

City of Yuma, Arizona
Notice Filing – Tender Offer
Dated _____, 2024

This Tender Offer Notice Filing is an event described in Securities and Exchange Act Rule 15c2-12, as amended. The Issuer provides this information as it may be material to the financial evaluation of one or more obligations of the Issuer.

Issuer: City of Yuma, Arizona

Issue: Pledged Revenue Obligations, Taxable Series 2021

CUSIP Numbers: 98851W AE3 98851W AF0 98851W AG8
98851W AH6 98851W AJ2 98851W AK9
98851W AL7 98851W AM5 98851W AN3
98851W AP8

Type of Information: Invitation to Tender Obligations

The Issuer is inviting holders of the above CUSIP numbers to tender obligations for purchase by the Issuer pursuant to the terms and conditions set forth in the attached invitation.

This filing is not an event filing for a defeasance or bond call.

The Issuer is providing this Notice Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system.

City of Yuma, Arizona

INVITATION TO TENDER OBLIGATIONS FOR PURCHASE

made by

THE CITY OF YUMA, ARIZONA

to the Beneficial Owners of the

CITY OF YUMA, ARIZONA

PLEDGED REVENUE OBLIGATIONS, TAXABLE SERIES 2021

BASE CUSIP: 98851W

of the maturities and corresponding CUSIP numbers listed on the inside cover page hereof for a cash price to be determined by Modified Dutch Auction Procedures based upon Offers at Offer Spreads

THIS INVITATION WILL EXPIRE AT 5:00 P.M. NEW YORK CITY TIME, ON _____, 2024, UNLESS EARLIER CANCELED OR EXTENDED AS DESCRIBED HEREIN. TENDERED TARGET OBLIGATIONS MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE. See “TERMS OF THIS INVITATION” herein.

This Invitation to Tender Obligations for Purchase, dated _____, 2024 (as it may be amended or supplemented, including the cover page and inside cover page, this “**Invitation**”), is made by the City of Yuma, Arizona (the “**City**”), with the assistance of Stifel, Nicolaus & Company, Incorporated, as Dealer Manager (the “**Dealer Manager**”), to the beneficial owners (the “**Holders**”) of certain maturities of the outstanding City of Yuma, Arizona Pledged Revenue Obligations, Taxable Series 2021, as described on the inside cover page hereof (the “**Target Obligations**”).

The City is providing the Holders of the Target Obligations with the opportunity to offer to sell all or a portion of their Target Obligations to the City for cash purchase by the City. Should the City determine to purchase any Target Obligations of a CUSIP number, there will be a single purchase price (a “**Purchase Price**”) for the Target Obligations of such CUSIP number at which all Target Obligations of such CUSIP number (other than the Unpurchased Obligations (as defined below) of such CUSIP number) will be purchased. The Purchase Price for the Target Obligations of a CUSIP number which the City determines to purchase, if any, will not exceed 100% of par and will be calculated by the City based on a yield determined by adding a fixed spread (each a “**Purchase Spread**”) to the yield on the relevant benchmark United States Treasury Security (each, a “**Benchmark Treasury Security**”) plus a yield adjustment as specified on the inside cover page (each an “**Adjusted Treasury Yield**”). See “TERMS OF THIS INVITATION – Determination of Purchase Spread” for a description of the Modified Dutch Auction Procedure for determining the Purchase Spread and resultant Purchase Price of the Target Obligations of each CUSIP number. Each Holder is invited by the City to make an offer (an “**Offer**”), expressed as a spread in basis points to be added to the relevant Adjusted Treasury Yield (an “**Offer Spread**”) as described herein, to sell to the City, for payment in cash, all or part of its beneficial ownership interests in the Target Obligations in **Authorized Denominations** (as defined herein).

The Target Obligations, if any, which the City decides to purchase will be purchased on _____, 2024, unless such date is extended by the City, assuming all conditions to the Invitation have then been satisfied or waived by the City (the “**Settlement Date**”). Accrued but unpaid interest on the Target Obligations, if any, purchased by the City up to but not including the Settlement Date (the “**Accrued Interest**”) will also be paid on the Settlement Date.

The principal amount of the Target Obligations of each CUSIP number validly tendered and purchased by the City pursuant to this Invitation, if any, will not exceed the maximum principal amount for such Target Obligations as set forth on the inside cover page. The total of each Purchase Price of the Target Obligations of each CUSIP number validly tendered and purchased by the City pursuant to this Invitation (the “**Aggregate Purchase Price**”), is expected to be funded from legally available moneys of the City. The payment of Accrued Interest on Target Obligations validly tendered and accepted for purchase is expected to be funded from legally available moneys of the City and paid on the Settlement Date. **The purchase of any Target Obligations tendered pursuant to this Invitation is subject to certain conditions, including, without limitation, the Conditions to Purchase (as defined herein). See “INTRODUCTION – General” herein.**

TARGET OBLIGATIONS THAT ARE NOT OFFERED FOR PURCHASE IN RESPONSE TO THIS INVITATION, AS WELL AS OFFERED TARGET OBLIGATIONS WHICH THE CITY DOES NOT PURCHASE IN RESPONSE TO THIS INVITATION (ALL SUCH TARGET OBLIGATIONS, THE “UNPURCHASED OBLIGATIONS”) WILL REMAIN OUTSTANDING. UNPURCHASED OBLIGATIONS THAT ARE OFFERED BUT NOT PURCHASED BY THE CITY WILL BE RETURNED TO THE RESPECTIVE HOLDERS THAT OFFERED SUCH TARGET OBLIGATIONS. THE CITY MAY AT ANY TIME REFUND, REDEEM, DEFEASE, OR OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED OBLIGATIONS ACCORDING TO THEIR TERMS. See “INTRODUCTION – General” and “– Unpurchased Obligations” herein.

To make an informed decision as to whether, and how, to offer Target Obligations, Holders should read this Invitation in its entirety, carefully, and are advised to consult with their broker, account executive, financial advisor, attorney, and/or other appropriate professional (“**Financial Representative**”).

Any Holder wishing to offer Target Obligations must follow the procedures for Offers more specifically described herein. Holders and their Financial Representatives with questions about this Invitation should contact the Dealer Manager or the Information Agent and Tender Agent identified below. For more information about risks associated with this Invitation, please see “ADDITIONAL CONSIDERATIONS” herein.

Key Dates and Times

All of these dates and times are subject to change. All times are New York City time.

Notices of changes will be sent in the manner provided for in this Invitation.

Launch Date	_____	, 2024
Expiration Date	5:00 p.m. on _____	, 2024
Preliminary Acceptance Date	_____	, 2024
Determination of each Purchase Price	Approximately 10:00 a.m. on _____	, 2024
Notice of each Purchase Price	_____	, 2024
Final Acceptance Date	_____	, 2024
Settlement Date	_____	, 2024

The Dealer Manager
for this Invitation is
Stifel, Nicolaus & Company, Incorporated

The Information Agent and Tender Agent
for this invitation is
Globic Advisors Inc.

