herein have the meaning ascribed to them in the Purchase Contract.)

I have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery of the Obligations, including originals or copies, certified or otherwise identified to my satisfaction, of the included documents, resolutions, instruments, records, certificates and opinions, and have reviewed laws and information and have made investigations, as I have considered necessary or appropriate for the purpose of rendering this opinion. In such examination of the Transcript, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals and the conformity to the original documents of all documents submitted to me as copies. As to any facts material to this opinion, I have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

Based upon such examination, I am of the opinion that, pursuant to the law existing on the date of this opinion:

1. The City is duly organized and validly incorporated as a municipal corporation in accordance with the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder to enter into and perform its agreements in accordance with the Ordinance and its covenants and agreements pursuant to the Issuer Documents.

2. The Ordinance has been duly adopted and approved by the Mayor and Council of the City in conformance with the applicable open meeting and other laws and ordinances of the City and the State of Arizona.

3. The Issuer Documents have been duly authorized and validly executed and delivered by the City, and the distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the City.

4. The adoption and approval of the Ordinance, the authorization, execution and delivery of the Issuer Documents and compliance with the respective provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or of any existing law, administrative regulation, court order or consent decree to which the City, or any of its property, is subject.

5. There are no lawsuits or proceedings by or before any court, governmental agency, public board or body, pending or, to the best of my knowledge, threatened against the City (a) that in any way question (i) the validity and the proper authorization, approval and execution of any of the Issuer Documents, (ii) the validity and proper approval and adoption of the Ordinance, (iii) the authority of the City or its officials to enter into any of the Issuer Documents, to make the Payments or to perform its obligations under such documents or the Ordinance or the pledge of revenues from Net Revenues (as defined in the Issuer Documents) and to carry out the transactions contemplated thereby, or (b) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Ordinance, the Obligations, any of the Issuer Documents or the Official Statement, or would in any way adversely affect the validity or enforceability of the Obligations, the Ordinance, any of the Issuer Documents or of any other instruments required or contemplated for use in consummating the transactions contemplated thereby or by the Official Statement, or that, individually or collectively, would have a material adverse effect on the financial condition of the City or impair the City's ability to comply with all of its duties under the Ordinance, or (c) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement.

6. The statements in the Preliminary Official Statement and the Official Statement under the heading "LITIGATION" are true and correct in all material respects and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

CITY OF YUMA, ARIZONA

By_____

DRAFT
08/05/25
09/02/25

SERIES 2025 PURCHASE AGREEMENT

by and between

_____,
as Seller

and

CITY OF YUMA, ARIZONA,
as Purchaser

Dated as of _____ 1, 2025

The rights of _____, in its separate capacity as seller hereunder, have been assigned to _____, in its separate capacity as trustee under a Series 2025 Obligation Indenture, dated as of _____ 1, 2025.

(This Table of Contents is for informational purposes only and is not to be considered a part of this Series 2025 Purchase Agreement)

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SERIES 2025 PURCHASE AGREEMENT

This SERIES 2025 PURCHASE AGREEMENT, dated as of _____ 1, 2025 (this "*Purchase Agreement*"), by and between _____, a national banking association authorized to exercise trust powers in the State of Arizona, as trustee but in its separate capacity as seller (the "*Seller*"), and the CITY OF YUMA, ARIZONA, a municipal corporation of the State of Arizona, as purchaser (the "*City*"),

WITNESSETH:

WHEREAS, pursuant to Ordinance No. ____-__ adopted by the Mayor and Council of the City (the "*City Council*") on October 1, 2025, it was found and determined to be advantageous and in the public interest that the Obligations (as defined herein) be sold and executed and delivered; and

WHEREAS, pursuant to this Purchase Agreement, the City has agreed to purchase the Projects (as defined herein) from the Seller;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

The words and terms used herein shall have the respective meanings assigned to them in the hereinafter defined Indenture. In addition, the following words and terms as used herein shall have the meaning indicated, unless the context or use requires a different meaning or intent. All accounting terms not otherwise so defined shall have the meanings assigned to them in accordance with generally accepted accounting principles.

"*Administrative Expenses*" means the reasonable cost or value of all services rendered by the City and its various departments with respect to the System.

"*Bond Year*" means a 12-month period beginning July 2 of the calendar year and ending on the next succeeding July 1.

"*Consultant*" means an independent utility consultant or firm of such consultants having a favorable reputation with respect to the matters in question.

"*Continuing Disclosure Undertaking*" means the Continuing Disclosure Undertaking, dated _____, 2025, from the City.

"*Corporation*" means City of Yuma Municipal Property Corporation, a corporation organized under the laws of the State of Arizona.

"*Fiscal Year*" means the 12-month period used by the City for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

"*Indenture*" means the Series 2025 Obligation Indenture, dated as of _____ 1, 2025, by and between the Trustee and the City, as supplemented from time to time.

"*Independent Certified Public Accountant*" means a firm of certified public accountants which is not in the regular employ of the City on a salary basis.

"*Independent Engineer*" means an independent engineer or firm of such engineers having a favorable reputation with respect to the matters in question.

"*Interest Requirement*" means (i) with respect to the Obligations, as of any date of calculation, the interest amount on the Obligations due during the applicable Fiscal Year, and (ii) with respect to Parity Obligations, as of any date of calculation, the amount required to be paid by the City during the applicable Fiscal Year with respect to interest on Parity Obligations.

"*Net Revenues*" means that portion of the Revenues remaining after deducting sufficient funds for the Operation and Maintenance Expenses of the System.

"*Obligations*" means, collectively, the City of Yuma, Arizona Utility System Revenue Obligations, Series 2025A and the City of Yuma, Arizona Utility System Revenue Obligations, Series 2025B.

"*Operation and Maintenance Expenses*" means all costs reasonably incurred in connection with the operation, use and maintenance of the System, including (i) repairs necessary to keep the System in efficient and economical operating condition, (ii) the payments of premiums for insurance required to be carried on the System, (iii) payments of reasonable Administrative Expenses, and (iv) generally all expenses of the System except depreciation, interest expense on the Obligations or Parity Obligations, and interest expense on any obligations subordinate to the Obligations or Parity Obligations.

"*Parity Obligation Documents*" means any ordinance, indenture, contract or agreement of the City constituting or authorizing Parity Obligations.

"*Parity Obligations*" means the Series 2015 Bonds, the Series 2021 Obligations and Senior Obligations having a lien payable from Net Revenues of the System on a parity with the Series 2015 Bonds, the Series 2021 Obligations and the Obligations which may hereafter be issued by the City (or any financing conduit acting on behalf of the City) in compliance with the terms of Article IV hereof.

"*Parity Lien Test Debt Service*" means an amount of money equal to the highest aggregate Interest Requirement and Principal Requirement of all outstanding Senior Obligations to fall due and payable in the current or any future Fiscal Year. For purposes of determining Parity Lien Test Debt Service for any Fiscal Year, the interest requirement on the Senior Obligations shall be determined based on interest on all outstanding Senior Obligations to their stated maturity dates unless the City shall have given irrevocable instructions to redeem some or all outstanding Senior

Obligations pursuant to the Indenture or the Parity Obligation Documents, in which case the interest requirement on the Senior Obligations shall be determined based on interest on all outstanding Senior Obligations to their stated maturity or, with respect to Senior Obligations for which such irrevocable redemption instructions have been given, prior redemption dates. In case any Parity Obligations outstanding or proposed to be issued shall bear interest at a variable rate, the interest requirement of such Parity Obligations in each Fiscal Year during which such variable rate applies shall be computed at the lesser of (i) the maximum rate which such Parity Obligations may bear under the terms of their issuance, or (ii) the rate of interest established for long-term bonds by the 20-year bond index most recently published by *THE BOND BUYER* of New York, New York, prior to the date of computation (or in the absence of such published index, some other index selected in good faith by the Director of Financial Services of the City after consultation with one or more reputable, experienced investment bankers as being equivalent thereto).

"*Principal Requirement*" means (i) with respect to the Obligations, as of any date of calculation, the principal amount of the Obligations maturing or subject to mandatory redemption pursuant to the Indenture during the applicable Fiscal Year, and (ii) with respect to Parity Obligations, as of any date of calculation, the amount required to be paid by the City during the applicable Fiscal Year with respect to principal of Parity Obligations. In computing the Principal Requirement for Parity Obligations, an amount of Parity Obligations required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of Parity Obligations maturing on the scheduled maturity date.

"*Projects*" means improvements to the System, particularly _____.

"*Purchase Event of Default*" means one of the events defined as such in Section 7.1.

"*Purchase Price*" means the sum of the payments paid pursuant to Section 5.4(i) and (ii) of the Indenture from amounts to be paid by or on behalf of the City as the purchase price for the Projects.

"*Regulations*" means sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

"*Revenues*" means and includes all income, moneys, and receipts to be received by the City, directly or indirectly, from the ownership, use, or operation of the System, including any waste material or by-products of the System, and also including investment income. Revenues shall include the allocable portion of any development, impact, connection or related fee or charge available as a result of the existence of the System.

"*Senior Obligations*" means any bond or other obligation payable from Net Revenues which enjoys a prior and paramount claim on Net Revenues (including the Obligations and any Parity Obligations).

"*Series 2015 Bonds*" means the Senior Lien Utility System Revenue Refunding Bonds, Series 2015 of the Corporation, dated October 21, 2015.

"*Series 2021 Obligations*" means the Utility System Revenue Obligations, Series 2021 of the City, dated December 28, 2021.

"*State*" means the State of Arizona.

"*System*" means and includes all of the properties and facilities of the complete waterworks and sewer plant and system of the City, whether lying within or without the boundaries of the City, as now existing and as they may hereafter be improved or extended, all improvements, additions and extensions thereto or replacements thereof hereafter constructed or acquired by purchase, contract or otherwise and all contracts, rights, agreements, leases and franchises of every nature owned by the City and used or useful or held for use in the operation of said plant and system or any part or portion thereof.

"*Tax Certificate*" means the Certificate Relating To Federal Tax Matters, dated _____, 2025, delivered by the City with respect to the Obligations.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; references to an "Article" or a "Section" are to those of this Purchase Agreement; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Purchase Agreement; and the term "hereafter" means after, and the term "heretofore" means before, the date of this Purchase Agreement. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise. The captions and headings in this Purchase Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

ARTICLE II
EXECUTION AND DELIVERY OF OBLIGATIONS; IMPROVEMENTS FUND; FEDERAL LAW COVENANTS

Section 2.1 Agreement to Cause Execution and Delivery of Obligations; Application of Proceeds. In order to provide funds for payment of the costs of the acquisition, construction and improvement of the Projects, the Obligations shall be executed and delivered pursuant to the Indenture.

Section 2.2 Improvements Fund.

(a) The City shall establish and maintain a separate fund known as the "*Improvements Fund*," which shall be funded from amounts transferred to the City by the Trustee pursuant to Section 5.2 of the Indenture. Moneys in the Improvements Fund shall be disbursed by the City for the following purposes and for no other purposes:

(i) to the extent not paid by the Trustee from the Costs of Issuance Fund established under the Indenture, the costs described in Section 5.5 of the Indenture;

(ii) payment for labor, services, materials and other necessities used or furnished in the acquisition, improvement and construction of the Projects, and all real and

personal property deemed necessary in connection with the Projects and for the miscellaneous expenses incidental to any of the foregoing including the premium on each performance and payment bond;

(iii) reimbursement of capital expenditures relating to the Projects advanced prior to the execution and delivery of the Obligations; and

(iv) payment of the portion of the Purchase Price representing interest on the Obligations during the acquisition, construction and improvement of the Projects.

(b) Before any of the foregoing payments may be made, the City shall maintain a record with respect to each such payment to the effect that: (i) none of the items for which the payment is proposed to be made has formed the basis for any payment previously made from the Improvements Fund, (ii) each item for which payment is proposed to be made is or was necessary in connection with the Projects, and (iii) each item for which payment is proposed to be made is for a purpose permitted by this Section.

(c) In the case of any contract providing for the retention of a portion of the contract price, subject to Sections 2.3 and 2.4, the City may pay from the Improvements Fund only the net amount remaining after deduction of any such portion.

(d) The City shall notify the Trustee of the completion date of the Projects by delivery of a certificate signed by the City Representative stating that (i) acquisition, construction and improvement of the Projects has been completed, and (ii) all obligations and costs in connection with the Projects and payable out of the Improvements Fund have been paid and discharged, except for amounts retained by the City for payment of costs of the Projects not yet due and payable. Any moneys held in the Improvements Fund upon delivery of such certificate that are not needed to pay costs of the Projects shall be transferred by the City to the Trustee for deposit to the Interest Account or the Principal Account as indicated in such certificate.

Section 2.3 General Federal Tax Covenants.

(a) As provided in further detail in the Tax Certificate, the City shall not make or direct the making of any investment or other use of the proceeds of any of the Obligations or the Projects that would cause such Obligations to be "arbitrage bonds" as that term is defined in section 148 of the Code or "private activity bonds" as that term is defined in section 141 of the Code and shall comply with the requirements of such sections of the Code and the related Regulations throughout the term of the Obligations. Particularly, the City shall be the owner of the Projects for federal income tax purposes. The City shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Projects unless the management or service contract complies with the requirements of such authority as may control at the time, or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Projects. Also, the payment of principal and interest with respect to the Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Obligations, or amounts treated as proceeds of the Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts,

except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Obligations are being executed and delivered, (ii) may be so used in making investments of a *bona fide* debt service fund, or (iii) may be invested in obligations issued by the United States Treasury. In consideration of the purchase and acceptance of the Obligations by the Holders thereof from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the City covenants, and the appropriate officials of the City are hereby directed, to take all action required by the Code to preserve such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(b) The City shall comply with the procedures and covenants contained in any arbitrage rebate provision (initially, Section 2.4) or separate agreement executed in connection with the issuance of the Obligations for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Obligations.

(i) The City shall take all necessary and desirable steps to comply with the requirements hereunder in order to ensure that interest on the Obligations is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the City receives a Special Counsel's Opinion that either (A) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Obligations, or (B) compliance with some other requirement will meet the requirements of the Code. In the event the City receives such a Special Counsel's Opinion, this Purchase Agreement shall be amended to conform to the requirements set forth in such opinion.

(ii) If for any reason any requirement hereunder is not complied with, the City shall take all necessary and desirable steps to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the City shall pay any required interest or penalty under Regulations section 1.148-3(h).

(c) Written procedures have been established for the City to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Regulations and to monitor the requirements of section 148 of the Code relating to arbitrage, with which the City will comply.

Section 2.4 Arbitrage Rebate Covenants.

(a) Terms used in subsection (b) and not otherwise defined in Article I or in subsection (b) shall have the meanings given to them in the Code and the Regulations.

(b) For purposes of this Section, the following terms shall have the following meanings:

"*Bond Year*" shall have the meaning provided above, except that for purposes of this Section the first Bond Year shall begin on the date of issue of the Obligations and shall end on July 1, 2026, and the last Bond Year shall end on the date of retirement of the last Obligations.

"*Bond Yield*" is as indicated in the Tax Certificate and means the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Obligations as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Obligations and using semiannual compounding on the basis of a 360-day year. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3).

"*Gross Proceeds*" means:

(i) any amounts actually or constructively received by the City from the sale of the Obligations;

(ii) transferred proceeds of the Obligations under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Obligations within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Obligations in the event the City encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under the Indenture.

"*Investment Property*" means any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

"*Issue Price*" is as indicated in the Tax Certificate and shall be determined as provided in Regulations section 1.148-1(b).

"*Nonpurpose Investment*" means any Investment Property acquired with Gross Proceeds, and that is not acquired to carry out the governmental purposes of the Obligations.

"*Payment*" means any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

"*Rebate Requirement*" means at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

"*Receipt*" means any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

(c) Within 60 days after the end of each Bond Year, unless an exemption from the requirement to do so is provided by the Code and the Regulations, the City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(i) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount that, when added to the future value of all previous rebate payments with respect to the Obligations (determined as of such Computation Date), is equal to at least 90 percent of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Obligations (determined as of the last day of such Bond Year) and

(ii) not later than 60 days after the retirement of the last Obligation, an amount equal to 100 percent of the Rebate Requirement (determined as of the date of retirement of the last Obligation).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201 (or at such other address then specified by the Internal Revenue Service), on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(d) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(e) For purposes of subsection (d), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(i) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(ii) Except as provided in subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(iii) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(f) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(i) the yield on reasonably comparable direct obligations of the United States; and

(ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(g) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(i) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Obligations), and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the requirements in the Regulations that the City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligations.

(ii) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(iii) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligations (e.g., a lead underwriter within 15 days of the issue date of the Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the City uses an agent to conduct the bidding, the agent may not bid.

(iv) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(v) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(vi) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(vii) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(viii) The City retains until three years after the last Outstanding Obligation is retired, (A) a copy of the guaranteed investment contract, (B) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the City and a copy of the provider's certification described in (vii) above, (C) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (D) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(h) Such experts and consultants shall be employed to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Obligations.

Section 2.5 Continuing Disclosure Undertaking. The City shall comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this Purchase Agreement, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered a Purchase Event of Default, an Indenture Event of Default or other event of default; however, the Trustee (at the request of the registered Holders of at least 25 percent aggregate principal amount in Outstanding Obligations and receipt of indemnity to its satisfaction) shall take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section.

ARTICLE III
AGREEMENT OF SALE; PURCHASE PRICE

Section 3.1 Agreement of Sale. For the amounts payable pursuant hereto (including the Purchase Price), the Trustee hereby sells and conveys to the City, without warranty, and the City hereby purchases from the Trustee, the Projects. In order to evidence such sale and conveyance, the Seller has executed and delivered to the City a bill of sale in substantially the form the of the Exhibit attached hereto and incorporated herein by reference.

Section 3.2 Possession of and Title to Projects; Authority of Seller to Pledge Its Interests.

(a) The City shall be entitled to possession of, and full and unencumbered title to, the Projects, without suit, trouble or hindrance from the Seller. The Projects shall be made a part of the System and shall be used in accordance with all applicable laws.

(b) The Seller may mortgage, hypothecate or pledge all or any part of the interest of the Seller in this Purchase Agreement as security for the Obligations.

Section 3.3 Amounts Payable After Execution and Delivery of Obligations. After providing for any amounts due pursuant to Section 2.4(c), the Net Revenues received pursuant to Section 4.1 shall be paid for the following purposes and in the following order of priority, after

decreasing any such payment for any interest income or gain received, or increasing such payment for any loss realized, in the account to which such payment is to be deposited:

(i) Fees and expenses of the Trustee in accordance with the provisions of Section 8.8 of the Indenture to the Trustee.

(ii) The payments on the dates and in the amounts set forth in Schedule A and Schedule B attached hereto and incorporated herein by reference for deposit to the Interest Account and/or the Principal Account, as applicable.

In the event the City should fail to make when due any of the payments required by this Section, the installment so in default shall continue as an obligation of the City, payable solely from the Net Revenues, until the amount in default shall have been fully paid, and the City shall pay the same with interest thereon at the rate applicable to the corresponding maturities of Obligations, from the date said payment was to be made to the date of payment by the City until paid. This Purchase Agreement shall be deemed and construed to be a *"net purchase agreement,"* and the payments provided for in this Section shall be an absolute net return to the Seller, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein. The City shall cause an amount of Revenues to be included in the annual budget for every Fiscal Year sufficient to meet all requirements of this Purchase Agreement.

Section 3.4 Obligations of City Hereunder Unconditional. The obligations of the City to make the payments required in Sections 3.3 and 3.8 and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of the continued existence of the Projects or their physical condition. The City: (a) shall not diminish, suspend or discontinue any payments provided for in Sections 3.3 and 3.8, (b) shall perform and observe all of its other agreements contained in this Purchase Agreement, and (c) shall not terminate this Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, loss, theft or destruction of or damage to the Projects, or any part thereof, frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Purchase Agreement. Nothing contained in this Section shall be construed to release the Seller from the performance of any of the agreements on its part herein contained, and in the event the Seller shall fail to perform any such agreement on its part, the City may institute such action against the Seller as the City may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not violate or impair the effectiveness of the agreements on the part of the City contained in the next two preceding sentences. The City may, however, at its own cost and expense and in its own name or in the name of the Seller, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its rights of ownership, possession and use hereunder, and in such event the Seller shall cooperate fully with the City and take all action necessary to effect the substitution of the City for the Seller in any such action or proceeding if the City shall so request.

Section 3.5 Termination of Payment of Purchase Price; Excess Payments.

(a) Subject to Article VI, upon full payment or provision for payment of the Purchase Price and provided that the City has performed all the covenants and agreements required by the City to be performed hereunder, this Purchase Agreement shall cease and expire. Upon the expiration of this Purchase Agreement, the Seller shall cause the Trustee under the Indenture to release any interest that the Trustee may have in the Projects or the Net Revenues from the lien of the Indenture.

(b) In the event of prepayment of the Purchase Price in full or provision for the payment of the Purchase Price in full such that the Indenture shall be discharged by its terms as a result of such prepayment and payment of any fees and charges due and owing to the Trustee, all amounts then on deposit in the Improvements Fund (except for amounts retained by the City for payment of costs of the Projects not yet due and payable in accordance with Section 2.2(c)) and the Obligation Fund shall be credited toward the amounts then required to be so prepaid at the direction of the City Representative. Upon the payment thereof in accordance with the Indenture such that the Indenture shall be discharged by its terms, any money remaining which is not otherwise required to be applied to the payment of debt service on the Obligations or to the payment of any other amounts due under the Indenture shall be paid over to the City.

Section 3.6 Prepayment of Purchase Price Generally. The City shall be permitted to prepay all or a part of the Purchase Price composed of the principal and interest components thereof to the extent and in the manner permitted by the Indenture for the redemption of the Obligations. If such prepayment is made in compliance with the terms of the Indenture, the Seller shall cause the Trustee under the Indenture to accept such prepayment to the extent required to provide for a permitted redemption or provision for payment of such Obligations as shall be directed by the City. No other prepayment of the Purchase Price shall be permitted.

Section 3.7 Effect of Partial Payment or Prepayment. Upon any partial payment or prepayment of the Purchase Price resulting in a redemption of Obligations, each installment of interest which shall thereafter be payable as a part of the Purchase Price shall be reduced, taking into account the interest rate or rates on the Obligations remaining Outstanding after the redemption of Obligations from the proceeds of such partial payment or prepayment so that the interest remaining payable as a part of the Purchase Price shall be sufficient to pay the interest on such Outstanding Obligations when due.

ARTICLE IV
SOURCE OF PURCHASE PRICE; RATE COVENANT; PARITY OBLIGATIONS

Section 4.1 Limitation of Source of City Payments.

(a) This Purchase Agreement is a limited, special obligation of the City, payable solely and secured as to the payment in accordance with the terms and the provisions hereof.

(b) The Net Revenues are hereby pledged by the City to the payment of all amounts due with respect to the Obligations, and such amounts shall be secured by a prior and

paramount lien on and pledge of the Net Revenues on parity of lien with the pledge and lien granted by the City for the payment and security of the Parity Obligations. The amounts due with respect to the Obligations, the Parity Obligations and any additional Parity Obligations (exclusive of the City's repayment obligations with respect to reserve fund credit instruments, if any, in connection with the Parity Obligations, and any similar obligations with respect to reserve fund credit instruments to be entered into by the City with respect to additional obligations which shall be secured by Net Revenues on a subordinate basis), shall be equally and ratably secured by said pledge and lien without one having priority over the other. The City intends that this pledge shall be a prior and paramount lien on and a first pledge of such Net Revenues, as will be sufficient to make all payments with respect to the Obligations, and the City covenants to make the payments with respect to the Obligations from Net Revenues, except to the extent that it chooses to make such payments from other legally available funds at its sole option. In no event shall the City be required to make the payments with respect to the Obligations from any revenues, receipts or sources not derived from the Net Revenues of the System.

(c) Amounts payable by the City hereunder shall never constitute a general obligation of the City or a pledge of *ad valorem* property taxes by the City. Nothing contained in this Section shall be construed as limiting any authority granted elsewhere herein to incur this Purchase Agreement or Parity Obligations nor be deemed a limitation upon the issuance of bonds, notes or other obligations under any law pertaining to the City secured by moneys, income and funds other than the Net Revenues and other moneys and investments pledged hereunder or under the Indenture. After the application of the Net Revenues for the purposes herein, they may be used for any lawful purpose.

Section 4.2 Rate Covenant. The City shall continuously own, control, operate and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times establish, fix, maintain and collect rates, fees and other charges for all utility services furnished by the System fully sufficient at all times:

(a) To pay the Operation and Maintenance Expenses;

(b) To produce an aggregate amount of Net Revenues in each Fiscal Year equal to the sum of (i) one hundred twenty percent (120%) of Interest Requirement and Principal Requirement for the then current Fiscal Year on all Senior Obligations then outstanding in such Fiscal Year, and (ii) one hundred percent (100%) of the aggregate of the debt service on comparable payments, separately payable and secured on a basis subordinate to the Senior Obligations by Net Revenues; and

(c) To produce Net Revenues in each Fiscal Year which will remedy all deficiencies in payments into any of the funds and accounts described herein and in the Indenture required from prior Fiscal Years for the payment of the Purchase Price as well as the payment of principal of and interest on Parity Obligations.

The City shall cause an amount of Net Revenues to be included in the annual budget and appropriation for every Fiscal Year commencing with the Fiscal Year immediately following the delivery of this Purchase Agreement sufficient to meet all requirements of this Purchase Agreement.

Section 4.3 Prior Lien Obligations. The City shall not incur any obligations payable from the Net Revenues ranking prior to the obligations of the City under this Purchase Agreement.

Section 4.4 Parity Obligations. The City shall not incur any obligations payable from Net Revenues in the future on a parity with its obligations under this Purchase Agreement or any Outstanding Parity Obligations except for (a) additional Parity Obligations entered into or issued for the purpose of refunding the Senior Obligations if, upon the incurring of such Parity Obligations, the conditions specified in Section 4.5 hereof are met, or (b) additional Parity Obligations entered into or issued for purposes other than refunding the Senior Obligations and for the purpose of providing funds to make improvements and expansions to the existing System, to purchase capacity rights in sewage treatment plant facilities owned by other political subdivisions of the State, to purchase capacity rights in water treatment plant facilities owned by other political subdivisions of the State, to acquire land, rights in land or water rights for the System, to provide reasonable reserves for Senior Obligations, to refund Senior Obligations or to refund other bonds of the City, if any, whether revenue bonds, general obligation bonds or other bonds or obligations, issued to provide funds to construct or acquire additions, extensions, improvements, expansions or replacements to the System if, upon the incurring of such Parity Obligations, the conditions specified in Section 4.6 hereof are met.

Section 4.5 Parity Obligations for Refunding Purposes. Any or all of the Senior Obligations may be refunded at maturity, upon redemption in accordance with their terms or with the consent of the holders thereof, and the refunding Parity Obligations so entered into or issued shall constitute Parity Obligations; provided, however, that:

(a) The requirements in Section 4.6 hereof shall be satisfied, except that for the purpose of the calculation required in the first paragraph thereof, the percentage requirement on such Parity Obligations will be taken into consideration only in any future Fiscal Year in which any fractional part of such Parity Obligations will remain outstanding after the issuance of such Parity Obligations and the City Clerk shall have received a statement of an Independent Certified Public Accountant demonstrating the same; or

(b) All outstanding Senior Obligations are being refunded under arrangements which immediately result in making provision for the payment of the refunded Senior Obligations.

Section 4.6 Additional Parity Obligations Generally. Additional Parity Obligations may also be issued for other than refunding purposes as described above in Sections 4.4 and 4.5 if, prior to the issuance thereof, the City will not, at the time of the issuance thereof, be in default under any Senior Obligations or under this Purchase Agreement or Parity Obligation Documents or any related credit or reserve fund instrument, and there shall have been procured and filed with the City Clerk and the Trustee a certificate or report by an Independent Certified Public Accountant to the effect that the aggregate amount of Net Revenues for the last full Fiscal Year immediately preceding the issuance thereof were equal to the sum of (i) not less than one hundred twenty percent (120%) of Parity Lien Test Debt Service, including the obligations proposed to be issued, (ii) not less than one hundred percent (100%) of the aggregate amounts payable in such Fiscal Year and secured on a subordinate basis by Net Revenues, and (iii) not less than one hundred percent (100%) of any additional amounts required to maintain or fund necessary fund balances under this Purchase Agreement or Parity Obligation Documents.

Any statement of an Independent Certified Public Accountant required pursuant to this Section 4.6 may contain the following adjustments to Net Revenues for such most recently completed Fiscal Year:

(a) If Revenues have been increased as a result of construction of additions or acquisitions to the System made prior to the issuance thereof but during either the Fiscal Year in which the same are to be issued or in the preceding Fiscal Year, such increased Revenues may be treated as if such additions to the System were completed on the first day of the Fiscal Year used for purposes of the computation. The Revenues derived from such additions and acquisitions to the System may be converted for purposes of computation to estimated Net Revenues which would have been derived therefrom if said additions and acquisitions had actually been completed on the first day of the year used for computation purposes, such estimates to be made by an Independent Engineer.

(b) If all or part of the proceeds thereof are to be expended for the acquisition of existing water or wastewater properties or facilities, there may be added to the Net Revenues of such preceding Fiscal Year the Net Revenues which would have been derived from the operation of such properties or facilities if such properties or facilities had been acquired or operated by the City under the applicable rate schedule of the City during the entire preceding Fiscal Year, such Net Revenues to be estimated by an Independent Engineer.

(c) If prior to the issuance thereof and subsequent to the first day of such preceding Fiscal Year, the City shall have increased its rates or charges imposed for water or wastewater 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 Independent Engineer.

ARTICLE V
COVENANTS REGARDING THE SYSTEM, MAINTENANCE, INVESTMENTS AND TAXES

Section 5.1 Utilities; Maintenance of the System in Good Condition. All maintenance and repair of the Projects and utilities therefor shall be the responsibility of the City. (In exchange for the payment of the amounts due hereunder, the Seller shall provide nothing more than the Projects.) The City shall (a) maintain the System in good condition, (b) operate the same in a proper and economical manner and at reasonable cost, and (c) faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State.

Section 5.2 Insurance. The City shall maintain insurance on the System (which may take the form of or include an adequately-funded program of self-insurance), for the benefit of the Holder or Holders of the Obligations payable wholly or in part from the Revenues, for the full insurable value of all buildings and machinery and equipment therein, against loss or damage by fire, lightning, tornado or winds, and all other combustible property against loss or damage by fire or lightning, and other coverages and amounts of insurance (including public liability and damage to property of others to the extent deemed prudent by the City), normally carried by others on similar operations. The cost of such insurance may be paid as an Operation and Maintenance

Expense. All money received for losses under any such insurance policies, except public liability policies, is hereby pledged by the City as security for the payment of this Purchase Agreement until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, including repairing the System. Self-insurance may be maintained for the System either separately or in connection with any general self-insurance retention program or other insurance program maintained by the City; provided that (a) any such program has been adopted by the City, and (b) an independent insurance or actuarial consultant appointed by the City annually reviews and reports to the City in writing that any such program is adequate and actuarially sound. All proceeds of any condemnation awards with respect to the System shall be deposited with the Trustee and applied to the *pro rata* payment of the Obligations.

Section 5.3 No Sale; Lease or Encumbrance Exceptions.

(a) The City shall not sell, lease, encumber or in any manner dispose of the System as a whole until all of the Obligations and all interest thereon and related costs of administration shall have been paid in full or provision for payment has been made in accordance with the Indenture.

(b) The City may sell, lease or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exists: (a) such property is not necessary for the operation of the System, (b) such property is not useful in the operation of the System, (c) such property is not profitable in the operation of the System, or (d) the disposition of such property will be advantageous to the System and will not adversely affect the security for the Holders of the Obligations. In addition, the City may sell to any other municipality or political subdivision of the State or any agency of any one or more of them, any portion of the System if there is filed with the City Clerk a certificate executed by the Consultant showing that, in the opinion of the Consultant, the proposed sale will not reduce the Net Revenues to be received in the full Fiscal Year next succeeding such sale to an amount less than 120% of Parity Lien Test Debt Service. In making such computation, the Consultant shall consider such matters as such Consultant deems appropriate including: (i) anticipated diminution of Revenues; (ii) anticipated increase or decrease in Operation and Maintenance Expenses attributable to the sale; and (iii) reduction, if any, in annual principal and interest requirements attributable to the application of the sale proceeds for payment of Obligations theretofore Outstanding.

(c) The City may sell or otherwise transfer the System as a whole to any municipality or political subdivision or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own and operate the System on behalf of the public, and that undertakes in writing, filed with the City Clerk, the City's obligations hereunder; provided that there shall be first filed with the City Clerk (1) a Special Counsel's Opinion to the effect that (A) such sale will not cause interest on any of the Obligations to become subject to federal income taxation, (B) such sale will not materially diminish the security of the Holders of the Obligations (which opinion may be based on the Consultant's report described in clause (2), below), and (C) the obligations of the City hereunder have been validly assumed by such transferee and are the valid and legally binding obligations of such transferee, and (2) an opinion of a Consultant expressing the view that such transfer in and of itself will not result in any diminution of the Net Revenues to the extent that in the full Fiscal Year next succeeding such transfer the Net

Revenues will be less than 125% of Parity Lien Test Debt Service. In reaching this conclusion, the Consultant shall take into consideration such factors as he may deem significant including any rate schedule to be imposed by said political subdivision or agency.

(d) Notwithstanding the above provisions, the City may sell or lease all or any part of the System in connection with the issuance of additional Parity Obligations to finance additional improvements to the System or refinance the Obligations or Parity Obligations provided that such sale or lease does not permit foreclosure, or other loss by the City, of such portion of the System.

Section 5.4 Books, Records and Accounts. The City shall cause to be kept proper books, records and accounts of the System in accordance with standard accounting practices and procedures customarily used for systems of similar nature.

Section 5.5 Satisfaction of Liens. The City shall, from time to time, duly pay and discharge or cause to be paid and discharged all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Net Revenues, as well as any lawful claims for labor, materials or supplies that if unpaid might by law become a lien or charge upon the System or the revenues or any part thereof or that might impair the security of the Obligations, except when the City in good faith contests its liability to pay the same.

Section 5.6 Disconnection of Service for Non-Payment; No Free Service.

(a) The City shall diligently enforce payment of all bills for services supplied by the System. If a bill becomes delinquent and remains so for a period to be determined in accordance with City policy from time to time, the City shall discontinue service in accordance with the laws of the State to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for such payment satisfactory to the City shall have been made. The City shall do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

(b) No free service shall be furnished by the System to the City or any department thereof or to any person, firm or corporation, public or private, or to any public agency or instrumentality, except as provided herein. The reasonable cost and value of all service rendered to the City and its various departments by the System shall be charged against the City and will be paid for as the service occurs from the City's current funds. All payments so made shall be considered Revenues and shall be applied in the manner herein provided for the application of the Revenues of the System.

Section 5.7 No Competing System. The City shall not, to the extent permitted by law, grant a franchise or permit for the operation of any competing system in the City.

Section 5.8 Taxes. All taxes of any type or nature charged to the Seller by reason of this Purchase Agreement or affecting the Projects or affecting the amount available to the Seller from payments received hereunder for the payment of the Obligations (including charges assessed or levied by any governmental agency, district or corporation having power to levy taxes) shall upon receipt of invoices therefor be paid by the City. Upon written request of the City, the Seller

shall take whatever steps are necessary to contest the amount of tax, or to recover any tax paid if the City believes such tax or assessment to be improper or invalid. The City shall reimburse the Seller for any and all costs, including reasonable attorneys' fees, thus incurred by the Seller.

Section 5.9 Conflicts with Outstanding Parity Obligations. To the extent of any conflict between the provisions of this Article and those of the Parity Obligation Documents for the Series 2015 Bonds, the provisions of such Parity Obligation Documents shall prevail so long as amounts remain unpaid or unprovided for pursuant to the Series 2015 Bonds.

