Board of Supervisors Memorandum

December 13, 2016

Resolution No 2016-83, Sewer System Revenue Obligations
Resolution No. 2016-84, General Obligation Bonds

Introduction

There are two Resolutions on the Board of Supervisors December 13, 2016 Agenda relating to two new debt issuances.

1. Resolution No. 2016-83 for Sewer System Revenue Obligations (Agenda Item 16)
2. Resolution No. 2016-84 for General Obligation Bonds (Agenda Item 17)

Both of these debt issuances are included in the Adopted Budget for Fiscal Year (FY) 2016/17 as funding sources for the County's capital projects. The Sewer System Revenue Obligation proceeds are budgeted in the County's Regional Wastewater Reclamation Fund, and the General Obligation Bonds are budgeted in the Capital Projects Fund.

Sewer System Revenue Obligations

Resolution No. 2016-83 for Sewer System Revenue Obligations authorizes staff to sell additional sewer system revenue obligations not to exceed $45,000,000. This is the amount approved by the Board in the Adopted Budget for the County's Regional Wastewater Reclamation Fund for the current fiscal year. The proceeds of the debt will be used to fund treatment and conveyance projects listed in the Regional Wastewater Reclamation Fund's Capital Improvement Program adopted by the Board with the FY 2016-/7 Adopted Budget.

General Obligation Bonds

Resolution No. 2016-84 for General Obligation Bonds authorizes staff to sell additional General Obligation Bonds in an amount not to exceed $25,681,000. This is the amount approved by the Board in the Adopted Budget as partial funding for the County's Capital Projects Fund. $25,681,000 is also the amount of voter-authorized General Obligation debt remaining from the 1997, 2004 and 2014 elections. After issuing these General Obligation Bonds, all of Pima County's current voter-authorized General Obligation debt will have been issued. The proceeds will be used for a variety of projects including $18 million for the new Pima Animal Care Center and other projects within voter-authorized purposes such as the Llano Grande Campsite on the Anza Trail, urban drainage for the Tohono O'odham Nation, and the Southeast Community Park.

I transmitted the County debt position as of July 2016 in my July 28, 2016 memorandum. In general, County debt is declining. Including this new debt, General Obligation debt will

be reduced by nearly half within the next four years, and Sewer Revenue Obligation debt will be reduced by nearly half within the next five years. Additionally, although interest rates have been increasing recently, Pima County continues to experience historically low interest rates. Because County debt is declining and interest rates continue to be relatively low, we can repay the new General Obligation debt within five years while maintaining Pima County's debt service tax rate at $0.7000 per $100 of taxable net assessed value. By reducing our standard 15-year repayment schedule to just five years for the $25,681,000 General Obligation Bond issuance, Pima County can save more than $3 million in interest costs.

Recommendation

I recommend the Board of Supervisors adopt Resolution No. 2016-83 for Sewer Revenue Obligations and Resolution No. 2016-84 for General Obligation Bonds.

Respectfully submitted,

C.H. Huckelberry
County Administrator

CHH/mjk – December 8, 2016

Attachments

c: Tom Burke, Deputy County Administrator for Administration
Keith Dommer, Director, Finance and Risk Management

RESOLUTION NO. 2016-.....

RESOLUTION AUTHORIZING THE CHAIR OF THE BOARD OF SUPERVISORS, THE COUNTY ADMINISTRATOR AND THE FINANCE DIRECTOR TO CAUSE THE SALE AND EXECUTION AND DELIVERY PURSUANT TO A SERIES 2017 OBLIGATION INDENTURE OF SEWER SYSTEM REVENUE OBLIGATIONS, SERIES 2017, IN AN AGGREGATE PRINCIPAL AMOUNT NOT IN EXCESS OF $45,000,000, EVIDENCING PROPORTIONATE INTERESTS OF THE HOLDERS THEREOF IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID BY PIMA COUNTY, ARIZONA, PURSUANT TO A SERIES 2017 PURCHASE AGREEMENT; AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY WITH RESPECT THERETO OF ALL AGREEMENTS NECESSARY OR APPROPRIATE AS PART OF PURCHASING PROPERTY TO BE PART OF THE SEWER SYSTEM OF THE COUNTY AND PAYMENT OF RELATED FINANCING COSTS INCLUDING THE DELEGATION TO THE CHAIR OF THE BOARD OF SUPERVISORS, THE COUNTY ADMINISTRATOR AND THE FINANCE DIRECTOR OF CERTAIN AUTHORITY WITH RESPECT THERETO; AUTHORIZING, IF NECESSARY, THE PREPARATION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT TO SUCH SERIES 2017 OBLIGATIONS; ORDERING THE SALE OF SUCH SERIES 2017 OBLIGATIONS; AUTHORIZING, IF NECESSARY, THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO SUCH SERIES 2017 OBLIGATIONS; AND AUTHORIZING THE FINANCE DIRECTOR TO EXPEND ALL NECESSARY FUNDS THEREFOR