OBLIGATIONS SUBJECT TO THIS INVITATION

Target Obligations Offered for Purchase Solicited by Modified Dutch Auction Procedures Based Upon Offer Spreads¹

CITY OF YUMA, ARIZONA PLEDGED REVENUE OBLIGATIONS, TAXABLE SERIES 2021

BASE CUSIP²: 98851W

<u>Maturity Date</u> <u>(July 15)</u>	<u>CUSIP</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>	<u>Maximum</u> <u>Principal</u> <u>Amount that may</u> <u>be Accepted for</u> <u>Purchase if</u> <u>Tendered</u>	<u>Benchmark</u> <u>Treasury</u> <u>Security³</u>	<u>Benchmark</u> <u>UST Rate as of</u> <u>COB on</u> <u>2024</u>	<u>Yield</u> <u>Adjustment</u> <u>to</u> <u>Benchmark</u> <u>Treasury</u> <u>Security in</u> <u>Basis Points⁴</u>	<u>Offer</u> <u>Spread</u> <u>Guidance in</u> <u>Basis</u> <u>Points⁵</u>	<u>Illustrative</u> <u>Purchase</u> <u>Yield/Price</u> <u>Resulting from</u> <u>Offer Spread</u> <u>Guidance⁶</u>
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- ¹ A Holder may make an Offer to sell Target Obligations of a CUSIP number in an amount of its choosing up to the principal amount of Target Obligations owned by the Holder expressed as the principal amount of such Target Obligations (in Authorized Denominations) and the Offer Spread to be added to the yield on the relevant Benchmark Treasury Security plus the relevant yield adjustment set forth above used in establishing the Purchase Price for such Target Obligations. An Offer Spread must be expressed as a number of basis points and contain no more than one number to the right of the decimal point. Any Offer Spread containing more than one number to the right of the decimal point will be truncated to one number, without rounding. See “TERMS OF THIS INVITATION – Offers of Target Obligations at an Offer Spread”.
- ² CUSIP is a registered trademark of the American Bankers Association. CUSIP information herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the Dealer Manager, or the Information Agent and Tender Agent nor their respective agents or counsel assumes responsibility for the accuracy of such numbers.
- ³ Each Benchmark Treasury Security will be the most recently auctioned “on-the-run” United States Treasury Security for the maturity indicated as of the date and time that each Target Obligation’s Purchase Price is set, currently expected to be _____, 2024. The yield on the Benchmark Treasury Security to be used in establishing the Purchase Prices for the Target Obligations will be based on the bid-side price of the U.S. Benchmark Treasury as quoted on the Bloomberg Bond Trader FIT series of pages at approximately 10:00 a.m., New York City time, on _____, 2024. See “TERMS OF THIS INVITATION – Determination of the Purchase Spread”.
- ⁴ In order to accommodate Holders who desire to submit and offer of 0.0 bps or an offer at a negative spread to the Benchmark Treasury Security that would result in such Target Obligations being effectively offered at or below the yield of the relevant Benchmark Treasury Security, a Holder’s Offer Spread will be added to the relevant Adjusted Treasury Yield.
- ⁵ The Offer Spread Guidance is provided solely for the purpose of assisting Holders in formulating offers for their Target Obligations.
- ⁶ Illustrative Purchase Price excludes accrued but unpaid interest and is based on yields for Benchmark Treasury Securities plus the relevant yield adjustment set forth above as of the close of business on _____, 2024. The Illustrative Price is provided for informational purposes only. The Purchase Price of a Target Obligation of a CUSIP number will be determined based on numerous factors described herein. Holders are not permitted to submit offers based on a specific price. Illustrative Price Resulting from Offer Spread Guidance is in \$ per \$100 principal amount.
- ⁷ The Target Obligation maturing on July 15, 2038, is subject to sinking fund redemption payments on July 15 in 2034, 2035, 2036, 2037 and 2038, and its Purchase Price will be calculated assuming its average life date of _____, 20__ as its maturity date. See “TERMS OF THIS INVITATION – Determination of Purchase Price” herein.

IMPORTANT INFORMATION

*This Invitation and the other information with respect to this Invitation are and will be available from Stifel, Nicolaus & Company, Incorporated, as Dealer Manager (the “**Dealer Manager**”), and Globic Advisors Inc. (the “**Information Agent and Tender Agent**”), at <https://emma.msrb.org> and <https://www.globic.com/yuma>. Holders wishing to offer their Target Obligations for purchase pursuant to this Invitation must follow the procedures described in this Invitation. The City may cancel, amend, or otherwise modify or waive any terms or conditions of this Invitation as described herein. The City will have no obligation to accept offered Target Obligations for purchase or to purchase Target Obligations offered and accepted for purchase if this Invitation is cancelled or modified or any of the other conditions set forth herein are not satisfied. The City further reserves the right to accept nonconforming Offers of Target Obligations or waive irregularities in any Offer of Target Obligations. **TARGET OBLIGATIONS THAT ARE NOT OFFERED FOR PURCHASE IN RESPONSE TO THIS INVITATION, AS WELL AS OFFERED TARGET OBLIGATIONS WHICH THE CITY DOES NOT PURCHASE IN RESPONSE TO THIS INVITATION (ALL SUCH TARGET OBLIGATIONS, THE “UNPURCHASED OBLIGATIONS”) WILL REMAIN OUTSTANDING. UNPURCHASED OBLIGATIONS THAT ARE OFFERED BUT NOT PURCHASED BY THE CITY WILL BE RETURNED TO THE RESPECTIVE HOLDERS THAT OFFERED SUCH TARGET OBLIGATIONS. THE CITY MAY DECIDE AT ANY TIME TO REFUND, REDEEM, DEFEASE, OR OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED OBLIGATIONS.***

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS INVITATION OR PASSED UPON THE FAIRNESS OR MERITS OF THIS INVITATION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INVITATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS INVITATION IS NOT BEING EXTENDED TO, AND OFFERS OF TARGET OBLIGATIONS AND TARGET OBLIGATIONS TENDERED IN RESPONSE TO THIS INVITATION WILL NOT BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS IN ANY JURISDICTION IN WHICH THIS INVITATION OR SUCH OFFER OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. IN ANY JURISDICTIONS WHERE SECURITIES, “BLUE SKY” OR OTHER LAWS REQUIRE THIS INVITATION TO BE MADE THROUGH A LICENSED OR REGISTERED BROKER OR DEALER, THIS INVITATION SHALL BE DEEMED TO BE MADE ON BEHALF OF THE CITY THROUGH THE DEALER MANAGER.

References to website addresses 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 websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

The delivery of this Invitation shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the City, since the date hereof. The information contained in this Invitation is as of the date of this Invitation only and is subject to change, completion, or amendment without notice.

The City, the Dealer Manager and the Information Agent and Tender Agent are not responsible (a) for transmitting any offer or (b) for the Depository Trust Company (“DTC”) process and Holders’ interactions with DTC and the DTC participants.

The Dealer Manager makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein. The Dealer Manager has not independently verified any of the information contained herein, and assumes no responsibility for the accuracy or completeness of any such information.

None of the City, the Dealer Manager, or the Information Agent and Tender Agent makes any recommendation that any Holder offer or refrain from offering all or any portion of such Holder's Target Obligations for purchase. Holders must make their own decisions and should read this Invitation carefully and consult with their broker, account executive, financial advisor, attorney, and/or other appropriate professional in making these decisions.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation and, if given or made, such information or representation may not be relied upon as having been authorized by the City.

Certain statements included or incorporated by reference into this Invitation constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "forecast," "plan," "expect," "estimate," "budget," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions, or circumstances on which such statements are based, occur.

This Invitation contains important information which should be read in its entirety before any decision is made with respect to this Invitation.

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INVITATION TO TENDER OBLIGATIONS FOR PURCHASE

made by
THE CITY OF YUMA, ARIZONA
to the Beneficial Owners of the

CITY OF YUMA, ARIZONA PLEDGED REVENUE OBLIGATIONS, TAXABLE SERIES 2021

INTRODUCTION

General

This Invitation to Tender Obligations for Purchase, dated _____, 2024 (as it may be amended or supplemented, including the cover page and inside cover page, this “**Invitation**”), is made by the City of Yuma, Arizona (the “**City**”), with the assistance of Stifel, Nicolaus & Company, Incorporated, as Dealer Manager (the “**Dealer Manager**”), to the beneficial owners (the “**Holders**”) of certain maturities of the outstanding City of Yuma, Arizona Pledged Revenue Obligations, Taxable Series 2021 as described on the inside cover page hereof (the “**Target Obligations**”).