ARTICLE VI
INDEMNIFICATION

To the extent permitted by law, the City hereby indemnifies and holds the Seller, its directors, officers, agents, attorneys and employees, harmless for, from and against any and all claims, expenses, liens, judgments, liability or loss whatsoever, including reasonable legal fees and expenses, relating to or in any way arising out of (a) this Purchase Agreement, the Indenture, financing statements, supplements, amendments or additions thereto or the enforcement of any of the terms thereof; (b) the Obligations; (c) any official statement or disclosure documents, either preliminary or final, pertaining to such Obligations; (d) the sale and execution and delivery of the Obligations or the transactions contemplated in any of the aforementioned acts, agreements or documents; or (e) the acquisition, purchase, ownership, lease, possession, rental, use, operation, sale or disposition of the Projects hereunder or in connection herewith (including, without limitation, expense, liability or loss relating to or in any way arising out of injury to persons, property or the environment, patent or invention rights or strict liability in tort). The right of the Seller to indemnification from the City shall not extend to claims, suits and actions successfully brought against the Seller for, or losses, liabilities or expenses incurred as a result of, the negligence, bad faith, willful misconduct or breach of trust of the Seller. To the extent that the City makes or provides for payment to the satisfaction of the Seller under the indemnity provisions hereof, the City shall be subrogated to the rights of the Seller with respect to such event or condition and shall have the right to determine the settlement of claims thereon, it being agreed that, except to the foregoing extent, the Seller shall have the right to determine such settlement. The City shall pay all amounts due hereunder promptly upon notice thereof from the Seller. In case any action, suit or proceeding is brought against the Seller, if any, by reason of any act or condition which requires indemnification by the City hereunder, the Seller shall notify the City promptly of such action, suit or proceeding, and the City may (and shall upon the request of the Seller), at the expense of the City, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended, by counsel designated by the City and approved by the Seller. If the Seller desires to participate in the defense of such action, suit or proceeding through its own counsel, it may do so at its own expense. The Seller may, however, retain its own counsel and still be indemnified against the cost of employing counsel and all other expenses despite an assumption of the defense by the City if the Seller believes in good faith that there are defenses available to it that are not available to the City or that are adverse to or in conflict with those available to the City and that the Seller believes in good faith cannot be effectively asserted by common counsel. The Seller, its directors, officers, agents, attorneys, and employees, shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in connection with the Projects. These indemnity

provisions shall survive the satisfaction and expiration of this Purchase Agreement and the Indenture.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.1 Purchase Events of Default. Any one or more of the following events (*"Purchase Events of Default"*) shall constitute a default hereunder:

(a) The City shall fail to make any payment when due under Section 3.3(ii) or Section 3.8; or

(b) The City shall fail to make any payment under Section 3.3(i) for a period of 30 days after notice of such failure shall have been given in writing to the City by the Seller or by the Trustee; or

(c) The City shall fail to perform any other covenant herein for a period of 30 days after written notice specifying such default shall have been given to the City by the Seller or the Trustee, provided that if such failure is a type that cannot be remedied within such 30 day period, it shall not be deemed a Purchase Event of Default so long as the City diligently tries to remedy the same, which it shall certify in writing to the Trustee; or

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy statutes, as amended, or under any similar acts which may hereafter be enacted.

Section 7.2 Remedies on Default by City. Upon the occurrence of a Purchase Event of Default, the Seller shall, but only if requested to do so by the Trustee, without further demand or notice, exercise any of the available remedies at law or in equity, including, but not limited to, specific performance, however, under no circumstances may amounts due hereunder be accelerated. Upon the filing of suit by the Trustee, any court having jurisdiction of the action may appoint a receiver to administer the System for the City with power to charge and collect fees sufficient to pay all of the Operation and Maintenance Expenses and to make all required payments hereunder. The Seller may assign any or all of its rights and privileges under this Section to the Trustee, and upon furnishing evidence of such assignment to the City, the Trustee may exercise any or all of such rights or privileges as it may deem advisable.

Section 7.3 Default by Seller. The Seller shall in no event be in default in the performance of any of its obligations hereunder unless and until the Seller shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the City to the Seller properly specifying how the Seller has failed to perform any such obligation. No default by the Seller shall relieve the City of its obligations to make the various payments herein required, so long as any of the Obligations remain Outstanding; however, the City may exercise any other remedy available at law or in equity to

require the Seller to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to the Trustee under the Indenture.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Arizona Law to Govern; Entire Agreement.

(a) This Purchase Agreement shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

(b) This Purchase Agreement expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or shall be bound by any agreement or by representation to the other party with respect to the matters covered hereby which is not expressly set forth in this Purchase Agreement.

Section 8.2 Amendments for Securities and Exchange Commission, Blue Sky and Other Limited Purposes. If it shall ever become necessary to make any amendment to this Purchase Agreement or to the Indenture in order to permit the qualification of the Indenture under the Trust Indenture Act of 1939 or the registration of the Obligations with the Securities and Exchange Commission or the sale of the Obligations in accordance with the "blue sky" laws of any state, the City and the Seller shall agree to such amendments to both this Purchase Agreement and the Indenture as may be necessary or advisable, based on an Opinion of Counsel, to permit such qualification, registration or sale.

Section 8.3 Assignment and Pledge of Seller's Interest in Purchase Agreement. The Seller assigns, mortgages, hypothecates and pledges to the Trustee all and every part of the right, privilege and interest of the Seller in this Purchase Agreement. The City consents to such assignment, mortgage, hypothecation and pledge.

Section 8.4 Recordation and Filing of Instruments. The City shall prepare all documents of every kind and description, make all filings and recordings and shall deliver all Opinions of Counsel to the Seller and to the Trustee required under any provision of the Indenture.

Section 8.5 Right of Seller and Trustee to Perform City's Obligations Hereunder. In the event that the City should fail for any reason to make any payment or perform any obligation hereunder, and such failure shall continue for a period of 30 days after written notice has been given to the City by the Seller or the Trustee specifying such failure and requesting that it be remedied, the Seller, or the Trustee on its behalf, may but shall not be required to make any such payment or to perform any such duty. The amount of such payment and all expenses reasonably incurred by the Seller, or the Trustee on its behalf, in making such payment and performing such duty shall be additional items payable hereunder and shall be paid by the City immediately upon invoices by the Seller or the Trustee with interest at the average rate of interest applicable to the Obligations from the date said payment was due or expenses incurred to the date of payment by the City. Except as to defaults described in Section 7.1(a) and 7.1(b) of which the Seller is deemed to have notice, the Seller shall have no duty of inquiry with respect to any default or Purchase

Event of Default described herein without receipt by the Seller of written notice of a default from the City or any Holder.

Section 8.6 Notices; Mailing Addresses. All notices, consents or other communications required or permitted hereunder shall be deemed sufficient if given in writing addressed and mailed by registered or certified mail, delivered, or transmitted by telecopy, telex or other electronic transmission that produces written evidence of its delivery, to the party for which the same is intended, as follows:

To the Seller:	_____ _____ _____ Attention: Global Corporate Trust
To the City:	City of Yuma, Arizona One City Plaza Yuma, Arizona 85364 Attention: City Administrator
With a copy to:	Greenberg Traurig, LLP 2375 East Camelback Road Suite 800 Phoenix, Arizona 85016 Attention: Paul Gales
To the Trustee:	_____ _____ _____ Attention: Global Corporate Trust

or to such other address as such party may hereafter designate by notice in writing addressed and mailed or delivered to the other party hereto. Unless otherwise provided herein, all notices, approvals, consents, requests and any communications to the Seller or the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Seller and the Trustee). Electronic signatures believed by the Seller and the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the City chooses to use electronic signatures to sign documents delivered to the Seller and the Trustee, the City agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Seller and the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Seller or the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Seller or Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 8.7 Amendments Hereto. This Purchase Agreement may only be amended with the express written consent of the Trustee and in accordance with the provisions of the Indenture.

Section 8.8 Severability. If any term or provision of this Purchase Agreement or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Purchase Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Purchase Agreement shall be valid and be enforced to the fullest extent permitted by law.

Section 8.9 Counterparts. This Purchase Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one Series 2025 Purchase Agreement, and it is also understood and agreed that separate counterparts of this Purchase Agreement may separately be executed by the Seller and the City, all with the same full force and effect as though the same counterpart had been executed by both the Seller and the City.

Section 8.10 Assignment by City. Neither this Purchase Agreement nor any interest of the City herein may at any time after the date hereof, without the prior written consent of the Trustee, be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law or otherwise. The City shall at all times remain liable for the performance of all of the covenants and conditions on its part to be performed, notwithstanding any such action.

Section 8.11 Interested Parties Herein. Nothing in this Purchase Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Trustee, the Paying Agent, if any, and the holders of the Obligations, any right, remedy or claim under or by reason of this Purchase Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Purchase Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, the Paying Agent, if any, and the holders of the Obligations.

Section 8.12 Certain Statutory Notices.

(a) To the extent applicable by provision of law, the Seller acknowledges that this Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the City may within three (3) years after its execution cancel any contract (including this Purchase Agreement) without penalty or further obligation made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Seller shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the E-verify requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Seller of the foregoing shall be deemed

a material breach of this Purchase Agreement and may result in the termination of the services of the Seller by the City. The City retains the legal right to randomly inspect the documents and records of the Seller to ensure that the Seller is complying with the above-mentioned warranty. The Seller shall keep such documents and records open for random inspection during normal business hours by the Seller. The Seller shall cooperate with the random inspections by the City including granting the City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such documents and records confidential. The City shall preserve the confidentiality of any information, records or documents the City views, accesses or otherwise obtains during any and every such random inspection, including, without limitation, such information.

(c) To the extent applicable under Section 35-393, et seq., Arizona Revised Statutes, the Seller hereby certifies it is not currently engaged in, and for the duration of this Purchase Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the City determines that the Seller's certification above is false or that it has breached such agreement, the City may impose remedies as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, the Seller hereby certifies it does not currently, and for the duration of this Purchase Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certification is made to the best knowledge of the Seller without any current independent investigation or without any future independent investigation for the duration of this Purchase Agreement. If the Seller becomes aware during the duration of this Purchase Agreement that it is not in compliance with such certification, the Seller shall take such actions as provided by law, including providing the required notice to the City. If the City determines that the Seller is not in compliance with the foregoing certification and has not taken remedial action, the City shall terminate the Seller's role as Seller hereunder pursuant to Article VIII of the Indenture.

Section 8.13 Holidays. When any action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with effect as though performed on the appointed day or within the specified period.

[Signature page follows.]

IN WITNESS WHEREOF, the City and the Seller have caused their respective corporate names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

_____, as Seller

By.....
Authorized Representative

CITY OF YUMA, ARIZONA, as purchaser

By.....
John D. Simonton, Interim City Administrator

ATTEST:

.....
Lynda L. Bushong, City Clerk

APPROVED AS TO FORM:

.....
Richard W. Files, City Attorney

[Signature page to Series 2025 Purchase Agreement]

ACKNOWLEDGEMENT AND ACCEPTANCE

_____, as trustee (the "*Trustee*") under the Series 2025 Obligation Indenture, dated as of the date of this Purchase Agreement, between the City and the Trustee, has caused its corporate name to be signed to this Purchase Agreement by its duly authorized officer, all as of the day and year first above written, for purposes of acknowledging receipt of this Purchase Agreement and accepting the assignment and pledge of the Seller contained in Section 8.3.

_____, as Trustee

By.....
Authorized Representative

EXHIBIT

FORM OF BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That _____, a national banking association authorized to exercise trust powers in the State of Arizona (the "*Seller*"), for good and valuable consideration received by the Seller from the City of Yuma, Arizona (the "*City*"), receipt of which is hereby acknowledged, does by these presents grant, bargain, sell and convey to the City, its successors and assigns, the Projects (as defined in the Series 2025 Purchase Agreement, dated as of _____ 1, 2025, by and between the Seller and the City), to have and to hold the property as sold to the City and its successors and assigns forever.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed this ____ day of _____ 2025.

_____

By.....
Authorized Representative

SCHEDULE A

2025A PAYMENT SCHEDULE

Payment Date	Principal	Interest	Total Payment
06/20/20__			
12/20/20__			
Totals			

SCHEDULE B

2025B PAYMENT SCHEDULE

Payment Date	Principal	Interest	Total Payment
06/20/20__			
12/20/20__			
Totals			

City of Yuma

City Council Report

File #: O2025-043 **Agenda Date:** 9/17/2025 **Agenda #:** 7.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Finance	☐ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☐ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☒ Ordinance - Adoption
	☐ Unique & Creative	☐ Public Hearing

TITLE:
Issuance of Pledged Revenue Obligations (Revenue Bonds) Series 2025

SUMMARY RECOMMENDATION:
Adopt an ordinance authorizing the issuance, sale, and delivery of Pledged Revenue Obligations (Revenue Bonds) Series 2025 to fund $72,000,000 infrastructure and community improvement projects in the FY 2026-2030 Capital Improvement Plan, refund prior obligations (bonds) if advantageous, and cover issuance costs, with final terms delegated to the City Administrator and Finance Director within Council-approved limits. (City Administration/Finance) (Jay Simonton/Doug Allen)

STRATEGIC OUTCOME:
The issuance of Pledged Revenue Obligations (Revenue Bonds) advances the City Council's strategic outcome of Safe and Prosperous by investing in critical infrastructure and community improvements-roads, parks, downtown, municipal facilities, and public safety. This financing strategy reflects sound financial stewardship by leveraging favorable market conditions, spreading costs over time, and maintaining flexibility in the City's budget.

REPORT:
The municipal bond market is currently favorable for new borrowing and refinancing. Bonds are one of the primary tools cities use to finance major capital projects too large to be funded within a single year's revenue stream.

By issuing bonds, the City is able to complete large-scale improvements now-such as roads, parks, and public safety facilities-while spreading repayment into predictable annual costs over time. This approach allows the City to invest in long-term community needs while preserving cash reserves for emergencies and ensuring compliance with Arizona's Annual Expenditure Limitation (AEL).

The proposed ordinance authorizes the City to issue Pledged Revenue Obligations (Revenue Bonds) to take advantage of these conditions. Municipal bonds provide funding for major capital projects by allowing the City to borrow from investors and repay the debt over time. There are two primary types of municipal bonds:

- **General Obligation Bonds,** are generally repaid from property tax revenues and requires voter approval in the City of Yuma; and
- **Pledged Revenue Obligation Bonds** are repaid from specific revenues such as City sales taxes and

state-shared revenues.

The obligations being proposed fall into the second category and will not constitute a general obligation bond and are not backed with property taxes.

The City will use proceeds of $72,000,000 to fund projects in the FY 2026-2030 Capital Improvement Plan for:

- Roadway improvements
- Park enhancements
- Revitalization of historic downtown
- Municipal facility projects and upgrades
- Public safety projects

Proceeds may also be used to refund prior revenue obligations (revenue bonds) if market conditions provide cost savings and to pay issuance expenses.

The obligations will be underwritten by Stifel, Nicolaus & Company, Incorporated, which previously underwrote the City's 2021 Public Safety Personnel Retirement System refinancing and the 2021 Desert Dunes Utility System Revenue Obligations. A trustee will be appointed through an indenture agreement to oversee the issuance. The obligations will be issued in book-entry form, with interest qualifying for tax-exempt treatment under federal law.

Because interest rates are volatile, the ordinance delegates authority to the City Administrator and Finance Director to finalize repayment schedules, maturities, callable features, credit enhancements, and aggregate principal within the limits set by Council. Final sale results, including interest rates and repayment schedules, will be reported back to City Council. Adoption of this ordinance is scheduled for October 1, 2025, with the bond sale expected in late November or early December 2025.

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	FUNDING: ACCOUNT/FUND #/CIP n/a	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
Issuance of these obligations will accelerate completion of much needed infrastructure projects; Issuing pledged revenue obligations will accelerate completion of critical infrastructure projects, provide predictable annual repayment costs, and preserve fund balances for unforeseen needs. This financing method also helps the City manage Arizona's Annual Expenditure Limitation, as both bond proceeds and repayments are excluded from the state-imposed spending cap.

Unspent bond proceeds will remain available in future fiscal years until the associated projects are completed.

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

1. Ordinance
2. Preliminary Official Statement

3. Obligation Purchase Agreement
4. First Trust Agreement
5. First Purchase Agreement

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☐ City Clerk's Office
☐ Document to be recorded
☐ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/09/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/08/2025

ORDINANCE NO. O2025-043

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, (1) APPROVING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED REVENUE AND/OR REVENUE REFUNDING OBLIGATIONS, IN ONE OR MORE SERIES, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN A PURCHASE AGREEMENT; (2) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE AND EXECUTION AND DELIVERY OF SUCH OBLIGATIONS; (3) DELEGATING AUTHORITY TO THE CITY ADMINISTRATOR AND THE DIRECTOR OF FINANCIAL SERVICES OF THE CITY TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; (4) DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES; AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE

WHEREAS, the City Council of the City of Yuma, Arizona (the "City"), has determined to (i) finance the costs of street and transportation projects, public safety projects, parks and recreation projects and improvements to City facilities and infrastructure (collectively, the "Project"); and (ii) refinance all or a portion of the payments due pursuant to the Series 2015 Senior Lien Excise Tax Revenue City Purchase Agreement, dated as of October 1, 2015 (the "2015 Purchase Agreement"), to the City of Yuma Municipal Property Corporation (the "Corporation"), with respect to financing the costs of an athletic complex and fleet maintenance complex and refinancing the costs of public safety and transportation projects and improvements to City facilities (collectively with the Project, the "Projects"), by entering into a First Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations established as provided herein (the "Purchase Agreement"), with a bank authorized to exercise corporate trust powers in the State of Arizona, appointed as provided hereby, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

WHEREAS, the payments due from the City pursuant to the 2015 Purchase Agreement secure certain payments due with respect to the Corporation's Senior Lien Excise Tax Revenue and Revenue Refunding Bonds, Series 2015 (the amounts of such bonds to be refunded as provided herein are referred to herein as the "Bonds Being Refunded"); and

WHEREAS, in connection with the Purchase Agreement, the City Council has deemed it necessary and desirable to provide for the sale and execution and delivery of pledged revenue and/or revenue refunding obligations, in one or more series, as provided for by this Ordinance (collectively, the "Obligations"), pursuant to a First Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Trust Agreement"), between the Trustee and the City, evidencing proportionate interests of the owners of the Obligations in payments to be made by the City to the Trustee pursuant to the Purchase Agreement; and

WHEREAS, the payments represented by the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge the Excise Tax Revenue Pledged Revenue (as defined in the Trust Agreement); and

WHEREAS, the City Council (i) will receive a proposal from Stifel, Nicolaus & Company, Incorporated ("Stifel"), serving in the capacity of and designated as the underwriter (the "Underwriter"), and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission (the "MA Rule"), and has determined that the Obligations may be sold through negotiation to the Underwriter on such terms as may hereafter be approved by the hereinafter defined Authorized Representatives; and (ii) may receive a proposal from Stifel, serving in the capacity of and designated as the placement agent (the "Placement Agent"), and not acting as a municipal advisor as defined in the MA Rule, and has determined that the Obligations may be placed by the Placement Agent on such terms as may hereafter be approved by the Authorized Representatives; and

WHEREAS, there have been presented to the City Council at the meetings at which this Ordinance is being introduced and adopted, and there are on file with the City Clerk, the proposed forms of: (1) the Purchase Agreement; (2) the Trust Agreement; (3) a continuing disclosure undertaking of the City, to be dated the date of the Obligations (the "Undertaking", substantially in the form included as an appendix to the hereinafter described Preliminary Official Statement), pursuant to which the City will provide ongoing disclosure with respect to the Obligations in accordance with Securities and Exchange Commission Rule 15(c)2-12 (the "Rule"), to be executed and delivered if any of the Obligations are sold to the Underwriter; (4) an obligation purchase agreement, to be dated the date of the sale of the Obligations (the "Purchase Contract"), by and between the City and the Underwriter, to be executed and delivered if any of the Obligations are sold to the Underwriter; and (5) a preliminary official statement, to be dated the date of the dissemination thereof (the "Preliminary Official Statement"), relating to the Obligations, which, as to be revised after the sale of the Obligations if any of the Obligations are sold to the Underwriter pursuant to the Purchase Contract, shall constitute the Official Statement, to be dated the date of sale of the Obligations (the "Official Statement"), relating to the Obligations, the Preliminary Official Statement and the Official Statement to be used in connection with the public offering of the Obligations if any of the Obligations are sold to the Underwriter pursuant to the Purchase Contract; and

WHEREAS, the City is authorized and empowered pursuant to law to issue or cause to be issued obligations to finance the costs of various capital facilities owned or to be owned by the City; and

WHEREAS, it is contemplated that certain expenditures made by the City with regard to the Project will be reimbursed from the proceeds of the sale of obligations to be issued in the future by or on behalf of the City (including the Obligations); and

WHEREAS, financing and refinancing, as applicable, the costs of the Projects pursuant to the Purchase Agreement is in furtherance of the purposes of the City and is in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF YUMA AS FOLLOWS:

SECTION 1:

(a) The execution and delivery of the Obligations by the Trustee is approved.

(b) The City Administrator, the Director of Financial Services of the City or the designees of either of them (collectively, the "Authorized Representatives") are authorized to determine on behalf of the City: (1) the entity to serve as Trustee; (2) which of the Obligations will be sold to the Underwriter pursuant to the Purchase Contract or placed by the Placement Agent pursuant to the hereinafter defined Placement Agreement; (3) the series name and designation of each series of the Obligations; (4) the aggregate principal amount of the Obligations (but not to exceed $72,000,000 for the Obligations to be used to finance the costs of the Project); (5) the date the Obligations are to be sold to the Underwriter; (6) the date the Obligations are to be dated; (7) the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear; (8) the dates the Obligations become payable (but not later than a final stated payment date in 2046), the principal amounts to become payable on such dates and the provisions for prepayment thereof in advance of such dates; (9) the provisions for redemption of the Bonds Being Refunded (including the method of redemption and the amounts and dates of redemption thereof); and (10) the terms upon which the Obligations are to be sold to the Underwriter or placed by the Placement Agent (including determinations of price, original issue discount and premium and underwriting/placement compensation); provided, however, that the foregoing determinations shall result in (i) the yield on the Obligations to be used to finance the costs of the Project, as calculated in accordance with Section 148 of the Internal Revenue Code of 1986, as amended, not exceeding five and one-half percent (5.5%), and (ii) a present value savings, net of all costs with respect to the refunding of the Bonds Being Refunded, of at least three percent (3%) of the principal amount of the Bonds Being Refunded.

(c) The Authorized Representatives are further authorized to determine on behalf of the City whether the purchase of an insurance policy securing payment of the Obligations would be advantageous to the City or the terms of the financing represented by the Obligations. The Authorized Representatives are authorized to negotiate with and secure, with proceeds of the Obligations or otherwise, such an insurance policy, from one or more institutions, the claims-paying ability of which are then assigned one of the two highest rating categories by a nationally recognized credit rating agency. The Authorized Representatives are authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy.

(d) The forms and other terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are approved.

SECTION 2: The Obligations are (i) to be sold to the Underwriter pursuant to the terms of the Purchase Contract, and/or (ii) to be placed by the Placement Agent with a purchaser or purchasers (collectively, the "Purchasers") pursuant to the terms of a Placement Agent Agreement, in standard form, to be dated the date of the placement of the Obligations (the "Placement Agreement"), by and between the City and the Placement Agent, to be executed and delivered if any of the Obligations are placed by the Placement Agent, in each case as such terms are to be determined as provided hereinabove.

SECTION 3: The forms, terms and provisions of the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking, in substantially the forms of such documents (including the Obligations and other exhibits thereto) presented at the meetings of the City Council at which this Ordinance is being introduced and adopted, and are on file with the City Clerk, are approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove, particularly with respect to any changes needed based on whether the Obligations are sold to the Underwriter pursuant to the Purchase Contract or placed by the Placement Agent pursuant to the Placement Agreement (including execution and delivery of one or more Purchase Agreements or Trust Agreements, if necessary), and shall be approved by the Authorized Representatives, the execution of each such document being conclusive evidence of such approval. The Authorized Representatives are hereby authorized to enter into, if necessary, an Escrow Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Escrow Trust Agreement"), with the Trustee or another bank authorized to exercise corporate trust powers in the State of Arizona, as escrow trustee (the "Escrow Trustee"), in standard form, for the establishment of an escrow to pay principal of and interest on the Bonds Being Refunded and to refund the Bonds Being Refunded. The Authorized Representatives, and the Clerk of the City, where applicable, are authorized and directed, for and on behalf of the City, to execute and deliver, and attest or approve, the Purchase Agreement, the Trust Agreement, the Escrow Trust Agreement, the Purchase Contract, the Placement Agreement and the Undertaking, in each case as necessary and as applicable, and to take all action to carry out and comply with the terms of such documents.

SECTION 4: The distribution of the Preliminary Official Statement by the Underwriter is approved, and, if any of the Obligations are sold to the Underwriter pursuant to the Purchase Contract, the Official Statement in substantially the form of the Preliminary Official Statement, with such changes or revisions therein from the form of the Preliminary Official Statement as may be approved by the Authorized Representatives, is approved, and the Authorized Representatives are authorized, empowered and directed, if necessary, in the name and on behalf of the City, to execute and deliver the same to the Underwriter and to execute and deliver instruments confirming that the Preliminary Official Statement is "deemed final" in accordance with the Rule.

SECTION 5: The Trustee (including in its capacity as Seller) and the Escrow Trustee are requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement and the Escrow Trust Agreement and the sale and execution and

delivery of the Obligations and the refunding of the Bonds Being Refunded and are further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by them.

SECTION 6: The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on Excise Tax Revenue Pledged Revenue and the restriction on the issuance of further parity obligations secured by Excise Tax Revenue Pledged Revenue are approved and confirmed.

SECTION 7: The Authorized Representatives and other officers of the City, on behalf of the City, are authorized and directed, without further order of the City Council, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the City (including entering into any agreements for administrative or procedural requirements requested by the Purchasers if any of the Obligations are placed by the Placement Agent pursuant to the Placement Agreement) to evidence compliance with, or further the purposes of, all the terms and conditions of this Ordinance and the consummation of the transactions contemplated hereby and as may be necessary to carry out the terms and intent of this Ordinance. The Authorized Representatives are authorized to select, and execute and deliver contracts with, appropriate professionals (including special counsel) to provide various professional services with respect to the sale and execution and delivery of the Obligations as well as to provide for such other matters as are necessary in order to accomplish the purposes of this Ordinance.

SECTION 8: All actions of the officers and agents of the City which conform to the purposes and intent of this Ordinance and which further the sale and execution and delivery of the Obligations and the refunding of the Bonds Being Refunded as contemplated by this Ordinance, whether heretofore or hereafter taken, are ratified, confirmed and approved.

SECTION 9: If any section, paragraph, clause or phrase of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Ordinance. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof. The City Council hereby declares that this Ordinance would have been adopted with each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the execution and delivery of the Obligations pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Ordinance may be held illegal, invalid or unenforceable.

SECTION 10:

(a) The following terms shall have the meanings assigned thereto as follows:

"official intent" means a declaration of intent of the City to reimburse an original expenditure with proceeds of an obligation;

"original expenditure" means an expenditure for a governmental purpose that is

originally paid from a source other than a reimbursement bond; and

"reimbursement bond" means the portion of an issue of obligations allocated to reimburse an original expenditure that was paid before the issue date of such issue.

(b) This Ordinance is official intent relating to reimbursement for the original expenditures for the Project which are capital expenditures (being any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles) made within sixty (60) days before and any time after the date of this Ordinance. The maximum principal amount of obligations (including the reimbursement bonds for such purposes) to be issued for the Project is expected not to exceed $72,000,000.

(c) On the date of this Ordinance, the City Council has a reasonable expectation (being that a prudent person in the same circumstances would have based on all the objective facts and circumstances) that it will reimburse such original expenditures with proceeds of such obligations. Official intents have not been declared by the City as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for such projects. Moreover, the City does not have a pattern (other than in extraordinary circumstances) of failure to reimburse actual original expenditures covered by official intents.

(d) With certain exceptions, an allocation in writing that evidences use of proceeds of the reimbursement bonds to reimburse the original expenditures shall be made not later than 18 months after the later of (i) the date that the original expenditure is paid, or (ii) the date the project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid.

(e) This Ordinance shall be included as of the date hereof in the publicly available official records of the City, such records being maintained and supervised by the Clerk of the City in the main administrative office of the City, and shall remain available for public inspection on a reasonable basis.

Adopted this _____ day of _____ 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney

CERTIFICATION

I hereby certify that the foregoing Ordinance No. O2025-043 was duly passed and adopted by the City Council of the City of Yuma, Arizona, at a regular meeting held on the ____ day of _____ 2025, and the vote was ____ ayes and _____ nays.

_____

Lynda L. Bushong
City Clerk

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

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

CITY OF YUMA, ARIZONA

**$57,725,000*
PLEDGED REVENUE
OBLIGATIONS,
SERIES 2025A**

**$10,790,000*
PLEDGED REVENUE
OBLIGATIONS,
SERIES 2025B**

**$20,435,000*
PLEDGED REVENUE
REFUNDING OBLIGATIONS,
SERIES 2025C**

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

The City of Yuma, Arizona (the "City") Pledged Revenue Obligations, Series 2025A (the "2025A Obligations"), Pledged Revenue Obligations, Series 2025B (collectively with the 2025A Obligations, the "Project Obligations") and Pledged Revenue Obligations, Series 2025C (the "2025C Obligations" and, collectively with the Project Obligations, the "Obligations") will be executed and delivered to (i) finance the costs of street and transportation projects, public safety projects, parks and recreation projects and improvements to City facilities and infrastructure, (ii) refund the Bonds Being Refunded (as defined herein), and (iii) pay the costs and expenses relating to the execution and delivery of the Obligations.

Interest represented by the Obligations will be payable semiannually on each January 1 and July 1, commencing January 1, 2026*. The Obligations will be dated the date of initial delivery, will be issuable as fully registered obligations without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") which will act as securities depository for the Obligations. Beneficial ownership interests in the Obligations will be available to purchasers in amounts of $5,000 of principal of a series due on a specific payment date and any integral multiple thereof only under the book-entry-only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive physical certificates. So long as any purchaser is the beneficial owner of an Obligation, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal and interest with respect to such Obligations. See APPENDIX G - "BOOK-ENTRY ONLY SYSTEM" herein.

SEE PAYMENT SCHEDULES ON INSIDE FRONT COVER PAGES

The Project Obligations will be subject to optional prepayment prior to their stated payment dates. The 2025C Obligations will not be subject to optional prepayment prior to their stated payment dates. See "THE OBLIGATIONS – Prepayment Provisions" herein*.

The Obligations will be undivided, proportionate interests in the installment payments to be made by the City pursuant to a First Purchase Agreement, to be dated as of November 1, 2025* (the "Purchase Agreement"), between the City and [TRUSTEE], as trustee (the "Trustee"). The installment payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenue Pledged Revenue (as defined herein) on a parity with the Series 2015 City Purchase Agreement and the Series 2021 Lease (each as defined herein) and any additional Parity Obligations (as defined herein) that may be incurred on a parity as provided in the Purchase Agreement. No obligations may be incurred that would have a prior pledge of Excise Tax Revenue Pledged Revenue to the installment payments due pursuant to the Purchase Agreement. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS" herein.

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

The Obligations will be offered when, as and if issued by the City and received by the underwriter identified below (the "Underwriter"), subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Underwriter by Ballard Spahr LLP. It is expected that the Obligations will be available for delivery through the facilities of DTC on or about November __, 2025*.

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

* *Subject to change.*

PAYMENT SCHEDULES*

$57,725,000*
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025A

Payment Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP®[(1)] No. 98851W
2026	$2,875,000	%	%	
2027	1,790,000			
2028	1,880,000			
2029	1,975,000			
2030	2,075,000			
2031	2,175,000			
2032	2,285,000			
2033	2,400,000			
2034	2,520,000			
2035	2,645,000			
2036	2,780,000			
2037	2,920,000			
2038	3,065,000			
2039	3,215,000			
2040	3,380,000			
2041	3,555,000			
2042	3,740,000			
2043	3,940,000			
2044	4,145,000			
2045	4,365,000			

* *Subject to change.*

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$10,790,000*
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025B

Payment Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP®[(1)] No. 98851W
2026	$1,055,000	%	%	
2027	885,000			
2028	925,000			
2029	975,000			
2030	1,020,000			
2031	1,075,000			
2032	1,125,000			
2033	1,185,000			
2034	1,240,000			
2035	1,305,000			

* *Subject to change.*

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$20,435,000*
CITY OF YUMA, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2025C

Payment Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP®[(1)] No. 98851W
2026	$2,175,000	%	%	
2027	1,845,000			
2028	2,395,000			
2029	2,535,000			
2030	2,665,000			
2031	2,790,000			
2032	2,940,000			
2033	3,090,000			

* *Subject to change.*

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CITY OF YUMA, ARIZONA

MAYOR AND CITY COUNCIL

Douglas J. Nicholls, *Mayor*

Carol Smith, *Deputy Mayor*

Mark Martinez, *Councilmember*

Leslie McClendon, *Councilmember*

Arturo Morales, *Councilmember*

Chris Morris, *Councilmember*

Karen Watts, *Councilmember*

CITY ADMINISTRATION

Jay Simonton, *Interim City Administrator*

Douglas Allen, *Director of Financial Services*

Richard Files, *City Attorney*

Karla Bailey, *Assistant Director of Finance*

Lynda Bushong, *City Clerk*

SPECIAL COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

TRUSTEE

[TRUSTEE]
[Location]

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City of Yuma, Arizona (the "City"), or Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), 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 foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the City's Pledged Revenue Obligations, Series 2025A, Pledged Revenue Obligations, Series 2025B or Pledged Revenue Refunding Obligations, Series 2025C (collectively, the "Obligations") by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

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

The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All information, estimates and assumptions contained herein have been based on past experience and on the latest information available and are believed to be accurate and reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of forecasts, projections, opinions, assumptions, or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the City has been identified by source and has not been independently confirmed or verified by the City or the Underwriter and its accuracy cannot be guaranteed. The information and forward looking statements 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, as amended, or any state securities law and will not be listed on any stock or other securities exchange in reliance upon certain exemptions. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the merits of the Obligations, the accuracy or adequacy of this Official Statement, or approved the Obligations for sale.

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

The City will agree to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

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OFFICIAL STATEMENT

CITY OF YUMA, ARIZONA

$57,725,000*
PLEDGED REVENUE OBLIGATIONS, SERIES 2025A

$10,790,000*
PLEDGED REVENUE OBLIGATIONS, SERIES 2025B

$20,435,000*
PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2025C

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover pages and the appendices hereto, provides certain information concerning the City of Yuma, Arizona (the "City") Pledged Revenue Obligations, Series 2025A (the "2025A Obligations"), Pledged Revenue Obligations, Series 2025B (the "2025B Obligations" and, collectively with the 2025A Obligations, the "Project Obligations"), and Pledged Revenue Refunding Obligations, Series 2025C (the "2025C Obligations" and, collectively with the Project Obligations, the "Obligations"), to be executed and delivered in the principal amounts indicated above. The Obligations will be undivided, participating, proportionate interests in installment payments (the "Payments") to be made by the City pursuant to a First Purchase Agreement, to be dated as of November 1, 2025* (the "Purchase Agreement"), between the City, as purchaser, and [TRUSTEE] in its capacity as trustee (the "Trustee"), as seller.

The Project Obligations are being executed and delivered to (i) finance the costs of street and transportation projects, public safety projects, parks and recreation projects and improvements to City facilities and infrastructure (the "2025 Projects"), and (ii) pay the costs and expenses relating to the execution and delivery of the Project Obligations. The 2025C Obligations are being executed and delivered to (i) refund the Bonds Being Refunded (as defined herein) in order to refinance the remaining costs of the projects financed and refinanced with the proceeds of the Bonds Being Refunded (collectively with the 2025 Projects, the "Projects"), and (ii) pay the costs and expenses relating to the execution and delivery of the 2025C Obligations. See "PLAN OF REFUNDING" herein.

Pursuant to the Purchase Agreement, the Trustee will sell and convey to the City, and the City will buy and accept from the Trustee, the Projects. Payment of the Obligations will not be secured by the Projects and the Owners of the Obligations have no claim or lien on the Projects or any part thereof or any proceeds of the Obligations.

The Obligations will be executed and delivered pursuant to a First Trust Agreement, to be dated as of November 1, 2025* (the "Trust Agreement"), between the City and the Trustee. Certain of the Trustee's interests under the Purchase Agreement, including, without limitation, the right to receive and collect the Payments and the right to force the City to make the Payments, will be held by the Trustee for the benefit of the registered owners of the Obligations. See APPENDIX D - "SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS" in addition to the information herein below for descriptions of the terms of the Purchase Agreement and the Trust Agreement. See APPENDIX A – "CITY OF YUMA, ARIZONA – DEMOGRAPHIC AND ECONOMIC INFORMATION," APPENDIX B – "CITY OF YUMA, ARIZONA – FINANCIAL DATA" and APPENDIX C – "CITY OF YUMA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024" for information about the City.

The Payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenue Pledged Revenue (as defined herein) on a parity with the pledge and lien granted by the City for the payment and security of $6,750,000* outstanding principal amount of Senior Lien Excise Tax Revenue and Revenue Refunding Bonds, Series 2015 (the "2015 Bonds"), issued by the City of Yuma Municipal Property Corporation (the "Corporation"), the debt service with respect to which is secured by payments due pursuant to the Senior Lien Excise Tax Revenue City Purchase Agreement, dated as of October 1, 2015 (the "Series 2015 City Purchase Agreement"), by and between the City and the Corporation, $[121,445,000] outstanding principal amount of the City's Pledged Revenue Obligations, Taxable Series 2021 (the "2021 Obligations"), the debt service with respect to which is secured by payments due pursuant to the Lease-Purchase Agreement, dated as of February 1, 2021 (the "Series 2021 Lease"), by and between the City and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), and any additional obligations having a lien payable from Excise Tax Revenue Pledged Revenue on a parity with the 2015 Bonds, the 2021 Obligations and the Obligations (collectively, "Parity Obligations").

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* *Subject to change.*

"Excise Tax Revenue Pledged Revenue" means the revenue from all excise taxes, transaction privilege (sales, license and use) taxes; franchise fees; fees for emergency services, liquor and business licenses, building permits and inspections; recreation fees; public safety fees; city court fines and investment income which the City now collects and which it may collect in the future (net of the excluded revenue described below, "Excise Taxes"), together with the City's portion of any revenue from excise taxes, transaction privilege (sales and use) taxes, income taxes and vehicle license taxes imposed and collected by the State of Arizona (the "State" or "Arizona"), or any political subdivision thereof, or any other governmental unit or agency, and returned, allocated or apportioned to the City ("State Shared Revenues"), EXCEPT (i) Road Tax Revenue (as defined herein), (ii) Public Safety Tax Revenue (as defined herein), (iii) Special Two Percent Sales Tax Revenue (as defined herein), (iv) any Special Excise Tax Revenue (as defined herein), and (v) any revenue from the City's share of any excise taxes, transaction privilege (sales) taxes or vehicle license taxes which, by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

"Road Tax Revenue" means the revenue from the one-half of one percent (0.5%) of the privilege license tax approved by the qualified electors of the City voting at a special election held on December 7, 1993, and levied by virtue of Ordinance No. 2643, passed and adopted by the City Council of the City on January 5, 1994, which are to be used for funding street and roadway improvements, including but not limited to widening, constructing, paving, repaving and reconstructing City streets and roadways and all appurtenances thereto and the tax for which is not subject to expiration. *As described herein, Road Tax Revenue is not pledged to payment of the Payments.*

"Public Safety Tax Revenue" means the revenue from the two-tenths of one percent (0.2%) privilege license tax approved by the qualified electors of the City voting at a special election held on November 8, 1994, and levied by virtue of Ordinance No. 2678, passed and adopted by the City Council of the City on December 21, 1994, which are to be used for public safety and criminal justice facilities and a public safety communication system and the payment of the financing instruments for such facilities and system and the tax for which expires on June 30, 2035. *As described herein, Public Safety Tax Revenue is not pledged to payment of the Payments.*

"Special Two Percent Sales Tax Revenue" means the revenue from the renewal of the special two percent (2%) privilege license tax approved by the qualified electors of the City voting at a special election held on October 5, 1993, and levied by virtue of Ordinance No. 2640, passed and adopted by the City Council of the City on November 30, 1993, which tax imposed an additional two percent (2%) on the gross proceeds of sales or gross income from the businesses of restaurants, bars, hotels and motels and the tax for which expires on June 30, 2038. *As described herein, Special Two Percent Sales Tax Revenue is not pledged to payment of the Payments.*

"Special Excise Tax Revenue" means the revenue from a separate excise tax (i) hereafter levied, renewed or collected by or on behalf of the City for a special purpose, (ii) not included in Excise Tax Revenue, Road Tax Revenue, Public Safety Tax Revenue, Special Two Percent Sales Tax Revenue or any other Special Excise Tax Revenue and (iii) pledged to the payment of Special Excise Tax Parity Obligations related to such revenue. (Each source of "Special Excise Tax Revenue" will be treated separately.) *As described herein, Special Excise Tax Revenue is not pledged to payment of the Payments.*

As described under the heading "PLAN OF REFUNDING" herein, $21,635,000* principal amount of the 2015 Bonds will be redeemed with proceeds of the 2025C Obligations on the date of execution and delivery of the Obligations. *Accordingly, such bonds are not being treated as being an ongoing payment obligation of the City secured by Excise Tax Revenue Pledged Revenue for purposes of this Official Statement.*

So long as any amounts remain unpaid or unprovided for under the Purchase Agreement, the City may not further encumber Excise Tax Revenue Pledged Revenue on a basis equal to the pledge for the Purchase Agreement unless certain requirements are satisfied. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS – Parity Obligations" and, for detail about amounts due pursuant to the Series 2015 City Purchase Agreement, the Series 2021 Lease and the Purchase Agreement, see APPENDIX B – "CITY OF YUMA, ARIZONA – FINANCIAL DATA."

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

shall have the meanings set forth in APPENDIX D – "SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS – DEFINITIONS OF CERTAIN TERMS."

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or Beneficial Owners (as defined in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM") of the Obligations.

References to provisions of federal or State law, whether codified or uncodified, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

THE OBLIGATIONS

General Terms

The Obligations will be dated the date of initial authentication and delivery and initially will be registered only in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), under the book-entry-only system described in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM" (the "Book-Entry-Only System"). Beneficial ownership interests in the Obligations may be purchased through direct and indirect participants of DTC in amounts of $5,000 of principal of a series due on a single payment date or integral multiples thereof. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM." Principal represented by the Obligations will be payable on the dates and in the principal amounts and bear interest from their dated date at the rates all as set forth on the inside front cover pages of this Official Statement. Interest represented by the Obligations will accrue originally from the dated date of the Obligations and will be payable on January 1, 2026*, and on each July 1 and January 1 thereafter (each an "Interest Payment Date") until payment or prepayment.

Prepayment Provisions*

Optional Prepayment. Principal represented by the 2025A Obligations payable before or on July 1, 20__, will not be subject to prepayment prior to their stated payment dates. Principal represented by the 2025A Obligations payable on or after July 1, 20__, may be prepaid prior to their stated payment dates, in whole or in part on any date, in any order of payment date within a series and by lot within any payment date, by the City, on or after July 1, 20__, at a prepayment price equal to the principal amount thereof plus accrued interest on such principal to the date fixed for prepayment, but without premium.

Principal represented by the 2025B Obligations payable before or on July 1, 20__, will not be subject to prepayment prior to their stated payment dates. Principal represented by the 2025B Obligations payable on or after July 1, 20__, may be prepaid prior to their stated payment dates, in whole or in part on any date, in any order of payment date within a series and by lot within any payment date, by the City, on or after July 1, 20__, at a prepayment price equal to the principal amount thereof plus accrued interest on such principal to the date fixed for prepayment, but without premium.

Principal represented by the 2025C Obligations will not be subject to prepayment prior to their stated payment dates

Manner of Selection for Prepayment. Principal represented by the Obligations subject to prepayment will be prepaid only in amounts of $5,000 payable on a specific payment date or integral multiples thereof. The City will, at least 45 days prior to the prepayment date, notify the Trustee of such prepayment date and of the payment dates of the Obligations and the principal amount of the Obligations of any such payment date to be prepaid on such date. For the purposes of any prepayment of less than all of the Obligations of a series due on a single payment date, the particular Obligations or portions of the Obligations to be prepaid will be selected through the procedures of DTC. While the City intends that allocations be made in accordance with the foregoing proportional provisions, the selection of the Obligations for prepayment will be subject to practices and procedures of DTC as in effect from time to time.

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

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* *Subject to change.*

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 bond register maintained by the Trustee and one or more new Obligations of the same series, registered in the name of the transferee, of the same principal amount, payment 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 fifteenth day of the month preceding an Interest Payment Date has been designated as the "Record Date" for the Obligations. The Trustee may, but is not required to, transfer or exchange any Obligations during the period from 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 prepayment.

The transferor will be responsible for all transfer fees, taxes and any other costs relating to the transfer of ownership of individual Obligations.

PLAN OF REFUNDING

The proceeds of the 2025C Obligations, net of amounts used to pay costs related to the execution and delivery of the 2025C Obligations, will be placed in a trust account with [TRUSTEE], as escrow trustee (the "Escrow Trustee"), under an Escrow Trust Agreement, to be dated as of November 1, 2025*, and will be used to acquire certain obligations of, or guaranteed as to principal and interest by, the United States of America (the "Government Obligations"), in amounts sufficient, without reinvestment, to be applied to payment of principal and prepayment amount of and interest due pursuant to the 2015 Bonds identified below (collectively, the "Bonds Being Refunded"), which are being refunded as follows:

Schedule of Bonds Being Refunded*

Maturity Date (July 1)	Coupon	Principal Amount Outstanding	Principal Being Refunded	Redemption Date*	CUSIP®[(1)] No. 98851W
2026	4.000%	$2,050,000	$2,050,000	3/1/2026	AL1
2027	3.000	2,120,000	2,120,000	3/1/2026	AM9
2028	3.000	2,645,000	2,645,000	3/1/2026	AN7
2029	4.000	2,740,000	2,740,000	3/1/2026	AP2
2030	4.000	2,855,000	2,855,000	3/1/2026	AQ0
2031	3.250	2,960,000	2,960,000	3/1/2026	AR8
2033	4.000	6,265,000	6,265,000	3/1/2026	AT4
		$21,635,000	$21,635,000		

* *Subject to change.*

[(1)] *See footnote [(1)] to the inside front cover pages.*

See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. On delivery of the Obligations and such deposit of proceeds with the Escrow Trustee, the Bonds Being Refunded will no longer be outstanding under the indenture pursuant to which they were issued and will no longer be secured by Excise Tax Revenue Pledged Revenue.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[VERIFICATION AGENT], a firm of independent certified public accountants (the "Verification Agent"), will deliver to the City, before or on the date of execution and delivery of the Obligations, its verification report indicating, among other things, that it has verified, in accordance with standards for attestation engagements established by the American Institute of Certified Public Accountants, the mathematical accuracy of the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, to pay, when due, the principal of, interest and applicable premiums, if any, on the Bonds Being Refunded. The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS

General

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

Excise Tax Revenue Pledged Revenue in excess of amounts, if any, required to be deposited with or held by the Trustee for payments due under the Purchase Agreement will constitute surplus revenues and may be used by the City for any lawful purpose for the benefit of the City. The City may also make the Payments from its other funds as permitted by law and as the City determines from time to time, provided, however, that the Trustee will thereafter have no claim to such other funds.

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

Pledge

The Payments will be secured by a first lien on and pledge of Excise Tax Revenue Pledged Revenue on parity with the pledge and lien granted by the City for the payment and security of the Series 2015 City Purchase Agreement, the Series 2021 Lease and any additional Parity Obligations. No obligations may be incurred that would have a prior pledge of Excise Tax Revenue Pledged Revenue to the Purchase Agreement. The Payments will be coequal as to the pledge of and lien on Excise Tax Revenue Pledged Revenue and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Tax Revenue Pledged Revenue or security therefor. If at any time moneys are not sufficient to make the deposits and transfers required, any such deficiency will be made up from the first moneys thereafter received and available for such transfers under the terms of the Purchase Agreement and, with respect to payment from Excise Tax Revenue Pledged Revenue, pro rata with amounts due with respect to the Series 2015 City Purchase Agreement, the Series 2021 Lease and any additional Parity Obligations. The Purchase Agreement will not terminate so long as any of the Payments are due and owing pursuant to the terms of the Obligations.

Payment of the Obligations will not be secured by the Projects and the Owners of the Obligations have no claim or lien on the Projects or any part thereof or any proceeds of the Obligations.

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

Coverage Requirements

Pursuant to the Purchase Agreement, Excise Tax Revenue Pledged Revenue received, all within and for the next preceding Fiscal Year, will be equal to at least three (3) times the total of the debt service requirements and reserve fund deposits for the 2015 Bonds, the 2021 Obligations, the Obligations and all other Parity Obligations then outstanding. If such receipts of Excise Tax Revenue Pledged Revenue for any such preceding Fiscal Year do not equal such total in any current Fiscal Year, or if at any time it appears that the current receipts of Excise Tax Revenue Pledged Revenue will not be sufficient to meet such payment requirements, the City will, to the extent permitted by law, either impose new excise, transaction privilege and franchise taxes or will increase the rates for such taxes currently imposed in order that (i) the current receipts of Excise Tax Revenue Pledged Revenue will be sufficient to meet such payment requirements, and (ii) the current year's receipts of Excise Tax Revenue Pledged Revenue will be reasonably calculated to attain the level as required above for the succeeding Fiscal Year's payment requirements.

Parity Obligations

Pursuant to the Purchase Agreement, the City may not incur any obligations payable from Excise Tax Revenue Pledged Revenue ranking prior to the obligations of the City under the Purchase Agreement or any outstanding Parity Obligations. The City will not further encumber Excise Tax Revenue Pledged Revenue on a basis equal to the lien and pledge provided for by the Purchase Agreement unless Excise Tax Revenue Pledged Revenue in the preceding Fiscal Year shall have amounted to at least three (3) times the highest combined total debt service requirements for any succeeding Fiscal Year for Parity Obligations then outstanding and any additional Parity Obligations proposed to be secured by a pledge of Excise Tax Revenue Pledged Revenue.

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SOURCES AND USES OF FUNDS

	2025A Obligations	2025B Obligations	2025C Obligations	Total
Principal Amount	$57,725,000.00*	$10,790,000.00*	$20,435,000.00*	$88,950,000.00*
Net Original Issue Premium *(a)*				
Total Sources of Funds				
Deposit to Acquisition Fund				
Deposit with Escrow Trustee				
Payment of Costs of Issuance *(b)*				
Total Uses of Funds				

* *Subject to change.*

(a) *Net original issue premium consists of original issue premium on the Obligations less original issue discount with respect to the Obligations.*

(b) *Will include compensation and costs of the Underwriter (as defined herein).*

[Remainder of page left intentionally blank.]

ESTIMATED DEBT SERVICE REQUIREMENTS AND PROJECTED COVERAGE

The following table sets forth (i) the annual debt service requirements on the 2015 Bonds and the 2021 Obligations, net of the Bonds Being Refunded, (ii) the estimated annual debt service requirements on each series of the Obligations, and (iii) the projected debt service coverage based on Excise Tax Revenue Pledged Revenue for Fiscal Year 2024/25.

TABLE 1

Schedule of Estimated Annual Debt Service Requirements and Projected Coverage *(a)
City of Yuma, Arizona**

Fiscal Year	City Excise Tax Revenue Pledged Revenue *(b)*	Excise Tax Revenue Pledged Revenue Bonds Outstanding Debt Service *(c)*	The 2025A Obligations*			The 2025B Obligations*			The 2025C Obligations*			Total Aggregate Debt Service*	Maximum Annual Debt Service Coverage *(e)*
			Principal	Interest *(d)*	Total	Principal	Interest *(d)*	Total	Principal	Interest *(d)*	Total		
2023/24	$100,476,647												
2024/25	96,687,269												
2025/26	90,368,625	$11,651,805	$2,875,000	$1,683,646 *(f)*	$4,558,646	$1,055,000	$314,708 *(f)*	$1,369,708	$2,175,000	$596,021 *(f)*	$2,771,021	$20,351,180	
2026/27		11,648,639	1,790,000	2,742,500	4,532,500	885,000	486,750	1,371,750	1,845,000	913,000	2,758,000	20,310,889	
2027/28		11,649,031	1,880,000	2,653,000	4,533,000	925,000	442,500	1,367,500	2,395,000	820,750	3,215,750	20,765,281	
2028/29		11,650,958	1,975,000	2,559,000	4,534,000	975,000	396,250	1,371,250	2,535,000	701,000	3,236,000	20,792,208	
2029/30		11,651,829	2,075,000	2,460,250	4,535,250	1,020,000	347,500	1,367,500	2,665,000	574,250	3,239,250	20,793,829	
2030/31		11,647,995	2,175,000	2,356,500	4,531,500	1,075,000	296,500	1,371,500	2,790,000	441,000	3,231,000	20,781,995	
2031/32		11,648,342	2,285,000	2,247,750	4,532,750	1,125,000	242,750	1,367,750	2,940,000	301,500	3,241,500	20,790,342	
2032/33		11,648,901	2,400,000	2,133,500	4,533,500	1,185,000	186,500	1,371,500	3,090,000	154,500	3,244,500	20,798,401	
2033/34		14,963,883	2,520,000	2,013,500	4,533,500	1,240,000	127,250	1,367,250				20,864,633	
2034/35		14,970,597	2,645,000	1,887,500	4,532,500	1,305,000	65,250	1,370,250				20,873,347	4.63x
2035/36		11,414,999	2,780,000	1,755,250	4,535,250							15,950,249	
2036/37		11,412,322	2,920,000	1,616,250	4,536,250							15,948,572	
2037/38		11,412,144	3,065,000	1,470,250	4,535,250							15,947,394	
2038/39		3,662,573	3,215,000	1,317,000	4,532,000							8,194,573	
2039/40			3,380,000	1,156,250	4,536,250							4,536,250	
2040/41			3,555,000	987,250	4,542,250							4,542,250	
2041/42			3,740,000	809,500	4,549,500							4,549,500	
2042/43			3,940,000	622,500	4,562,500							4,562,500	
2043/44			4,145,000	425,500	4,570,500							4,570,500	
2044/45			4,365,000	218,250	4,583,250							4,583,250	
		$161,034,018	$57,725,000	$33,115,146	$90,840,146	$10,790,000	$2,905,958	$13,695,958	$20,435,000	$4,502,021	$24,937,021	$290,507,143	

* *Subject to change.*

(a) Prepared by the Underwriter.

(b) The amount of Excise Tax Revenue Pledged Revenue used to calculate the coverage requirements for existing and projected debt service is the unaudited actual amount for Fiscal Year 2024/25. See "EXCISE TAX REVENUE PLEDGED REVENUE – TABLE 6 – Historical and Budgeted Excise Tax Revenue Pledged Revenue Collections."

(c) Net of debt service with respect to the Bonds Being Refunded.

(d) Interest is estimated.

(e) Debt service coverage is based on revenues available for debt service (see footnote (b)) compared to the highest combined total of the debt service requirements in any succeeding Fiscal Year for the 2015 Bonds, the 2021 Obligations and the Obligations.

(f) The first interest payment on the Obligations will be due on January 1, 2026. Thereafter, interest payments will be made semiannually on July 1 and January 1 until the final payment or prepayment of the Obligations.*

EXCISE TAX REVENUE PLEDGED REVENUE

Excise Tax Revenue Pledged Revenue will be pledged as security for the Payments due pursuant to the Purchase Agreement, which will be used to pay debt service on the Obligations. Excise Tax Revenue Pledged Revenue is comprised of Excise Taxes (described under the heading "Excise Taxes" below) and State Shared Revenues (the components of which are described under the headings "State Shared Revenues" and "Vehicle License Tax Revenues" below). The major categories of such revenues are discussed more fully under this heading.

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

Excise Taxes

City Sales Taxes. The City's unrestricted transaction privilege (sales) tax is levied by the City upon persons and entities on account of their business activities within the City. The amount of tax due is calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities shown in the table below.

TABLE 2

Transaction Privilege (Sales), License and Use Tax Rates by Category
City of Yuma, Arizona

Category	City Privilege Tax Rate *(a)*
Advertising	1.70%
Amusements	1.70
Contracting – Prime	1.70
Contracting – Speculative Builders	1.70
Contracting – Owner Builder	1.70
Job Printing	1.70
Manufactured Buildings	1.70
Timbering and Other Extraction	1.70
Severance – Metal Mining	0.10
Publication	1.70
Hotels	1.70
Hotel/Motel (Additional Tax) *(b)*	2.00
Residential Rental, Leasing & Licensing for Use of TPP	1.70
Commercial Rental, Leasing & Licensing for Use of TPP	1.70
Rental, Leasing & licensing for Use of TTP	1.70
Restaurant and Bars	1.70
Restaurant and Bars (Additional Tax) *(c)*	2.00
Retail Sales	1.70
MRRA Amount	1.70
Communications	1.70
Transporting	1.70
Utilities	1.70
Wastewater Utility Service	1.70

Note: The pledge of Excise Taxes does not include amounts from the Road Tax Revenue, the Public Safety Tax Revenue, the Special Two Percent Sales Tax Revenue or the Special Excise Tax Revenue.

(a) Currently, the City levies a 1.70% transaction privilege (sales) tax (except for mining activities).

(b) The City levies an additional 2.0% transient lodging tax on any hotel, motel, apartment or individual charging for lodging space to any person for less than 30 consecutive days. A portion of this tax is restricted by State statute to use for visitor and hospitality services. Such amounts are not part of the Excise Tax Revenue Pledged Revenue pledged to payment of the Payments.

(c) The City levies an additional 2.0% tax on restaurant and bars sales. Such amounts are not part of the Excise Tax Revenue Pledged Revenue pledged to payment of the Payments.

Source: Arizona Department of Revenue.

The following table shows the audited amounts of the City's Excise Taxes collections by industry classification for fiscal years 2019/20 through and including 2023/24, unaudited actual collections for fiscal year 2024/25 and budgeted collections for fiscal year 2025/26.

TABLE 3

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

	Actual					Unaudited Actual *(b)*	Budgeted *(b)*
Industry Classification	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Retail, Non-internet	$ 22,052,828	$ 26,188,664	$ 28,415,598	$ 29,602,817	$ 30,418,145		
Food for Home Consumption, Grocery	4,941,646	5,541,656	5,705,262	6,821,028	7,140,870		
Restaurants and Bars	4,100,771	4,756,369	5,818,497	6,277,552	6,356,555		
Construction and Contracting	2,852,662	3,139,260	4,001,825	3,369,282	4,186,479		
Utilities	2,516,779	2,688,252	2,784,152	2,679,879	2,907,238		
Commercial and Equipment Leasing	2,399,030	2,304,254	2,456,394	2,462,717	1,166,249		
Remote Facilitated Sales, Internet	576,216	1,551,857	1,819,061	2,081,914	2,495,699		
Hotels and Lodging	876,186	986,472	1,382,398	1,372,245	1,221,346		
Residential Leasing, Rent	177,207	186,121	343,233	525,433	557,989		
All others not specified	835,826	525,123	593,875	714,240	2,317,790		
Restaurants and Bars (Sp. 2% Tax)	4,895,338	5,685,138	7,003,555	7,416,879	7,503,727		
Hotels and Lodging (Sp. 2% Tax)	992,555	1,127,150	1,555,800	1,569,453	1,403,061		
Total	$ 47,217,044	$ 54,680,316	$ 61,879,650	$ 64,893,439	$ 67,675,148	$ -	$ -

(a) Due to the City's participation in the Arizona Department of Revenue ("ADOR") sales tax collection program and ADOR's reporting of collections on a cash basis, the totals represented here may differ from the amounts shown for City Sales Tax Collections in TABLE 6.

(b) Unaudited actual and budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution.

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The following table shows the monthly City Transaction Privilege (Sales) Tax collections of the City for the previous three Fiscal Years.

TABLE 4

City Transaction Privilege (Sales) Tax Collections
City of Yuma, Arizona

Month	2022/23	2023/24	2024/25
July	$5,022,123	$5,365,589	$5,708,118
August	4,826,292	5,054,762	5,368,819
September	5,132,799	4,997,741	5,569,514
October	5,005,652	5,207,679	5,610,384
November	4,965,235	5,380,090	5,667,147
December	5,657,043	5,945,051	6,136,888
January	6,014,884	6,496,749	6,688,036
February	5,483,557	5,809,877	5,890,611
March	5,608,981	5,689,369	5,422,148
April	6,170,418	6,331,644	6,498,659
May	5,694,320	5,647,556	5,760,101
June	5,312,135	5,406,512	5,763,235
	$64,893,439	$67,332,619	$70,083,661

Source: Arizona Department of Revenue, for month reported.

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

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

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

Recreation Fees. The City imposes and collects fees for certain recreation activities.

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

State Shared Revenues

State Shared Sales Taxes. Pursuant to statutory formula, cities and towns in Arizona receive a portion of revenues from the State-levied transaction privilege (sales) tax. As TABLE 5 indicates, the rate of taxation on such tax varies among the different types of business activities taxed, with the most common rate being 5.0% of the amount or volume of business transacted.

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

TABLE 5

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

Taxable Activities	State Tax Rate	Distribution Base	0.60% Education Tax Rate (*a*)	Combined Tax Rate
Transporting	5.000%	20.00%	0.60%	5.600%
Utilities	5.000	20.00	0.60	5.600
Communications	5.000	20.00	0.60	5.600
Private rail car and pipelines	5.000	20.00	0.60	5.600
Publishing	5.000	20.00	0.60	5.600
Printing	5.000	20.00	0.60	5.600
Contracting	5.000	20.00	0.60	5.600
Owner builder sales	5.000	20.00	0.60	5.600
Amusements	5.000	40.00	0.60	5.600
Restaurant and bars	5.000	40.00	0.60	5.600
Personal property rentals	5.000	40.00	0.60	5.600
Retail	5.000	40.00	0.60	5.600
Hotel/motel	5.500	50.00	N/A	5.500
Mining – non-metal, oil/gas	3.125	32.00	N/A	3.125
Mining severance	2.500	80.00	N/A	2.500
Use and use inventory tax	5.000	N/A	0.60	5.600
Medical marijuana	5.000	40.00	0.60	5.600
Adult use marijuana	5.000	40.00	0.60	5.600
Maintenance, repair, replacement or alteration	5.000	40.00	0.60	5.600
Online lodging marketplace	5.500	50.00	N/A	5.500
Remote seller or marketplace	5.000	40.00	0.60	5.600
Jet fuel use tax	*(b)*	N/A	N/A	*(b)*

N/A = Not applicable.

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

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

Source: Arizona Revised Statutes, Arizona Department of Revenue and the Arizona Secretary of State.

State Shared Income Taxes. Under State law, Arizona cities and towns are preempted by the State from imposing a local income tax. Cities and towns are, however, entitled by statutory formula to receive a percentage of State personal and corporate income tax collections. Distribution of such funds is made monthly based on the proportion of the population of each city and town to the total population of all incorporated cities and towns in the State as determined by the latest census. The State Legislature has at various times adjusted the distribution percentage. Most recently, the percentage of State shared income tax received by cities and towns was 15.0%. As part of the State's fiscal year 2021/22 budget, on June 30, 2021, the Governor signed Senate Bill 1828 ("SB1828"), which consolidated the State's four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021.

Legislative reports at the time of passage of SB1828 indicated that such a rate consolidation was estimated to reduce significantly State income tax receipts, with a possible concurrent reduction in State shared income taxes distributed to Arizona cities and towns.

In order to partially mitigate impacts of the expected reduction in State shared income taxes, SB1828 increased, beginning in fiscal year 2023/24, the percentage of State income taxes distributed to cities and towns from 15% to 18%. As a result of the enactment of SB1828, the City received increases in its State shared income tax distribution in fiscal year 2023/24. Such increases are not expected to continue in fiscal year 2024/25 and beyond as the enactment of the 2.5% flat income tax rate becomes fully implemented. The amount and continued receipt of State shared income taxes by the City could be adversely affected by future changes in law by the State Legislature.

The State recorded individual income tax revenues of $4.85 billion in fiscal year 2023/24, a decrease of 7.5% year-over-year.

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

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

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

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

Section 42-17451, Arizona Revised Statutes (the "Refund Law"), provides that, beginning in tax year 2025, a property owner (i.e., the holder of fee title to the affected real property) may apply to the Arizona Department of Revenue ("ADOR") for a property tax refund for expenses incurred by the property owner if the city, town or county (the "Affected Entity") in which the property owner's real property is located fails to enforce certain public nuisance laws on or near the property owner's real property. The amount of the refund is equal to the documented expenses incurred by the property owner that were reasonably necessary to mitigate the effects of the failure to enforce such public nuisance laws but may not exceed the amount the property owner paid for the prior tax year in primary property taxes for the tax year to the Affected Entity. If the refund exceeds such amount, the property owner must apply to ADOR for the remaining portion of the refund the following and successive tax years, as needed.

Within 15 days after receipt of an application for a refund, ADOR will notify the Affected Entity. Within 30 days after receiving the notice, the Affected Entity will accept or reject the refund and notify ADOR of that determination. If the refund is accepted by the Affected Entity or if the Affected Entity does not respond to ADOR within the 30-day period, ADOR will pay the refund to the property owner. If the Affected Entity rejects the refund, ADOR may not pay the refund and the property owner may file a cause of action in the superior court of the county in which the real

property is located to challenge the rejection of the refund. In any such cause of action, the Affected Entity will bear the burden of demonstrating that its actions are lawful or that the amount of the refund is unreasonable.

On notice from ADOR, the State Treasurer will withhold from the distribution of State shared sales taxes, a component of State Shared Revenues, to the Affected Entity the aggregate amount of refunds issued under the Refund Law. The State Treasurer will continue to withhold such State shared sales taxes until the entire amount provided by ADOR has been withheld. Any moneys withheld by the State Treasurer will be credited as reimbursement to ADOR for issuing refunds. Notwithstanding the foregoing, pursuant to the Refund Law, the State Treasurer may not withhold any payments for debt service on bonds or other long-term obligations of the Affected Entity that were issued or incurred before the refund was issued.

The City is not able to determine or predict what impact, if any, the Refund Law will have on the receipt of the City's State Shared Revenues. State Shared Revenues are pledged to payments due with respect to the Purchase Agreement. The withholding of State shared sales taxes, a component of the State Shared Revenues, could have a material adverse effect on the payment of principal of and interest on the Obligations during any period of withholding.

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

No assurances can be given that the amount of State shared sales taxes and State shared income taxes will not be reduced or eliminated by the State Legislature in the future. The State Legislature may from time to time eliminate State shared sales taxes and State shared income taxes or may change the amount and timing of payment of State shared sales taxes and State shared income taxes and is under no legal obligation to maintain the amount of State shared sales taxes and State shared income taxes payable to the City at any amount or level. For example, addressing State budgetary deficiencies, adjustments that reduce the distribution of State shared sales taxes could be enacted. Likewise, legislative reductions in State sales or income taxes generally could result in reductions in the amounts distributed to local governments, including the City. Accordingly, the City is unable to covenant to maintain State shared sales taxes or State shared income taxes at any certain level.

Vehicle License Tax Revenues

Article IX, Section 11 of the Arizona Constitution provides that from and after December 31, 1973, a vehicle license tax shall be impose as provided by law on vehicles registered for operation upon the highways in Arizona, which vehicles license tax shall be in lieu of all ad valorem property taxes on any vehicle subject to such license tax. The State has made distributions since 1974. The constitutional provision further provides that the Arizona Legislature shall provide for the distribution of the proceeds from such vehicle license tax to the State, counties, school districts, cities and towns, including distributions to the State General Fund.

Pursuant to statutory formula, incorporated cities and towns in Arizona, including the City, receive two separate distributions from revenues of the State vehicle license tax from the Arizona Department of Transportation, which is the State agency charged with collecting the tax: one distribution is paid directly (the "General Vehicle License Tax") and the other is made for and restricted to any transportation purpose as determined by the city or town's council (the "Transportation-Restricted Vehicle License Tax"). Currently, the General Vehicle License Tax constitutes 24.6% of moneys collected from most types of vehicles and 20.45% of money collected from alternative fuels vehicles, car rental surcharges, and private ambulances, fire-fighting vehicles and school buses. Currently, the Transportation-Restricted Vehicle License Tax constitutes 5.7% of moneys collected from most types of vehicles and 4.91% of moneys collected from alternative fuels vehicles, car rental surcharges, and private ambulances, fire-fighting vehicles

and school buses. Only the amounts received by the City from the General Vehicle License Tax will constitute State shared vehicle license tax revenues for purposes of Excise Tax Revenue Pledged Revenue. Amounts received from the Transportation-Restricted Vehicle License Tax will not constitute part of the State shared vehicle license tax revenues for purposes of Excise Tax Revenue Pledged Revenue. The amounts and percentages distributed to the City are beyond any control of the City.

Bills may be introduced in the Arizona Legislature to change the formulas used to allot State revenue sharing. The possibility of changes in this respect are more likely to be adverse to the City when the State is experiencing financial difficulties. The City cannot determine whether any such measures will become law or how they might affect the revenues which comprise the State Shared revenues. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law which would modify or repeal State sales taxes, State vehicle license taxes and State income taxes (the major source of funds for state revenue sharing) and vehicle license taxes. The City cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of such election.

Excise Tax Revenue Pledged Revenue

The following table sets forth the City's audited Excise Tax Revenue Pledged Revenue collections for fiscal years 2019/20 through and including 2023/24, unaudited actual collections for fiscal year 2024/25 and budgeted collections for fiscal year 2025/26.

TABLE 6

Historical and Budgeted Excise Tax Revenue Pledged Revenue Collections *(a)*
City of Yuma, Arizona

	Audited					Unaudited Actual	Budgeted
Source	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 *(b)*	2025/26 *(b)*
Local Taxes:							
Sales Tax (1%)	$ 24,312,176	$ 28,160,761	$ 31,368,329	$ 32,890,150	$ 34,573,426	$ 35,880,667	$ 36,770,000
Franchise Fee	3,072,824	3,219,963	3,364,936	3,568,073	3,728,788	3,796,402	3,974,862
Intergovernmental Revenues:							
State Shared Income Tax	12,660,922	14,046,299	12,638,305	18,418,693	26,108,821	21,455,314	19,500,000
State Shared Sales Tax	10,116,140	11,659,856	13,525,597	14,352,377	14,913,219	15,504,429	15,400,000
State Shared Vehicle License Tax	4,286,918	5,195,063	5,111,639	5,408,720	5,488,540	6,010,734	5,888,000
Emergency Services	45,169	34,180	18,254	28,124	20,443	-	-
Licenses:							
Business Licenses	257,584	281,677	266,991	279,005	291,041	284,380	270,000
Liquor Licenses	29,940	36,765	35,590	40,277	40,340	38,640	38,950
Fees for Services:							
Building Permits and Inspection Fees	2,464,471	2,920,389	2,405,283	2,253,125	3,048,991	2,880,733	2,764,800
Recreation Fees	186,285	156,904	286,207	355,124	390,445	687,263	663,500
Police Services and Other Public Safety Fees	4,622,722	4,624,749	4,879,438	5,547,464	6,612,165	4,281,737	625,000
Use of Money and Property:							
Investment Income	487,339	92,746	(522,097)	2,376,416	4,162,372	4,853,243	3,433,513
Fines, Forfeitures and Penalties:							
City Court Fines	1,010,742	930,712	1,207,186	1,169,102	1,098,056	1,013,727	1,040,000
Total Excise Tax Revenue Pledged Revenue	$ 63,553,232	$ 71,360,064	$ 74,585,658	$ 86,686,650	$ 100,476,647	$ 96,687,269	$ 90,368,625

(a) The Obligations will be secured by a first lien on and pledge of Excise Tax Revenue Pledged Revenue. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."

Due to the City's participation in the ADOR sales tax collection program and ADOR's reporting of collections on a cash basis, the totals represented here may differ from the amounts shown for Transaction Privilege (Sales) Tax Collections in TABLE 3.

(b) Unaudited actual and budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution.

LITIGATION

No litigation or administrative action or proceeding is pending or threatened against the City which questions the City's right to adopt or comply with the provisions of the documents under which the Obligations have been authorized or the validity or enforceability thereof or to consummate the transactions described therein or herein; nor is there any litigation or administrative action or proceeding threatened against the City which, if decided adversely to the City, as applicable, would impair the City's ability to comply with all of the requirements of the documents under which the Obligations have been authorized or have a material adverse effect upon the financial condition of the City. Representatives of the City will deliver certificates to that effect at the time of the initial delivery of the Obligations.

LEGAL MATTERS

Legal matters incident to the execution and delivery of the Obligations and with regard to the tax-exempt status of the Interest Portion (as defined herein) are subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel, whose services have been retained by the City. The signed legal opinion of Special Counsel, dated and premised on the law in effect as of the date of the Obligations, will be delivered to the Underwriter at the time of original delivery of the Obligations. The proposed text of the legal opinion is set forth as APPENDIX E – "FORM OF APPROVING LEGAL OPINION." The legal opinion to be delivered may vary from the text of APPENDIX E if necessary to reflect the facts and law existing on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Special Counsel has reviewed or expressed any opinion concerning any matters relating to the Obligations subsequent to the original delivery of the Obligations.

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

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

Certain legal matters will be passed upon for Ballard Spahr LLP, as counsel to the Underwriter.

