

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*
PLEGGED REVENUE
OBLIGATIONS,
SERIES 2025A

\$10,790,000*
PLEGGED REVENUE
OBLIGATIONS,
SERIES 2025B

\$20,435,000*
PLEGGED 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**

<u>Payment Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP®⁽¹⁾ No. 98851W</u>
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.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, Special Counsel, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

\$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.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, Special Counsel, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

\$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.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, Special Counsel, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

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.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY STATEMENT	1
THE OBLIGATIONS	3
General Terms	3
Prepayment Provisions*	3
Registration and Transfer When Book-Entry-Only System Has Been Discontinued.....	4
PLAN OF REFUNDING.....	4
Schedule of Bonds Being Refunded.....	4
VERIFICATION OF MATHEMATICAL COMPUTATIONS.....	5
SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS.....	5
General	5
Pledge	5
Coverage Requirements.....	6
Parity Obligations.....	6
SOURCES AND USES OF FUNDS.....	7
ESTIMATED DEBT SERVICE REQUIREMENTS AND PROJECTED COVERAGE.....	8
EXCISE TAX REVENUE PLEDGED REVENUE.....	9
Excise Taxes.....	9
State Shared Revenues	11
Historical and Projected Excise Tax Revenue Pledged Revenue	15
LITIGATION	16
LEGAL MATTERS	16
TAX EXEMPTION.....	16
General	16
Original Issue Discount and Original Issue Premium	17
Changes in Federal and State Tax Law	18
Information Reporting and Backup Withholding.....	18
RATINGS.....	19
UNDERWRITING	19
RELATIONSHIP AMONG PARTIES	19
CONTINUING DISCLOSURE.....	20
FINANCIAL STATEMENTS.....	20
CONCLUDING STATEMENT	21
APPENDIX A: CITY OF YUMA, ARIZONA – DEMOGRAPHIC AND ECONOMIC INFORMATION	
APPENDIX B: CITY OF YUMA, ARIZONA – FINANCIAL DATA	
APPENDIX C: CITY OF YUMA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024	
APPENDIX D: SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS	
APPENDIX E: FORM OF APPROVING LEGAL OPINION	
APPENDIX F: FORM OF CONTINUING DISCLOSURE UNDERTAKING	
APPENDIX G: BOOK-ENTRY-ONLY SYSTEM	

**OFFICIAL STATEMENT
CITY OF YUMA, ARIZONA**

\$57,725,000*
PLEGDED REVENUE
OBLIGATIONS,
SERIES 2025A

\$10,790,000*
PLEGDED REVENUE
OBLIGATIONS,
SERIES 2025B

\$20,435,000*
PLEGDED 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”).

* *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.

* *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*

<u>Maturity Date</u> (July 1)	<u>Coupon</u>	<u>Principal Amount Outstanding</u>	<u>Principal Being Refunded</u>	<u>Redemption Date*</u>	<u>CUSIP®⁽¹⁾</u> <u>No. 98851W</u>
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	<u>6,265,000</u>	<u>6,265,000</u>	3/1/2026	AT4
		<u>\$21,635,000</u>	<u>\$21,635,000</u>		

* 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.

[Remainder of page left intentionally blank.]

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)				
<hr/>				
Total Sources of Funds				
<hr/>				
Deposit to Acquisition Fund				
Deposit with Escrow Trustee				
Payment of Costs of Issuance (b)				
<hr/>				
Total Uses of Funds				
<hr/> <hr/>				

* *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 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**

Industry Classification	Actual					Unaudited	Budgeted (b)
	2019/20	2020/21	2021/22	2022/23	2023/24	Actual (b) 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.*

[Remainder of page left intentionally blank.]

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**

<u>Month</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
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
	<u>\$64,893,439</u>	<u>\$67,332,619</u>	<u>\$70,083,661</u>

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 imposed as provided by law on vehicles registered for operation upon the highways in Arizona, which vehicle 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**

Source	Audited					Unaudited	Budgeted
	2019/20	2020/21	2021/22	2022/23	2023/24	Actual 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.

[Remainder of page left intentionally blank.]

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

**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

	<u>City of Yuma</u>	<u>Yuma County</u>	<u>State of Arizona</u>
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	<u>None</u>
--	-------------

**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 acquisition & 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						<u>20,435,000</u>
Total Excise Tax Revenue Pledged Revenue Obligations Outstanding and To be Outstanding						<u>\$ 217,145,000</u>

* *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)				<u>\$ 8,175,000</u>

(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	<u>64,755,000</u>
Total Senior Lien Utility Revenue Bonds Outstanding				<u>\$ 109,115,000</u>

(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.

<u>Fiscal Year ended</u>	<u>Retirement and Health Insurance Premiums</u>	<u>Long-term Disability</u>	<u>Total Contribution Rate</u>	<u>Funded Status</u>	<u>Pension Contributions</u>
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

Hired into PSPRS position before
January 1, 2012

“Tier 2” Members

Hired into PSPRS position on or
after January 1, 2012 and
before July 1, 2017

“Tier 3” Members

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				
	<u>6/30/2026</u>	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
<u>Actuarially Determined Contribution Rates</u>					
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.

[Remainder of page left intentionally blank.]

	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.

[Remainder of page left intentionally blank.]

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	Budgeted
	2019/20	2020/21	2021/22	2022/23	2023/24	Actual 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.*

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.

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.

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.

* *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,

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.

* *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:

<u>CUSIP No.</u> <u>(Base 98851W)</u>	<u>Payment Date</u>
--	---------------------

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.

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.