The City is providing the Holders of the Target Obligations with the opportunity to offer to sell all or a portion of their Target Obligations to the City for cash purchase by the City. Should the City determine to purchase any Target Obligations of a CUSIP number, there will be a single purchase price (a “**Purchase Price**”) for the Target Obligations of such CUSIP number at which all Target Obligations of such CUSIP number (other than the Unpurchased Obligations (as defined below) of such CUSIP number) will be purchased. The Purchase Price for the Target Obligations of a CUSIP number which the City determines to purchase, if any, will not exceed 100% of par and will be calculated by the City based on a yield determined by adding a fixed spread in basis points (each a “**Purchase Spread**”) to the yield on the relevant benchmark United States Treasury Security (each, a “**Benchmark Treasury Security**”) plus a yield adjustment corresponding to such maturity as specified on the inside cover page (each an “**Adjusted Treasury Yield**”). See “TERMS OF THIS INVITATION – Determination of Purchase Spread” for a description of the Modified Dutch Auction Procedure for determining the Purchase Spread and resultant Purchase Price of the Target Obligations of each CUSIP number. Each Holder is invited by the City to make an offer (an “**Offer**”), expressed as a spread in basis points to be added to the relevant Adjusted Treasury Yield (an “**Offer Spread**”), to sell to the City, for payment in cash, all or part of its beneficial ownership interests in the Target Obligations in Authorized Denominations (as defined below).

The Target Obligations, if any, which the City decides to purchase will be purchased on _____, 2024, unless such date is extended by the City, assuming all conditions to the Invitation have then been satisfied or waived by the City (such date being the “**Settlement Date**”). Accrued but unpaid interest on the Target Obligations, if any, purchased by the City up to but not including the Settlement Date (the “**Accrued Interest**”) will also be paid on the Settlement Date.

The City may decide to purchase less than all (or none) of the Target Obligations offered to the City (see “TERMS OF THIS INVITATION – Determination of Amounts to be Purchased”). Offers must be submitted by 5:00 p.m., New York City time, on _____, 2024 (or such later date as the City may determine, the “**Expiration Date**”). The City may extend, amend, waive the terms of, or otherwise modify this Invitation at any time on or prior to the Expiration Date. The City may also, at any time prior to the Settlement Date, cancel this Invitation for any reason in the City’s sole discretion in which case the City will have no obligation to purchase the Target Obligations. See “TERMS OF THIS INVITATION – Extension, Cancellation and Amendment; Changes to Terms” for a description of the right of the City to extend, cancel, amend, waive the terms of or otherwise modify this Invitation.

The principal amount of the Target Obligations of each CUSIP number validly tendered and purchased by the City pursuant to this Invitation, if any, will not exceed the maximum principal amount for such Target Obligations as set forth on the inside cover page hereof (each, a “**Maximum Principal Amount**”) for such Target Obligations. The total of each Purchase Price of the Target Obligations by CUSIP number validly tendered and purchased by the City pursuant to this Invitation (the “**Aggregate Purchase Price**”) is expected to be funded from legally available moneys of the City. The payment of Accrued Interest on Target Obligations validly tendered and accepted for purchase is expected to be funded from legally available moneys of the City and paid on the Settlement Date. **The purchase of**

any Target Obligations tendered pursuant to this Invitation is subject to certain conditions, including, without limitation, the Conditions to Purchase (as defined herein).

Notwithstanding any other provision of this Invitation, the City has no obligation to accept for purchase any tendered Target Obligations, and its obligation to pay for Target Obligations validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation is subject to the satisfaction or waiver of the following conditions (collectively, the “Conditions to Purchase”) on or prior to the Settlement Date: using legally available funds to (a) fund the purchase of the Obligations validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation and (b) pay all fees and expenses associated with this Invitation. The City reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation, in whole or in part, at any time prior to the Expiration Date (as defined herein) or from time to time. This Invitation may be withdrawn by the City at any time prior to the Expiration Date.

If Target Obligations are not accepted for purchase by the City, or all of the conditions to this Invitation are not satisfied or waived by the City on or prior to the Settlement Date, any such Target Obligations offered pursuant to this Invitation shall be returned to the Holder and remain outstanding.

TARGET OBLIGATIONS THAT ARE NOT OFFERED FOR PURCHASE IN RESPONSE TO THIS INVITATION, AS WELL AS OFFERED TARGET OBLIGATIONS THAT THE CITY DOES NOT PURCHASE IN RESPONSE TO THIS INVITATION (ALL SUCH TARGET OBLIGATIONS, THE “UNPURCHASED OBLIGATIONS”) WILL REMAIN OUTSTANDING. UNPURCHASED OBLIGATIONS THAT ARE OFFERED BUT NOT PURCHASED BY THE CITY WILL BE RETURNED TO THE RESPECTIVE HOLDERS THAT OFFERED SUCH TARGET OBLIGATIONS. THE CITY MAY AT ANY TIME REFUND, REDEEM, DEFEASE, OR OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED OBLIGATIONS ACCORDING TO THEIR TERMS. See “– Unpurched Obligations” herein.

Offer Spread Guidance

Based on market conditions as of _____, 2024, the City expects to accept all offers up to the Maximum Principal Amounts with Offer Spreads equal to or greater than the Offer Spread Guidance shown on the inside cover page hereof (the “Offer Spread Guidance”). The City will review all Offers and may, in its sole discretion, determine a Purchase Spread for each CUSIP number which is greater than, less than or equal to the Offer Spread Guidance.

Binding Contract to Sell

If a Holder’s Offer is accepted by the City by the time specified herein, the Holder will be obligated to sell, and the City will be obligated to purchase, such Target Obligations on the Settlement Date at the Purchase Price for such Target Obligations, plus Accrued Interest, subject to the conditions described herein.

Sources of Funds to Purchase Target Obligations

The Aggregate Purchase Price is expected to be funded from legally available moneys of the City. Accrued Interest on Target Obligations validly tendered and accepted for purchase is expected to be funded from legally available moneys of the City and paid on the Settlement Date.

Brokerage Commissions and Solicitation Fees

Holders will not be obligated to pay any brokerage commissions or solicitation fees to the City, the Dealer Manager, or the Information Agent and Tender Agent in connection with this Invitation, Offers or consummation of accepted Offers. However, Holders should confer with their broker, account executive, financial advisor, attorney, and/or other appropriate professional (“Financial Representative”) which maintains the account in which their Target Obligations are held to determine whether it will charge any commissions or fees.

Unpurched Obligations

Unpurched Obligations will continue to be outstanding, and payable and secured, pursuant to their terms.

Unpurchased Obligations that are offered but not purchased by the City will be returned to the respective Holders of such offered Target Obligations. Holders of Unpurchased Obligations will continue to bear the risk of ownership of such Unpurchased Obligations.

The City may redeem, refund (on an advance or current basis), or defease, all or any portion of the Unpurchased Obligations or may invite Holders to tender such Target Obligations for purchase by the City. See “ADDITIONAL CONSIDERATIONS.”

Dealer Manager, Information Agent and Tender Agent

Stifel, Nicolaus & Company, Incorporated is the Dealer Manager for this Invitation. Investors with questions about this Invitation should contact the Dealer Manager or Globic Advisors Inc., which serves as Information Agent and Tender Agent for this Invitation, at the addresses and telephone numbers set forth on the final page of this Invitation. See “DEALER MANAGER” and “INFORMATION AGENT AND TENDER AGENT” herein.

CERTAIN INFORMATION ABOUT THE CITY

Background

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 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 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.

Incorporation of Certain Information by Reference

Other than with respect to certain information that is explicitly incorporated by reference, references to website addresses 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 websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation. Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Invitation to the extent that a statement therein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Invitation.

The City makes filings of financial and other information on the EMMA website. The following documents filed on the EMMA website by the City are incorporated herein by reference:

- [Official Statement dated January 12, 2021, related to the Target Obligations, available at _____, but only with respect to the description of the Target Obligations and the security for the Target Obligations.]
- Audited Financial Statements and Operating Data for the fiscal year ended June 30, 2023, available at _____.
- Audited Financial Statements and Operating Data for the fiscal year ended June 30, 2022, available at _____.

TERMS OF THIS INVITATION

Expiration Date

The City's invitation to submit Offers will expire at 5:00 p.m., New York City time, on the Expiration Date. Holders tendering Target Obligations must follow the procedures more specifically described herein. Target Obligations offered after 5:00 p.m., New York City time, on the Expiration Date will not be accepted by the City for Purchase.