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 future performance of parties to the transaction. Nor does the rendition of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

General

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

delivery of the Obligations. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion.

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

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

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

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

Original Issue Discount and Original Issue Premium

Certain of the Obligations ("Discount Obligations") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Obligation determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues

to the owner of a Discount Obligation over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Obligation (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Obligations, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Obligation.

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

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

Changes in Federal and State Tax Law

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

Information Reporting and Backup Withholding

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

RATINGS

Standard & Poor's Financial Services LLC ("S&P") and Fitch Ratings, Inc. ("Fitch") have assigned ratings of "___" and "___," respectively to the Obligations. Such ratings reflect only the views of S&P and Fitch. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, CA 94111. An explanation of the significance of a rating assigned by Fitch may be obtained at One State Street Plaza, New York, New York 10004. Such ratings may be revised or withdrawn entirely at any time by S&P or Fitch if, in their respective judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Obligations. The City has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating relating to the Obligations. See "CONTINUING DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

UNDERWRITING

The Obligations will be purchased by the Underwriter at an aggregate purchase price of $_____, pursuant to an obligation purchase agreement (the "Obligation 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 Obligation 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 bonds 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 yields set forth on the inside front cover pages may be changed, from time to time, by the Underwriter.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

RELATIONSHIP AMONG PARTIES

Special Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other obligations underwritten by the Underwriter and may do so in the future. Special Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the City territorially overlaps. Counsel to the Underwriter has previously acted as bond counsel with respect to bonds underwritten by the Underwriter and may continue to do so in the future if requested.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2026 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports and the Notices of Listed Events will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system as described in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is set forth in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants have been made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "Rule"). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price.

[To be updated/confirmed upon receipt of the City's third-party continuing disclosure report]

The City has implemented procedures to facilitate compliance with its continuing disclosure undertakings.

FINANCIAL STATEMENTS

The financial statements of the City for the period ended June 30, 2024, a copy of which is included in APPENDIX C – "CITY OF YUMA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024" of this Official Statement, includes the City's financial statements for the fiscal year ended June 30, 2024 that were audited by Baker Tilly US, LLP, Certified Public Accountants, to the extent indicated in its report thereon. **The City has not requested the consent of Baker Tilly US, LLP to include its report and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.**

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

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CONCLUDING STATEMENT

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

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

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

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

CITY OF YUMA, ARIZONA

By: _____
John D. Simonton, Interim City Administrator

APPENDIX A

CITY OF YUMA, ARIZONA – DEMOGRAPHIC AND ECONOMIC INFORMATION

THE OBLIGATIONS WILL BE PAYABLE ONLY FROM AND SECURED BY THE AMOUNTS DESCRIBED UNDER THE HEADING "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS." THE OBLIGATIONS WILL NOT BE A GENERAL OBLIGATION OF THE CITY.

General

The City is located in the southwestern corner of Arizona at the confluence of the Colorado and Gila Rivers. Historically, the City has been the crossing site between states and territories East and West of the Colorado River. Known originally as Colorado City, then Arizona City, and finally as Yuma City, this community was first established in 1854. Incorporated under the name Arizona City in 1871, it was reincorporated as Yuma in 1873 in the Arizona Territory. After Arizona became a State, the City was incorporated under the laws of the State in 1914. The City serves as the county seat of Yuma County, Arizona (the "County") and encompasses approximately 120 square miles. The City is located equidistant between the City of Phoenix, Arizona ("Phoenix") and the City of San Diego, California ("San Diego"), with travel times of approximately 2.5 hours from the City to either Phoenix or San Diego. Today, the City remains a crossroads for air and land transportation. The City's major air transportation is provided by Yuma International Airport and major land transportation is comprised of Interstate 8, U.S. Route 95 and Union Pacific Railroad. The following table illustrates population statistics for the City, the County and the State

POPULATION STATISTICS

	City of Yuma	Yuma County	State of Arizona
2024 Estimate *(a)*	102,726	217,978	7,621,703
2020 Census	95,548	203,881	7,151,502
2010 Census	93,064	195,751	6,392,017
2000 Census	77,515	160,026	5,130,632
1990 Census	56,966	106,895	3,665,339
1980 Census	42,481	76,205	2,716,546

(a) Data as of July 2024.

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Municipal Government and Organization

The City operates under a Council-Administrator form of government, as provided by its Charter. The City was incorporated in 1914 and adopted a City Charter in 1914 and is also subject to the general laws of the State applicable to all cities. In addition, under the Arizona Constitution, the City may exercise all powers of local self-government to the extent not in conflict with applicable general laws.

Legislative authority is vested in a seven-member City Council. The six City Council members are elected at large on a nonpartisan ballot for staggered four-year terms. The Mayor is elected at large and is a voting member of the City Council. The City Council fixes the duties and compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing moneys, licensing and regulating businesses and trades and other municipal purposes. The City Council appoints the City Administrator who has full responsibility for executing City Council policies and administering City operations. City employees are hired under personnel rules specified by the City Council.

Economy

The principal economic activities of the City and the County are government, agriculture, education and healthcare. The City and the County are responsible for supplying the United States with approximately 90 percent of its winter, leafy vegetables. The City is the center of the 4FrontED Region, which encompasses four states in two nations, 1.65 million people, and total GDP of $20 billion. Commercial Border crossings between the United States and Mexico are available in the City of San Luis, Arizona and Mexicali, Baja California, Mexico. Due to the central location of the City in the 4FrontED Region and close proximity to the United States-Mexico border, there are regional economic and social ties between the City, San Diego and the Mexican states of Sonora and Baja California.

Due to the methodology used to calculate unemployment rates and large seasonal employment in the agriculture and tourism industries, the unemployment rates for the City and the County have been consistently high. Such rates do not accurately reflect the actual unemployment within the City and County.

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

MAJOR EMPLOYERS
City of Yuma, Arizona

Employer	Description	Approximate Number of Employees
Yuma Regional Medical Center	Healthcare	3,763
Yuma Proving Ground	Military	2,520
Yuma County	Government	1,355
City of Yuma	Government	1,270
Yuma Elementary School District #1	Education	1,259
Yuma Union High School District	Education	1,059
Department of Corrections R&R	Government	1,022
Advanced Call Center	Business services	346
Department of Economic Security	Government	325
City of Somerton	Government	219

Source: The City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

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

UNEMPLOYMENT AVERAGES

Calendar Year	City of Yuma	Yuma County	State of Arizona	United States of America
2025 *(b)*	9.0%	11.5%	3.8%	4.2%
2024	8.9	12.4	3.6	4.0
2023	9.6	13.2	3.9	3.7
2022	9.5	12.5	3.8	3.6
2021	8.2	13.1	5.1	5.4
2020	12.9	17.1	7.8	8.1

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Economic Development

Since 2017, the City's activities have attracted new businesses and business retention and expansion including those described below. This resulted in an estimated $101,200,000 of capital investment in 440,000 square feet of facilities construction with 635 new jobs at an annual wage of $34,500.

Manufacturing and Distribution. The City has achieved successes as a location for new manufacturing and distribution operations due to its relatively lower cost of doing business, especially compared to neighboring California, labor availability, and its proximity to markets in Mexico and Southern California.

- Almark Foods began operating in the City in 2018. The Georgia-based company produces a number of egg-related products including hard-boiled eggs, deviled eggs and liquid eggs. Almark's new facility in the City is 120,000 square feet and employs 235 people. The project represents a capital investment in excess of $25 million.

- MPW Industrial Services is an Ohio-based company providing a variety of water regeneration and automated cleaning services for power generation, automotive, food, and other manufacturing operations. The company constructed its 30,000 square foot facility in the City in 2019. The facility houses 44 jobs and represents a capital investment in excess of $10 million.

- Swire Coca Cola, USA's Yuma sales, warehousing, and distribution center in the Yuma Commerce Center reflects business retention and expansion efforts. The company acquired an 11-acre parcel and constructed a 57,000 square foot facility that houses 60+ employees, including an increase of 10 new jobs. The facility is expandable.

Tourism and Hotels. Tourism is a leading sector of Yuma's economy. Reflecting the strength of the tourism industry, the City has seen valuable new investments in hotels in the last three years, representing investments totaling more than $18 million and 224 rooms, comprising a Hilton Home2 Suites (114 rooms) and an under-construction Sheraton Four Points (110 rooms).

The Pacific Avenue Athletic Complex (PAAC) is another City investment promoting tourism. The 50-acre, $15 million complex contains six softball fields, including a Championship field that has attracted youth and amateur teams from Arizona, Southern California and the rest of the Southwestern United States. Significant weekend bookings help support City-area hotels, restaurants, and other retail businesses.

Life Care Facilities. A new $16 million 80-bed assisted living facility in the City is under construction by the Arizona Department of Veterans' Services. The facility will be named the Arizona Veterans Home – Yuma and completion is scheduled for June 2021.

Public Infrastructure. In support of improved public facilities and economic growth, the City continues to make important capital investments in streets, water, and sewer. The City's street preservation budget was increased 100% in Fiscal Year 2021 to bring renewed focus to the ongoing initiative.

Yuma Regional Fiber Master Plan. This plan (the "Fiber Master Plan") is an initiative developed by the City through its IT Department. The Fiber Master Plan, when implemented, will direct the future development of broadband service in the City. This plan will serve as the foundation network for a regional broadband effort to enhance broadband service outside City limits. The Fiber Master Plan is scheduled for implementation during calendar year 2021

Strategic Initiatives. Current local economic development and educational efforts include the following:

- 4FrontED – 4FrontED is an organization formed in 2016 by the City, the County and other area Arizona municipalities for the purpose of enhancing and promoting economic development, tourism, infrastructure and educational opportunities in the 100-mile radius, binational, shared-interest region consisting of the County, Imperial County, California and the Mexican communities of San Luis Colorado (State of Sonora) and Mexicali (State of Baja California). 4FrontED serves as the coordinating and conduit agency to capitalize on and to sustain binational opportunities.

- Yuma Spaceport Proposal – The aerospace and defense industries have had a major long-standing presence in the City-area, highlighted by the Marine Corps Air Station Yuma and the United States Department of Defense Yuma Proving Ground. In an effort to elevate the local aerospace economy, an application is expected to be submitted to the Federal Aviation Authority during 2021 for certification of a Spaceport to be located in the City. If certified, funded and completed, the Spaceport is expected to focus on the launch of unmanned rockets carrying mini- and nano-satellite payloads into space.

- Yuma Multiversity Campus – City elected officials recognize the strong correlation between education and wage and salary earnings and the need to retain local students by enhancing their ability to gain a four-year college degree locally rather than relocating outside the County. As a result, the City is proposing the creation of a downtown "multiversity complex" with representation from Arizona's state universities and from locally based Arizona Western College. A not-for-profit organization and Board has been created to lead in the effort and $100,000 in grant funds were obtained to begin the campus planning process and to hire a director for the project.

Water Resources

Water Availability. The City's desert location with significant agricultural-based economic activities make reliable access to water a central feature for the growth and prosperity for the region. The City has historically benefited from its surface water rights to the Colorado River and the Gila River. However, due to the variability in the volume of water available to all users, including potential periodic shortages, the priority of surface water rights from those sources takes on increased importance. Priorities are determined by type and length of historic use. City entities hold some of the most senior water rights on the lower Colorado River. Three City-area irrigation and/or water user entities possess "Present Perfected Rights" to Colorado River water, the oldest and best water rights on the lower Colorado River, and three other area entities hold third-tier priority rights to such water, for a combined total rights of 789,000 acre feet (257.2 billion gallons) of water.

City Water Treatment and Delivery Capacity. The City's water utility system has 50% (20 million gallons per day) of available capacity for treatment and delivery of water above current requirements. The City's wastewater utility system has 30% (2.85 million gallons per day) of available capacity for treatment of wastewater above current requirements.

Yuma Center of Excellence for Desert Agriculture. The Yuma Center of Excellence for Desert Agriculture (YCEDA) is an innovative public-private partnership program sponsored by the University of Arizona College of Agriculture that connects top scientists to the desert agricultural industry. YCEDA works to develop solutions to the challenges of arid-land crop production such as disease management, crop yield maximization, food safety, and water/soil salinity. YCEDA is also a key industry participant in the development and testing of numerous technologies serving agriculture, including drones, sensors, autonomous vehicles, automated date plant pollination systems, and water efficiencies.

APPENDIX B

CITY OF YUMA, ARIZONA – FINANCIAL DATA

THE OBLIGATIONS WILL BE PAYABLE ONLY FROM AND SECURED BY THE AMOUNTS DESCRIBED UNDER THE HEADING "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS." THE OBLIGATIONS WILL NOT BE A GENERAL OBLIGATION OF THE CITY.

Current Year Statistics (For Fiscal Year 2025/26)
City of Yuma, Arizona

General Obligation Bonds Outstanding	None
Excise Tax Revenue Pledged Revenue Obligations Outstanding and to be Outstanding	$217,145,000* *(a)*
Senior Lien Road Tax and Subordinate Lien Excise Revenue Bonds Outstanding	8,175,000
Senior Lien Utility Revenue Obligations Outstanding	109,115,000* *(b)*

* *Subject to change.*

(a) *Includes the Obligations, net of the Bonds Being Refunded.*

(b) *Concurrently with the sale of the Obligations, the City expects to issue an estimated $44,000,000 Utility System Revenue Obligations.*

STATEMENTS OF BONDED INDEBTEDNESS

General Obligation Bonds Outstanding
City of Yuma, Arizona

Total General Obligation Bonds Outstanding	None

Excise Tax Revenue Pledged Revenue Obligations Outstanding and to be Outstanding
City of Yuma, Arizona

Issue Series	Original Amount	Purpose	Final Payment Date	Balance Outstanding	Obligations Being Refunded*	Balance Outstanding and to be Outstanding*
2015	$48,105,000	Current refunding, advance refunding, land acquisiton & construction	7/1/2035	$ 28,385,000	$ 21,635,000	$ 6,750,000
2021 TX	159,475,000	Funding PSPRS & CORP unfunded liabilities	7/15/2038	121,445,000	-	121,445,000
Plus: the 2025A Obligations						$ 57,725,000
Plus: the 2025B Obligations						10,790,000
Plus: the 2025C Obligations						20,435,000
Total Excise Tax Revenue Pledged Revenue Obligations Outstanding and To be Oustanding						$ 217,145,000

* *Subject to change.*

Total Senior Lien Road Tax and Subordinate Lien Excise Revenue Bonds Outstanding *(a)*

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding and to be Outstanding
2015	$40,280,000	Advance refunding	2027	$ 8,175,000
Total Senior Lien Road Tax and Subordinate Lien Excise Revenue Bonds Outstanding *(a)*				$ 8,175,000

(a) The payments with respect to such bonds are secured by a first lien pledge of Road Tax Revenue and a second lien pledge of Excise Tax Revenue Pledged Revenue.

Total Senior Lien Utility Revenue Obligations Outstanding
City of Yuma, Arizona

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding and to be Outstanding *(a)*
2015	$89,675,000	Advance refunding	2032	$ 44,360,000
2021	71,040,000	Water and wastewater system improvements	2024	64,755,000
Total Senior Lien Utility Revenue Bonds Outstanding				$ 109,115,000

(a) The City Council has adopted an ordinance authorizing the execution and delivery of not to exceed $44,000,000 aggregate principal amount of the City's utility system revenue and revenue refunding obligations, in one or more series (the "2025 Utility Obligations"). The 2025 Utility Obligations will be offered pursuant to a separate official statement and will not be secured by Excise Tax Revenue Pledged Revenue. It is expected that the 2025 Utility Obligations will be executed and delivered in [November] 2025. This table does not reflect the planned execution and delivery of the 2025 Utility Obligations.

RETIREMENT SYSTEM

Retirement Benefits

The City contributes to the retirement plans described below: the cost-sharing Arizona State Retirement System ("ASRS") and the multiple-employer Public Safety Personnel Retirement System ("PSPRS"). Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the City and each covered employee contribute in the case of each.

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

The Governmental Accounting Standards Board ("GASB") adopted Statement No. 68, Accounting and Financial Reporting for Pensions, which requires that cost-sharing employers report their "proportionate share" of a plan's net pension liability in their government-wide financial statements and that the cost-sharing employer's pension expense

component include its proportionate share of the system's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. GASB's Statement No. 67, Financial Reporting for Pensions, is designed to improve financial reporting by state and local governmental pension plans.

Starting on page 90 in APPENDIX C – "CITY OF YUMA, ARIZONA AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024" is information about the plans based on GASB's Statements Nos. 67 and 68. Please refer to APPENDIX C for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX C, the latter supersedes the former.

The Arizona State Retirement System

ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of June 30, 2024, the unfunded liability for ASRS was $18.73 billion with a funding ratio of 74.0% and an assumed earning rate of 7.0%. As of June 30, 2024, the City reported a liability of $47,880,896 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the City) and active members of ASRS are equal. For Fiscal Year 2025/26, the actuarially determined contribution rate for the City and active members of ASRS is 12.00% (11.86% for retirement and health insurance and 0.14% for long-term disability).

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

Fiscal Year ended	Retirement and Health Insurance Premiums	Long-term Disability	Total Contribution Rate	Funded Status	Pension Contributions
June 30, 2026	11.86%	0.14%	12.00%	unavailable	unavailable
June 30, 2025	12.12	0.15	12.27	unavailable	unavailable
June 30, 2024	12.14	0.15	12.29	74.0%	$5,418,412
June 30, 2023	12.03	0.14	12.17	73.1	4,744,398
June 30, 2022	12.22	0.19	12.41	72.7	3,999,644

The Public Safety Personnel Retirement System

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

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

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

"Tier 1" Members	"Tier 2" Members	"Tier 3" Members
Hired into PSPRS position before January 1, 2012	Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017	Hired into PSPRS position on or after July 1, 2017

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

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

Police

	Fiscal Year Ended				
	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022
Actuarially Determined Contribution Rates					
Tier 1/2 Defined Benefit Employer (a)	16.66%	14.59%	10.22%	57.73%	71.09%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employee (a)(b)	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 3 Defined Benefit Employer (a)(c)	15.49%	13.18%	9.63%	57.67%	70.77%
Tier 3 Defined Benefit Employee (a)	8.69%	8.89%	9.56%	9.94%	9.94%
Tier 3 Defined Contribution Employer (a)	17.54%	15.02%	10.67%	58.58%	70.71%
Tier 3 Defined Contribution Employee	10.74%	10.73%	10.60%	10.85%	9.88%
Pension Funded Status	N/A	N/A	94.7%	96.8%	100.1%
Health Funded Status	N/A	N/A	218.1%	217.2%	203.4%
Total City (Employer) Pension and Contribution	N/A	N/A	$9,177,720	$10,099,360	$12,031,813

(a) Does not include additional contribution percentage of 3% associated with Tier 2 & 3 defined benefit members additionally participating in the defined contribution plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date and 3% for Tier 3 members.

(b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.

(c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

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	Fire				
	Fiscal Year Ended				
	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022
Actuarially Determined Contribution Rates					
Tier 1/2 Defined Benefit Employer (a)	19.00%	19.16%	14.21%	58.91%	74.23%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employee (a)(b)	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 3 Defined Benefit Employer (a)(c)	13.60%	14.28%	9.76%	55.82%	70.72%
Tier 3 Defined Benefit Employee (a)	8.69%	8.89%	9.56%	9.94%	9.94%
Tier 3 Defined Contribution Employer (a)	15.65%	16.12%	10.80%	10.85%	70.66%
Tier 3 Defined Contribution Employee	10.74%	10.73%	10.60%	56.73%	9.88%
Pension Funded Status	N/A	N/A	100.1%	58.5%	41.2%
Health Funded Status	N/A	N/A	120.1%	127.0%	115.9%
Total City (Employer) Pension and Contribution	N/A	N/A	$8,963,751	$9,366,002	$9,818,616

(a) Does not include additional contribution percentage of 3% associated with Tier 2 & 3 defined benefit members additionally participating in the defined contribution plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date and 3% for Tier 3 members.

(b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.

(c) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

Statutory Changes and Court Decisions Regarding the PSPRS. PSPRS is operated under the umbrella of the Public Safety Personnel Retirement System and the Public Safety Personnel Retirement System Board of Trustees. Since 2011 there have been various retirement program modifications designed to mitigate the increasing unfunded liabilities in the programs. Some of these modifications were enacted by the Arizona Legislature and other changes (like Prop 124) were implemented by voter approved amendments to the State Constitution. Additionally, in some instances, modifications enacted by the Arizona Legislature were reversed based on the outcome of successful court challenges. Substantively, the modifications have included changes to contribution rates, retirement criteria, funding horizons, retirement benefits and post-retirement benefit increase calculations.

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

Other Post-Employment Retirement Benefits

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The City is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB Statement No. 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan.

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

Governmental Accounting Standards ("GASB")

The Governmental Accounting Standards Board adopted Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires cost-sharing employers to report their "proportionate share" of the plan's net pension liability in their government-wide financial statements. GASB 68 also requires that the cost-sharing employer's pension expense component include its proportionate share of the system's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. The pension liability was measured as of June 30, 2023. See Note 9 in APPENDIX C – "CITY OF YUMA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024." for further discussion of the City and its pension liability including the net pension liability associated with PSPRS.

New Reporting Requirements - Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, is designed to improve financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

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GENERAL FUND

Below are the City general fund revenues, expenditures and changes in fund balance for the budgeted fiscal year 2025/26, unaudited actual fiscal year 2024/25 and audited fiscal years 2019/20 through and including 2023/24. **THIS INFORMATION IS PROVIDED FOR REFERENCE ONLY AND IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS OF THE FINANCIAL AFFAIRS OF THE CITY. THE OBLIGATIONS WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED UNDER THE HEADING "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."**

General Fund
City of Yuma, Arizona

	Audited					Unaudited Actual	Budgeted
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 *(a)*	2025/26 *(a)*
REVENUES							
Taxes	$ 41,029,065	$ 45,989,439	$ 49,879,347	$ 51,921,349	$ 54,175,874		
Licenses and permits	2,221,386	2,768,894	2,286,776	2,118,982	2,620,345		
Intergovernmental	27,109,149	31,104,538	31,896,914	38,933,572	47,253,556		
Charges for services	5,571,436	5,394,623	10,988,269	12,467,862	15,397,260		
Fines and forfeits	1,010,742	930,712	1,207,186	1,169,102	1,098,056		
Use of money and property	795,671	-	-	-	-		
Interest and rents	-	463,276	(107,487)	2,788,604	4,921,105		
Miscellaneous	136,920	960,178	593,491	1,356,903	857,946		
TOTAL REVENUES	$ 77,874,369	$ 87,611,660	$ 96,744,496	$110,756,374	$126,324,142	$ -	$ -
EXPENDITURES							
Current:							
General government	$ 9,782,183	$ 11,337,534	$ 18,433,123	$ 21,599,403	$ 24,048,214		
Public safety	44,614,977	79,522,095	153,492,448	46,895,988	54,045,586		
Parks, recreation and culture	7,408,058	5,371,209	6,304,564	6,970,082	8,470,004		
Community design and development	3,646,314	3,543,326	3,893,881	4,305,494	5,229,498		
Capital outlay	410,241	70,619	220,532	801,163	1,613,543		
Capital Projects:							
General government	-	54,600	1,979,532	2,559,259	373,853		
Debt Service:							
Principal retirement	-	331,186	-	742,430	167,804		
Leases	318,562	-	-	-	-		
Interest and fiscal charges	-	2,100,611	345,214	-	-		
TOTAL EXPENDITURES	$ 66,180,335	$ 102,331,180	$ 184,669,294	$ 83,873,819	$ 93,948,502	$ -	$ -
Excess of revenues over (under) expenditures	$ 11,694,034	$ (14,719,520)	$ (87,924,798)	$ 26,882,555	$ 32,375,640	$ -	$ -
Other financing sources (uses):							
Capital lease agreements	$ 1,217,974	$ -	$ 102,991	$ -	$ -		
Issuance of long-term debt	-	159,475,000	-	-	-		
Finance purchase agreements	-	-	-	2,005,280	-		
Transfers out	(4,595,735)	(4,111,671)	(21,090,329)	(14,420,703)	(23,705,405)		
Total Other financing sources (uses)	$ (3,377,761)	$ 155,363,329	$ (20,987,338)	$ (12,415,423)	$ (23,705,405)	$ -	$ -
Fund balance at beginning of year	$ 20,919,913	$ 29,236,186	$ 169,879,995	$ 60,967,859	$ 75,434,991		
Adjustment for change in revenue recognition	-	-	-	-	2,745,659	-	-
Fund balance at end of year	$ 29,236,186	$ 169,879,995	$ 60,967,859	$ 75,434,991	$ 86,850,885	$ -	$ -

(a) Unaudited actual and budgeted figures are "forward looking" statements, subject to change upon audit and should be considered with an abundance of caution.

APPENDIX C

CITY OF YUMA, ARIZONA

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The following audited annual financial statements are for the fiscal year ended June 30, 2024. These are the most recent financial statements available for the City. These financial statements are not current and may not represent the current financial condition of the City.

Such audited financial statements are the most recent available for the City, are not current and, therefore, must be considered with an abundance of caution. The City has not requested the consent of Baker Tilly US, LLP, Certified Public Accountants to include its report herein, and Baker Tilly US, LLP has performed no procedures subsequent to rendering its report on the financial statements.

APPENDIX D

SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS

DEFINITIONS OF CERTAIN TERMS

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

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

"Certificate of Completion" means the notice of completion, filed with the Trustee by the City Representative, stating that the 2025 Projects have been substantially completed.

"City Representative" means the City Administrator, the City Director of Financial Services or any other person authorized by the City Administrator or the Mayor and Council of the City to act on behalf of the City with respect to the Trust Agreement.

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

"Cost of Issuance Fund" means the fund of that name established pursuant to the Trust Agreement.

"Defeasance Obligations" are those obligations described in the Trust Agreement by such term.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the City or the Trustee relating to the sale and execution and delivery of the Purchase Agreement, this Trust Agreement and the Obligations.

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

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

"Excise Tax Obligations" means any bond or other obligation payable from Excise Tax Revenue Pledged Revenue which enjoys a prior and paramount claim on Excise Tax Revenue Pledged Revenue (including the 2015 Bonds, the 2021 Obligations, the Obligations and any Parity Obligations).

"Fiscal Year" means the 12-month period used by the City for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

"Outstanding" refers to Obligations issued in accordance with the Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a mandatory prepayment installment with respect to principal represented thereby; (ii) Obligations which have been paid; (iii) Obligations which have become due and for the payment of which moneys have been duly provided to the Trustee; and (iv) Obligations for which there have been irrevocably set aside with a Depository Trustee sufficient moneys or obligations permitted by the Trust Agreement and the Purchase Agreement bearing interest at such rates and with such maturities as will provide sufficient funds to pay the principal of and premium, if any, and interest represented by such Obligations, provided, however, that if principal represented by any such Obligations is to be prepaid, the City shall have taken all action necessary to prepay such Obligations and notice of such prepayment shall have been duly mailed

in accordance with the proceedings under which such Obligations were issued or irrevocable instructions so to give such notices shall have been given to the Trustee.

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

"Parity Obligations" means Excise Tax Obligations having a lien payable from Excise Tax Revenue Pledged Revenue on a parity with the 2015 Bonds, the 2021 Obligations, the Obligations and obligations which may hereafter be issued by the City in compliance with the terms of the Purchase Agreement.

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

"Payment Request Form" means the form set forth as an Exhibit to the Trust Agreement.

"Project Costs" means, with respect to 2025 Projects, all architectural, engineering, soils, survey, archaeology, demolition, construction management fees, development fees, contingencies and other related costs of installation, construction and other matters necessary for the 2025 Projects and all costs incurred by the Trustee or the City with respect to the transaction to which the Trust Agreement pertains.

"Reimbursement Request Form" means the form set forth as an Exhibit to the Trust Agreement.

THE TRUST AGREEMENT

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

Acquisition Fund. The Trustee will establish the Acquisition Fund. Upon receipt of a duly executed Payment Request Form or Reimbursement Request Form, the Trustee will pay the requested amount for Project Costs within three (3) business days following submission of a Payment Request Form or Reimbursement Request Form. On the Completion Date, all remaining moneys in the Acquisition Fund shall be transferred to the Payment Fund and applied by the Trustee to the Payments due from the City on the next succeeding Interest Payment Date and the Acquisition Fund shall be closed.

Costs of Issuance Fund. The Trustee will pay Delivery Costs from the Costs of Issuance Fund. On the earlier of March 1, 2026, or when all Delivery Costs have been paid, the Trustee will transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund.

Payment Fund. The Trustee will establish the Payment Fund. The moneys in the Payment Fund will be applied by the Trustee solely to pay principal, interest and premium, if any, represented by the Obligations.

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

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

Appointment of the Trustee. The City will maintain as the Trustee a bank or trust company with a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by federal or State authority so

long as any of the Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority, then the combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations and, in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

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

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

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

No one or more Owners of Obligations will have any right in any manner whatever by their action to enforce any right under the Trust Agreement, except in the manner therein provided, and all proceedings with respect to an Event of Default will be pursued in the manner therein provided and for the equal benefit of all Owners of the Outstanding Obligations.

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

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

(a) by paying or causing to be paid the principal and interest represented by such Obligations Outstanding, as and when the same become due and payable;

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

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

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

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

THE PURCHASE AGREEMENT

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

Payments. The obligation of the City to make the Payments will be limited to amounts from Excise Tax Revenue Pledged Revenue.

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

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

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

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

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

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

Default; Remedies Upon Default.

(i) Upon (A) the nonpayment of the whole or any part of certain amounts due pursuant to the Purchase Agreement at the time when the same are to be paid as provided in the Purchase Agreement or the Trust Agreement, (B) the violation by the City of any other covenant or provision of the Purchase Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Series 2015 City Purchase Agreement, the 2015 Bonds, the Series 2021 Lease, the 2021 Obligations or any Parity Obligations, or (D) the insolvency or bankruptcy of the City as the same may be defined under any law of the United States of America or the State of Arizona, or any voluntary or involuntary action of the City or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of such amounts as required under the Purchase Agreement or the Trust Agreement on the due date, or the nonpayment of principal and interest due with respect to the Series 2015 City Purchase Agreement, the 2015 Bonds, the Series 2021 Lease, the 2021 Obligations or any additional Parity Obligations on their due dates; (B) in the case of the breach of any other covenant or provision of the Trust Agreement or the Purchase Agreement not cured within sixty (60) days after notice in writing from the Trustee specifying such default; and (C) in the case of any default under any of the Series 2015

City Purchase Agreement, the 2015 Bonds, the Series 2021 Lease, the 2021 Obligations or any additional Parity Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

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

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

APPENDIX E

FORM OF APPROVING LEGAL OPINION

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

[TRUSTEE]
[City, State]

Re: Pledged Revenue Obligations, Series 2025A, Pledged Revenue Obligations, Series 2025B, and Pledged Revenue Refunding Obligations, Series 2025C, Each Representing Proportionate Interests of the Owners Thereof in Purchase Price Payments to be Made by City of Yuma, Arizona, to [TRUSTEE], as Trustee

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by [TRUSTEE] (the "Trustee") of the Pledged Revenue Obligations, Series 2025A, Pledged Revenue Obligations, Series 2025B and Pledged Revenue Refunding Obligations, Series 2025C (collectively, the "Obligations") pursuant to a First Trust Agreement, dated as of November 1, 2025* (the "Trust Agreement"), between the Trustee and the City of Yuma, Arizona (the "City"). Each of the Obligations is an undivided, participating, proportionate interest in certain payments to be made by the City pursuant to a First Purchase Agreement, dated as of November 1, 2025* (the "Purchase Agreement"), between the Trustee, as seller, and the City, as purchaser, to finance and refinance the costs of certain projects for the City. In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

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

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

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

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* *Subject to change.*

2. The obligations of the City pursuant to the Purchase Agreement with respect to payment of principal and interest with respect to the Obligations constitute a valid and binding special obligation of the City payable solely from, and secured solely by, the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure such payments. Those revenues and other moneys include payments required to be made by the City pursuant to the Purchase Agreement, and the obligation of the City to make those payments is secured by a first lien on and pledge of amounts from "Excise Tax Revenue Pledged Revenue" as described in, and provided by, the Purchase Agreement. Such payments are not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes; the Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Purchase Agreement, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

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

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

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

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CITY OF YUMA, ARIZONA

$57,725,000*	**$10,790,000***	**$20,435,000***
PLEDGED REVENUE OBLIGATIONS, SERIES 2025A	**PLEDGED REVENUE OBLIGATIONS, SERIES 2025B**	**PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2025C**

[Closing Date]
(CUSIP Base No.: 98851W)

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "*Undertaking*") is executed and delivered by City of Yuma, Arizona (the "City"), in connection with the execution and delivery of $57,725,000* principal amount of Pledged Revenue Obligations, Series 2025A (the "*2025A Obligations*"), $10,790,000* principal amount of Pledged Revenue Obligations, Series 2025B (the "*2025B Obligations*"), and $____,000* principal amount of Pledged Revenue Refunding Obligations, Series 2025C (the "*2025C Obligations*" and, collectively with the 2025A Obligations and the 2025B Obligations, the "*Obligations*"). The Obligations are being executed and delivered pursuant to a First Trust Agreement, dated as of November 1, 2025* (the "*Trust Agreement*"), by and between the City and [TRUSTEE], as trustee (the "*Trustee*"). The City covenants and agrees as follows:

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

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

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

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

"Commission" means the Securities and Exchange Commission.

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

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* *Subject to change.*

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

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

"Final Official Statement" means the Final Official Statement relating to the Obligations, dated _____, 2025.

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

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"Purchase Agreement" means the First Purchase Agreement, dated as of November 1, 2025*, by and between the City and the Trustee, in its separate capacity as "Seller."

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

"State" means the State of Arizona.

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

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

	CUSIP No. (Base 98851W)	Payment Date
2025A Obligations		
2025B Obligations		
2025C Obligations		

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated: [Closing Date]

CITY OF YUMA, ARIZONA

By.....
John D. Simonton, Interim City Administrator

ATTEST:

.....
Lynda L. Bushong, City Clerk

APPROVED AS TO FORM:

.....
Richard W. Files, City Attorney

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Final Official Statement in TABLE 6 – "Historical and Budgeted Excise Tax Revenue Pledged Revenue Collections" (actual results for most recently completed fiscal year only).

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

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days of availability to the City.

Audited Financial Statements will be prepared according to GAAP.

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

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

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

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

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

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

Purchases of the 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 Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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 Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to a remarketing agent, and shall affect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to a remarketing agent. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to a remarketing agent'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 use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the Underwriter or their agents and counsel take responsibility for the accuracy thereof.

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025A

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025B

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2025C

OBLIGATION PURCHASE AGREEMENT

November __, 2025

City of Yuma, Arizona
City Hall
1 City Plaza
Yuma, Arizona 85364

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated (the "Underwriter") hereby offers to enter into this Obligation Purchase Agreement (this "Obligation Purchase Agreement") with the City of Yuma, Arizona (the "Issuer"), a municipal corporation duly organized and validly existing under and pursuant to the laws of the State of Arizona (the "State" or "Arizona"), whereby the Underwriter will purchase and the Issuer will sell the Obligations (as defined herein). The Underwriter is making this offer subject to the acceptance by the Issuer at or before 11:59 P.M., Arizona Time, on the date hereof. If the Issuer accepts this Obligation Purchase Agreement, this Obligation Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriter. The Underwriter may withdraw this Obligation Purchase Agreement upon written notice delivered by the Underwriter to the Issuer at any time before the Issuer accepts this Obligation Purchase Agreement.

1. PURCHASE AND SALE.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to cause [NAME OF TRUSTEE], as trustee (the "Trustee"), to execute, sell and deliver to the Underwriter, all (but not less than all) of the [$____,000] aggregate principal amount of "City of Yuma, Arizona Pledged Revenue Obligations, Series

2025A" (the "Series 2025A Obligations"), the [$____,000] aggregate principal amount of "City of Yuma, Arizona Pledged Revenue Obligations, Series 2025B" (the "Series 2025B Obligations") and the [$____,000] aggregate principal amount of "City of Yuma, Arizona Excise Tax Refunding Revenue Obligations, Series 2025C" (the "Series 2025C Obligations" and collectively with the Series 2025A Obligations and the Series 2025B Obligations, the "Obligations"), at the purchase price of $_____, representing the aggregate principal amount of the Obligations less an Underwriter's discount of $_____, plus net original issue premium of $_____. The Underwriter intends to make an initial bona fide public offering of the Obligations at a price or prices (or at a yield or yields) described in the Schedule attached hereto; provided, however, the Underwriter reserves the right to change such initial public offering prices (or yields) as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Obligations (but in all cases subject to the requirements of Section 4 hereof), and may offer and sell the Obligations to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices (or yields greater than the yields) set forth therein (but in all cases subject to the requirements of Section 4 hereof).