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Recitals, Findings and Conclusions.

(a) Pursuant to Title 11, Chapter 2, Article 4, Arizona Revised Statutes, as amended (the "Act"), Pima County, Arizona (the "County"), is authorized to purchase, construct or operate a sewer system (the "System"), including the collection, transportation, pumping, treatment and disposal of sewage and to charge fees therefor.

(b) Pursuant to Resolution No. 1991-138 passed and adopted on June 18, 1991, as amended by Resolution No. 1991-182 passed and adopted August 6, 1991, and supplements thereto, the Board of Supervisors of the County (the "Board") has authorized the sale and issuance of various series of sewer revenue and sewer revenue refunding bonds and has authorized loans with the Water Infrastructure Finance Authority of Arizona (the "Prior Obligations") to finance and refinance additions and improvements to the System.

(c) In order to purchase, construct and operate additions and improvements to the System (the "Series 2010 Property"), the County authorized the execution and delivery of $165,000,000 aggregate amount of Sewer System Revenue Obligations, Series 2010 (the "Series 2010 Obligations"), pursuant to the Series 2010 Obligation Indenture, dated as of June 1, 2010, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Series 2010 Trustee"), which Series 2010 Obligations evidence proportionate interests of the holders thereof in installment payments of the purchase price for the Series 2010 Property (the "Series 2010 Purchase Price") to be paid by the County pursuant to the Series 2010 Purchase Agreement, dated as of June 1, 2010, as amended by the First Amendment to Series 2010 Purchase Agreement, dated as of March 1, 2011 (together, the "Series 2010 Purchase Agreement"), between the County and the Series 2010 Trustee in its separate capacity as seller.

(d) The Series 2010 Purchase Agreement provides that the County may incur obligations ranked on a parity with the payments of the Series 2010 Purchase Price that share *pro rata* in payments to be made by the County from the Pledged Revenues (as defined in the Series 2010 Purchase Agreement) ("Additional Obligations") if certain conditions have been met, including that the Pledged Revenues for the immediately preceding year have been at least equal to 120 percent of the highest aggregate principal and interest requirements of all Series 2010 Obligations and Additional Obligations then outstanding, including the Additional Obligations to be incurred, to fall due and payable in the current or any future year.

(e) In order to purchase, construct and operate other additions and improvements to the System (the "Series 2011B Property"), the County authorized the execution and delivery of $189,160,000 aggregate amount of Sewer System Revenue Obligations, Series 2011B (the "Series 2011B Obligations"), pursuant to the Series 2011B Obligation Indenture, dated as of December 1, 2011, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Series 2011B Trustee"), which Series 2011B Obligations evidence proportionate interests of the holders thereof in installment payments of the purchase price for the Series 2011B Property (the "Series 2011B Purchase Price") to be paid by the County pursuant to the Series 2011B Purchase Agreement, dated as of December 1, 2011 (the "Series 2011B Purchase Agreement"), between the County and the Series 2011B Trustee in its separate capacity as seller. The Series 2011B Obligations constitute Additional Obligations payable from the Pledged Revenues and payment of the Series 2011B Purchase Price pursuant to the Series 2011B Purchase Agreement evidenced thereby is secured by a pledge of the Pledged Revenues on a parity with payment of the Series 2010 Purchase Price pursuant to the Series 2010 Purchase Agreement evidenced by the Series 2010 Obligations and principal of and interest on the Series 2011A Bonds.