In the sole discretion of the City, the City may extend the Expiration Date, the Preliminary Acceptance Date, the Final Acceptance Date (each as defined herein) or the Settlement Date, or cancel, amend, or otherwise modify or waive any conditions of this Invitation. See "– Extension, Cancellation and Amendment; Changes to Terms."

Offers Only Through the City's DTC ATOP Account

The Target Obligations are all held in book-entry-only form through the facilities of The Depository Trust Company ("DTC") and banks, brokers, and other institutions that are participants in DTC. The City, through the Information Agent and Tender Agent, will establish an Automated Tender Offer Program ("ATOP") account (the "DTC ATOP Account") at DTC for the Target Obligations to which this Invitation relates promptly after the date of this Invitation.

All Offers must be made through the City's ATOP account. The City will not accept any Offers that are not made through the DTC ATOP Account. As a result, Holders who are not DTC participants can only make Offers through the financial institution that maintains the DTC account in which their Target Obligations are held.
LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION.

Any financial institution that is a participant in DTC may make a book-entry tender of the Target Obligations by causing DTC to transfer such Target Obligations into the DTC ATOP Account relating to this Invitation and the applicable maturity and CUSIP number in accordance with DTC's procedures for such transfer. Holders who are not DTC participants can only tender Target Obligations pursuant to this Invitation by making arrangements with and instructing their Financial Representative to tender the Holder's Target Obligations through the DTC ATOP Account. To ensure a Holder's Target Obligations are tendered to the DTC ATOP Account by 5:00 p.m., New York City time, on the Expiration Date, the Holder must provide instructions to the Holder's Financial Representative in sufficient time for the Financial Representative to tender the Target Obligations to the DTC ATOP Account by this deadline. A Holder should contact its Financial Representative for information as to when the Financial Representative needs the Holder's instructions in order to tender the Holder's Target Obligations to the DTC ATOP Account by 5:00 p.m., New York City time, on the Expiration Date.

THE CITY, THE DEALER MANAGER, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED TARGET OBLIGATIONS TO THE DTC ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS, OR OMISSIONS IN THE TRANSFER OF ANY TENDERED TARGET OBLIGATIONS.

Information to Holders

The City may give information about this Invitation to the market and Holders by delivery of the information to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("EMMA")

and DTC (collectively referred to herein, together with the EMMA website and the Information Agent and Tender Agent, as the “**Information Services**.”). Additionally, the City may give information about this Invitation to the Information Agent and Tender Agent. The Information Agent and Tender Agent will deliver information provided to it by the City through its website, <https://www.globic.com/yuma>. Delivery of information by or on behalf of the City to the Information Services will be deemed to constitute delivery of this information to each Holder.

The City, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Holder actually receives any information given to the Information Services.

Holders who would like to receive information transmitted by or on behalf of the City to the Information Services may receive such information from the Dealer Manager or the Information Agent and Tender Agent by contacting them using the contact information under the heading “MISCELLANEOUS” herein.

Any updates to this Invitation will be distributed through the Information Services.

Authorized Denominations

A Holder may submit one or more Offers to sell Target Obligations of a CUSIP number that it owns in an amount of its choosing, not to exceed the principal amount of such Target Obligations owned by the Holder, but in a principal amount equal to \$5,000 or any integral multiple thereof (“**Authorized Denominations**”).

Accrued Interest

In addition to the Purchase Prices of the Target Obligations purchased by the City pursuant to this Invitation, Accrued Interest on such Target Obligations from the last payment of interest thereon to but not including the Settlement Date will be paid by, or on behalf of, the City to the tendering Holders on the Settlement Date. The payment of Accrued Interest on Target Obligations validly tendered and accepted for purchase is expected to be funded from legally available monies of the City.

Provisions Applicable to All Offers

Need for Advice. A Holder should ask its Financial Representative for help in determining: (a) whether to offer Target Obligations for purchase, (b) the principal amount of Target Obligations to be offered for purchase, and (c) the Offer Spread at or below that which such Target Obligations are offered to be sold to the City. The City, the Dealer Manager, and the Information Agent and Tender Agent will not charge any Holder for submitting Offers or tendering Target Obligations.

Need for Specificity of Offer. No Offer of Target Obligations of a CUSIP number may exceed the principal amount of Target Obligations of such CUSIP number owned by the Holder and must include (a) the CUSIP number(s) of the Target Obligations being offered and (b) the principal amount of the Target Obligations being offered for purchase (such principal amount must be stated in Authorized Denominations and if not so stated, for Offers to sell less than all of the Holder’s position in the Target Obligations, such principal amount will be reduced to the greatest integral multiple of \$5,000). Any Holder located outside of the United States should check with its Financial Representative to determine if there are any additional minimal increments, alternative settlement timing or other limitations. See “– Offers of Target Obligations at an Offer Spread” for additional information.

No “all or none,” alternative, conditional, or contingent Offers will be accepted.

ALL OFFERS FOR PURCHASE MUST BE MADE THROUGH THE DTC ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY OFFERS FOR PURCHASE THAT ARE NOT MADE THROUGH THE DTC ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION. See “TERMS OF THIS INVITATION – Tender of Target Obligations through Financial Institutions; DTC ATOP Account” herein.

General. By offering to sell Target Obligations pursuant to this Invitation, a Holder represents and agrees with the City as set forth under “– Representations by Tendering Holders to the City.” All Offers shall survive the death or incapacity of the tendering Holder.

Holders who would like to receive information furnished by the City to the Information Services can review the EMMA website or the website of the Information Agent and Tender Agent at <https://www.globic.com/yuma>, or otherwise must make appropriate arrangements with their Financial Representatives or the Information Agent and Tender Agent.

Offers of Target Obligations at an Offer Spread

A Holder may make an Offer to sell Target Obligations of a CUSIP number at an Offer Spread of its choosing, to be added to the relevant Adjusted Treasury Yield (determined as described under “– Adjusted Treasury Yields”) (determined as described under “– Determination of Purchase Spread”) that will be used in establishing the Purchase Price for the Target Obligations.

Offers for Target Obligations must be based upon Offer Spreads in increments of 0.1 basis points. DTC’s ATOP Account is only able to accept Offers within a range of (i) the maximum possible Offer Spread of 250.0 basis points and (ii) a minimum Offer Spread of 0.1 basis points. An Offer Spread must be expressed as a number of basis points and contain no more than one number to the right of the decimal point. Any Offer Spread containing more than one number to the right of the decimal point will be truncated to one number, without rounding.

For a description of how the Purchase Spread will be determined and how the Purchase Price for the Target Obligations of a CUSIP number will be determined based on the Purchase Spread, see “– Determination of Purchase Spread.”

A Holder may make Offers to sell portions (in Authorized Denominations) of Target Obligations of a CUSIP number at more than one Offer Spread or without an Offer Spread so long as all of such Offers in aggregate do not exceed the principal amount of such Target Obligations owned by that Holder. Offers at differing Offer Spreads or without an Offer Spread as a Non-Competitive Offer (as defined below) for Target Obligations of a CUSIP number must each be submitted separately.

Non-Competitive Offers without an Offer Spread

A Holder may also make an offer to sell all or a portion of their Target Obligations of a particular CUSIP number in a par amount of Authorized Denominations by offering these Target Obligations without specifying an Offer Spread (a “**Non-Competitive Offer**”) or a portion of their Target Obligations as a Non-Competitive Offer and a portion or portions with Offer Spreads as described in the prior section.

For a description of how the Purchase Spread will be determined and how the Purchase Price for the Target Obligations of a CUSIP number will be determined based on the Purchase Spread, see “– Determination of Purchase Spread.” If a particular CUSIP number does not receive any Offers with an Offer Spread, then the City may determine a Purchase Spread for any Non-Competitive Offers received for such CUSIP number which is no greater than the Offer Spread Guidance for the particular CUSIP number as indicated on the inside cover page hereof. In no event will a Purchase Spread for Target Obligations in which the City has received a Non-Competitive Offer and at least one Offer with an Offer Spread for the CUSIP number exceed the Offer Spread Guidance by more than 25 basis points.