(b) The Issuer acknowledges and agrees that with respect to the transaction contemplated hereby: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer expressly are set forth in this Obligation Purchase Agreement; and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. DESCRIPTION AND PURPOSE OF THE OBLIGATIONS.

(a) The Obligations have been authorized pursuant to an Ordinance adopted by the Mayor and Council of the Issuer on [October 1, 2025] (the "Ordinance"). The Obligations shall be dated the date of delivery and executed and delivered and secured under and pursuant to the First Trust Agreement, to be dated as of November 1, 2025 (the "Trust Agreement"), by and between the Issuer and the Trustee. The Obligations represent undivided proportionate interests in the payments (each a "Payment," and collectively, the "Payments") to be made by the Issuer pursuant to the First Purchase Agreement, to be dated as of November 1, 2025 (the "Purchase Agreement"), by and between the Issuer, as purchaser, and the Trustee, as seller, as the purchase price for the Project (as defined in the Trust Agreement). The Payments will be secured by revenues from Excise Tax Revenue Pledged Revenue (each as defined in the Trust Agreement) as described in the Purchase Agreement.

(b) The proceeds of the sale of the Obligations will be used to (i) pay the costs of the Project, and (ii) pay certain costs of execution and delivery of the Obligations.

(c) The Obligations shall become payable in the years, bear interest, produce the yields or prices and be subject to redemption at the times and in the amounts, all as set forth in the Schedule attached hereto. The terms of the Obligations shall be otherwise as described in the Trust Agreement.

3. DELIVERY OF THE OFFICIAL STATEMENT AND OTHER DOCUMENTS.

(a) The Issuer has approved and delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated November __, 2025, which, including the cover page, the inside front cover page and all appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the Issuer that the Underwriter may deliver the Preliminary Official Statement and a final Official Statement (as defined herein) electronically over the internet and in printed paper form. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Exchange Act ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than the Closing Date (as defined herein), the Issuer shall deliver to the Underwriter a final Official Statement relating to the Obligations dated the date hereof (such Official Statement, including the cover page, the inside front cover page and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Special Counsel (as defined herein) and the Underwriter, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (the "MSRB") and to meet potential customer requests for copies of the Official Statement. The Underwriter agrees to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Market Access system, if required by MSRB Rule G-32. The Official Statement shall be executed by and on behalf of the Issuer by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer hereby agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (the "SEC") including in a word-searchable pdf format including any amendments thereto. The Issuer hereby ratifies, confirms and consents to and approves the use and distribution by the Underwriter before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriter of the Official Statement in connection with the public offering and sale of the Obligations.

(c) In order to assist the Underwriter in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Undertaking, to be dated the Closing Date (the "Undertaking"), of the Issuer, to provide annual financial information and notices of the occurrence of specified events. A description of the Undertaking is set forth in, and a form of such undertaking is attached as APPENDIX F - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to, the Preliminary Official Statement and the Official Statement.

4. ESTABLISHMENT OF ISSUE PRICE.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Obligations and shall execute and deliver to the Issuer at Closing (as defined herein) an "issue price" or similar certificate, substantially in the form of Exhibit A attached hereto, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Obligations.

(b) [Except as otherwise set forth in Schedule I to Exhibit A (Issue Price Certificate) attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Obligations (the "10% Test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Obligation Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which the Underwriter has sold to the public each maturity of Obligations. [If at that time the 10% test has not been satisfied as to any maturity of the Obligations, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Obligations of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Obligations of that maturity or (ii) the 10% test has been satisfied as to the Obligations of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or special counsel.] For purposes of this Section, if Obligations mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Obligations.

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

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

ii. the date on which the Underwriter has sold at least 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

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

[c][d] The Underwriter confirms that:

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

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

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

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

(ii) any selling group agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Obligations to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Obligations of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable,

in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

[(d)][(e)] The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations.

[e][f] The Underwriter acknowledges that sales of any Obligations to any person that is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

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

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

(including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Obligation Purchase Agreement by all parties.

5. ISSUER'S REPRESENTATIONS. The Issuer represents to and agrees with the Underwriter that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to cause the sale, execution and delivery of the Obligations to the Underwriter pursuant to the Ordinance and the Trust Agreement, to pledge the revenues from Excise Tax Revenue Pledged Revenue pursuant to the Purchase Agreement and to execute, deliver and perform its obligations, as the case may be, under this Obligation Purchase Agreement, the Purchase Agreement, the Trust Agreement, the Undertaking (collectively, the "Issuer Documents"), and the Obligations, and to perform and consummate all obligations and transactions required or contemplated by each of the Issuer Documents and the Official Statement.

(b) The Ordinance approving and authorizing the execution and delivery by the Issuer of the Issuer Documents and the offering, sale, execution and delivery of the Obligations upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the Mayor and Council of the Issuer called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Issuer Documents and the Obligations conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the Obligations, when duly executed and authenticated in accordance with the Trust Agreement and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Purchase Agreement and the Trust Agreement and secured by a legally valid and binding pledge and lien on, and payable from, revenues from Excise Tax Revenue Pledged Revenue as described in the Purchase Agreement, subject to applicable Creditors' Rights Laws (as defined herein).

(d) The Issuer has executed and delivered or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except as the enforceability thereof may be limited by application of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, "Creditors' Rights Laws"). Each of the Issuer Documents has been executed and delivered or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined herein), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Ordinance, the sale and execution and delivery of the Obligations and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Issuer Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Ordinance and the Issuer Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction (including with respect to the requirements of Section 35-501(B), Arizona Revised Statutes) which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Obligations for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made and as to the authority of the representative to deliver such certificates and make such representation.

(h) Between the date hereof and the time of the Closing and to the extent it may legally agree to do so pursuant to applicable law, the Issuer shall not, without the prior written consent of the Underwriter, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The financial statements of the Issuer as of June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or in its operations

since June 30, 2024, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12, the information contained in the Preliminary Official Statement (excluding therefrom any information regarding DTC (as defined herein) and the information under the heading "UNDERWRITING," as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom any information regarding DTC and the information under the heading "UNDERWRITING," as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" as defined in Rule 15c2-12 (unless the Underwriter notifies the Issuer by the Closing Date of an unsold balance, in which case the "underwriting period" shall be deemed to end on the Closing Date), the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date of the Official Statement and the Closing any event shall occur which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter.

(n) Except as described in the Preliminary Official Statement and Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer: (i) seeking to restrain or enjoin the sale or execution and delivery of any of the Obligations, or the levy, collection, pledge and/or payment, as applicable, of the revenues from Excise Tax Revenue Pledged Revenue as described in the

Purchase Agreement, securing the payment of the Obligations; (ii) in any way contesting or affecting any authority for the execution and delivery of the Obligations or the validity or binding effect of any of the Issuer Documents; (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Ordinance or any provision thereof or the application of the proceeds of the Obligations; (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (v) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement and Official Statement or any of the Issuer Documents. The Issuer shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Obligations.

(o) Except as described in the Official Statement, during the last five years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) Except as described in the Official Statement, the Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(q) The Issuer has not granted a lien on, made a pledge of or agreed to apply the revenues from Excise Tax Revenue Pledged Revenue and other moneys payable pursuant to the Purchase Agreement except as provided or permitted in the Purchase Agreement or as described in the Official Statement.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or on the Underwriter's behalf and shall survive the delivery of the Obligations.

6. UNDERWRITER'S REPRESENTATIONS. The Underwriter represents to and agrees with the Issuer that:

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

(b) This Obligation Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the Issuer, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Obligation Purchase Agreement may be limited by application of Creditors' Rights Laws.

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

(d) The Underwriter and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Obligation Purchase Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

7. Closing.

The date of the payment for and delivery of the Obligations (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery of the Obligations herein sometimes called the "Closing") shall be at 8:00 A.M., Arizona Time, on November __, 2025, or at such other time or date as the Underwriter and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will cause to be delivered to the Underwriter, at the offices of Greenberg Traurig, LLP ("Special Counsel"), or at such other place as the Underwriter and the Issuer may mutually agree upon, the Obligations, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 8. At the Closing, (i) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Obligations, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer, and (ii) the Issuer shall deliver or cause to be delivered the Obligations to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Underwriter at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Obligations shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

8. CONDITIONS PRECEDENT.

The Underwriter has entered into this Obligation Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Obligation Purchase Agreement are and shall be subject to the following additional conditions:

(a) The representations and agreements of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Ordinance, the Obligations and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) The Issuer shall perform or have performed all of its obligations required under or specified in the Ordinance, the Obligations, the Issuer Documents and the Official Statement to be performed at or prior to the Closing.

(d) The Issuer shall have delivered to the Underwriter the Official Statement by the time, and in the numbers, required by Section 3 of this Obligation Purchase Agreement.

(e) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Obligations, the Issuer Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(f) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Ordinance, the Obligations, the Issuer Documents, the revenues from Excise Tax Revenue Pledged Revenue as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Obligations.

(g) At or prior to the Closing, the Underwriter shall receive the transcript of proceedings of the Issuer relating to the execution and delivery of the Obligations, including, but not limited to, the following documents (in each case with only such changes as the Underwriter shall approve):

(i) The approving opinion of Special Counsel relating to the Obligations, dated the Closing Date, substantially in the form attached as Appendix E to the Official Statement, and, if not otherwise directly addressed to the Underwriter, a reliance letter with respect thereto addressed to the Underwriter;

(ii) The supplemental opinion of Special Counsel, addressed to the Underwriter, dated the Closing Date, and substantially in the form of Exhibit B attached hereto;

(iii) The opinion of counsel to the Issuer, addressed to the Underwriter and Special Counsel, dated the Closing Date, and substantially in the form of Exhibit C attached hereto;

(iv) The opinion of Ballard Spahr LLP, counsel to the Underwriter, dated the date of the Closing and addressed to the Underwriter, and covering such matters as the Underwriter may reasonably request;

(v) A certificate, dated the Closing Date, signed by an authorized officer of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Obligations and the Issuer Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement and the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the execution and delivery of the Obligations, (ii) in any way contesting or affecting any authority for the execution and delivery of the Obligations, the validity of the Obligations, the Ordinance or any Issuer Document or the levy, collection and pledge, as applicable, of the revenues from Excise Tax Revenue Pledged Revenue imposed and levied or to be imposed and levied to pay all the Payments, or the imposition thereof, (iii) in any way contesting the creation, existence or powers of the Issuer or the application of the proceeds of the Obligations, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, or the Obligations or any Issuer Document; (d) no authority or proceedings for the execution and delivery of the Obligations has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Obligations has been filed with or received by such authorized officer; (e) the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of any information in the Preliminary Official Statement or the Official Statement regarding DTC and the information under the heading "UNDERWRITING"; (f) the financial statements of the Issuer as of June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth; (g) except as disclosed in the Preliminary Official Statement and the Official Statement, since June 30, 2024, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer and the Issuer has not incurred since June 30, 2024, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the

Preliminary Official Statement and the Official Statement; and (h) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(vi) A certificate or certificates, dated the Closing Date, signed by an authorized officer of the Trustee to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Purchase Agreement and the Trust Agreement (together for purposes of this paragraph, the "Trustee Documents") and to authenticate, execute and deliver the Obligations to the Underwriter; (b) the Trustee is duly authorized to enter into the Trustee Documents and to authenticate, execute and deliver the Obligations to the Underwriter pursuant to the Trust Agreement; (c) when delivered to and paid for by the Underwriter at the Closing, the Obligations will have been duly authenticated, executed and delivered by the Trustee; (d) the execution and delivery of the Trustee Documents and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Trustee Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trustee Documents under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trustee Documents; and (e) to the best knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the execution and delivery of the Obligations or the collection of revenues to be applied to pay the principal and interest with respect to the Obligations, or the pledge thereof, or in any way contesting or

affecting the validity or enforceability of the Trustee Documents, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trustee Documents or the power and authority of the Trustee to enter into and perform its duties under the Trustee Documents and to authenticate, execute and deliver the Obligations to or upon the order of the Underwriter;

(vii) Executed or certified copies of each of the Issuer Documents;

(viii) A tax certificate of the Issuer, in form satisfactory to Special Counsel, executed by such officials of the Issuer as shall be satisfactory to the Underwriter;

(ix) A certified copy of the Ordinance;

(x) Specimen Obligations;

(xi) A counterpart original of the Official Statement manually executed on behalf of the Issuer by an authorized officer of the Issuer;

(xii) Evidence satisfactory to the Underwriter that Standard & Poor's Financial Services LLC and Fitch Ratings, Inc. have assigned ratings for the Obligations of "____" and "____," respectively (together, the "Ratings"), and that the Ratings are then in effect;

(xiii) Evidence that the Issuer has caused or will cause to be filed the Report of Bond and Security Issuance Pursuant to Section 35-501(B), Arizona Revised Statutes;

(xiv) Evidence that a Form 8038-G relating to the Obligations has been executed by the Issuer and will be filed with the Internal Revenue Service within the applicable time limit;

(xv) [a signed copy of the Verification Report of _____ as to the adequacy of the investments purchased with proceeds of the Series 2025C Bonds and other amounts deposited pursuant to the Escrow Trust Agreement;]

(xvi) A copy of the Issuer's executed Blanket Letter of Representation to DTC; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel to the Underwriter or Special Counsel may reasonably request to evidence

compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

9. TERMINATION.

If the Issuer shall be unable to satisfy the conditions of the Underwriter's obligations contained in this Obligation Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Obligation Purchase Agreement, this Obligation Purchase Agreement may be cancelled by the Underwriter at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Underwriter to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Obligation Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter.

(a) The Underwriter shall also have the right, before the time of Closing, to cancel its obligations to purchase the Obligations, by written notice (or by telephone confirmed in writing) by the Underwriter to the Issuer, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each hereinafter referred to as a "Termination Event"):

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

(A) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Obligations; or

(B) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a

national emergency or war, or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

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

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

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

(F) any rating on securities of the Issuer secured by a pledge of the revenues from Excise Tax Revenue Pledged Revenue on a parity with the pledge of such amounts to be made for the Payments is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(ii) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under

which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Obligations or the ability of the Underwriter to enforce contracts for the sale of the Obligations; or

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

(iv) a material disruption in securities settlement, payment or clearance services affecting the Obligations shall have occurred; or

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

(vi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the offering, sale or execution and delivery of the Obligations, including the underlying obligations as contemplated by this Obligation Purchase Agreement or by the Official Statement, or any document relating to the offering, sale or execution and delivery of the Obligations, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

(b) Upon the occurrence of a Termination Event and the termination of this Obligation Purchase Agreement by the Underwriter, all obligations of the Issuer and the Underwriter under this Obligation Purchase Agreement shall terminate, without further liability.

10. AMENDMENTS TO OFFICIAL STATEMENT.

During the period commencing on the date of the Official Statement and ending twenty-five (25) days from the "end of the underwriting period" (as defined in Rule 15c2-12) the Issuer shall advise the Underwriter if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the underwriting period, the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and shall amend or supplement the Official Statement (in form and substance satisfactory to counsel to the Underwriter) so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material

fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The expenses of preparing such amendment or supplement shall be borne by the Issuer. For the purpose of this Section, the Issuer will furnish to the Underwriter such information with respect to itself as the Underwriter may from time to time reasonably request.

11. EXPENSES.

(a) Whether or not the Obligations are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Issuer's obligations hereunder. If the Obligations are delivered by the Issuer to the Underwriter, the Issuer shall pay, from the proceeds of the Obligations or from other funds of the Issuer, the following expenses: (i) the cost of preparing, duplicating or printing, mailing and delivering the Issuer Documents, including the cost of electronically distributing the Preliminary Official Statement and the Official Statement and any amendment or supplement of either; (ii) the cost of preparation and printing of the definitive Obligations; (iii) the fees and expenses of the Issuer, the Trustee, Special Counsel, counsel to the Underwriter, and any entity performing continuing disclosure compliance research or providing continuing disclosure compliance reports and any other experts or consultants retained by the Issuer; (iv) the charges of any rating agency with respect to the Obligations; (v) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Obligations, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the Issuer and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of Issuer personnel, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 11, and (vi) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Issuer Documents and/or the initial offering, sale and delivery of the Obligations. The Issuer has authorized, and does hereby authorize, the Underwriter to pay certain of such expenses on behalf of the Issuer from proceeds of the Obligations at Closing as further described in the closing memorandum relating to the Obligations.

(b) If the Obligations are sold to the Underwriter by the Issuer, the Issuer shall pay out of the proceeds of the Obligations the discount of the Underwriter or the purchase price paid for the Obligations shall reflect such discount.

(c) Except as otherwise provided in this Section 11, the Underwriter shall pay the cost, if any, of qualifying the Obligations for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Obligations and all other expenses incurred by it in connection with its public offering and distribution of the Obligations, not described above.

12. USE OF DOCUMENTS.

The Issuer hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Obligations, this Obligation Purchase Agreement, the Preliminary Official

Statement, the Official Statement and the Issuer Documents, and the information contained herein and therein.

13. QUALIFICATION OF SECURITIES.

The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Obligations for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided, however,* that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. NOTICES.

Any notice or other communication to be given to the Issuer under this Obligation Purchase Agreement may be given by delivering the same in writing to City of Yuma, City Hall, 1 City Plaza, Yuma, Arizona 85364, Attention: City Manager, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the following address:

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016
Attention: Mark Reader, Managing Director

15. BENEFIT.

This Obligation Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including their successors or assigns), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Obligation Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Obligations hereunder; or (iii) any termination of this Obligation Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Issuer pursuant to Section 11 hereof shall remain in full force and effect notwithstanding the termination of this Obligation Purchase Agreement under Section 9 hereof).

16. GOVERNING LAW. THIS OBLIGATION PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA.

17. WAIVER OF JURY TRIAL. THE ISSUER HEREBY IRREVOCABLY WAIVES TO

THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS OBLIGATION PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. MISCELLANEOUS.

(a) This Obligation Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

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

(c) This Obligation Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

(d) To the extent applicable by provision of law, this Obligation Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein by this reference.

(e) The electronic signature of a party to this Obligation Purchase Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Obligation Purchase Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means, electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Underwriter; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an electronic mail or internet message.

[Signature page follows.]

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

.....
Mark Reader, Managing Director

Approved and Agreed to: November __, 2025, at ____ P.M.

CITY OF YUMA, ARIZONA

By.....

Printed Name: .....

Title: .....

[Signature page to Obligation Purchase Agreement]

SCHEDULE

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025A

Maturity Dates (July 1)	Principal Amounts	Interest Rates	Yields
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			

* Yield calculated to first optional redemption date: July 1, 203_.

Optional Redemption. The Obligations payable before or on July 1, 203_, will not be subject to redemption prior to their stated maturity dates. The Obligations payable on or after July 1, 203_, will be subject to redemption prior to their stated maturity dates, at the option of the Issuer, in whole or in part on July 1, 203_, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Obligation prepaid plus interest accrued to the date fixed for redemption, without premium.

[Mandatory Redemption. The Obligations payable on July 1, 20__, will be prepaid on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption, without premium:]

Obligations Paying July 1, 20__	
Redemption Date (July 1)	Principal Amount
20__ (stated maturity date)	

SCHEDULE

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025B

Maturity Dates (July 1)	Principal Amounts	Interest Rates	Yields
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			

_____

[* Yield calculated to first optional redemption date: July 1, 203_.]

[*Optional Redemption*. The Obligations payable before or on July 1, 203_, will not be subject to redemption prior to their stated maturity dates. The Obligations payable on or after July 1, 203_, will be subject to redemption prior to their stated maturity dates, at the option of the Issuer, in whole or in part on July 1, 203_, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Obligation prepaid plus interest accrued to the date fixed for redemption, without premium.]

[Mandatory Redemption. The Obligations payable on July 1, 20__, will be prepaid on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption, without premium:]

Obligations Paying July 1, 20__	
Redemption Date (July 1)	Principal Amount
20__ (stated maturity date)	

SCHEDULE

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2025C

Maturity Dates (July 1)	Principal Amounts	Interest Rates	Yields
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			

_____

[* Yield calculated to first optional redemption date: July 1, 203_.]

[*Optional Redemption*. The Obligations payable before or on July 1, 203_, will not be subject to redemption prior to their stated maturity dates. The Obligations payable on or after July 1, 203_, will be subject to redemption prior to their stated maturity dates, at the option of the Issuer, in whole or in part on July 1, 203_, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Obligation prepaid plus interest accrued to the date fixed for redemption, without premium.]

[Mandatory Redemption. The Obligations payable on July 1, 20__, will be prepaid on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption, without premium:]

Obligations Paying July 1, 20__	
Redemption Date (July 1)	Principal Amount
20__ (stated maturity date)	

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025A

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025B

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2025C

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

1. Obligation Purchase Agreement. On November __, 2025 (the "Sale Date"), Stifel and City of Yuma, Arizona (the "Issuer") executed an Obligation Purchase Agreement (the "Purchase Contract") in connection with the sale of the Obligations. Stifel has not modified the Purchase Contract since its execution on the Sale Date.

2. Price.

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

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

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

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

(iii) Stifel will provide actual sales information (substantially similar to the information contained on Schedule B) as to the price or prices at

which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.

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

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

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

3. Defined Terms.

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

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

(c) *Issuer* means City of Yuma, Arizona.

(d) *Maturity* means Obligations with the same credit and payment terms. Obligations with different maturity dates, or Obligations with the same maturity date but different stated interest rates, are treated as separate Maturities.

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

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Obligations. The Sale Date of the Obligations is November __, 2025.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated November __, 2025 and with respect to compliance with the federal income tax rules affecting the Obligations, and by Special Counsel, in connection with rendering its opinion that the interest on the Obligations is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Obligations.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
Mark Reader

By: _____
[underwriter]

Dated: November __, 2025

SCHEDULE A

General Rule Maturities

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE OBLIGATIONS, SERIES 2025B

[$____,000]
CITY OF YUMA, ARIZONA
PLEDGED REVENUE REFUNDING OBLIGATIONS, SERIES 2025C

The aggregate issue price of all maturities of the Obligations is $_____

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF SPECIAL COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

November __, 2025

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Re: Pledged Revenue Obligations, Series 2025A, Pledge Revenue Obligations, Series 2025B and Pledged Revenue Refunding Obligations, Series 2025C, Representing Proportionate Interests of the Owners Thereof in Payments to be Made by the City of Yuma, Arizona to [NAME OF TRUSTEE], as Trustee, Dated the Date Hereof

Pursuant to an Obligation Purchase Agreement, dated November __, 2025 (the "Purchase Contract"), between the City of Yuma, Arizona and Stifel, Nicolaus & Company, Incorporated, we have delivered to you our approving opinion of even date herewith (the "Approving Opinion") relating to the captioned Obligations. All terms used herein shall have the same meaning assigned in the Purchase Contract.

With the same exceptions, reliances and assumptions provided in the Approving Opinion and further relying specifically on the opinion of the City Attorney, dated the date hereof, as to the matters addressed therein, we hereby supplement the Approving Opinion and further advise you as follows:

1. The Issuer has all requisite power and authority pursuant to the Constitution and laws of the State (a) to execute and deliver, as applicable, the Issuer Documents, (b) to approve, execute and authorize the use and distribution of the Preliminary Official Statement and the Official Statement and (c) to carry out and consummate the transactions contemplated by the Official Statement, the Issuer Documents and the Obligations (including performing the applicable obligations pursuant thereto).

2. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the Official Statement, the Issuer Documents and the Obligations.

3. The Issuer Documents have been duly authorized, executed and delivered, as applicable, by the Issuer, are in full force and effect and, assuming due and valid authorization, execution and delivery by, and enforceability against, if any, the other party thereto, constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms. The foregoing is subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of creditors' rights and the principles of equity in the event equitable remedies are sought.

4. Adoption of the Ordinance, authorization, execution and delivery, as applicable, of, and the due performance by the Issuer of the Issuer Documents and the approval, execution and authorization of the use and distribution of, the Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby and each of such instruments, do not and will not conflict with, or constitute on the part of the Issuer a material breach of or default under, any federal or State constitutional or statutory provision.

5. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Obligations and other than approvals that may be required under "blue sky" laws of any jurisdiction) is required in connection with the adoption by the Mayor and Council of the Issuer of the Ordinance or the authorization, execution, delivery and performance, as applicable, by the Issuer of the Issuer Documents and the consummation of the transactions contemplated by the Official Statement.

6. The information contained (but not incorporated by reference) in the Preliminary Official Statement, as of its date and as of November __, 2025, and the Official Statement, as of its date and as of the date hereof, in the tax caption on the cover thereof, under the headings "INTRODUCTORY STATEMENT," "THE OBLIGATIONS," "PLAN OF REFUNDING," "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS", "TAX EXEMPTION" and "CONTINUING DISCLOSURE" (except as it relates to compliance with prior undertakings as to which we express no opinion) therein, and in Appendix D – "SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS," Appendix E – "PROPOSED FORM OF APPROVING LEGAL OPINION," and Appendix F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," thereto, insofar as such information purports to summarize certain provisions of the laws of the State and the United States of America, the Obligations, the Trust Agreement, the Purchase Agreement, the Escrow Agreement and the Undertaking fairly present the information purported to be shown; provided, however, that such information does not purport to summarize all the provisions of, and is qualified in its entirety by, the complete laws and documents that are summarized, and, based solely on our participation in the transaction as Special Counsel, nothing has come to our attention that would lead us to believe that the information and statements in the Preliminary Official Statement, as of its date and as of November __, 2025, and the Official Statement, as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that we express no view as to the financial statements of the Issuer, any other financial forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Official Statement regarding DTC. We have not undertaken to review or determine independently, and assume no responsibility for, the accuracy or completeness of the information in the Preliminary Official Statement or the Official Statement except to the extent indicated hereinabove.

7. It is not necessary in connection with the sale and execution of the Obligations to the public to register the Obligations pursuant to the Securities Act of 1933, as amended, or to qualify the Trust Agreement pursuant to the Trust Indenture Act of 1939, as amended.

You may rely upon the Approving Opinion as though it were specifically addressed to you.

This letter is provided pursuant to Section 8(g)(ii) of the Purchase Contract and is being given solely for the information of and assistance to the addressee of this letter in its capacity as the underwriter of the Obligations. In giving this opinion to such underwriter, it is expressly understood that no attorney-client relationship is being created thereby. Without our express prior written permission, this opinion may not be relied upon by any person other than such underwriter and is not to be used, circulated, quoted, or otherwise referred to in connection with the offering of the Obligations, except that reference may be made to this opinion in any list of closing documents pertaining to the execution and delivery of the Obligations.

Respectfully submitted,

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE ISSUER

[LETTERHEAD OF CITY ATTORNEY]

November __, 2025

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Greenberg Traurig, LLP
Phoenix, Arizona

Re: Pledged Revenue Obligations, Series 2025A, Pledged Revenue Obligations, Series 2025B, and Pledged Revenue Refunding Obligations, Series 2025C Representing Proportionate Interests of the Owners Thereof in Purchase Payments to be Made by the City of Yuma, Arizona to [NAME OF TRUSTEE], as Trustee, Dated the Date Hereof

I hold the office of City Attorney of the City of Yuma, Arizona (the "City"), and in that capacity render this opinion pursuant to the Obligation Purchase Agreement, dated November __, 2025 (the "Purchase Contract"), with respect to the captioned Obligations. (The capitalized terms used in this opinion and not otherwise defined herein have the meaning ascribed to them in the Purchase Contract.)

I have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery of the Obligations, including originals or copies, certified or otherwise identified to my satisfaction, of the included documents, resolutions, instruments, records, certificates and opinions, and have reviewed laws and information and have made investigations, as I have considered necessary or appropriate for the purpose of rendering this opinion. In such examination of the Transcript, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals and the conformity to the original documents of all documents submitted to me as copies. As to any facts material to this opinion, I have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

Based upon such examination, I am of the opinion that, pursuant to the law existing on the date of this opinion:

1. The City is duly organized and validly incorporated as a municipal corporation in accordance with the Constitution and laws of the State of Arizona and has all

requisite power and authority thereunder to enter into and perform its agreements in accordance with the Ordinance and its covenants and agreements pursuant to the Issuer Documents.

2. The Ordinance has been duly adopted and approved by the Mayor and Council of the City in conformance with the applicable open meeting and other laws and ordinances of the City and the State of Arizona.

3. The Issuer Documents have been duly authorized and validly executed and delivered by the City, and the distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the City.

4. The adoption and approval of the Ordinance, the authorization, execution and delivery of the Issuer Documents and compliance with the respective provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or of any existing law, administrative regulation, court order or consent decree to which the City, or any of its property, is subject.

5. There are no lawsuits or proceedings by or before any court, governmental agency, public board or body, pending or, to the best of my knowledge, threatened against the City (a) that in any way question (i) the validity and the proper authorization, approval and execution of any of the Issuer Documents, (ii) the validity and proper approval and adoption of the Ordinance, (iii) the authority of the City or its officials to enter into any of the Issuer Documents, to make the Payments or to perform its obligations under such documents or the Ordinance or the pledge of revenues from Excise Tax Revenue Pledged Revenue (as defined in the Issuer Documents) and to carry out the transactions contemplated thereby, or (b) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Ordinance, the Obligations, any of the Issuer Documents or the Official Statement, or would in any way adversely affect the validity or enforceability of the Obligations, the Ordinance, any of the Issuer Documents or of any other instruments required or contemplated for use in consummating the transactions contemplated thereby or by the Official Statement, or that, individually or collectively, would have a material adverse effect on the financial condition of the City or impair the City's ability to comply with all of its duties under the Ordinance, or (c) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement.

6. The statements in the Preliminary Official Statement and the Official Statement under the heading "LITIGATION" are true and correct in all material respects and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

CITY OF YUMA, ARIZONA

By_____

DRAFT
08/05/25
09/02/25

FIRST TRUST AGREEMENT

by and between

_____,
as Trustee

and

CITY OF YUMA, ARIZONA

Dated as of _____ 1, 2025

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* * *

FIRST TRUST AGREEMENT

THIS FIRST TRUST AGREEMENT, dated as of _____ 1, 2025 (together with any duly authorized, executed and delivered supplement hereto, this "Trust Agreement"), by and between _____, a national banking association authorized to exercise corporate trust powers in the State of Arizona, as trustee, or any successor thereto acting as trustee pursuant to this Trust Agreement and in its capacity as "Seller" pursuant to the hereinafter described Purchase Agreement (the "Trustee"), and the CITY OF YUMA, ARIZONA, a municipal corporation under the laws of the State of Arizona (the "City"),

W I T N E S S E T H:

WHEREAS, the Mayor and Council of the City have determined that it will be beneficial to the citizens of the City for the City to finance and refinance, as applicable, the costs of the Projects (as such term and all other terms not otherwise defined hereinabove are hereinafter defined); and

WHEREAS, for such purpose, the Mayor and the Council of the City requested that the Trustee execute and deliver the Obligations, and the Trustee has, as described in this Trust Agreement, caused deposits to be made to the Acquisition Fund and the Costs of Issuance Fund and amounts to be transferred to the Escrow Trustee for the purposes of the Escrow Trust Agreement; and

WHEREAS, the City and the Trustee will enter into this Trust Agreement to facilitate the administration of the financing and refinancing of the costs of the Projects, and the Trustee has full legal authority and is duly empowered to enter into this Trust Agreement and has taken all actions necessary to authorize the execution and delivery hereof; and

WHEREAS, for the purpose of obtaining the moneys to provide for such deposits and transfer, rights pursuant to the Purchase Agreement have been assigned and transferred to the Trustee for purposes hereof, and in consideration of such assignment and the execution hereof, the Trustee has executed and delivered the Obligations, each evidencing a proportionate interest in certain rights pursuant to the Purchase Agreement;

NOW, THEREFORE, in order to secure the payment of principal and interest (to the extent provided herein) related to the Obligations, the rights of the Owners of the Obligations and the performance and the observance of the covenants and conditions contained in the Obligations, the Purchase Agreement and herein, the City absolutely and irrevocably pledges and assigns to the Trustee, and the Trustee hereby declares an irrevocable trust and acknowledges its acceptance of all right, title and interest in and to the following described trust estate, which shall be administered by the Trustee according to the provisions of this Trust Agreement and for the equal and proportionate benefit of the Owners of the Obligations:

A. All right, title and interest of Seller in, under and pursuant to the Purchase Agreement, the Payments and any other amounts payable by the City under the Purchase Agreement and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all such revenues, receipts and other sums of money

payable or receivable thereunder, (ii) bring actions and proceedings thereunder or for the enforcement of such rights, and (iii) do any and all other things which the Trustee is or may become entitled to do thereunder;

B. Amounts on deposit from time to time in the funds created pursuant hereto, subject to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

C. Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Obligations, by the Seller or by anyone on its behalf or with its written consent, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrance of this Trust Agreement, unto the Trustee and its successors and assigns, forever, subject, however, to the rights of the City, its successors and assigns, under the Purchase Agreement;

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the Obligations executed and delivered hereunder and Outstanding, none of the Obligations being entitled to priority or distinction one over the other in the application of the Excise Tax Revenue Pledged Revenue pledged by the Purchase Agreement to the Payments, regardless of the delivery of any of the Obligations prior to the delivery of any other of the Obligations, or regardless of the time or times principal represented by any Obligations is paid or is subject to prepayment with respect to principal represented thereby, all of the Obligations being co-equal as to the pledge of and lien on the Excise Tax Revenue Pledged Revenue pledged for the Payments thereof and sharing ratably, without preference, priority or distinction, as to the source or method of payment from the Excise Tax Revenue Pledged Revenue or security therefor and conditioned, however, that if the City shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, this Trust Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereinafter set forth.

For such purposes, the City and the Trustee hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the first paragraph hereof and unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified.

"Acquisition Fund" means the fund of that name established pursuant to Article III and held by the Trustee.

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

"Authorized Denominations" means $5,000 of principal related to Obligations of a series due on a specific payment date or integral multiples thereof.

"Bond Year" means each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Obligations and shall end on the date selected by the City, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Obligation.

"Bond Yield" means the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations Section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Obligations as determined under Regulations Section 1.148-4(b), recomputed if required by Regulations Section 1.148-4(b)(4) or 4(h)(3). The present value of all such payments shall be computed as of the date of issue of the Obligations and using semiannual compounding on the basis of a 360-day year.

"Bonds Being Refunded" means $_____ outstanding amount of the Series 2015 Bonds maturing on July 1, 20__, which bonds financed and refinanced a portion of the costs of the Refinanced Projects.

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

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

"City Representative" means the City Administrator, the City Director of Financial Services or any other person authorized by the City Administrator or the Mayor and Council of the City to act on behalf of the City with respect to this Trust Agreement.

"Closing Date" means _____, 2025.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and sections thereof include applicable regulations and temporary regulations thereunder and any successor provisions to those sections, regulations or temporary regulations and any applicable regulations or temporary regulations issued pursuant to the Internal Revenue Code of 1954, as amended.

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

"Continuing Disclosure Undertaking" means the Continuing Disclosure Undertaking, dated the Closing Date, from the City.

"Corporate Trust Office" means the office of the Trustee designated in Section 12.2 or any successor corporate trust office; provided, however, that with respect to payments on the Obligations and any exchange, transfer, or other surrender of the Obligations, the Corporate Trust Office shall mean the corporate trust operations office of the Trustee in St. Paul, Minnesota, or such other office or location designated by the Trustee by written notice.

"Corporation" means the City of Yuma Municipal Property Corporation.

"Costs of Issuance Fund" means the fund of that name established pursuant to Article III and held by the Trustee.

"Defaulted Interest" has the meaning provided in Section 2.11(d).

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

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

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

"Designated Office" means the office designated as such by the Trustee in writing to the City. The initial Designated Office shall be the Corporate Trust Office.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"electronically" or "electronic method" means, with respect to notice, one transmitted through a timesharing terminal, computer network (including email as a "pdf"

(portable document format) or other replicating image attached to an email) or facsimile machine, if operative as between any two parties, or if not operative, by telephone (promptly confirmed in writing).

"Escrow Trust Agreement" means the Escrow Trust Agreement, dated as of _____ 1, 2025, by and between the Escrow Trustee and the City.

"Escrow Trustee" means _____, in its capacity as escrow trustee pursuant to the Escrow Trust Agreement.

"Event of Default" means an event of default under the Purchase Agreement as provided in Section 9 thereof.

"Excise Tax Obligations" means any bond or other obligation payable from Excise Tax Revenue Pledged Revenue which enjoys a prior and paramount claim on Excise Tax Revenue Pledged Revenue (including the Series 2015 Bonds, the Series 2021 Obligations, the Obligations and any Parity Obligations).

"Excise Tax Revenue Pledged Revenue" means the revenue from all excise taxes, transaction privilege (sales, license and use) taxes; franchise fees; fees for emergency services, liquor and business licenses, building permits and inspections; recreation fees; public safety fees; city court fines and investment income which the City now collects and which it may collect in the future, together with the City's portion of any revenue from excise taxes, transaction privilege (sales and use) taxes, income taxes and vehicle license taxes imposed and collected by the State, or any political subdivision thereof, or any other governmental unit or agency, and returned, allocated or apportioned to the City, EXCEPT (i) Road Tax Revenue, (ii) Public Safety Tax Revenue, (iii) Special Two Percent Sales Tax Revenue, (iv) any Special Excise Tax Revenue and (v) any revenue from the City's share of any excise taxes, transaction privilege (sales) taxes or vehicle license taxes which, by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

"Fiscal Year" means the 12-month period used by the City for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from July 1 to June 30.

"Gross Proceeds" means:

(i) any amounts actually or constructively received by the City from the sale of the applicable series of the Obligations but excluding amounts used to pay accrued interest on the Obligations within one year of the date of issuance of the Obligations;

(ii) transferred proceeds of the applicable series of the Obligations under Regulations Section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the applicable series of the Obligations within the meaning of Regulations Section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the applicable series of the Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the applicable series of the Obligations in the event the City encounters financial difficulties and other replacement proceeds within the meaning of Regulations Section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under this Trust Agreement.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the City or the Trustee and which may include the counsel giving a Special Counsel's Opinion.

"Interest Payment Date" means each January 1 and July 1, while the principal represented by the Obligations is Outstanding provided that, pursuant to Section 9.6, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment.

"Interest Portion" means the amounts of each of the Payments in the column in Schedule A, Schedule B and Schedule C attached to the Purchase Agreement designated "Interest," denominated as and comprising interest pursuant to the Purchase Agreement and received by any Owner of the Obligations.

"Interest Requirement" means (i) with respect to the Series 2015 Bonds, as of any date of calculation, the interest amount on the Series 2015 Bonds due during the applicable Bond Year or Fiscal Year, (ii) with respect to the Series 2021 Obligations, as of any date of calculation, the interest amount on the Series 2021 Obligations due during the applicable Bond Year or Fiscal Year, (iii) with respect to the Obligations, as of any date of calculation, the interest amount on the Obligations due during the applicable Bond Year or Fiscal Year, and (iv) with respect to Parity Obligations, as of any date of calculation, the amount required to be paid by the City during the applicable Bond Year or Fiscal Year with respect to interest on Parity Obligations.

"Investment Property" means any security, obligation (other than a tax-exempt bond within the meaning of Code Section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations Section 1.148-1(b).

"Issue Price" means the issue price of the Obligations determined as provided in the Regulations and as indicated in the Tax Certificate.

"Market Value" means the indicated bid value of the investment or investments to be valued as shown in The Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

"Maximum Annual Debt Service" means, for any Fiscal Year, the greatest Annual Debt Service for the then-current or any succeeding Fiscal Year.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Nonpurpose Investment" means any Investment Property acquired with Gross Proceeds and which is not acquired to carry out the governmental purposes of the Obligations.

"Notification" shall have the meaning provided in Section 10.3.

"Obligations" means, collectively, the 2025A Obligations, the 2025B Obligations and the 2025C Obligations.

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

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

"Parity Obligations" means Excise Tax Obligations having a lien payable from Excise Tax Revenue Pledged Revenue on a parity with the Series 2015 Bonds, the Series 2021 Obligations, the Obligations and obligations which may hereafter be issued by the City in compliance with the terms of Section 4 of the Purchase Agreement.

"Payment Fund" means the fund of that name established pursuant to Article V and held by the Trustee.

"Payment Request Form" means the form set forth in Exhibit D attached hereto.

"Payments" means the "Payments" required to be paid by the City pursuant to Section 1(b) of the Purchase Agreement and as set forth in Schedule A, Schedule B and Schedule C to the Purchase Agreement, subject to the provisions of Section 5.2(b).

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

"Principal Requirement" means (i) with respect to the Series 2015 Bonds, as of any date of calculation, the principal amount of the Series 2015 Bonds payable or subject to mandatory redemption during the applicable Bond Year or Fiscal Year, (ii) with respect to the Series 2021 Obligations, as of any date of calculation, the principal amount of the Series 2021 Obligations payable or subject to mandatory prepayment during the applicable Bond Year or Fiscal Year, (iii) with respect to the Obligations, as of any date of calculation, the principal amount of the Obligations payable or subject to mandatory prepayment pursuant hereto during the applicable Bond Year or Fiscal Year, and (iv) with respect to Parity Obligations, as of any date of calculation, the amount required to be paid by the City during the applicable Bond Year or Fiscal Year with respect to principal of Parity Obligations. In computing the Principal Requirement for Parity Obligations, an amount of Parity Obligations required to be redeemed pursuant to mandatory prepayment in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory prepayment requirement) shall be deducted from the amount of Parity Obligations payable on the scheduled payment date.

"Project" means, collectively, street and transportation projects, public safety projects, parks and recreation projects and improvements to City facilities and infrastructure.

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

"Projects" means, collectively, the Project and the Refinanced Projects.

"Public Safety Tax Revenue" means the revenue from the two-tenths of one percent (0.2%) privilege license tax approved by the qualified electors of the City voting at a special election held on November 8, 1994, and levied by virtue of Ordinance No. 2678, passed and adopted by the City Council of the City on December 21, 1994, which are to be used for public safety and criminal justice facilities and a public safety communication system and the payment of the financing instruments for such facilities and system and the tax for which expires on June 30, 2035.

"Purchase Agreement" means the First Purchase Agreement, dated as of _____ 1, 2025, by and between the City and the Seller.

"Rebate Payment" means any payment within the meaning of Regulations Section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

"Rebate Requirement" means, for each Bond Year and for the applicable series of the Obligations, at any time the excess of the future value of all Receipts over the future value of all Rebate Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Rebate Payments in accordance with Regulations Section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment

meeting the requirements of a rebate exception under Section 148(f)(4) of the Code or Regulations Section 1.148-7.

"Receipt" means any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

"Refinanced Projects" means, collectively, construction of an athletic complex and fleet maintenance complex, public safety and transportation projects and improvements to City facilities.

"Regular Record Date" means the close of business on the fifteenth day of the month preceding each Interest Payment Date.

"Regulations" means Sections 1.148-1 through 1.148-11 and Section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

"Reimbursement Request Form" means the form set forth in Exhibit E attached hereto.

"Responsible Officer" means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Corporate Trust Office customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

"Road Tax Revenue" means the revenue from the one-half of one percent (0.5%) of the privilege license tax approved by the qualified electors of the City voting at a special election held on December 7, 1993, and levied by virtue of Ordinance No. 2643, passed and adopted by the City Council of the City on January 5, 1994, which are to be used for funding street and roadway improvements, including but not limited to widening, constructing, paving, repaving and reconstructing City streets and roadways and all appurtenances thereto and the tax for which is not subject to expiration.

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

"Securities Depository" means a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended.

"Series 2015 Bonds" means the Corporation's Senior Lien Excise Tax Revenue and Revenue Refunding Bonds, Series 2015, which are secured by the installment purchase payments due from the City pursuant to the Series 2015 City Purchase Agreement.

"Series 2015 City Purchase Agreement" means the Series 2015 Senior Lien Excise Tax Revenue City Purchase Agreement, dated as of October 1, 2015, by and between the City and the Corporation.

"Series 2021 Obligations" means the City's Pledged Revenue Obligations, Taxable Series 2021, which are secured by the lease payments due from the City pursuant to the Series 2021 Lease-Purchase Agreement.

"Series 2021 Lease-Purchase Agreement" means the Lease-Purchase Agreement, dated as of February 1, 2021, by and between the City, as lessee, and the U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as lessor.

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

"Special Excise Tax Revenue" means the revenue from a separate excise tax (i) levied or collected by or on behalf of the City for a special purpose, (ii) not included in Excise Tax Revenue Pledged Revenue, Road Tax Revenue, Public Safety Tax Revenue, Special Two Percent Sales Tax Revenue or any other Special Excise Tax Revenue and (iii) pledged to the payment of Special Excise Tax Parity Obligations related to such revenue. (Each source of "Special Excise Tax Revenue" will be treated separately.)

"Special Record Date" has the meaning provided in Section 2.11(d).

"Special Two Percent Sales Tax Revenue" means the revenue from the renewal of the special two percent (2%) privilege license tax approved by the qualified electors of the City voting at a special election held on October 5, 1993, and levied by virtue of Ordinance No. 2640, passed and adopted by the City Council of the City on November 30, 1993, which tax imposed an additional two percent (2%) on the gross proceeds of sales or gross income from the businesses of restaurants, bars, hotels and motels and the tax for which expires on June 30, 2024.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, a limited liability company organized and existing under the laws of the State of New York, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"State" means the State of Arizona.

"Tax Certificate" means the Certificate Relating To Federal Tax Matters executed and delivered by the City on the Closing Date.

"2025A Obligations" means the City of Yuma, Arizona Pledged Revenue Obligations, Series 2025A.

"2025B Obligations" means the City of Yuma, Arizona Pledged Revenue Obligations, Series 2025B.

"2025C Obligations" means the City of Yuma, Arizona Pledged Revenue Refunding Obligations, Series 2025C.

Section 1.2. Interpretation.

(a) Any reference herein to the Mayor and Council of the City or any officer of the City shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. References to "Articles" and "Sections" are to those in this Trust Agreement.

Section 1.3. Obligations Not General Obligation of the City. The Obligations shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness or general obligation of the City within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or be a charge against the City's general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE II
SPECIAL REVENUE OBLIGATIONS

Section 2.1. Authorization of the Obligations. The Trustee is hereby authorized and directed to execute and deliver to the original purchaser thereof, the 2025A Obligations in the principal amount of $____,000, the 2025B Obligations in the principal amount of $____,000 and the 2025C Obligations in the principal amount of $____,000, evidencing (notwithstanding the multiple series) proportionate ownership interests in the Payments. In no event shall the Obligations be deemed liabilities, debts or obligations of the Trustee.

Section 2.2. Date; Interest Accrual. The Obligations shall be dated the Closing Date, and interest represented thereby shall be payable from such date or from the most recent Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Obligations.

Section 2.3. Payment Amounts and Dates and Interest Rates. The Obligations shall be in Authorized Denominations. The Obligations shall be payable on the dates and in the principal amounts, and interest represented thereby shall be computed at the rates, as shown below:

Payment Date (July 1)	Principal Amount	Interest Rates
	2025A Obligations	
	2025B Obligations	
	2025C Obligations	

Section 2.4. Interest on Obligations. Interest represented by the Obligations shall be payable semiannually on January 1 and July 1 of each year commencing _____ 1, 2026, to and including the date of payment or prepayment of the amount of principal represented by the Obligations. Except for the initial period, said interest shall represent the portion of the Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Obligations. The proportionate share of the portion of the Payments designated as interest with respect to any Obligation shall be computed by multiplying the portion of Payments designated as principal remaining with respect to the Obligations (whether paid as a result of mandatory prepayment or payment) by the rate of interest applicable to such Obligation (on the basis of a 360-day year of twelve 30-day months), except that the first portion of the Payments designated as interest shall be for interest from the Closing Date to _____ 1, 2026.

Section 2.5. Form. The Obligations shall be in fully registered, certificated form, substantially in the form set forth in Exhibit A, Exhibit B and Exhibit C hereto.

Section 2.6. Execution. The Obligations shall be executed by and in the name of the Trustee by the manual signature of an authorized representative of the Trustee. If any representative whose signature appears on any Obligation ceases to be such representative before the Closing Date, such signature shall nevertheless be as effective as if the representative had remained in office until the Closing Date. Any Obligation may be executed on behalf of the Trustee by such person as at the actual date of the execution of such Obligation shall be the proper authorized representative of the Trustee although at the nominal date of such Obligation such person shall not have been such authorized representative of the Trustee. No Obligation shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Trust Agreement unless and until executed and delivered by the Trustee. The execution by the Trustee of any Obligation shall be conclusive evidence that the Obligation so executed has been duly authorized and delivered hereunder and is entitled to the security and benefit of this Trust Agreement.

Section 2.7. Book-Entry Only System. The Trustee and the City may from time to time enter into, and discontinue, an agreement with a Securities Depository which is the Owner of the Obligations, to establish procedures with respect to the Obligations not inconsistent with the

provisions of this Trust Agreement; provided, that, notwithstanding any other provisions of this Trust Agreement, any such agreement may provide that different provisions for notice to the Securities Depository may be set forth herein and that a legend shall appear on each Obligation so long as the Obligations are subject to such agreement. With respect to Obligations registered in the name of a Securities Depository (or its nominee), neither the Trustee nor the City shall have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Obligations. It is hereby acknowledged that the City and the Trustee intend to enter into an agreement with DTC in connection with the execution and delivery of the Obligations, and while such agreement is in effect, the procedures established therein shall apply to the Obligations notwithstanding any other provisions of this Trust Agreement to the contrary. As long as DTC is the Securities Depository with respect to the Obligations, the Trustee shall be a "DTC Direct Participant." The Trustee shall not have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Obligations regarding accuracy of any records maintained by DTC or DTC participants, the payments by DTC or DTC participants of any amount in respect of principal, prepayment price or interest on the Obligations, any notice which is permitted or required to be given to or by Owners hereunder (except such notice as is required to be given by the City to the Trustee or to DTC), or any consent given or any other action taken by DTC as Owner. So long as the Obligations are registered in the name of DTC or its nominee, the City and the Trustee shall be entitled to request and to rely upon a certificate or other written representation from the beneficial owners of the Obligations or from DTC on behalf of such beneficial owners stating the amount of their respective beneficial ownership interests in the Obligations and setting forth the consent, advice, direction, demand or vote of the beneficial owners as of a record date selected by the Trustee and DTC, to the same extent as if such consent, advice, direction, demand or vote were made by the Owners of the Obligations for purposes of this Trust Agreement and the City and the Trustee shall for such purposes treat the beneficial owners as the Owners. Along with any such certificate or representation, the City and the Trustee may request DTC to deliver, or cause to be delivered, to the City and the Trustee a list of all DTC participants with respect to the Obligations, together with the dollar amount of each DTC participant's interest in the Obligations and the current addresses of such DTC participants.

Section 2.8. Application of Proceeds. The proceeds received by the Trustee from the sale of the Obligations (consisting of $_____ of the proceeds of the 2025A Obligations, $_____ of the proceeds of the 2025B Obligations and $_____ of the proceeds of the 2025C Obligations for a total of $_____) shall forthwith be applied by the Trustee as follows:

(1) $_____ (consisting of $_____ of the proceeds of the 2025A Obligations, $_____ of the proceeds of the 2025B Obligations and $_____ of the proceeds of the 2025C Obligations) shall be deposited in the Costs of Issuance Fund,

(2) $_____ (consisting of $_____ of the proceeds of the 2025A Obligations and $_____ of the proceeds of the 2025B Obligations) shall be deposited in the Acquisition Fund, and

(3) $_____ of the proceeds of the 2025C Obligations shall be held in a temporary fund and transferred on the Closing Date immediately, without

requisition or other documentation, to the Escrow Trustee for the purposes of the Escrow Trust Agreement.

Section 2.9. Transfer and Exchange.

(a) Any Obligation may, in accordance with its terms, be transferred upon the registration books for the Obligations required to be kept pursuant to the provisions of Section 2.13 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Obligation for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Obligation or Obligations shall be surrendered for transfer, the Trustee shall execute and deliver a new Obligation or Obligations in fully registered form of the same series, stated payment date and interest rate and for a like aggregate principal amount.

(b) Obligations may be exchanged at the Designated Office for a like aggregate principal amount of Obligations of Authorized Denominations of the same series, stated payment date and interest rate. In connection with any such exchange or transfer of Obligations, the Owner requesting such exchange or transfer shall, as a condition precedent to the exercise of the privilege of making such exchange or transfer, remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid, other than one imposed by the City (which will not be payable by the Trustee), or any fee or expense of the Trustee or the City with respect to such exchange or transfer.

(c) The Trustee may, but shall not be obligated to, exchange or register the transfer of an Obligation (i) if principal represented by the Obligation is to be prepaid, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If an Obligation subject to prepayment is to be transferred after having been selected for prepayment, any notice of prepayment which has been given to the transferor shall be binding on the transferee and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

Section 2.10. Obligations Mutilated, Lost, Destroyed or Stolen. If any Obligation shall become mutilated, the Trustee, at the expense of the Owner of said Obligation, shall execute and deliver a new Obligation of like series, tenor, stated payment date and amount in exchange and substitution for the Obligation so mutilated, but only upon surrender to the Trustee of the Obligation so mutilated. Any mutilated Obligation so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the Owner of such Obligation. If any Obligation shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner of such Obligation, shall execute and deliver a new Obligation of like series, tenor, stated payment date and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Obligation delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Obligation issued under the provisions of this Section in lieu of any Obligation alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Obligations secured

by this Trust Agreement. The Trustee shall not be required to treat both the original Obligation and any replacement Obligation as being Outstanding for the purpose of determining the principal amount of Obligations which may be executed and delivered hereunder or for the purpose of determining any percentage of Obligations Outstanding hereunder, but both the original and replacement Obligation shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Obligation for an Obligation which has been mutilated, lost, destroyed or stolen, and which has become due, the Trustee may make payment with respect to such Obligation upon receipt of the aforementioned indemnity.

Section 2.11. Payment.

(a) Payment of interest related to the Obligations on any Interest Payment Date shall be made to the persons appearing on the registration books for the Obligations maintained by the Trustee as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the date due by first class mail to such Owners at the address thereof as it appears on such registration books, payable in lawful money of the United States of America.

(b) The principal and interest related to the Obligations shall be payable in lawful money of the United States of America upon surrender when due at the Designated Office.

(c) Interest and, if arrangements for surrender are made with the Trustee, principal payable to any Securities Depository or to any Owner of $1,000,000 or more in principal amount of Obligations shall be paid by wire transfer in immediately available funds to an account in the United States of America if the Owner makes a written request of the Trustee at least twenty (20) days before the Interest Payment Date specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

(d) Any interest related to any Obligation which is payable on, but is not punctually paid or duly provided for on, any Interest Payment Date ("Defaulted Interest") shall forthwith cease to be payable to the Owners on the relevant Regular Record Date solely by virtue of such Owners having been such Owners. Such Defaulted Interest at the same rate as the Obligations shall thereupon be paid, together with interest thereon at the same rate per annum as such Defaulted Interest, by the Trustee (out of funds provided to it by the City) to the persons in whose names such Obligations are registered at the close of business on a special record date for the payment of such portion of Defaulted Interest as may then be paid from the sources herein provided (the "Special Record Date"). When the Trustee has funds available to pay the Defaulted Interest and interest thereon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest and interest thereon which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment by the Trustee. The Trustee shall promptly cause notice of the proposed payment of such Defaulted Interest and interest thereon and the Special Record Date therefor to be mailed, first class postage prepaid, to each Owner of an Obligation at his address as it appears in the registration books by the Trustee for the Obligations not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and interest thereon and the Special Record Date therefor having been

mailed as aforesaid, such Defaulted Interest and interest thereon shall be paid to the persons in whose names the Obligations are registered on such Special Record Date.

Section 2.12. Execution of Documents and Proof of Ownership.

(a) Any request, direction, consent, revocation of consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by the Obligation Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of the Obligations shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(1) The fact and date of the execution by any Owner or the attorney or agent thereof of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(2) The fact of the ownership of the Obligations by any person and the amount, the payment date and the numbers of such Obligations and the date of his holding the same be proved on the registration books maintained pursuant to Section 2.13.

(b) Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Obligation shall bind every future Owner of the same Obligation in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.13. Obligation Register. The Trustee will keep or cause to be kept, at the Designated Office, sufficient books for the registration and transfer of each series of the Obligations which shall at all times during regular business hours on any Business Day be open to inspection by the City and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Obligations as hereinbefore provided.

Section 2.14. Payment of Unclaimed Amounts. In the event any check for payment of interest on an Obligation is returned to the Trustee unendorsed or is not presented for payment within two (2) years from its payment date or any Obligation is not presented for payment of principal at the payment or prepayment date, if funds sufficient to pay such interest or principal due upon such Obligation shall have been made available to the Trustee for the benefit of the

Owner thereof, it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Obligation who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Obligation or amounts due thereunder. The obligation of the Trustee to hold such funds shall continue for two years and six months (subject to applicable escheat laws) following the date on which such interest or principal payment became due, whether at payment or the date fixed for prepayment, at which time the Trustee shall surrender such unclaimed funds so held to the City, whereupon any claim of whatever nature by the Owner of such Obligation arising under such Obligation shall be made upon the City.

ARTICLE III
ACQUISITION FUND; COSTS OF ISSUANCE FUND

Section 3.1. Establishment and Application of Acquisition Fund.

(a) The Trustee shall establish a special trust fund designated as the "City of Yuma, Arizona Series 2025 Acquisition Fund" (herein referred to as the "Acquisition Fund"), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) (1) Upon receipt of a duly executed, applicable Payment Request Form, the Trustee shall remit to the payee designated in the Payment Request Form, the amount requested to be paid in such Payment Request Form for Project Costs within three (3) Business Days following submission of such Payment Request Form. Notwithstanding the foregoing, the Trustee shall apply moneys on deposit in the Acquisition Fund to reimburse the City for any Project Costs with respect to the Project incurred or advanced by the City within three (3) Business Days of receipt of a duly executed Reimbursement Request Form. The Trustee has no duty or obligation to confirm that such disbursements constitute Project Costs.

(2) On the Completion Date, the Trustee shall transfer any remaining amounts in the Acquisition Fund to the Payment Fund to be applied only to the Payments due from the City on the next succeeding Interest Payment Date, and the Acquisition Fund shall be closed.

(3) Any amount remaining in the Acquisition Fund upon the occurrence of an Event of Default shall not be disbursed as provided in this Section, but shall be immediately transferred to the Payment Fund and used only to pay principal and interest represented by the Obligations.

Section 3.2. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish a special trust fund designated as the "City of Yuma, Arizona Series 2025 Costs of Issuance Fund" (herein referred to as the "Costs of Issuance Fund"), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) Amounts in the Costs of Issuance Fund shall be disbursed for the payment of Delivery Costs. Disbursements from the Costs of Issuance Fund shall be made by the Trustee upon receipt of a requisition for disbursement (on which the Trustee is entitled to rely) executed or approved by the City Representative. Each such requisition shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Delivery Costs and the person or persons to whom said amounts are to be disbursed. The Trustee has no duty or obligation to confirm that such disbursements constitute Delivery Costs.

(a) (c) On the earlier of _____ 1, 2026, or when all Delivery Costs associated with the Obligations have been paid (as shown by a certificate of a City Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund, and the Costs of Issuance Fund shall be closed.

ARTICLE IV
PREPAYMENT OF OBLIGATIONS

Section 4.1. Prepayment Provisions.

(a) The 2025A Obligations payable before or on July 1, 20__, are not subject to prepayment prior to their stated payment dates. The 2025A Obligations payable on or after July 1, 20__, are subject to prepayment in such order and from such payment dates as may be selected by the City and by lot within any payment date by such methods as may be selected by the Trustee from prepayments made at the option of the City pursuant to Section 7 of the Purchase Agreement, in whole or in part on any date, on or after July 1, 20__, at a prepayment price equal to the principal amount of 2025A Obligations or portions thereof to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

(b) The 2025B Obligations payable before or on July 1, 20__, are not subject to prepayment prior to their stated payment dates. The 2025B Obligations payable on or after July 1, 20__, are subject to prepayment in such order and from such payment dates as may be selected by the City and by lot within any payment date by such methods as may be selected by the Trustee from prepayments made at the option of the City pursuant to Section 7 of the Purchase Agreement, in whole or in part on any date, on or after July 1, 20__, at a prepayment price equal to the principal amount of 2025B Obligations or portions thereof to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

(c) The 2025C Obligations are not subject to prepayment prior to their stated payment dates.

Section 4.2. Selection of Obligations for Prepayment. The Obligations shall be prepaid only in the principal amounts of $5,000 each or integral multiples thereof. The City shall, at least forty-five (45) days prior to the prepayment date, notify the Trustee of such prepayment date and of the payment dates of the Obligations and the principal amount of the Obligations of any such payment date to be prepaid on such date. For the purposes of any prepayment of less than all of the Obligations payable on a single payment date, if the Obligations are not held in a book-entry-only system as described in Section 2.7, the particular Obligations or portions of Obligations of such payment date to be prepaid shall be selected by the Trustee by lot in accordance

with its standard procedures not more than forty-five (45) nor less than thirty (30) days prior to the prepayment date by such selection methods as the Trustee shall in its sole discretion deem appropriate and fair; provided, however, that such selection methods shall provide for the selection of Obligations or portions thereof for prepayment in principal amounts of $5,000 or integral multiples thereof such that any $5,000 Obligation or $5,000 portion of an Obligation of such payment date shall be as likely to be called for prepayment as any other such $5,000 Obligation or $5,000 portion thereof. The Trustee shall promptly notify the City in writing of the Obligations so selected for prepayment, and the City will provide the Trustee within thirty (30) days a recomputed payment schedule for the Purchase Agreement.

Section 4.3. Notice of Prepayment; Effect.

(a) The Trustee shall cause notice of any optional prepayment of Obligations hereunder to be mailed to the Owners of all of the Obligations to be prepaid at the addresses appearing in the register kept for such purpose pursuant to Section 2.13. Each such notice shall (1) be sent no more than sixty (60) nor less than thirty (30) calendar days prior to the prepayment date, (2) identify the Obligations to be prepaid (specifying the CUSIP numbers, if any, assigned to the Obligations), (3) specify with respect to the Obligations being prepaid their date of issue, their payment date, their prepayment date and their prepayment price, (4) set forth the name, address and telephone number of the person from whom information pertaining to the prepayment may be obtained, and (5) state that on the prepayment date the Obligations to be prepaid will be payable at the Designated Office, that from that date interest will cease to accrue and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Obligations. No defect affecting any Obligation, whether in the notice of prepayment or the delivery thereof (including any failure to mail such notice), shall affect the validity of the prepayment proceedings for any other Obligations.

(b) If at the time of mailing of notice of an optional prepayment of Obligations, there has not been deposited with the Trustee moneys or Defeasance Obligations sufficient to prepay all Obligations subject to such prepayment and the requirements of (e) below are not satisfied, then such notice shall state that the prepayment is conditional upon the deposit of moneys or Defeasance Obligations sufficient for the prepayment with the Trustee and satisfaction of such requirements not later than the opening of business on the prepayment date, and such notice will be of no effect and such Obligations shall not be prepaid unless such moneys or Defeasance Obligations are so deposited and such requirements in (e) below are met.

(c) Any notice of prepayment shall be mailed by first class mail, postage prepaid; provided that any notice of prepayment given to any Owner of $1,000,000 or more in aggregate principal amount of Obligations also shall be transmitted Electronically. A certificate of the Trustee shall conclusively establish the mailing or delivery of any such notice for all purposes.

(d) Notice having been mailed in the manner provided in (a) above, the Obligations and portions thereof called for prepayment shall become due and payable on the prepayment date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the prepayment price, plus interest accrued to the prepayment date.

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

(f) All moneys deposited in the Payment Fund and held by the Trustee for the prepayment of particular Obligations shall be held in trust for the account of the Owners thereof and shall be paid to them, respectively, upon presentation and surrender of those Obligations.

Section 4.4. Partial Prepayment of Obligation. Upon surrender of any Obligation prepaid in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the City, a new Obligation or Obligations of Authorized Denominations equal in aggregate principal amount to the unprepaid portion of the Obligation surrendered and of the same payment date.

ARTICLE V
PAYMENT FUND

Section 5.1. Trustee's Rights in Purchase Agreement. The Trustee holds in trust hereunder all of its rights and duties in the Purchase Agreement, including but not limited to all of the rights to receive and collect all of the Payments and all other amounts required to be deposited in the Payment Fund pursuant to the Purchase Agreement or pursuant hereto. All of the Payments and such other amounts to which the Seller may at any time be entitled shall be paid directly to the Trustee in trust, and all of the Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder in the Payment Fund for the benefit of the Owners.

Section 5.2. Establishment and Application of Payment Fund.

(a) The Trustee shall establish a special trust fund designated as the "City of Yuma, Arizona Series 2025 Payment Fund" (herein referred to as the "Payment Fund"). So long as any Obligations are Outstanding, the City shall have no beneficial right or interest in the Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

(b) Not less than ten (10) Business Days prior to each Interest Payment Date, the Trustee shall notify the City of the amount required to be paid, after taking into account amounts which will be transferred to the Payment Fund in accordance herewith, on or before such Interest Payment Date, so that a sufficient amount will then be on deposit for both principal and interest represented by the Obligations then due. All amounts received by the Trustee as Payments pursuant to the Purchase Agreement or as transfers pursuant hereto shall be deposited in the Payment Fund.

(c) All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest represented by the

Obligations as the same shall become due and payable, in accordance with the provisions of Articles II and IV.

Section 5.3. Transfers of Investment Earnings to Payment Fund. With the same limitation described in Section 3.1(b)(3), except as otherwise directed by the City, the Trustee shall, on or before the next Interest Payment Date occurring on July 1, transfer any income or profit on the investment of moneys in the funds hereunder to the Payment Fund.

Section 5.4. Surplus. Any surplus remaining in any of the funds created hereunder, after prepayment and payment or provision for prepayment and payment of all Obligations, including accrued interest, and payment of any applicable fees, expenses or indemnities to the Trustee, or provision for such prepayment and payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

ARTICLE VI
MONEYS IN FUNDS; INVESTMENT; CERTAIN TAX COVENANTS

Section 6.1. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Obligations and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the City or any Owner of the Obligations.

Section 6.2. Investments Authorized. Upon written order of the City Representative, moneys held by the Trustee hereunder shall be invested and reinvested by the Trustee, to the maximum extent practicable in Permitted Investments. The City Representative shall direct such investment in specific Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written direction from the City Representative. In no event shall the Trustee be liable for the selection of investments. The Trustee may conclusively rely upon such written direction from the City Representative as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification that such directed investments constitute Permitted Investments. The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the City specifically waives compliance with 12 Code of Federal Regulations 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur. The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with the moneys representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to Permitted Investments intended to be purchased with such moneys, in each

case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. The City acknowledges that the legal obligation to pay the purchase price of Permitted Investments arises immediately at the time of the purchase. Notwithstanding anything else in this Trust Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Trust Agreement shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206, to the extent applicable under State law.

Section 6.3. Accounting. The Trustee shall furnish to the City, not less than semiannually, an accounting (which may be in the form of its customary statement) of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.2.

Section 6.4. Allocation of Earnings. Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein. At the direction of the City Representative, any such income, profit or interest shall be transferred and applied if necessary to pay amounts due pursuant to Section 148 of the Code.

Section 6.5. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at Market Value. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Section 6.6. Limitation of Investment Yield. In the event the City is of the opinion that it is necessary to restrict or limit the yield on the investment of any amounts paid to or held by the Trustee hereunder in order to avoid the Obligations, or any of them, being considered "arbitrage bonds" within the meaning of Section 148 of the Code, the City Representative may issue to the Trustee a written certificate to such effect (along with appropriate instructions), in which event the Trustee will take such action as is instructed so to restrict or limit the yield on such investment in accordance with the specific instructions contained in such certificate. The Trustee shall have no obligation to monitor or determine yields on investments. The Trustee shall not be responsible for any determination or calculation concerning arbitrage rebate with respect to the Obligations, or for determining whether the yield on any investments made in accordance with this Trust Agreement would cause, or whether any other facts exist which would cause, any of the Obligations to become arbitrage bonds under section 148 of the Code.

Section 6.7. Other Tax Covenants. In consideration of the acceptance and execution of the Purchase Agreement by the Trustee and the purchase by the Owners of the Obligations, from time to time, and in consideration of retaining the exclusion of the Interest Portion for federal income tax purposes, the City shall, from time to time, neither take nor fail to

take any action, which action or failure to act is within its power and authority and would result in the Interest Portion becoming subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the Purchase Agreement or such laws as they may be modified or amended or tax laws later adopted. The City shall comply with such requirement(s) and will take any such action(s) as are necessary to prevent the Interest Portion from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by special counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Obligations; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys held pursuant to this Trust Agreement and limiting the use of the proceeds of the Obligations and property financed or refinanced thereby.

ARTICLE VII
THE TRUSTEE

Section 7.1. Appointment of Trustee. The City hereby authorizes and directs the Trustee to, and the Trustee shall, execute and deliver the Purchase Agreement, as Seller, and receive all moneys required to be deposited with the Trustee hereunder and shall allocate, use and apply the same as provided in this Trust Agreement. The City shall maintain as the Trustee a bank or trust company with a combined capital and surplus of at least Fifty Million Dollars ($50,000,000), and subject to supervision or examination by federal or State authority, so long as any of the Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 7.2. Liability of Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute this Trust Agreement, the recitals of facts, covenants and agreements herein, in the Purchase Agreement and in the Obligations shall be taken as statements, covenants and agreements of the City, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity hereof or sufficiency of this Trust Agreement, the Purchase Agreement or the Obligations or shall incur any responsibility in respect hereof or thereof, other than in connection with the duties or obligations herein or in the Obligations assigned to or imposed upon it. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in this Trust Agreement and no implied obligations or covenants should be read into this Trust Agreement against the Trustee. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent person would exercise under the circumstances in the conduct of its own affairs.

Section 7.3. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its municipal corporate trust business, provided that such company shall be eligible under Section 7.1, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.4. Protection and Rights of the Trustee.

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

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

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

(d) The recitals, statements and representations by the City contained in this Trust Agreement, the Purchase Agreement or the Obligations shall be taken and construed as made by and on the part of the City and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

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

(f) No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(g) The Trustee shall not be accountable for the use or application by the City or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

(h) The Trustee makes no representation or warranty, express or implied, as to the Projects or as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Projects. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Purchase Agreement or this Trust Agreement for the Projects.

(i) Notwithstanding any provision in this Trust Agreement or the Purchase Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default under Section 9(a)(i)(A) of the Purchase Agreement, unless a Responsible Officer of the Trustee has actual notice thereof or is specifically notified in writing of such default by the City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of all Obligations then Outstanding.

(j) The Trustee shall accept and act upon instructions of directions pursuant to this Trust Agreement sent by unsecured email as a "pdf" (portable document format) document or other replicating image attached to an email, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee email or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City shall assume all risks arising out of the use of such

electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(l) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the execution and delivery of the Obligations.

(m) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the Projects.

(n) Before taking any action under this Trust Agreement relating to an Event of Default or in connection with its duties under this Trust Agreement other than making payments of principal and interest represented by the Obligations as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated, to have resulted from its negligence or willful default in connection with any action so taken.

(o) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

Section 7.5. Compensation of Trustee. The City shall from time to time, pursuant to a fee schedule agreed to between the City and the Trustee (which fee schedule may be amended in writing), pay to the Trustee reasonable compensation for its services, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.6. Removal and Resignation of Trustee.

(a) The City (but only if no Event of Default has occurred and is continuing) or the Owners of a majority in aggregate principal amount of all Obligations Outstanding, at any time upon thirty (30) days' prior written notice, and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars ($50,000,000) and subject to supervision or examination by federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Trustee may at any time resign by giving written notice to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the City does not appoint a successor trustee within thirty (30) days following receipt of such notice of resignation or its giving notice of removal, the retiring Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. The Trustee and the City shall execute any documents reasonably required to effect the transfer of rights and obligations of the Trustee to the successor trustee subject, however, to the terms and conditions herein set forth, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its reasonable charges and expenses (including reasonable fees and expenses of its counsel) and the indemnification under Sections 7.4 and 10.3. Upon such acceptance, the successor trustee shall mail notice thereof to the Owners of the Obligations at their respective addresses set forth on the registration books for the Obligations maintained pursuant to Section 2.13.

Section 7.7. Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee under this Trust Agreement and to hold title to property or to take any other action which may be desirable or necessary.

Section 7.8. Commingling. The Trustee may commingle any of the funds held by it pursuant to this Trust Agreement in a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 7.9. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the City, or any of its agents, at any time, upon reasonable prior notice, during regular business hours. The Trustee shall provide the City Representative with semiannual reports of funds transactions and balances.