Adjusted Treasury Yields

To accommodate Holders who choose to submit Offers at Offer Spreads of 0.0 bps or less for certain maturities of the Target Obligations that would result in such Target Obligations being effectively offered below the yield of the relevant Benchmark Treasury Security, the City is accepting offers based on an adjustment to the yield of the relevant Benchmark Treasury Security, which for any maturity and corresponding CUSIP for the Target Obligations equals the yield on the related Benchmark Treasury Security, as shown on the inside cover page hereof, less a fixed spread (the “Adjusted Treasury Yield”). For Target Obligations whose Purchase Prices will be based on the 2-Year, 3-Year, 5-Year, and 7-Year Benchmark Treasury Securities, the Adjusted Treasury Yield will be 100 basis points less than the yield on the relevant Benchmark Treasury Security, as shown on the inside cover page hereof. For all other Target Obligations, the Adjusted Treasury Yield will equal the yield on the relevant Benchmark Treasury Security, as similarly shown on such inside cover page.

The table below illustrates examples of how a Holder, whose Purchase Price will be based on the relevant

Benchmark Treasury Security, should express its Offer Spread to reflect the desired/intended offer yield and the yield adjustment of -100 basis points for obligations with maturities from 20__ to 20__ that will be applied to the Offer Spread as delivered to the City:

<u>Benchmark Treasury Security</u>	<u>Holder Desired/Intended Offer Yield</u>	<u>Yield Adjustment To Benchmark Treasury Yield</u>	<u>Resulting Offer spread Submitted to the City Resulting in the Holder's Desired/Intended Offer Yield</u>
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Representations by Tendering Holders to the City

By offering to sell and tender Target Obligations for purchase pursuant to this Invitation, each tendering Holder represents to and agrees with the City that:

(a) the Holder has received this Invitation and has had the opportunity to review this Invitation in its entirety prior to making its decision to submit an Offer to tender Target Obligations, and agrees if its Offer is accepted by the City with respect to any Target Obligations, it will be obligated to sell such Target Obligations on the terms and conditions set forth in this Invitation, and if the purchase of any tendered Target Obligations is consummated, the purchase of such Target Obligations shall be on the terms and conditions set forth in this Invitation;

(b) the Holder has full power and authority to offer to tender, sell, assign, and transfer the tendered Target Obligations; and if its Offer is accepted by the City with respect to any Target Obligations, on the Settlement Date, the City will acquire good, marketable, and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements, or other obligations and not subject to any adverse claims, subject to payment to the Holder of the Purchase Price for such Target Obligations plus Accrued Interest;

(c) the Holder has made its own independent decision to offer and tender its Target Obligations for purchase pursuant to this Invitation, and as to the terms thereof, and such decision is based upon the Holder's own judgment and upon advice from such advisors with whom the Holder has determined to consult;

(d) the Holder is not relying on any communication from the City, the Dealer Manager, or the Information Agent and Tender Agent as investment advice or as a recommendation to offer and tender the Holder's Target Obligations, it being understood that the information from the City, the Dealer Manager, and the Information Agent and Tender Agent related to the terms and conditions of this Invitation made pursuant to this Invitation shall not be considered investment advice or a recommendation to offer and tender Target Obligations; and

(e) the Holder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree, and accept, the terms and conditions of this Invitation and the Holder's Offer.

Tender of Target Obligations Through Financial Institutions; DTC ATOP Account

The City, through the Information Agent and Tender Agent, will establish the DTC ATOP Account for purposes of this Invitation within three Business Days (as defined below) after the date of this Invitation. Offers to sell Target Obligations in accordance with this Invitation to the City may be made only through the DTC ATOP Account. Any financial institution that is a participant in DTC may make a book-entry Offer of the Target Obligations by causing DTC to transfer the applicable Target Obligations into the DTC ATOP Account in accordance with DTC's procedures. Concurrently with the delivery of Target Obligations through book-entry transfer into the DTC ATOP Account, an Agent's Message (defined below) in connection with such book-entry transfer must be transmitted to and received at the DTC ATOP Account by not later than 5:00 p.m., New York City time, on the Expiration Date (as this date may have been changed pursuant to this Invitation).

The confirmation of a book-entry transfer into the DTC ATOP Account as described above is referred to herein as a **“Book-Entry Confirmation.”** The term **“Agent’s Message”** means a message transmitted by DTC to, and received by, the DTC participant and forming a part of the Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering the Target Obligations that are the subject of such Book-Entry Confirmation, and stating (a) the CUSIP number, series, principal amount of the Target Obligations that have been offered by such participant pursuant to this Invitation, and offered based on an Offer Spread (in the case of a competitive offer), and (b) that such participant on behalf of the related Holder agrees to be bound by the terms of this Invitation. For operational purposes related to the DTC ATOP Account only (and not indicative of any spread guidance from the City or any other party related to this Invitation), the DTC ATOP Account will be calibrated to accept Offers for Target Obligations based upon Offer Spreads in increments of 0.1 basis points with DTC’s ATOP system able to accept Offers submitted within a range with the maximum possible Offer Spread of 250.0 basis points and with a minimum Offer Spread of 0.1 basis points in increments of 0.1 basis points.

Target Obligations delivered into DTC’s ATOP account must be in an amount expressed as the principal amount of such Target Obligations of the Holder’s choosing (in Authorized Denominations). An Offer Spread for the Target Obligations must be expressed as a number of basis points and contain no more than one number to the right of the decimal point. Any Offer Spread for the Target Obligations containing more than one number to the right of the decimal point will be truncated to one number, without rounding.

In order to ensure accurate receipt of each Holder’s intended Offer Spread, and any subsequent dissemination of funds, participants in DTC must submit an individual “voluntary offering instruction” for each Holder wishing to submit one or more Offers. Should a Holder offer Target Obligations at a variety of Offer Spreads, a unique voluntary offering instruction for each Offer Spread, as applicable, must be submitted. The date and the time of submission of Target Obligations for purchase will be determined by the date and time at which Target Obligations are submitted into DTC’S ATOP account.

“Business Day” means a DTC business day, which is any day other than (a) a Saturday or a Sunday, or (b) a day on which the offices of the City or banking institutions in New York, New York, are required or authorized by law to be closed.

THE CITY, THE DEALER MANAGER, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED TARGET OBLIGATIONS TO THE CITY’S ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS, OR OMISSIONS IN THE TRANSFER OF ANY TENDERED TARGET OBLIGATIONS.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE CITY’S ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION.

Determinations as to Form and Validity of Offers; Right of Waiver

All questions as to the validity (including the time of receipt at the DTC ATOP Account), form, eligibility, and acceptance of Offers will be determined by the City in its sole discretion, and will be final, conclusive, and binding on the Holders.

The City reserves the right to waive any irregularities or defects in any Offer. The City, the Dealer Manager and the Information Agent and Tender Agent are not obligated to give notice to the Holders of any defects or irregularities in Offers, and they will have no liability for failing to give such notice.

The City reserves the absolute right to reject any and all Offers, whether or not they comply with the terms of this Invitation.

Amendments and Withdrawals of Offers Prior to Expiration Date

A Holder may amend its Offer by causing a withdrawal message for the Offer to be received at the DTC ATOP Account with a new Offer for the same Target Obligations to be submitted to the DTC ATOP Account by 5:00

p.m., New York City time, on the Expiration Date.

A Holder may withdraw its Offer by causing a withdrawal notice to be received at the DTC ATOP Account by 5:00 p.m., New York City time, on the Expiration Date.

Any amendment or withdrawal must be submitted in substantially the same manner as an Offer in response to this Invitation. ***All amendments or withdrawal notices must be made through the DTC ATOP Account. The City will not accept any amendments or withdrawals that are not made through the DTC ATOP Account.*** Holders who are not DTC participants can only amend or withdraw their Offer by making arrangements with and instructing their DTC participant to submit the Holder's amended Offer or the Holder's notice of withdrawal through the DTC ATOP Account.