ARTICLE VIII
MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 8.1. Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Owners of the Obligations and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement which shall become effective when the written consent of the Owners of a majority in aggregate principal amount of all Obligations then Outstanding, exclusive of Obligations disqualified as provided in Section 8.3, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the final payment of principal represented by any Obligation or reducing the interest represented thereby or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of this Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental or amending agreement shall become effective as provided in Section 8.2.

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

Section 8.2. Procedure for Amendment With Written Consent of Obligation Owners.

(a) This Trust Agreement and the Purchase Agreement may be amended by supplemental or amending agreement as provided in this Section in the event the consent of the Owners of the Obligations is required pursuant to Section 8.1. A copy of such supplemental or amending agreement, together with a request to the Owners of the Obligations for their consent thereto, shall be mailed by the Trustee to each Owner of an Obligation at the address thereof as set forth on the registration books for the Obligations maintained pursuant to Section 2.13, but failure to mail copies of such supplemental or amending agreement and request shall not affect the validity of the supplemental or amending agreement when assented to as provided in this Section.

(b) Such supplemental or amending agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of a majority in principal amount of all Obligations then Outstanding (exclusive of Obligations disqualified as provided in Section 8.3) and a notice shall have been mailed as hereinafter in this Section provided. The consent of an Owner of an Obligation shall be effective only if accompanied by proof of ownership of the Obligations for which such consent is given, which proof shall be such as is permitted by Section 2.12. Any such consent shall be binding upon the Owner of the Obligation giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Obligations shall have filed their consents to such supplemental or amending agreement, the Trustee shall mail a notice to the Owners of the Obligations in the manner hereinbefore provided in this Section for the mailing of such supplemental or amending agreement of the notice of adoption thereof, stating in substance that such supplemental or amending agreement has been consented to by the Owners of the required percentage of Obligations and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental or amending agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental or amending agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Obligations at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

Section 8.3. Disqualified Obligations. Obligations owned or held by or for the account of the City or by any person directly or indirectly controlled by, or under direct or indirect common control with the City (except any Obligations held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations provided for in this Trust Agreement and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; provided, however, that in determining whether the Trustee shall be protected in relying upon any

such approval or consent of an Owner, only Obligations which a Responsible Officer of the Trustee actually knows to be owned or held by the City, or by any person directly or indirectly controlled by, or under direct or indirect common control with the City (except any Obligations held in any pension or retirement fund) shall be deemed not to be Outstanding unless all Obligations are so owned, in which case such Obligations shall be considered Outstanding for the purpose of such determination.

Section 8.4. Effect of Supplemental Trust Agreement. From and after the time any supplemental or amending agreement becomes effective pursuant to this Article VIII, this Trust Agreement or the Purchase Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Obligations Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental or amending agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Purchase Agreement, as the case may be, for any and all purposes. The Trustee may require each Owner, before his consent provided for in this Article VIII shall be deemed effective, to reveal whether the Obligations as to which such consent is given are disqualified as provided in Section 8.3.

Section 8.5. Endorsement or Replacement of Obligations Delivered After Amendments. The Trustee may determine that Obligations delivered after the effective date of any action taken as provided in this Article shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Obligation Outstanding at such effective date and presentation of his Obligation for the purpose at the office of the Trustee, a suitable notation shall be made on such Obligation. The Trustee may determine that the delivery of substitute Obligations, so modified as in the opinion of the Trustee is necessary to conform to such Obligation Owners' action, which substitute Obligations shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Obligation then Outstanding, such substitute Obligation shall be exchanged at the Designated Office of the Trustee, without cost to such Owner, for an Obligation of the same character then Outstanding, upon surrender of such Outstanding Obligation.

Section 8.6. Amendatory Endorsement of Obligations. The provisions of this Article shall not prevent any Obligation Owner from accepting any amendment or supplement as to the particular Obligations held thereby, provided that proper notation thereof is made on such Obligations.

ARTICLE IX
COVENANTS, NOTICES

Section 9.1. Compliance With and Enforcement of Purchase Agreement. The City shall perform all obligations and duties imposed on it under the Purchase Agreement and shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default. The City, immediately upon receiving or giving any notice,

communication or other document in any way relating to or affecting any such action will deliver the same, or a copy thereof, to the Trustee.

Section 9.2. Observance of Laws and Regulations. The City shall well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City, including its right to exist and carry on business as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 9.3. Recordation and Filing. The City shall file this Trust Agreement (or a memorandum thereof or a financing statement with respect thereto), and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Owners. The Trustee has no duty or obligation to determine the sufficiency of any such filings.

Section 9.4. Further Assurances. The Trustee (at the reasonable request of the City) and the City shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Purchase Agreement and for the better assuring and confirming unto the Owners the rights and benefits provided herein.

Section 9.5. Notification to the City of Failure to Make Payments. The Trustee shall notify the City of any failure by the City to make any Payment or other payment required under the Purchase Agreement to be made to the Trustee, in writing and within one (1) Business Day of any such failure. Such notice shall not be a prerequisite for the occurrence of an Event of Default.

Section 9.6. Business Days. Except as otherwise required herein, if this Trust Agreement or the Purchase Agreement requires any party to act on a specific day and such day is not a Business Day, such party need not perform such act until the next succeeding Business Day, and such act shall be deemed to have been performed on the day required.

ARTICLE X
LIMITATION OF LIABILITY

Section 10.1. Limited Liability of the City. Except for the payment of Payments from Excise Tax Revenue Pledged Revenue when due in accordance with the Purchase Agreement and the performance of the other covenants and agreements of the City contained in the Purchase Agreement and herein, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Obligations or the distribution of Payments to the Owners by the Trustee.

Section 10.2. No Liability of the City for Trustee Performance. The City shall have no obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 10.3. Indemnification of the Trustee.

(a) To the extent permitted by law, the City shall indemnify and save the Trustee, in its capacity as Trustee and Seller, and its officers, directors, agents and employees, harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (1) the use, maintenance, condition or management of, or from any work or thing done on, the Projects or any portion thereof or interest therein by the City; (2) any breach or default on the part of the City in the performance of any of its obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Projects or any interest therein; (3) any act of negligence of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Projects; (4) any act of negligence of any assignee of, or purchaser from, the City or of any of its or their agents, contractors, servants, employees or licensees with respect to the Projects; (5) the acquisition of the Projects or any interest therein; (6) the actions of any other party, including but not limited to the operation or use of the Projects or interest therein by the City; (7) the ownership of the Projects or interest therein; (8) the exercise and performance by the Trustee of its powers and duties hereunder, under the Purchase Agreement or the Obligations or in connection with any document or transaction contemplated herewith or therewith; or (9) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Obligations, including the costs and expenses of defending itself against any claim of liability arising under this Trust Agreement. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence or breach of duty under this Trust Agreement by the Trustee, or by its officers, agents, employees, successors or assigns. As security for the payment of amounts due under Section 7.5 and this Section, the Trustee shall be secured under this Trust Agreement by a lien prior to that for the Obligations. The obligations of the City hereunder for indemnification under this Section shall remain valid and binding notwithstanding, and shall survive, the payment or prepayment of principal represented by the Obligations or resignation or removal of the Trustee or the termination of this Trust Agreement.

(b) Promptly after determining that any event or condition which requires or may require indemnification by the City hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, the Trustee shall notify the City in writing of such circumstances or action (the "Notification"). Failure to give such notification shall not affect the right of the Trustee to receive the indemnification provided for herewith. Upon giving of the Notification, the Trustee shall cooperate fully with the City in order that the City may defend, compromise or settle any such matters or actions which may result in payment by the City hereunder. The City shall give the Trustee notice of its election within fifteen (15) days after receiving the Notification whether the City, at its sole cost and expense, shall represent and defend the Trustee in any claim or action which may result in a request for indemnification hereunder. If the City timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise

or otherwise interfere with the defense or undertakings of the City hereunder; provided, however, the Trustee may retain its own counsel and still be indemnified against the cost of employing counsel and all other reasonable expenses despite an assumption of the defense by the City if the Trustee believes in good faith that there are defenses available to it which are adverse to or in conflict with those available to the City and which the Trustee believes in good faith cannot be effectively asserted by common counsel. The Trustee always has the right to employ separate legal counsel but, subject to the preceding sentence, the fees and expenses of its separate legal counsel must be paid by the Trustee unless the City and the Trustee have mutually agreed to the employment of the Trustee's separate legal counsel. The City shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the City shall pay all losses and the Trustee shall be fully released from such claim or action. If the City either fails to timely give its notice or notifies the Trustee that the City will not represent and defend the Trustee, the Trustee may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion, at the expense of the City. In the event the City is required to and does indemnify the Trustee as herein provided, the rights of the City shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

Section 10.4. Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

ARTICLE XI
EVENTS OF DEFAULT AND REMEDIES OF OBLIGATION OWNERS

Section 11.1. Seller's Rights Held in Trust. As provided herein, the Trustee holds in trust hereunder all of the Seller's rights in and to the Purchase Agreement, including without limitation all of the Seller's rights to exercise such rights and remedies conferred on the Seller pursuant to the Purchase Agreement as may be necessary or convenient to enforce payment of the Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of the Excise Tax Revenue Pledged Revenue for the payment of the Obligations.

Section 11.2. Remedies Upon Default; No Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything herein or in the Purchase Agreement to the contrary, there shall be no right under any circumstances to accelerate the payment dates of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Section 11.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of this Article XI or Section 9 of the Purchase Agreement shall be applied by the Trustee in the order following, in the case of the

Obligations, upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

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

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations and, in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 11.4. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of all Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of the Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Section 11.5. Non-waiver. Except as otherwise provided in this Article, the Obligation Owners have the right to institute suit to enforce and collect the Payments as provided in the Purchase Agreement. No delay or omission of the Trustee or of any Owner of any of the Obligations to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or the Owners of the Obligations may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Obligation Owners.

Section 11.6. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owners of a majority in aggregate principal amount of the Obligations Outstanding.

Section 11.7. Limitation on Obligation Owners' Right to Sue.

(a) No Owner of any Obligation issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (1) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (2) the Owners of at least a majority in

aggregate principal amount of all Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (3) said Owners shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses, and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

(b) Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Obligations of any remedy hereunder; it being understood and intended that no one or more Owners of Obligations shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal and proportionate benefit of all Owners of the Outstanding Obligations.

(c) The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Trust Agreement.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Defeasance.

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

(1) By paying or causing to be paid the principal and interest represented by such Obligations Outstanding, as and when the same become due and payable;

(2) By depositing with a Depository Trustee, in trust for such purpose, at or before the payment date therefor, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all principal and interest represented by such Obligations Outstanding; or

(3) By depositing with a Depository Trustee, in trust for such purpose, Defeasance Obligations which are noncallable in such amount as shall be certified to the Trustee and the City in a verification report by an independent firm of nationally recognized certified public accountants acceptable to the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all principal and interest represented by the Obligations at the payment or prepayment dates, which deposit may be made in accordance with the provisions of Section 7 of the Purchase Agreement;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to such Outstanding Obligations shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to subsections (2) or (3) of this Section and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to subsections (2) or (3), the Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such funds.

(b) Any funds held by the Trustee, at the time of one of the events described in paragraph (a) of this Section, which are not required for the payment to be made to the Owners or for the payment of any other amounts due and payable by the City hereunder or under the Purchase Agreement, shall be paid over to the City.

(c) Any Obligation or portion thereof in Authorized Denominations may be paid and discharged as provided in this Section; provided however, that if any such Obligation or portion thereof is to be prepaid, notice of such prepayment shall have been given in accordance with the provisions hereof or the City shall have submitted to the Trustee instructions expressed to be irrevocable as to the date upon which such Obligation or portion thereof is to be prepaid and as to the giving of notice of such prepayment; and provided further, that if any such Obligation or portion thereof will not be payable within sixty (60) days of the deposit referred to in paragraph (a), subsections (2) or (3) of this Section, the Trustee shall give notice of such deposit by first class mail to the Owners.

(d) No Obligation may be provided for as described in this Section if, as a result thereof, or of any other action in connection with which the provisions for payment of such Obligation is made, the interest payable on any Obligation is thereby made includable in gross income for federal income tax purposes. The Trustee, the Depository Trustee, and the City may rely upon an opinion of Independent Counsel which is nationally recognized bond counsel to the effect that the provisions of this subsection will not be breached by so providing for the payment of any Obligations.

Section 12.2. Notices. All written notices to be given under this Trust Agreement shall be given by overnight delivery or courier or by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States of America mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the City: City of Yuma, Arizona
One City Hall
P.O. Box 13012
Yuma, Arizona 85366-3012
Attention: City Administrator

With a copy to: Greenberg Traurig, LLP
2375 East Camelback Road
Suite 800
Phoenix, Arizona 85016
Attention: Paul Gales

If to the Trustee: _____
_____
_____
Attention: Global Corporate Trust

All notices, approvals, consents, requests and any communications to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the City chooses to use electronic signatures to sign documents delivered to the Trustee, the City agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 12.3. Incorporation of State Statutes.

(a) As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the City may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Trust Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Trust Agreement on behalf of the City within three years from the execution of this Trust Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, as amended, is provided by the City. No basis exists for the City to cancel this Trust Agreement pursuant to Section 38-511, Arizona Revised Statutes, as amended, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23 214(A), Arizona Revised Statutes, as amended. The breach by the Trustee of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the

services of the Trustee. The City retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Trustee. The Trustee shall cooperate with the random inspections by the City including granting the City entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) To the extent applicable under to Section 35-393, et seq., Arizona Revised Statutes, as amended, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Trust Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes, as amended. If the City determines that the Trustee's certification above is false or that it has breached such agreement, the City may impose remedies as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, as amended, the Trustee hereby certifies it does not currently, and for the duration of this Trust Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certification is made to the best knowledge of the Trustee without any current independent investigation or without any future independent investigation for the duration of this Trust Agreement. If the Trustee becomes aware during the duration of this Trust Agreement that it is not in compliance with such certification, the Trustee shall provide the required notice to the City and resign as Trustee hereunder in accordance with the provisions of Article VII. If the City determines that the Trustee is not in compliance with the foregoing certification and has not taken remedial action, the City shall terminate the Trustee's role as the Trustee hereunder pursuant to Article VII.

Section 12.4. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 12.5. Binding Effect and Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the City or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 12.6. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Trust Agreement.

Section 12.7. Destruction of Cancelled Obligations. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery

to the City of any Obligations, the Trustee may destroy such Obligations and deliver a certificate of such destruction to the City instead.

Section 12.8. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles", "Sections", and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 12.9. Parties Interested Herein. Nothing in this Trust Agreement or the Obligations, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Trustee and the Owners, any legal or equitable right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, provisions and agreements in this Trust Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee and the Owners of the Obligations.

Section 12.10. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.11. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Obligations shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Obligations pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the day and year first above written.

_____, as Trustee

By.....
Authorized Representative

CITY OF YUMA, ARIZONA

By.....
John D. Simonton, Interim City Administrator

ATTEST:

.....
Lynda L. Bushong, City Clerk

APPROVED AS TO FORM:

.....
Richard W. Files, City Attorney

EXHIBIT A

FORM OF 2025A OBLIGATION

Number: R-..... Principal Amount: $.....

Unless this Obligation is presented by an authorized representative of The Depository Trust Company of New York, a New York corporation ("DTC"), to the Trustee (or any successor registrar) for registration of transfer, exchange, or payment, and any Obligation issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein. [1]

PLEDGED REVENUE OBLIGATION, SERIES 2025A
Evidencing a Proportionate Interest of the Owner
Hereof in Payments to be Made by

THE CITY OF YUMA, ARIZONA

to

.....,
as Trustee

Interest Rate	Payment Date	Dated Date	CUSIP
.....%	July 1, 20....	_____, 2025	[98851W] .....

REGISTERED OWNER: CEDE & CO. [1]

PRINCIPAL AMOUNT: ..... DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Pledged Revenue Obligation, Series 2025A (this "Obligation") is the owner of an undivided, participatory, proportionate interest in the right to receive certain "Payments" under and defined in that certain First Purchase Agreement, dated as of _____ 1, 2025 (the "Purchase Agreement"), by and between ..... (the "Trustee"), and the City of Yuma, Arizona, a municipal corporation under the laws of the State of Arizona (the "City"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain First Trust Agreement, dated as of _____ 1,

[1] Included only while DTC is the Securities Depository.

2025 (the "Trust Agreement"), by and between the City and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount set forth above, representing a portion of the Payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing _____ 1, 2026 (the "Interest Payment Dates"), until payment in full of said portion of principal or prepayment prior thereto, the registered owner's proportionate share of the Payments designated as interest coming due during the period commencing on the last date on which interest was paid and ending on the day prior to the Interest Payment Date or, if no interest has been paid, from the Dated Date specified above. Said interest is the result of the multiplication of said principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Said amounts representing the registered owner's share of the Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date at the address thereof as it appears on the registration books for the Obligations maintained by the Trustee. Said amounts representing the registered owner's share of the Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office. Principal and interest payable to any owner of $1,000,000 or more in principal amount of the series of obligations of which this Obligation is a part (the "Obligations") may be paid by wire transfer in immediately available funds to an account in the United States of America if the owner makes a written request of the Trustee at least twenty (20) days before the date of payment specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal represented by the Obligations. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this Obligation shall be taken and construed as made by and on the part of the City, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The City is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by an ordinance of the Mayor and Council of the City adopted on October 15, 2025. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the City under the Purchase Agreement (including with respect

to certain obligations secured and to be secured on a parity lien basis with the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of all Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.)

The obligation of the City to make the Payments does not represent or constitute a general obligation of the City for which the City is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment dates of the Obligations or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the City (as described herein), and no member of the Mayor and Council, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.)

The Obligations are executed and delivered only in fully registered form in denominations of $5,000 of principal due on a specific payment date or integral multiples thereof. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for an Obligation or Obligations of like series and aggregate principal amount in authorized denominations having the same payment date and interest rate.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same series and aggregate principal amount will be delivered to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the City and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

The Obligations payable before or on July 1, 20__, are not subject to optional prepayment prior to their stated payment dates. Such Obligations payable on or after July 1, 20__, are subject to prepayment in such order and from such payment dates as may be selected by the City, in whole or in part on any date on or after July 1, 20__, at a prepayment price equal to the principal amount of each Obligation to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

If less than all of the outstanding Obligations of any payment date are to be prepaid, the Obligations (or portions hereof) to be prepaid will be selected by the Trustee by lot or in any customary manner as determined by the Trustee. Prepayment shall be in authorized denominations or any integral multiples thereof.

The Trustee shall give notice of any optional prepayment of this Obligation as provided above no more than 60 or less than 30 calendar days prior to the prepayment date to the registered owner at its address shown on the registration books maintained by the Trustee. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes.

If at the time of mailing of the notice of prepayment there has not been deposited with the Trustee moneys or eligible securities sufficient to prepay all Obligations subject to prepayment and other requirements set forth in the Trust Agreement are not met, such notice shall state that it is conditional, subject to the deposit of moneys sufficient for the prepayment and satisfaction of such conditions. If Obligations or portions thereof are subject to prepayment and if on the prepayment date moneys for the prepayment thereof are held by the Trustee and those other conditions are met, thereafter those Obligations or portions thereof to be prepaid shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Trust Agreement.

The failure to receive any notice of prepayment, or any defect in such notice in respect of any Obligation, shall not affect the validity of prepayment of any Obligation.

The Trustee may, but shall not be obligated to, exchange or register the transfer of this Obligation (i) if this Obligation has been selected for prepayment, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If this Obligation is transferred after having been selected for prepayment, any notice of prepayment which has been given to the transferor shall be binding on the transferee, and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened,

have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date: .....

....., as Trustee

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned ..... (the "Transferor"), hereby sells, assigns and transfers unto ..... (the "Transferee"), whose address is ..... and whose social security number (or other federal tax identification number) is

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE
.....
.....

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints ..... as attorney to register the transfer of the within certificate on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: .....

.....
NOTICE: No transfer will be registered and no new certificate will be issued in the name of the Transferee, unless that signature(s) to this assignment correspond(s) with the name as it appears on the face of the within certificate in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied

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

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

UNIF GIFT/TRANS MIN ACT - ..... Custodian for .....
(Cust.) (Minor)

under Uniform Gifts/Transfers to Minors Act of .....
(State)

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

EXHIBIT B

FORM OF 2025B OBLIGATION

Number: R-..... Principal Amount: $.....

Unless this Obligation is presented by an authorized representative of The Depository Trust Company of New York, a New York corporation ("DTC"), to the Trustee (or any successor registrar) for registration of transfer, exchange, or payment, and any Obligation issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.[1]

PLEDGED REVENUE OBLIGATION, SERIES 2025B
Evidencing a Proportionate Interest of the Owner
Hereof in Payments to be Made by

THE CITY OF YUMA, ARIZONA

to

.....,
as Trustee

Interest Rate	Payment Date	Dated Date	CUSIP
.....%	July 1, 20....	_____, 2025	[98851W] .....

REGISTERED OWNER: CEDE & CO. [1]

PRINCIPAL AMOUNT: ..... DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Pledged Revenue Obligation, Series 2025B (this "Obligation") is the owner of an undivided, participatory, proportionate interest in the right to receive certain "Payments" under and defined in that certain First Purchase Agreement, dated as of _____ 1, 2025 (the "Purchase Agreement"), by and between ..... (the "Trustee"), and the City of Yuma, Arizona, a municipal corporation under the laws of the State of Arizona (the "City"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain First Trust Agreement, dated as of _____ 1,

[1] Included only while DTC is the Securities Depository.

2025 (the "Trust Agreement"), by and between the City and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount set forth above, representing a portion of the Payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing _____ 1, 2026 (the "Interest Payment Dates"), until payment in full of said portion of principal or prepayment prior thereto, the registered owner's proportionate share of the Payments designated as interest coming due during the period commencing on the last date on which interest was paid and ending on the day prior to the Interest Payment Date or, if no interest has been paid, from the Dated Date specified above. Said interest is the result of the multiplication of said principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Said amounts representing the registered owner's share of the Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date at the address thereof as it appears on the registration books for the Obligations maintained by the Trustee. Said amounts representing the registered owner's share of the Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office. Principal and interest payable to any owner of $1,000,000 or more in principal amount of the series of obligations of which this Obligation is a part (the "Obligations") may be paid by wire transfer in immediately available funds to an account in the United States of America if the owner makes a written request of the Trustee at least twenty (20) days before the date of payment specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal represented by the Obligations. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this Obligation shall be taken and construed as made by and on the part of the City, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The City is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by an ordinance of the Mayor and Council of the City adopted on October 15, 2025. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the City under the Purchase Agreement (including with respect

to certain obligations secured and to be secured on a parity lien basis with the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of all Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.)

The obligation of the City to make the Payments does not represent or constitute a general obligation of the City for which the City is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment dates of the Obligations or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the City (as described herein), and no member of the Mayor and Council, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.)

The Obligations are executed and delivered only in fully registered form in denominations of $5,000 of principal due on a specific payment date or integral multiples thereof. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for an Obligation or Obligations of like series and aggregate principal amount in authorized denominations having the same payment date and interest rate.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same series and aggregate principal amount will be delivered to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the City and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

The Obligations payable before or on July 1, 20__, are not subject to optional prepayment prior to their stated payment dates. Such Obligations payable on or after July 1, 20__, are subject to prepayment in such order and from such payment dates as may be selected by the City, in whole or in part on any date on or after July 1, 20__, at a prepayment price equal to the principal amount of each Obligation to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

If less than all of the outstanding Obligations of any payment date are to be prepaid, the Obligations (or portions hereof) to be prepaid will be selected by the Trustee by lot or in any customary manner as determined by the Trustee. Prepayment shall be in authorized denominations or any integral multiples thereof.

The Trustee shall give notice of any optional prepayment of this Obligation as provided above no more than 60 or less than 30 calendar days prior to the prepayment date to the registered owner at its address shown on the registration books maintained by the Trustee. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes.

If at the time of mailing of the notice of prepayment there has not been deposited with the Trustee moneys or eligible securities sufficient to prepay all Obligations subject to prepayment and other requirements set forth in the Trust Agreement are not met, such notice shall state that it is conditional, subject to the deposit of moneys sufficient for the prepayment and satisfaction of such conditions. If Obligations or portions thereof are subject to prepayment and if on the prepayment date moneys for the prepayment thereof are held by the Trustee and those other conditions are met, thereafter those Obligations or portions thereof to be prepaid shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Trust Agreement.

The failure to receive any notice of prepayment, or any defect in such notice in respect of any Obligation, shall not affect the validity of prepayment of any Obligation.

The Trustee may, but shall not be obligated to, exchange or register the transfer of this Obligation (i) if this Obligation has been selected for prepayment, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If this Obligation is transferred after having been selected for prepayment, any notice of prepayment which has been given to the transferor shall be binding on the transferee, and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened,

have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date: .....

....., as Trustee

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned ..... (the "Transferor"), hereby sells, assigns and transfers unto ..... (the "Transferee"), whose address is ..... and whose social security number (or other federal tax identification number) is

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE
.....
.....

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints ..... as attorney to register the transfer of the within certificate on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: .....

.....
NOTICE: No transfer will be registered and no new certificate will be issued in the name of the Transferee, unless that signature(s) to this assignment correspond(s) with the name as it appears on the face of the within certificate in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied

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

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

UNIF GIFT/TRANS MIN ACT - ..... Custodian for .....
(Cust.) (Minor)

under Uniform Gifts/Transfers to Minors Act of .....
(State)

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

EXHIBIT C

FORM OF 2025C OBLIGATION

Number: R-..... Principal Amount: $.....

Unless this Obligation is presented by an authorized representative of The Depository Trust Company of New York, a New York corporation ("DTC"), to the Trustee (or any successor registrar) for registration of transfer, exchange, or payment, and any Obligation issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein. [1]

PLEDGED REVENUE REFUNDING OBLIGATION, SERIES 2025C
Evidencing a Proportionate Interest of the Owner
Hereof in Payments to be Made by

THE CITY OF YUMA, ARIZONA

to

.....,
as Trustee

Interest Rate	Payment Date	Dated Date	CUSIP
.....%	July 1, 20....	_____, 2025	[98851W] .....

REGISTERED OWNER: CEDE & CO. [1]

PRINCIPAL AMOUNT: ..... DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Pledged Revenue Refunding Obligation, Series 2025C (this "Obligation") is the owner of an undivided, participatory, proportionate interest in the right to receive certain "Payments" under and defined in that certain First Purchase Agreement, dated as of _____ 1, 2025 (the "Purchase Agreement"), by and between ..... (the "Trustee"), and the City of Yuma, Arizona, a municipal corporation under the laws of the State of Arizona (the "City"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain First Trust Agreement, dated as of _____ 1,

[1] Included only while DTC is the Securities Depository.

2025 (the "Trust Agreement"), by and between the City and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount set forth above, representing a portion of the Payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing _____ 1, 2026 (the "Interest Payment Dates"), until payment in full of said portion of principal, the registered owner's proportionate share of the Payments designated as interest coming due during the period commencing on the last date on which interest was paid and ending on the day prior to the Interest Payment Date or, if no interest has been paid, from the Dated Date specified above. Said interest is the result of the multiplication of said principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Said amounts representing the registered owner's share of the Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date at the address thereof as it appears on the registration books for the Obligations maintained by the Trustee. Said amounts representing the registered owner's share of the Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office. Principal and interest payable to any owner of $1,000,000 or more in principal amount of the series of obligations of which this Obligation is a part (the "Obligations") may be paid by wire transfer in immediately available funds to an account in the United States of America if the owner makes a written request of the Trustee at least twenty (20) days before the date of payment specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal represented by the Obligations. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this Obligation shall be taken and construed as made by and on the part of the City, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The City is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by an ordinance of the Mayor and Council of the City adopted on October 15, 2025. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the City under the Purchase Agreement (including with respect

to certain obligations secured and to be secured on a parity lien basis with the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal amount of all Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.)

The obligation of the City to make the Payments does not represent or constitute a general obligation of the City for which the City is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the City, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment dates of the Obligations or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the City (as described herein), and no member of the Mayor and Council, officer or agent, as such, past, present or future, of the City shall be personally liable for the payment hereof.)

The Obligations are executed and delivered only in fully registered form in denominations of $5,000 of principal due on a specific payment date or integral multiples thereof. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for an Obligation or Obligations of like series and aggregate principal amount in authorized denominations having the same payment date and interest rate.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same series and aggregate principal amount will be delivered to the transferee in exchange therefor. The City and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the City and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

The Obligations are not subject to prepayment prior to their stated payment dates.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened, have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date: .....

....., as Trustee

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned ..... (the "Transferor"), hereby sells, assigns and transfers unto ..... (the "Transferee"), whose address is ..... and whose social security number (or other federal tax identification number) is

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE
.....
.....

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints ..... as attorney to register the transfer of the within certificate on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: .....

.....
NOTICE: No transfer will be registered and no new certificate will be issued in the name of the Transferee, unless that signature(s) to this assignment correspond(s) with the name as it appears on the face of the within certificate in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied

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

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

UNIF GIFT/TRANS MIN ACT - ..... Custodian for .....
(Cust.) (Minor)

under Uniform Gifts/Transfers to Minors Act of .....
(State)

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

EXHIBIT D

PAYMENT REQUEST FORM

Application No. .....

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the First Trust Agreement, dated as of _____ 1, 2025 (the "Trust Agreement"), between the City of Yuma, Arizona (the "City"), and ……..……, as trustee (the "Trustee") to the person or corporation designated below as "Payee," the sum set forth below such designation, in payment of the Project Costs (as such term is defined in the Trust Agreement) described below. The amount shown below is due and payable under a purchase order or contract with respect to such costs described below and has not formed the basis of any prior request for payment.

Payee: .....

Address or Wiring Instructions: .....

Amount: .....

Description of costs or portion thereof authorized to be paid to the Payee: .....

The City acknowledges that it has received and inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the City's specifications and satisfactory for the City's purposes and in accordance with the applicable purchase order or contract. Notwithstanding anything herein to the contrary, the City shall not be deemed to have waived or released the Payee from any liability or obligation to the City in the event the City's acknowledgment herein is discovered to be inaccurate in any respect as to any item described above.

By execution of this Payment Request Form, the City requests and approves the payment of the amount stated above to Payee set forth above.

DATED: ....., 20....

.....
City Representative

Please forward payment to Payee at the following address:

EXHIBIT E

REIMBURSEMENT REQUEST FORM

Application No. .....

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the First Trust Agreement, dated as of _____ 1, 2025 (the "Trust Agreement"), between the City of Yuma, Arizona (the "City"), and ……...……..., as trustee (the "Trustee"), to the City, the sum set forth below as reimbursement of (all/a portion) of the Project Costs (as such term is defined in the Trust Agreement) described below. Payment of the amount, shown below was made by the City on …….., 20…….., as evidenced by …….……. attached hereto, as full/partial payment of …….…….., also attached hereto. The amount shown below was paid by the City and has not formed the basis of any prior request for payment.

The City acknowledges that it has received and has inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the City's specifications and satisfactory for the City's purposes. Notwithstanding anything herein to the contrary, the City shall not be deemed to have waived or released any entity named on the attached documentation, from any liability or obligation to the City in the event the City's acknowledgment herein is discovered to be inaccurate in any respect as to any item described below.

Amount: .....

Description of costs or portion thereof for which reimbursement is hereby requested:

DATED: ....., 20....

.....
City Representative

Dated Received: ....., 20....

DRAFT
08/05/25
09/02/25

FIRST PURCHASE AGREEMENT

by and between

_____,
as Seller

and

CITY OF YUMA, ARIZONA,
as Purchaser

Dated as of _____ 1, 2025

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FIRST PURCHASE AGREEMENT

THIS FIRST PURCHASE AGREEMENT, dated as of _____ 1, 2025 (this "Agreement"), by and between the CITY OF YUMA, ARIZONA, a municipal corporation under the laws of the State of Arizona ("City"), as purchaser hereunder, and _____, a national banking association ("Trustee"), in its capacity as trustee under the First Trust Agreement, dated as of even date herewith (the "Trust Agreement"), by and between Trustee and City, but in its separate capacity as seller hereunder,

W I T N E S S E T H:

WHEREAS, the Mayor and Council of City have determined that it will be beneficial to the citizens of City for City to finance and refinance, as applicable, the costs of the Projects (as such term and all other undefined terms used herein are defined in the Trust Agreement); and

WHEREAS, for such purpose, the Mayor and Council of City requested that Trustee execute and deliver the Obligations, and Trustee has, as provided in the Trust Agreement, caused deposits to be made to the Acquisition Fund and the Costs of Issuance Fund and amounts to be transferred to the Escrow Trustee; and

WHEREAS, City is a municipal corporation duly incorporated and validly existing under the laws of the State; the Constitution and the laws of the State authorize City to enter into this Agreement and the transactions contemplated by this Agreement; City has duly authorized and executed this Agreement; this Agreement is a lawful, valid and binding obligation of City, enforceable against City in accordance with its terms; all required procedures for execution and performance of this Agreement have been or will be complied with in a timely manner; the Payments will be paid when due out of funds which are legally available for such purposes; neither the execution and delivery of this Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which City is now a party or by which City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of City; and the Projects comply with all applicable environmental laws, rules and regulations (including, without limitation, all federal, state and local laws) and with Title III of the Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities if and to the extent such Act and regulations apply to the Projects; and

WHEREAS, Trustee has full legal authority and is duly empowered to enter into this Agreement and has taken all actions necessary to the execution and delivery hereof;

NOW THEREFORE, PURSUANT TO LAW AND FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Term and Payments.

(a) In order to finance and refinance, as applicable, the costs of the Projects (in the case of the Refinanced Projects, those costs which have not been paid to date), City hereby sells and conveys any interests it has in the Projects to Trustee, without recourse, representation or warranty, for the sum of $10.00 and other valuable consideration had and received. For the amounts payable pursuant hereto (including the Payments), Trustee in turn hereby sells and conveys back to City, without recourse, representation or warranty, and City hereby purchases and accepts, from Trustee, any interests Trustee has in the Projects. Amounts paid to the Escrow Trustee have been applied to defease the Bonds Being Refunded.

(b) As the purchase price, City shall pay the Payments to Trustee on the dates and in the amounts set forth in Schedule A, Schedule B and Schedule C hereto. (The Interest Portion is interest for purposes of the Code.) This Agreement shall be deemed and construed to be a "*net purchase agreement*," and the Payments shall be an absolute net return to Trustee, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein.

City shall also pay all amounts necessary for compliance with the Continuing Disclosure Undertaking.

City shall further also pay to Trustee its fees and expenses in accordance with the provisions of the Trust Agreement and to the United States of America any amounts required by Section 11(b)(ii).

City shall receive a credit against amounts so due, equal to any amounts held in the Payment Fund in excess of the amount then required to be in the Payment Fund. If the balance available in the Payment Fund after a Payment is insufficient to make the next required payments of principal and interest due on the Obligations on the next date for payment thereof, City shall pay any such deficiency in sufficient time to prevent default in the payment of principal of or interest on the Obligations falling due on such date.

(c) The obligation of City to pay the amounts described in paragraph (b) hereof (including the Payments) from the sources described herein and to comply with the other provisions hereof shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach by Trustee of any obligation to City or otherwise, or out of indebtedness or liability at any time owing to City by Trustee. Until such time as all of the payments described in paragraph (b) hereof (including the Payments) shall have been fully paid or provided for, City (i) shall not suspend or discontinue the same, (ii) shall comply with the other provisions hereof, and (iii) shall not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Projects or the taking by *eminent domain* of title to or temporary use of any or all of the Projects, commercial frustration of purpose, abandonment of the Projects by City, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising

out of or connected with the Trust Agreement or this Agreement. Nothing contained in this Section shall be construed to release Trustee from the performance of any of the agreements on its part herein or in the Trust Agreement contained, and, in the event Trustee shall fail to perform any such agreements on its part, City may institute such action against Trustee as City may deem necessary to compel performance so long as such action does not abrogate the obligations of City contained in the first sentence of this paragraph.

(d) Any of the payments described in paragraph (b) hereof (including the Payments) due on a day which is not a Business Day may be made on the next Business Day and will be deemed to have been made on the date due.

(e) Amounts payable to Trustee shall be paid by the means specified by Trustee in writing to City.

Section 2. Pledge; Limited Obligations.

(a) Excise Tax Revenue Pledged Revenue is hereby irrevocably pledged by City to the payment of all amounts described in Subsection 1(b) hereof (including the Payments), and payments of such amounts shall be secured by a paramount and first pledge and lien on Excise Tax Revenue Pledged Revenue on parity with the pledge and lien granted by City for the payment and security of the Series 2015 Bonds, the Series 2021 Obligations and any additional Parity Obligations. City shall make said payments from Excise Tax Revenue Pledged Revenue (first paying to the United States of America any amounts required by Section 11(b)(ii) and making the Payments and thereafter making the other required payments). All of such payments are coequal as to the pledge of and lien on Excise Tax Revenue Pledged Revenue and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Tax Revenue Pledged Revenue or security therefor.