Holders who have tendered their Target Obligations for purchase will not receive any information from the City, the Dealer Manager, or the Information Agent and Tender Agent concerning Offers by other Holders. Offering Holders will not be afforded an opportunity to amend their offers after 5:00 p.m. on the Expiration Date. An amended or withdrawn offer must specify the applicable CUSIP number, and with respect to amended offers, the principal amount previously offered and the new amount being offered. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the City in its sole discretion and will be final, conclusive, and binding.

Irrevocability of Offers; Return of Target Obligations Not Purchased

All Offers will become irrevocable at 5:00 p.m., New York City time, on the Expiration Date, subject to change as set forth in “– Extension, Cancellation and Amendment; Changes to Terms.”

The City does not have the option to use a “Second Look.” Holders will not have the ability to submit amended offers after the Expiration Date.

The City will instruct DTC to return to the offering institutions or Holders those Target Obligations that were offered but were not accepted for purchase. None of the City, the Dealer Manager, or the Information Agent and Tender Agent is responsible or liable for the return of Target Obligations to offering institutions or Holders or for when such Target Obligations are returned.

Determination of Amounts to be Purchased

The City is not required to purchase any Target Obligation offered. The City will determine which Target Obligations (and the corresponding CUSIP number), if any, it will purchase. The City therefore has the right to purchase none, some, or all of the offered Target Obligations, up to the applicable Maximum Principal Amount for each CUSIP number.

In addition, for the Target Obligation maturing July 15, 2038 (CUSIP No. 98851W AP8), the Purchased Amounts (as defined below) shall be allocated against the scheduled sinking fund installments in such manner as the City may direct and the average life of the remaining Target Obligation of this CUSIP number may change.

On _____, 2024, unless such date is extended by the City (the “**Preliminary Acceptance Date**”), the City will determine the preliminary principal amount (if any) of the Target Obligations of a CUSIP number that it will purchase, based on the determination of the City of the economic benefit from such purchase, and the Purchase Spread for such Target Obligations (if any) that the City will purchase. Notice of the preliminary principal amount of the Target Obligations of a CUSIP number (if any) that the City will agree to purchase and the Purchase Spread for such Target Obligations (if any) will be provided to the Information Services on the Preliminary Acceptance Date. See “– Preliminary Notice of Acceptance.”

On _____, 2024, unless such date is extended by the City (the “**Final Acceptance Date**”), the City will make a final determination of the principal amount of Target Obligations of each CUSIP number that it wishes to purchase (each such principal amount, a “**Purchased Amount**”) from among those Target Obligations of such CUSIP number that were initially accepted for purchase pursuant to the Preliminary Notice of Acceptance (defined herein). No change will be made to the Purchase Spread of any Target Obligations accepted for purchase pursuant to this final

determination. The City shall be under no obligation to purchase any Target Obligation initially accepted on the Preliminary Acceptance Date. The City will determine the amount, if any, of Target Obligations of each CUSIP number that it purchases as specified on the Final Acceptance Date based on its determination of the economic benefit from such purchase. The final determination whether to purchase Target Obligations that were initially accepted for purchase, and, if less than all of the Target Obligations that were initially accepted for purchase are finally accepted for purchase, the reduction of the amounts of Target Obligations that will be purchased, will be made in the order of priority described in “– Priority of Purchases” herein. Notice of the final Purchased Amount for each CUSIP number, the Principal Amount of all Target Obligations (if any) to be purchased, each Purchase Spread (by CUSIP number) for the Target Obligations (if any) that the City will purchase, and if relevant, allocation of the final Purchased Amount to each sinking fund redemption requirement will be provided to the Information Services on the Final Acceptance Date. See “– Final Notice of Acceptance.”

For a description of how each Purchase Spread for the Target Obligations will be determined, see “– Determination of Purchase Spread.” For information on the order of priority in which accepted Offers will be accepted, see “– Priority of Purchases.”

Determination of Purchase Spread

Should the City determine to purchase any Target Obligations, there will be a single Purchase Spread per CUSIP number on which the Purchase Price for each CUSIP number will be based, expressed as a number of basis points and containing no more than one number to the right of the decimal point, determined as described in this section for the Target Obligations of such CUSIP number that the City decides to purchase. The City will determine each Purchase Spread (by CUSIP number) for the Target Obligations that the City decides to purchase by a “**Modified Dutch Auction Procedure**” described in the following paragraphs.

Under the procedure, if the City elects to purchase Target Obligations of a CUSIP number, the City will determine the Purchase Spread upon which the Purchase Price for the Target Obligations of each CUSIP number will be based. The City will provide notice of such Purchase Spread on the Preliminary Acceptance Date (see “– Determination of Amounts to be Purchased” and “– Preliminary Notice of Acceptance”).

The Purchase Spread for the Target Obligations of each CUSIP number does not have to be based on any Offer Spread received, but may be whatever spread the City decides. If a particular CUSIP number does not receive any Offers with an Offer Spread, then the City may determine a Purchase Spread for any Non-Competitive Offers received for such CUSIP number which will be no greater than the Offer Spread Guidance for the particular CUSIP number as indicated on the inside cover page hereof. In no event will a Purchase Spread for Target Obligations in which the City has received a Non-Competitive Offer and at least one Offer with an Offer Spread for the CUSIP number exceed the Offer Spread Guidance by more than 25 basis points. The Target Obligations validly offered at Offer Spreads equal to or greater than the Purchase Spread established by the City for the Target Obligations of each CUSIP number and accepted for purchase by the City will be purchased at the Purchase Price established based on that Purchase Spread established by the City, subject to “– Priority of Purchases.”

The Purchase Spread of each CUSIP number will represent the spread which will be added to the Adjusted Treasury Yield to arrive at a yield (the “**Purchase Yield**”) used to calculate the Purchase Price for the Target Obligations of each CUSIP number. The yield on the relevant Benchmark Treasury Security will be based on the bid-side price of the applicable U.S. Benchmark Treasury as quoted on the Bloomberg Bond Trader FIT series of pages at approximately 10:00 a.m., New York City time, on _____, 2024. Each Benchmark Treasury Security will be the most recently auctioned “on-the-run” United States Treasury Security for the maturity indicated as of date and time that each Target Obligation’s Purchase Price is set, currently expected to be _____, 2024.

Determination of Purchase Price

The Purchase Price for the Target Obligations of each CUSIP number will be calculated using the market standard bond pricing formula as of the Settlement Date using the applicable Purchase Yield and the maturity date of such Target Obligations, except that for the Target Obligation maturing July 15, 2038 (CUSIP No. 98851W AP8), the average life date of _____, 20__, will be used as the assumed maturity date. The total dollar amount to be received by a Holder will equal the product of the Purchase Price expressed as a dollar amount per \$100 principal amount of Target Obligations, and the par amount of such Holder’s Target Obligations validly tendered and accepted

for purchase divided by 100, plus Accrued Interest on such Target Obligations to but not including the Settlement Date. The City will provide notice of the Purchase Spread and the Purchase Price for the Target Obligations of each CUSIP number on the Final Acceptance Date (see “– Determination of Amounts to be Purchased” and “– Final Notice of Acceptance”).

Sinking Fund Amortization of Certain Unpurchased Obligations

The Target Obligation maturing in 2038 is subject to mandatory sinking fund redemption in specified annual principal amounts prior to its respective maturity date. If less than all of the Target Obligation maturing in 2038 is purchased by the City pursuant to this Invitation, each of the original principal amounts to be redeemed on each mandatory sinking fund redemption date or paid at maturity of such Target Obligation may be reduced. The City is permitted to and intends to apply purchases of the Target Obligation maturing in 2038 to any sinking fund redemption requirement of its choosing including, without limit, to the earliest sinking fund requirements. Such application would result in the extension of the average life of such Unpurchased Obligations. As such, those Unpurchased Obligations will continue to be subject to the mandatory sinking fund redemption in annual amounts that will be reflected on a revised mandatory sinking fund redemption schedule.

Priority of Purchases

Offers to sell Target Obligations of a CUSIP number pursuant to this Invitation that are accepted by the City, if any, will be accepted in the following order of priority, such that the aggregate principal amount of Target Obligations of such CUSIP number accepted for purchase does not exceed the Purchased Amount of Target Obligations of such CUSIP number:

- The first Target Obligations to be accepted for purchase will be Target Obligations offered without Offer Spreads (i.e., Non-Competitive Offers).
- The second Target Obligations to be accepted for purchase will be Target Obligations offered at Offer Spreads greater than the applicable Purchase Spread.
- The third Target Obligations to be accepted for purchase will be Target Obligations offered at Offer Spreads equal to the applicable Purchase Spread.

If fewer than all such Target Obligations are accepted for purchase, offers will be accepted on a pro rata basis reflecting the ratio of (a) the Purchased Amount less Target Obligations accepted pursuant to the above bullets divided by (b) the total principal amount of offers at the Purchase Spread. If, as a result of any pro rata acceptance, the City would be required to return a principal amount of Target Obligations of a CUSIP number that is not equal to an Authorized Denomination, the City will, in such manner as it determines in its sole discretion, round up or down the principal amount of Target Obligations of such CUSIP number to be accepted from such affected Holder so that the principal amount of its Target Obligations returned will be equal to an Authorized Denomination. All such determinations and allocations will be final and binding.

Preliminary Notice of Acceptance

On the Preliminary Acceptance Date, the City will determine by CUSIP number the preliminary principal amount (if any) of the Target Obligations that it will purchase at the Purchase Spread, based on its determination of the economic benefit from such purchases. Notice of the preliminary principal amounts of Target Obligations of each CUSIP number and each sinking fund installment, if applicable, to be purchased will be provided to the Information Services on the Preliminary Acceptance Date (the “**Preliminary Notice of Acceptance**”). This notification will state the preliminary principal amount of the Target Obligations of each CUSIP number that the City will agree to purchase in accordance with this Invitation, which may be zero, and each Purchase Spread for the Target Obligations (if any) that the City will purchase.

Notice of Purchase Prices

On the day that the yields on the Benchmark Treasury Securities and the Purchase Prices are determined, currently expected to be _____, 2024, the City will provide notice of such yields and the resulting Purchase Yields

and Purchase Prices for the Target Obligations indicated in the Preliminary Notice of Acceptance to the Information Services (the “**Notice of Purchase Prices**”).

Final Notice of Acceptance

All Offers will become irrevocable as of 5:00 p.m., New York City time, on the Expiration Date, subject to change as set forth in “– Extension, Cancellation and Amendment; Changes to Terms.”

On the Final Acceptance Date, the City will make a final determination of the Purchased Amount of Target Obligations of each CUSIP number that it wishes to purchase from among those Target Obligations that were initially accepted for purchase pursuant to the Preliminary Notice of Acceptance and, if relevant, allocation of the final Purchased Amount to each sinking fund redemption requirement of the Target Obligations. Notice of the final Purchased Amount of each CUSIP number and the aggregate principal amount of all Target Obligations to be purchased will be provided to the Information Services on the Final Acceptance Date (the “**Final Notice of Acceptance**”). This notification will state the Purchased Amount of the Target Obligations of each CUSIP number that the City has agreed to purchase, which may be zero, and the Purchase Spread and Purchase Price for the Target Obligations of each CUSIP number (if any) that the City will purchase.

If, as of the Final Acceptance Date, the City accepts any Offer, the accepted Offer will constitute an irrevocable agreement by the offering Holder to sell and the City to purchase such Target Obligations, subject to satisfaction or waiver of all conditions to the City’s obligation to purchase tendered Target Obligations. Notwithstanding the prior sentence, the City may cancel this Invitation at any time prior to the Settlement Date. The City will have no obligation to purchase Target Obligations if this Invitation is canceled. See “– Extension, Cancellation and Amendment; Changes to Terms.”

Settlement Date; Purchase of Target Obligations

Subject to satisfaction of all conditions to the City’s obligation to purchase Target Obligations offered and accepted for purchase pursuant to this Invitation, as described herein, including, without limitation, the Conditions to Purchase, on the Settlement Date, the City will purchase and pay for all Target Obligations validly tendered for sale to the City pursuant to accepted Offers, at the applicable Purchase Price, plus Accrued Interest and the tendering Holders will sell such Target Obligations to the City for such consideration.

If the conditions to the City’s obligation to purchase Target Obligations are satisfied or waived, the City will pay the Aggregate Purchase Price in immediately available funds on the Settlement Date by deposit of such amount with DTC. The City expects that, in accordance with DTC’s standard procedures, DTC will transmit amounts sufficient to purchase the tendered Target Obligations at the Purchase Price in immediately available funds to its participant financial institutions that hold such tendered Target Obligations for delivery to the Holders. **None of the City, the Dealer Manager or the Information Agent and Tender Agent has any responsibility or liability for the distribution of such amounts by DTC or its participant financial institutions to Holders.**

Extension, Cancellation and Amendment; Changes to Terms

The City may extend this Invitation by notice given to the Information Services at any time but no later than the first Business Day following the previously scheduled Expiration Date, or any prior extension thereof. Notice of an extension of the Expiration Date will be effective when such notice is given.

The City may extend the Preliminary Acceptance Date, the Final Acceptance Date, and/or the Settlement Date by notice given to the Information Services at any time but no later than the first Business Day following the previously scheduled Preliminary Acceptance Date, Final Acceptance Date, and/or Settlement Date, as applicable, or any prior extension thereof. Notice of an extension of the Preliminary Acceptance Date, the Final Acceptance Date, and/or the Settlement Date will be effective when such notice is given.

The City may amend, waive the terms of, or otherwise modify this Invitation at any time on or prior to the Expiration Date, by giving notice to the Information Services of such amendment, waiver, or other modification. The amendment, waiver, or modification will be effective at the time specified in such notice.

The City may, at any time prior to the Settlement Date, cancel this Invitation for any reason in the City's sole discretion by giving notice to the Information Services of such cancellation. The City will have no obligation to purchase Target Obligations if cancellation of this Invitation occurs or if the City fails to accept Offers.

If the City amends, modifies, or waives any of the terms or conditions of this Invitation in any respect, the City may (but is not required to) disseminate additional Invitation materials and extend this Invitation to the extent required to allow, in the City's judgment, reasonable time for dissemination to Holders and for Holders to respond.

No extension or amendment or other modification or waiver of the terms or conditions of this Invitation will change the City's right to decline to purchase Target Obligations without liability on the conditions stated herein or give rise to any liability of the City or the Information Agent and Tender Agent to any Holder or nominee.

ADDITIONAL CONSIDERATIONS

None of the City, the Dealer Manager or the Information Agent and Tender Agent makes any recommendation that any Holder tender or refrain from tendering all or any portion of the Target Obligations. Each Holder must make its decision and should read this Invitation and consult with its broker, account executive, financial advisor and/or other financial professional in making such decision.

In deciding whether to submit an Offer in response to this Invitation, each Holder should consider carefully, in addition to the other information contained in this Invitation, the following:

Unpurchased Obligations. Holders of Unpurchased Obligations will continue to hold such Unpurchased Obligations and such Unpurchased Obligations will remain outstanding. See "INTRODUCTION – Unpurchased Obligations" herein. The average life of those Unpurchased Obligations that are term obligations subject to annual sinking fund redemption may be extended. See "TERMS OF THIS INVITATION – Sinking Fund Amortization of Certain Unpurchased Obligations" herein.

Future Refunding or Tender. The City may refund (on an advance or current basis), or defease, all or any portion of the Unpurchased Obligations or may invite Holders to tender such Target Obligations for purchase by the City. Accordingly, it is possible that such Target Obligations would be redeemed or purchased at a more or less advantageous price than will be available through this Invitation sometime in the future as part of another transaction.