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

(c) City may, at the sole option of City, make payments due pursuant to Section 1 hereof from its other funds as permitted by law and as City shall determine from time to time, but Trustee acknowledges that it has no claim hereunder to such other funds. No part of the purchase price payable pursuant to this Agreement shall be payable out of any *ad valorem* property taxes imposed by City or from bonds or other obligations, the payment of which City's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by City according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

Section 3. Surplus and Deficiency of Excise Tax Revenue Pledged Revenue. Excise Tax Revenue Pledged Revenue in excess of amounts, if any, required to be deposited with or held by Trustee for payments due under this Agreement shall constitute surplus revenues and may be used by City for any lawful purpose for the benefit of City, including the payment of obligations to which Excise Tax Revenue Pledged Revenue may from time to time be pledged on a basis subordinate hereto, but only to the extent that, taking into account the reasonably anticipated receipts of Excise Tax Revenue Pledged Revenue during the coming six (6) months, Excise Tax Revenue Pledged Revenue will not be reduced to such a level that City will be unable to make the next semiannual payment under Section 1 hereof. If at any time the moneys in the funds held for payment of amounts due under this Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of this Agreement and, with respect to payment from Excise Tax Revenue Pledged Revenue, *pro rata*, as applicable, with amounts due with respect to the Series 2015 Bonds, the Series 2021 Obligations and any additional Parity Obligations, and the transfer of any such sum or sums to said fund as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant hereto.

Section 4. Parity Obligations. City shall not incur any obligations payable from Excise Tax Revenue Pledged Revenue ranking prior to the obligations of City under this Agreement or any outstanding Parity Obligations. City shall not further encumber Excise Tax Revenue Pledged Revenue on a basis equal to the lien and pledge provided for hereby unless Excise Tax Revenue Pledged Revenue in the preceding Fiscal Year shall have amounted to at least three (3) times the highest combined Interest Requirements and Principal Requirements for any succeeding Fiscal Year for Excise Tax Obligations then outstanding and any additional Parity Obligations proposed to be secured by a pledge of Excise Tax Revenue Pledged Revenue.

Section 5. City Control over Revenue Collection. Excise Tax Revenue Pledged Revenue received, all within and for the next preceding Fiscal Year, shall be equal to at least three (3) times the total of the Interest Requirements, Principal Requirements and reserve fund deposits for all Excise Tax Obligations then outstanding. If such receipts of Excise Tax Revenue Pledged Revenue for any such preceding Fiscal Year shall not equal such total in any current Fiscal Year, or if at any time it appears that the current receipts of Excise Tax Revenue Pledged Revenue will not be sufficient to meet such payment requirements, City will, to the extent permitted by law, either impose new excise, transaction privilege and franchise taxes or will increase the rates for such taxes currently imposed in order that (i) the current receipts of Excise Tax Revenue Pledged Revenue will be sufficient to meet such payment requirements and (ii) the current year's receipts of Excise Tax Revenue Pledged Revenue will be reasonably calculated to attain the level as required above for the succeeding Fiscal Year's payment requirements.

Section 6. Certain Matters with Respect to Projects.

(a) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, Trustee has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the Projects, or the title, merchantability, condition, quality or fitness of the Projects for any particular purpose or the conformity of the Projects to any plans, specifications, construction contract, purchase order, model or sample, or as to their design, construction, delivery, installation, construction oversight and operation or their suitability for use by City. All such risks shall be borne by City without in any way excusing City from its obligations under this Agreement, and Trustee shall not be liable to City for any damages on account of such risks. Except with respect to any acts by Trustee which are not undertaken at the request of City or with the prior approval of City, City waives all claims against Trustee growing out of the acquisition of the Projects. Trustee shall have no obligation to obtain or ensure compliance with any required permits or approval procedures with respect to the Projects. In the event of any defect in any item of the Projects or other claim with respect to the Projects, recourse of City shall be against the contractors, manufacturers, suppliers, etc. of the Projects and, where applicable, the person selling the property to Trustee, and not against Trustee. For such purpose, Trustee hereby assigns and transfers to City the right, title and interest of Trustee in and to all representations, warranties, guarantees and service agreements relating to the Projects made or entered into by Trustee and by any contractor, manufacturers, suppliers, etc. of the Projects. Trustee further designates City as its attorney-in-fact granting to City the right to initiate and take all actions necessary to enforce any and all construction contracts and all such warranties and service agreements with the same force and effect as Trustee could do if the foregoing assignment had not been made. Trustee is entering into this Agreement solely as seller and shall not be personally liable hereunder and shall be afforded the same rights, protections, immunities and indemnities acting hereunder as afforded to it as Trustee under the Trust Agreement. Notwithstanding anything to the contrary herein, at no time shall Trustee be listed in the chain of title to the Projects. Provisions governing the rights, immunities and protections of Trustee under the Trust Agreement are herein incorporated by reference into this Agreement as though fully set forth herein.

(b) Trustee hereby irrevocably appoints City as its sole and exclusive agent to act for and on behalf of Trustee in financing and refinancing, as applicable, the costs of the Projects. As such agent, City shall have full authority to do all things necessary to accomplish such purposes. Trustee shall not be liable, responsible or accountable for the acts of City as its agent hereunder, and City hereby assumes all responsibility for the performance of such duties.

(c) City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Agreement, peaceably and quietly, have, hold and enjoy the Projects, without suit, trouble or hindrance from Trustee. City hereby grants and conveys to Trustee, and all persons claiming by, through or under Trustee, including its successors and assigns under the Trust Agreement and the Owners for whom it acts, a nonexclusive easement upon, in and to the Projects for the purpose of permitting the Projects to be maintained upon the premises.

(d) Notwithstanding any other terms or provisions of this Agreement, the interest of Trustee in the Projects is solely in its capacity as Trustee for the purpose of facilitating the financing and refinancing, as applicable, of the Projects, and Trustee shall not have the power, authority or obligation to assume any responsibility for the Projects.

Section 7. Providing for Payment. City may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying the Payments as provided herein as and when the same become due and payable at their scheduled due dates pursuant to Section 1 hereof or on a date on which they can be prepaid;

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

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

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

Section 8. Term of Agreement. This Agreement shall not terminate so long as any payments are due and owing pursuant to the Obligations. Subject to Section 7 hereof, upon full payment or provision for payment and in consideration of the timely payment of all of the amounts described in Subsection 1(b) hereof (including the Payments) and provided that City has performed all the covenants and agreements required by City to be performed, this Agreement shall cease and expire. The obligations of City under this Agreement, including, without limitation, its obligation to pay the Payments, shall survive any action brought as provided in the next Section hereof, and City shall continue to pay the Payments and perform all other obligations provided in this Agreement; provided, however, that City shall be credited with any amount received by Trustee pursuant to actions brought under the next Section hereof.

Section 9. Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts described in Subsection 1(b) hereof (including the Payments) at the time when the same are to be paid as provided herein or in the Trust Agreement, (B) the violation by

City of any other covenant or provision of this Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Series 2015 Bonds, the Series 2015 City Purchase Agreement, the Series 2021 Obligations, the Series 2021 Lease-Purchase Agreement or any additional Parity Obligations, or (D) the insolvency or bankruptcy of City as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of City or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the amounts described in Subsection 1(b) hereof (including the Payments) as required hereunder or under the Trust Agreement on the due date or the nonpayment of principal or interest due with respect to the Series 2015 Bonds, the Series 2021 Obligations or any additional Parity Obligations on their due dates, (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Agreement not cured within sixty (60) days after notice in writing from Trustee specifying such default, and (C) in the case of any other default under any of the Series 2015 Bonds, the Series 2015 City Purchase Agreement, the Series 2021 Obligations, the Series 2021 Lease-Purchase Agreement or any additional Parity Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

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

Each right, power and remedy of Trustee provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by Trustee of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies. The failure to insist upon strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the rights of Trustee to insist upon a strict compliance by Trustee with all the covenants and conditions hereof. City shall, upon not less than 10 days' prior request by Trustee, execute, acknowledge and deliver to Trustee a statement in writing certifying that this

Agreement is unmodified and in full force and effect (or, if this Agreement has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the amounts payable hereunder have been paid in advance, if any.

(b) Trustee shall in no event be in default in the performance of any of its obligations hereunder unless and until Trustee shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by City properly specifying wherein Trustee has failed to perform any such obligation. No default by Trustee shall relieve City of its obligations to make the various payments herein required, so long as any of the Obligations remain outstanding; however, City may exercise any other remedy available at law or in equity to require Trustee to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to Trustee under the Trust Agreement.

Section 10. Assignment.

(a) Except as otherwise provided herein, City shall not assign, transfer, pledge or hypothecate or otherwise dispose of this Agreement or any interest therein, and any assignment in contravention hereof shall be void.

(b) Subject to the terms of the Trust Agreement, all and every part of the right, title and interest of City in and to this Agreement and all payments of any kind due or which become due to Trustee hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement.

Section 11. Federal Law Provisions.

(a) (i) As described in further detail in the Tax Certificate, no direction for the making of any investment or other use of the proceeds of any of the Obligations or of the Projects shall be made, permitted to be made or omitted from being made which would cause the Obligations to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and the requirements of such sections and related regulations of the Code shall be complied with throughout the term of the Obligations. Particularly, City shall be the owner of the Projects for federal income tax purposes. City shall not enter into any management or service contract with any entity other than a governmental entity for the operation of any portion of the Projects unless the management or service contract complies with the requirements of such authority as may control at the time, or any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Projects. Also, the payment of principal and interest with respect to the Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Obligations, or amounts treated as proceeds of the Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds may be so invested for an initial temporary period until needed for the purpose for which the Obligations are being executed and delivered, may be so used in making investments in a *bona fide* debt service fund or may be

invested in obligations issued by the United States Treasury. City shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the execution and delivery of the Obligations (initially those in Subsection (b) and the Tax Certificate) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In consideration of the purchase and acceptance of the Obligations by the owners from time to time thereof and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, City shall, and the appropriate officials of City are hereby directed, to take all action required to retain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(ii) (A) City shall take all necessary and desirable steps, as determined by the Mayor and Council of City, to comply with the requirements hereunder in order to ensure that the Interest Portion is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event City receives a Special Counsel's Opinion that either compliance with such requirement is not required to maintain the exclusion from gross income of the Interest Portion or compliance with some other requirement will meet the requirements of the Code relating to such exclusion. In the event City receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(B) If for any reason any requirement hereunder is not complied with, City shall take all necessary and desirable steps, as determined by City, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and City shall pay any required interest or penalty under hereinafter described Regulations Section 1.148-3(h) with respect to the Code.

(C) Written procedures have been established for City to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Regulations and to monitor the requirements of Section 148 of the Code relating to arbitrage, with which City will comply.

(b) (i) Undefined terms used in this Subsection shall have the meanings given to them in the Code and the Regulations.

(ii) Unless an exception is available to the satisfaction of a City Representative, within 60 days after the end of each Bond Year, City shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(A) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous Rebate Payments with respect to the Obligations (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous Rebate Payments with respect to the Obligations (determined as of the last day of such Bond Year); and

(B) not later than 60 days after the retirement of the last Obligation, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Obligation).

Each Rebate Payment required to be made under this Subsection shall be filed on or before the date such payment is due, with the Internal Revenue Service at the appropriate location and with required forms and other materials, currently by addressing it to IRS Service Center, Ogden, Utah 84201, and accompanying it with IRS Form 8038-T.

(iii) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(iv) For purposes of paragraph (iii), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(A) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing purchaser would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(B) Except as provided in Subsections (v) or (vi), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code Section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(v) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(A) the yield on reasonably comparable direct obligations of the United States; and

(B) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(vi) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(A) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with City or any other person (whether or not in connection with the Obligations), and that the bid is not being submitted solely as a courtesy to City or any other person for purposes of satisfying the requirements in the Regulations that City receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligations.

(B) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(C) At least three reasonably competitive providers (i.e., having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligations (e.g., a lead underwriter within 15 days of the issue date of the Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If City uses an agent to conduct the bidding, the agent may not bid.

(D) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(E) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(F) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(G) The provider of the investment contract certifies the administrative costs (as defined in Regulations Section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(H) City retains until three years after the last outstanding Obligation is retired, (1) a copy of the guaranteed investment contract, (2) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by City and a copy of the provider's certification described in (G) above, (3) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (4) the bid solicitation form and, if the terms of the guaranteed investment contract deviate from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(vii) Such experts and consultants shall be employed by City to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code with respect to the Obligations.

(c) City shall comply with and carry out all of the provisions of the Continuing Disclosure Undertaking, provided that such costs of compliance shall be payable solely from the Excise Tax Revenue Pledged Revenue. Notwithstanding any other provision of this Agreement, failure of City to comply with the Continuing Disclosure Undertaking shall not be considered an event of default; however, Trustee may (and, at the request of the original purchaser of the Obligations or the owners of at least 25% aggregate principal amount in outstanding Obligations and receipt of indemnity to its satisfaction, shall) take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause City to comply with its obligations under the Continuing Disclosure Undertaking.

(d) Trustee has no duty or obligations under this Section 11 and has no duty to monitor compliance by City with this Section 11.

Section 12. Covenant as to Conflict of Interest; Other Statutory Restrictions.

(a) To the extent applicable by provision of law, Trustee acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that City may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Trustee within three years from the execution of this Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, as amended, is provided by City. No basis exists for City to cancel this Agreement pursuant to Section 38-511, Arizona Revised Statutes, as amended, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by Trustee of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of Trustee by City. City retains the legal right to randomly inspect the papers and records of Trustee to ensure that Trustee is complying with the above-mentioned warranty. Trustee shall keep such papers and records open for random inspection during normal business hours by City. Trustee shall cooperate with the random inspections by City including granting City entry rights

onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, as amended, Trustee hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes, as amended. If City determines that Trustee's certification above is false or that it has breached such agreement, City may impose remedies as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, as amended, Trustee hereby certifies it does not currently, and for the duration of this Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certification is made to the best knowledge of Trustee without any current independent investigation or without any future independent investigation for the duration of this Agreement. If Trustee becomes aware during the duration of this Agreement that it is not in compliance with such certification, Trustee shall take such actions as provided by law, including providing the required notice to City. If City determines that Trustee is not in compliance with the foregoing certification and has not taken remedial action, City shall terminate Trustee's role as Trustee hereunder pursuant to Article VII of the Trust Agreement.

Section 13. Miscellaneous.

(a) No covenant or obligation herein to be performed by City may be waived except by the written consent of Trustee, and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude Trustee from invoking such remedy at any later time prior to the cure by City of the condition giving rise to such remedy.

(b) This Agreement shall be construed and governed in accordance with the laws of the State in effect from time to time.

(c) The recitals set forth at the beginning of this Agreement are incorporated in this Agreement by this reference. This Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, supplemented, altered or changed in any respect except by a written document signed by both Trustee and City, subject to the restrictions with regard thereto provided by the Trust Agreement.

(d) Any term or provision of this Agreement found to be prohibited by law or unenforceable or which would cause this Agreement to be invalid, prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to

the extent reasonably possible, causing the remainder of this Agreement to be invalid, prohibited by law or unenforceable.

(e) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(f) Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, assigns and personal representatives, as the case may be. Any person or entity acquiring any interest in or to the right, title or interest of Trustee herein shall be and have the rights of a third-party beneficiary hereunder.

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

[Signature page follows.]

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

Trustee:

_____, as seller

By.....
Authorized Representative

City:

CITY OF YUMA, ARIZONA, a municipal corporation under the laws of the State of Arizona, as purchaser

By.....
John D. Simonton, Interim City Administrator

ATTEST:

.....
Lynda L. Bushong, City Clerk

APPROVED AS TO FORM:

.....
Richard W. Files, City Attorney

[Signature page to First Purchase Agreement]

SCHEDULE A

SCHEDULE OF PAYMENTS WITH RESPECT TO 2025A OBLIGATIONS

Payment Date	Principal	Interest	Total Payment
TOTAL			

SCHEDULE B

SCHEDULE OF PAYMENTS WITH RESPECT TO 2025B OBLIGATIONS

Payment Date	Principal	Interest	Total Payment
TOTAL			

SCHEDULE C

SCHEDULE OF PAYMENTS WITH RESPECT TO 2025C OBLIGATIONS

Payment Date	Principal	Interest	Total Payment
TOTAL			

City of Yuma

City Council Report

File #: O2025-038 **Agenda Date:** 10/1/2025 **Agenda #:** 1.

	STRATEGIC OUTCOMES	ACTION
DEPARTMENT:	☒ Safe & Prosperous	☐ Motion
Community Development	☒ Active & Appealing	☐ Resolution
	☐ Respected & Responsible	☒ Ordinance - Introduction
DIVISION:	☐ Connected & Engaged	☐ Ordinance - Adoption
Community Planning	☐ Unique & Creative	☐ Public Hearing

TITLE:
Text Amendment: Industrial Zoning Districts

SUMMARY RECOMMENDATION:
Amend Title 15, Chapter 154 to update development regulations and allowable uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts. (Community Development/Community Planning) (Alyssa Linville)

STRATEGIC OUTCOME:
The proposed amendment advances the City Council's strategic outcomes of Safe and Prosperous and Active and Appealing by modernizing regulations to attract diverse industries, reducing regulatory barriers, ensuring safe operations that protect surrounding neighborhoods, and aligning land use with long-term community goals that enhance Yuma's livability and economic vitality.

REPORT:
The proposed text amendment will update the list of permitted, conditional, and prohibited uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts. The amendment will clarify existing language, introduce contemporary industrial classifications, and adjust allowed uses to reflect evolving industry practices while maintaining compatibility with adjacent land uses.

The City of Yuma's zoning regulations for industrial districts have remained largely unchanged for several decades. As industrial business models, manufacturing processes, and regulatory standards evolve, periodic updates are necessary to ensure alignment with modern industry trends, safety standards, and economic development objectives.

This amendment:

- Defines key industrial terms such as Light Manufacturing, Heavy Manufacturing, and Extraction, providing clarity for applicants, staff, and the public.
- Expands allowable uses in the L-I District to focus on light industrial activities with minimal environmental impacts.
- Restricts uses in the L-I District that involve dangerous materials to better protect surrounding areas.

- Allows for non-hazardous recycling centers within enclosed buildings in the L-I District to support sustainable practices.

- Establishes the H-I District as the appropriate location for more intensive industrial operations, including Heavy Manufacturing, Extraction, and Hazardous Recycling Centers, while ensuring appropriate screening and environmental considerations.

The proposed amendments to the Light and Heavy Industrial Zoning Districts are anticipated to enhance the City of Yuma's economic development efforts by creating a more robust and permissive regulatory environment for industrial activities. Modernizing the list of allowable uses positions the City as a more attractive destination for new industries seeking clarity and flexibility in zoning. By accommodating a broader range of manufacturing, processing, logistics, and recycling operations, the City supports both business attraction and the expansion of existing enterprises. These updates reduce regulatory barriers, making it easier for companies to adapt their operations, introduce new product lines, or expand facility footprints within appropriately zoned areas.

Moreover, aligning industrial zoning with contemporary industry standards and practices enhances the City's competitiveness in attracting regional and national investments. This is particularly relevant for sectors such as advanced manufacturing, agricultural processing, renewable energy production, and materials recycling, industries that bring skilled employment opportunities and contribute to the diversification of the local economy. The amendment also promotes the efficient use of designated industrial lands, encouraging infill development and maximizing the utility of existing infrastructure while preserving greenfield areas for future growth. Collectively, these benefits support the City's broader goals of fostering economic vitality, creating jobs, and maintaining a resilient industrial sector that contributes meaningfully to the community's prosperity.

The proposed text amendments to the Light and Heavy Industrial Zoning Districts represent a proactive approach to modernizing the City of Yuma's development regulations. By clarifying definitions, refining allowable uses, and balancing industrial flexibility with community safeguards, the amendment supports responsible growth and economic diversification. These updates reflect the City's commitment to promoting business-friendly policies while ensuring that industrial activities remain compatible with the community's long-term planning objectives. Staff recommends approval of the proposed amendments as a strategic measure to enhance both land use management and economic development opportunities within the City of Yuma.

On August 11, 2025, the Planning and Zoning Commission voted to recommend APPROVAL (6-0) of the request by the City of Yuma for a Zoning Code Text Amendment to amend Title 15, Chapter 154, to update development regulations and allowable uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts.

PUBLIC COMMENTS - EXCERPT FROM PLANNING AND ZONING COMMISSION MEETING MINUTES:

QUESTIONS FOR STAFF
NONE

PUBLIC COMMENT
NONE

MOTION

"Motion by Chelsea Malouff-Craig - Planning and Zoning Commissioner second by John Mahon - Planning and Zoning Commissioner to APPROVE ZONE-44199-2025 as presented.

"Motion carried unanimously, (6-0) with one vacancy.'

FISCAL REQUIREMENTS:

CITY FUNDS:	$ 0.00	BUDGETED:	$ 0.00
STATE FUNDS:	$ 0.00	AVAILABLE TO TRANSFER:	$ 0.00
FEDERAL FUNDS:	$ 0.00	IN CONTINGENCY:	$ 0.00
OTHER SOURCES:	$ 0.00	-	
TOTAL	$ 0.00		

FISCAL IMPACT STATEMENT:
NONE

ADDITIONAL INFORMATION:
SUPPORTING DOCUMENTS NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT ARE ON FILE IN THE OFFICE OF THE CITY CLERK:

NONE

IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?

☐ Department
☐ City Clerk's Office
☐ Document to be recorded
☒ Document to be codified

Acting City Administrator: John D. Simonton	Date: 09/22/2025
Reviewed by City Attorney: Richard W. Files	Date: 09/19/2025

STAFF REPORT TO THE PLANNING AND ZONING COMMISSION
DEPARTMENT OF COMMUNITY DEVELOPMENT
COMMUNITY PLANNING DIVISION
CASE TYPE – TEXT AMENDMENT
CASE PLANNER: ALYSSA LINVILLE

Hearing Date August 11, 2025 **Case Number:** ZONE-44199-2025

Project Description: This is a request by The City of Yuma for a Zoning Code Text Amendment to amend Title 15, Chapter 154, to update development regulations and allowable uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts.

Staff recommendation: Staff recommends **APPROVAL** of the text amendment to amend Title 15, Chapter 154, to update development regulations and allowable uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts.

Suggested Motion: Move to **APPROVE** the text amendment ZONE-44199-2025 as presented in the staff report.

Effect of the Approval: By approving the text amendment, the Planning and Zoning Commission is recommending approval to City Council for the request to amend Title 15, Chapter 154, to update development regulations and allowable uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts.

Staff Analysis: The proposed text amendment will update the list of permitted, conditional, and prohibited uses within the Light Industrial (L-I) and Heavy Industrial (H-I) Zoning Districts. The amendment will clarify existing language, introduce contemporary industrial classifications, and adjust allowed uses to reflect evolving industry practices while maintaining compatibility with adjacent land uses.

The City of Yuma's zoning regulations for industrial districts have remained largely unchanged for several decades. As industrial business models, manufacturing processes, and regulatory standards evolve, periodic updates are necessary to ensure alignment with modern industry trends, safety standards, and economic development objectives.

This amendment aims to:

- Define key industrial terms such as Light Manufacturing, Heavy Manufacturing, and Extraction, providing clarity for applicants, staff, and the public.
- Refine allowable uses in the L-I District to focus on light industrial activities with minimal environmental impacts.
- Ensure that processing or packing of raw materials in the L-I District is permissible when located along designated truck routes, supporting logistics while limiting impacts on local streets.

- Restrict uses in the L-I District that involve dangerous materials to better protect surrounding areas.

- Clarify that the L-I District prohibits uses allowed in the General Commercial (B-2) District unless specifically identified, preventing commercial creep into industrial areas.

- Allow non-hazardous recycling centers within enclosed buildings in the L-I District to support sustainable practices.

- Establish the H-I District as the appropriate location for more intensive industrial operations, including Heavy Manufacturing, Extraction, and Hazardous Recycling Centers, while ensuring appropriate screening and environmental considerations.

The proposed amendments to the Light and Heavy Industrial Zoning Districts are anticipated to enhance the City of Yuma's economic development efforts by creating a more robust and permissive regulatory environment for industrial activities. Modernizing the list of allowable uses positions the City as a more attractive destination for new industries seeking clarity and flexibility in zoning. By accommodating a broader range of manufacturing, processing, logistics, and recycling operations, the City supports both business attraction and the expansion of existing enterprises. These updates reduce regulatory barriers, making it easier for companies to adapt their operations, introduce new product lines, or expand facility footprints within appropriately zoned areas.

Moreover, aligning industrial zoning with contemporary industry standards and practices enhances the City's competitiveness in attracting regional and national investments. This is particularly relevant for sectors such as advanced manufacturing, agricultural processing, renewable energy production, and materials recycling, industries that bring skilled employment opportunities and contribute to the diversification of the local economy. The amendment also promotes the efficient use of designated industrial lands, encouraging infill development and maximizing the utility of existing infrastructure while preserving greenfield areas for future growth. Collectively, these benefits support the City's broader goals of fostering economic vitality, creating jobs, and maintaining a resilient industrial sector that contributes meaningfully to the community's prosperity.

The proposed text amendments to the Light and Heavy Industrial Zoning Districts represent a proactive approach to modernizing the City of Yuma's development regulations. By clarifying definitions, refining allowable uses, and balancing industrial flexibility with community safeguards, the amendment supports responsible growth and economic diversification. These updates reflect the City's commitment to promoting business-friendly policies while ensuring that industrial activities remain compatible with the community's long-term planning objectives. Staff recommends approval of the proposed amendments as a strategic measure to enhance both land use management and economic development opportunities within the City of Yuma.

1. Does the proposed amendment implement the goals, objectives and policies of the General Plan?

Yes.

2. Does the proposed amendment fit the overall purpose and intent of the zoning ordinance?

Yes. The proposed amendment fits the overall purpose and intent of the zoning ordinance.

3. Will the proposed amendment change the range of uses identified in the zoning code? If so, how?

Yes. The proposed amendment will identify new allowable uses within each industrial district.

4. Will the proposed text amendment change the development standards of the zoning or subdivision ordinances? If so, how?

Yes. The proposed amendment will eliminate the need to obtain a conditional use permit for several uses.

5. What are the potential impacts of the proposed amendment?

No negative impacts have been identified with the proposed text amendment.

Potential positive impacts include:

- Business expansion and attraction
- Align zoning with modern industry standards
- Reduce regulatory barriers for industrial activities

6. Does the proposed amendment fit the overall purpose and intent of the subdivision ordinance?

Yes.

7. Does the proposed amendment conform to prior City Council actions regarding this issue?

Yes.

Public Comments Received: None Received.

External Agency Comments: None Received.

Neighborhood Meeting Comments: No Meeting Required.

Proposed conditions delivered to applicant on: N/A

Final staff report delivered to applicant on: N/A

Attachments:

A	B
Draft Text	Agency Notification

Prepared By: Alyssa Linville **Date:** July 22, 2025

Alyssa Linville, Director of Community Development Alyssa.Linville@yumaaz.gov (928) 373-5000, ext. 3037

Approved By: Jennifer L. Albers **Date:** 7/23/25

Jennifer Albers,
Assistant Director of Planning

ATTACHMENT A
DRAFT TEXT

SECTION 1: That the Yuma City Code, Title 15, Chapter 154, Article 1, Section 7 Definitions be amended to insert the bolded text in alphabetical order:

LIGHT MANUFACTURING. **A type of industrial activity that involves the production or assembly of goods with minimal environmental impact. These operations typically use less intensive processes and are compatible with surrounding commercial and residential areas, with limited outdoor storage and noise.**

HEAVY MANUFACTURING. **A type of industrial activity involving large-scale production, processing, or assembly of goods, often requiring significant infrastructure, outdoor storage, and more intensive machinery or processes. These operations may generate higher levels of noise, traffic, and environmental impact and are generally located in more industrially designated zones.**

EXTRACTION. **The process of removing natural resources, such as minerals, oil, gas, or groundwater, from the earth through mining, drilling, or other methods.**

SECTION 2: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection B Permitted Principal Uses, be amended to insert the bolded text and delete the strike through text:

(2) **Light manufacturing and** ~~A~~**a**ssembling or fabrication of products or articles; ~~provided however, that such production does not involve transforming any material from a raw or natural state to a form suitable for fabrication;~~

SECTION 3: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Light Industrial District (L-I), Subsection B Permitted Principal Uses, be amended to insert the bolded text:

(9) Processing or packing of raw materials, including agriculture products, where the property is located on a designated truck route.

SECTION 4: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection E Conditional Uses, be amended to insert the bolded text and delete the strike through text:

(2) Any use which **involves the use or handling of dangerous materials, and** requires a state or federal agency permit, license or other type of certification ~~for the use of handling of dangerous materials~~;

SECTION 5: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection E Conditional Uses, be amended to delete the strike through text:

(3) Any use allowed in the General Commercial (B-2) District~~, except any type of medical facility~~;

SECTION 6: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection E Conditional Uses, be amended to insert the bolded text:

(8) Non-hazardous recycling center located within an enclosed building.

SECTION 7: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection B Permitted Principal Uses, be amended to insert the bolded text:

(1) Any use allowed within the Light Industrial District **as either a principal use or conditional use, unless otherwise specified within this section**;

SECTION 8: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection B Permitted Principal Uses, be amended to insert the bolded text:

(11) Heavy manufacturing.

SECTION 9: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection E (3 and 4) Conditional Uses, be amended to insert the bolded text and delete the strike through text:

(3) Extraction~~, processing or packing of raw materials, including agriculture products~~;

(4) Any use which **involves the use or handling of dangerous materials, and** requires a state or federal agency permit, license or other type of certification ~~for the use of handling of dangerous materials~~; ~~-~~

SECTION 10: That the Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection E Conditional Uses, be amended to insert the bolded text:

(9) Hazardous recycling center, fully screened.

ATTACHMENT B
AGENCY NOTIFICATION

- **Legal Ad Published: The Sun** 07/14/25
- **34 Commenting/Reviewing Agencies noticed:** 06/26/25
- **Neighborhood Meeting:** N/A
- **Hearing Date:** 08/11/25
- **Comments due:** 06/09/25

External List (Comments)	**Response Received**	**Date Received**	**"No Comment"**	**Written Comments**	**Comments Attached**
Yuma County Airport Authority	Yes	06/26/25	X		
Yuma County Engineering	NR				
Yuma County Public Works	Yes	06/25/25	X		
Yuma County Water Users' Assoc.	Yes	06/27/25	X		
Yuma County Planning & Zoning	NR				
Yuma County Assessor	NR				
Arizona Public Service	NR				
Time Warner Cable	NR				
Southwest Gas	NR				
Qwest Communications	NR				
Bureau of Land Management	NR				
YUHS District #70	NR				
Yuma Elem. School District #1	NR				
Crane School District #13	NR				
A.D.O.T.	NR				
Yuma Irrigation District	NR				
Arizona Game and Fish	NR				
United States Postal Service	NR				
Yuma Metropolitan Planning Org.	NR				
El Paso Natural Gas Co.	NR				
Western Area Power Administration	Yes	06/25/25	X		
City of Yuma Internal List (Conditions)	**Response Received**	**Date Received**	**"No Conditions"**	**Written Conditions**	**Comments Attached**
Police	NR				
Parks & Recreation	NR				
Development Engineering	NR				
Fire	NR				
Building Safety	NR				
City Engineer	NR				
Traffic Engineer	NR				
MCAS / C P & L Office	NR				
Utilities	NR				
Public Works	NR				
Streets	NR				

Neighborhood Meeting	***Comments Available***
NONE REQUIRED	N/A

PUBLIC COMMENTS RECEIVED: NONE RECEIVED.

ORDINANCE NO. O2025-038

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AMENDING CHAPTER 154 OF THE YUMA CITY CODE, AS AMENDED, RELATING TO ZONING REGULATIONS, PROVIDING FOR CHANGES TO THE ZONING CODE TO UPDATE DEVELOPMENT REGULATIONS AND EXPAND THE ALLOWABLE USES WITHIN THE LIGHT INDUSTRIAL (L-I) AND HEAVY INDUSTRIAL (H-I) ZONING DISTRICTS

WHEREAS, from time to time it may be desirable to modify the zoning code keeping within the context of a dynamic and growing community; and,

WHEREAS, the City of Yuma Planning and Zoning Commission held a public hearing on August 11, 2025 in Case no: ZONE-44199-2025 in the manner prescribed by law for the purpose of amending the City of Yuma Zoning Code; and,

WHEREAS, due and proper notice of the public hearing was given in the time, form, substance and manner provided by law, including publication of notice of the hearing in the Yuma Sun on July 14, 2025; and,

WHEREAS, the City Council has considered the recommendation of the Planning and Zoning Commission to approve the zoning code text amendment in Case No: ZONE-44199-2025 and the probable impact on the cost to construct housing for sale or rent that may occur as a result of this amendment, and finds that the recommendation complies with and conforms to the goals and objectives of the Yuma General Plan, as amended.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: Yuma City Code, Title 15, Chapter 154, Article 1, Section 7 Definitions is amended to insert the bolded text in alphabetical order:

LIGHT MANUFACTURING. **A type of industrial activity that involves the production or assembly of goods with minimal environmental impact. These operations typically use less intensive processes and are compatible with surrounding commercial and residential areas, with limited outdoor storage and noise.**

HEAVY MANUFACTURING. **A type of industrial activity involving large-scale production, processing, or assembly of goods, often requiring significant infrastructure, outdoor storage, and more intensive machinery or processes. These operations may generate higher levels of noise, traffic, and environmental impact and are generally located in more industrially designated zones.**

EXTRACTION. **The process of removing natural resources, such as minerals, oil, gas, or groundwater, from the earth through mining, drilling, or other methods.**

SECTION 2: Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection B Permitted Principal Uses, is amended to insert the bolded text and delete the strike through text:

(2) **Light manufacturing and** ~~Aa~~**a**ssembling or fabrication of products or articles; ~~provided however, that such production does not involve transforming any material from a raw or natural state to a form suitable for fabrication;~~

SECTION 3: Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection B Permitted Principal Uses, is amended to insert the bolded text and renumber accordingly:

(9) Processing or packing of raw materials, including agriculture products, where the property is located on a designated truck route.

SECTION 4: Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection E Conditional Uses, is amended to insert the bolded text and delete the strike through text:

(2) Any use which **involves the use or handling of dangerous materials, and** requires a state or federal agency permit, license or other type of certification ~~for the use of handling of dangerous materials~~;

SECTION 5: Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection E Conditional Uses, is amended to delete the strike through text:

(3) Any use allowed in the General Commercial (B-2) District~~, except any type of medical facility~~;

SECTION 6: Yuma City Code, Title 15, Chapter 154, Article 9, Section 2 Light Industrial District (L-I), Subsection E Conditional Uses, is amended to insert the bolded text:

(8) Non-hazardous recycling center located within an enclosed building.

SECTION 7: Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection B Permitted Principal Uses, is amended to insert the bolded text:

(1) Any use allowed within the Light Industrial District **as either a principal use or conditional use, unless otherwise specified within this section**;

SECTION 8: Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection B Permitted Principal Uses, is amended to insert the bolded text:

(11) Heavy manufacturing.

SECTION 9: Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection E (3 and 4) Conditional Uses, is amended to insert the bolded text and delete the strike through text:

(3) Extraction~~, processing or packing of raw materials, including agriculture products~~;

(4) Any use which **involves the use or handling of dangerous materials, and** requires a state or federal agency permit, license or other type of certification ~~for the use of handling of dangerous materials~~; -

SECTION 10: Yuma City Code, Title 15, Chapter 154, Article 9, Section 3 Heavy Industrial District (H-I), Subsection E Conditional Uses, is amended to insert the bolded text:

(9) Hazardous recycling center, fully screened.

SECTION 11: It shall be unlawful for any person, firm or corporation to violate, or cause the violation of, any provision of this ordinance. Any person, firm or corporation violating any of the provisions in this ordinance shall be guilty of a class 1 misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed $1,000 or by imprisonment for not more than ten days or both fine and imprisonment. Each separate day or part thereof during which any violation of said sections occurs or continues shall be deemed to constitute a separate offense, and upon conviction thereof shall be punishable as herein provided.

Adopted this _____ day of _____, 2025.

APPROVED:

_____
Douglas J. Nicholls
Mayor

ATTESTED:

_____
Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

_____
Richard W. Files
City Attorney