Market for Target Obligations. The Target Obligations are not listed on any national or regional securities exchange. To the extent that the Target Obligations are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Holders may be able to sell Target Obligations at a price greater than the Purchase Price(s).

Ratings. As of the date of this Invitation, the Target Obligations are rated "AA-" by Fitch Ratings, Inc. and "AA-" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC. The ratings of the Target Obligations by each rating agency reflect only the views of such organization and any desired explanation of the significance of such ratings and any outlooks or other statements given by such rating agency with respect thereto should be obtained from such rating agency.

There is no assurance that the current ratings assigned to the Target Obligations will continue for any given period of time or that any of such ratings will not be revised upward or downward, suspended, or withdrawn entirely by any rating agency. Any such upward or downward revision, suspension, or withdrawal of such ratings may have an effect on the availability of a market for or the market price of the Target Obligations. Each Holder should review these ratings and consult with its Financial Representatives concerning them.

Certain Potential Effects of this Invitation on Target Obligations Not Purchased pursuant to this Invitation. The purchase of Target Obligations by the City may have certain potential adverse effects on owners of Unpurchased Obligations, including that the principal amount of the Unpurchased Obligations available to trade publicly will be reduced, which could adversely affect the liquidity and market value of the Unpurchased Obligations. The average life of Unpurchased Obligations that are Target Obligations maturing July 15, 2038 (CUSIP No. 98851W AP8) may change.

SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General Matters

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) that tender their Target Obligations for cash. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective tendering Holders should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “**IRS**”) with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not address U.S. tax consequences applicable to any given Holder, nor does it address the U.S. tax considerations applicable to all categories of Holders, some of which may be subject to special taxing rules (regardless of whether or not such Holders constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates, and trusts, Holders that hold their Target Obligations as part of a hedge, straddle, or an integrated or conversion transaction, or Holders whose “functional currency” is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address: (a) alternative minimum tax consequences, (b) the net investment income tax imposed under Section 1411 of the Internal Revenue Code of 1986 (the “**Code**”), or (c) the indirect effects on persons who hold equity interests in a Holder. This summary also does not consider the taxation of the Target Obligations under state, local, or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to Holders who will hold their Target Obligations as “capital assets” within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Target Obligations other than investors that are U.S. Holders. As used herein, “**U.S. Holder**” means a Holder of a Target Obligation that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Target Obligations, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Target Obligations, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Target Obligations (including their status as U.S. Holders).

ANY FEDERAL INCOME TAX DISCUSSIONS IN THIS INVITATION ARE INCLUDED FOR GENERAL INFORMATION ONLY AND SHOULD NOT BE CONSTRUED AS A TAX OPINION NOR TAX ADVICE TO HOLDERS BY THE CITY, THE DEALER MANAGER, THE INFORMATION AGENT AND TENDER AGENT, OR ANY OF THE CITY’S ADVISORS OR AGENTS. SUCH DISCUSSIONS ALSO DO NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO PARTICULAR HOLDERS (E.G., A FOREIGN PERSON, BANK, THRIFT INSTITUTION, PERSONAL HOLDING COMPANY, TAX EXEMPT ORGANIZATION, REGULATED INVESTMENT COMPANY, INSURANCE COMPANY, OR OTHER BROKER OR DEALER IN SECURITIES OR CURRENCIES). HOLDERS SHOULD NOT RELY ON SUCH DISCUSSIONS AND ARE URGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF SALES MADE BY THEM PURSUANT TO TENDERS OF TARGET OBLIGATIONS, INCLUDING THE EFFECT OF POSSIBLE CHANGES IN THE TAX LAWS. IN ADDITION TO FEDERAL TAX CONSEQUENCES, THE SALE OF TARGET OBLIGATIONS MAY BE TREATED AS A TAXABLE EVENT FOR STATE, LOCAL AND FOREIGN TAX PURPOSES. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF SALES MADE BY THEM PURSUANT TO TENDERS OF TARGET OBLIGATIONS, INCLUDING THE EFFECT OF POSSIBLE CHANGES IN THE TAX LAWS.

Tendering U.S. Holders

The purchase by the City for cash of a validly tendered Target Obligation will be a taxable event for U.S. federal

income tax purposes. In such event, in general, a U.S. Holder will recognize gain or loss equal to the difference between (a) the amount of cash received (except to the extent attributable to accrued but unpaid interest on the Target Obligation, which will be taxed as ordinary interest income) and (b) the U.S. Holder's adjusted U.S. federal income tax basis in the Target Obligation (generally, the purchase price paid by the U.S. Holder for the Target Obligation, decreased by any amortized acquisition premium, and increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such Target Obligation or otherwise required to be added to the cost basis of the U.S. Holder in such Target Obligation). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Target Obligations holding the Target Obligation for a period exceeding one year, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

Backup Withholding

Amounts paid to Holders may be subject to backup withholding by reason of the events specified by Section 3406 of the Code, which events include failure of a Holder to supply the broker, dealer, commercial bank, or trust company acting on behalf of such Holder with such Holder's taxpayer identification number certified under penalty of perjury. Certification can be made by completing a substitute IRS Form W-9, a copy of which is available from the Information Agent and Tender Agent. Backup withholding may also apply to Holders who are otherwise exempt from such backup withholding if such Holders fail to properly document their status as exempt recipients.

DEALER MANAGER

The City has retained Stifel, Nicolaus & Company, Incorporated, as Dealer Manager for this Invitation. The City has agreed to pay to the Dealer Manager a fee for its services and to reimburse the Dealer Manager for its reasonable expenses relating to this Invitation. References in this Invitation to the Dealer Manager are to Stifel, Nicolaus & Company, Incorporated only in its capacity as Dealer Manager. The compensation of the Dealer Manager is based upon the amount of Target Obligations accepted for purchase by the City.

The Dealer Manager may contact Holders regarding this Invitation and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Invitation to beneficial owners of the Target Obligations.

The Dealer Manager, together with its affiliates, comprises a full-service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Manager and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the City for which it received or will receive fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the City, including the Target Obligations. Affiliates of the Dealer Manager may have holdings of Target Obligations that they are unable to disclose for legal or regulatory reasons.

The Dealer Manager is not acting as financial or municipal advisor to the City in connection with this Invitation.

INFORMATION AGENT AND TENDER AGENT

The City has selected Globic Advisors Inc. to act as the Information Agent and Tender Agent in connection with this Invitation, and has authorized Stifel, Nicolaus & Company, Incorporated to engage the Information Agent and Tender Agent to advise the City and the Dealer Manager as to such matters related to this Invitation. The City has agreed to pay the Information Agent and Tender Agent for its services and to reimburse it for its reasonable out-of-pocket costs and expenses related to this Invitation.

MISCELLANEOUS

No one has been authorized by the City, the Dealer Manager, or the Information Agent and Tender Agent to recommend to any Holders whether to offer to sell Target Obligations in response to this Invitation or the amount of Target Obligations to offer or the price or spread, as applicable, at which they are offered, and none of the City, the Dealer Manager, or the Information Agent and Tender Agent makes any recommendation that any Holder offer to sell at any spread (or refrain from offering) all or any portion of such Holder's Target Obligations. No one has been authorized by the City, the Dealer Manager, or the Information Agent and Tender Agent to give any information or to make any representation in connection with this Invitation other than those contained in this Invitation, and any such recommendation, information, and representations given or made cannot be relied upon as having been authorized by the City, the Dealer Manager, or the Information Agent and Tender Agent. Holders must make these decisions and should read this Invitation and consult with their Financial Representative in doing so.

The Information Agent and Tender Agent for this Invitation is:

Globic Advisors Inc.
Attn: Robert Stevens
485 Madison Ave, 7th Floor
New York, New York 10022
Phone: (212) 227-9622
Email: rstevens@globic.com

The Dealer Manager for this Invitation is:

Stifel, Nicolaus & Company, Incorporated

Attn: _____

Phone: _____

Email: _____

Dated: _____, 2024