(f) In order to purchase, construct and operate other additions and improvements to the System (the "Series 2012A Property"), the County authorized the execution and delivery of $128,795,000 aggregate amount of Sewer System Revenue Obligations, Series 2012A (the "Series 2012A Obligations"), pursuant to the Series 2012A Obligation Indenture, dated as of December 1, 2012, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Series 2012A Trustee"), which Series 2012A Obligations evidence proportionate interests of the holders thereof in installment payments of the purchase price for the Series 2012A Property (the "Series 2012A Purchase Price") to be paid by the

County pursuant to the Series 2012A Purchase Agreement, dated as of December 1, 2012 (the "Series 2012A Purchase Agreement"), between the County and the Series 2012A Trustee in its separate capacity as seller. The Series 2012A Obligations constitute Additional Obligations payable from the Pledged Revenues and payment of the Series 2012A Purchase Price pursuant to the Series 2012A Purchase Agreement evidenced thereby is secured by a pledge of the Pledged Revenues on a parity with payment of (i) the Series 2010 Purchase Price pursuant to the Series 2010 Purchase Agreement evidenced by the Series 2010 Obligations, (ii) principal of and interest on the Series 2011A Bonds and (iii) the Series 2011B Purchase Price pursuant to the Series 2011B Purchase Agreement evidenced by the Series 2011B Obligations.

(g) In order to purchase, construct and operate other additions and improvements to the System (the "Series 2014 Property"), the County authorized the execution and delivery of $48,500,000 aggregate amount of Sewer System Revenue Obligations, Series 2014 (the "Series 2014 Obligations"), pursuant to the Series 2014 Obligation Indenture, dated as of February 1, 2014, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Series 2014 Trustee"), which Series 2014 Obligations evidence proportionate interests of the holders thereof in installment payments of the purchase price for the Series 2014 Property (the "Series 2014 Purchase Price") to be paid by the County pursuant to the Series 2014 Purchase Agreement, dated as of February 1, 2014 (the "Series 2014 Purchase Agreement"), between the County and the Series 2014 Trustee in its separate capacity as seller. The Series 2014 Obligations constitute Additional Obligations payable from the Pledged Revenues and payment of the Series 2014 Purchase Price pursuant to the Series 2014 Purchase Agreement evidenced thereby is secured by a pledge of the Pledged Revenues on a parity with payment of (i) the Series 2010 Purchase Price pursuant to the Series 2010 Purchase Agreement evidenced by the Series 2010 Obligations, (ii) principal of and interest on the Series 2011A Bonds, (iii) the Series 2011B Purchase Price pursuant to the Series 2011B Purchase Agreement evidenced by the Series 2011B Obligations and (iv) the Series 2012A Purchase Price pursuant to the Series 2012A Purchase Agreement evidenced by the Series 2012A Obligations.

(h) In order to refinance additions and improvements to the System (the "Series 2016 Property"), the County authorized the execution and delivery of $211,595,000 aggregate amount of Sewer System Revenue Refunding Obligations, Series 2016 (the "Series 2016 Obligations"), pursuant to the Series 2016 Obligation Indenture, dated as of July 1, 2016, between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Series 2016 Trustee"), which Series 2016 Obligations evidence proportionate interests of the holders thereof in installment payments of the purchase price for the Series 2016 Property (the "Series 2016 Purchase Price") to be paid by the County pursuant to the Series 2016 Purchase Agreement, dated as of July 1, 2016 (the "Series 2016 Purchase Agreement"), between the County and the Series 2016 Trustee in its separate capacity as seller. The Series 2016 Obligations constitute Additional Obligations payable from the Pledged Revenues and payment of the Series 2016 Purchase Price pursuant to the Series 2016 Purchase Agreement evidenced thereby is secured by a pledge of the Pledged Revenues on a parity with payment of (i) the Series 2010 Purchase Price pursuant to the Series 2010 Purchase Agreement evidenced by the Series 2010 Obligations, (ii) principal of and interest on the Series 2011A Bonds, (iii) the Series 2011B Purchase Price pursuant to the Series 2011B Purchase Agreement evidenced by the Series 2011B Obligations, (iv) the Series 2012A Purchase Price pursuant to the Series 2012A Purchase

Agreement evidenced by the Series 2012A Obligations and (v) the Series 2014 Purchase Price pursuant to the Series 2014 Purchase Agreement evidenced by the Series 2014 Obligations.

(i) The requirements for the incurrence of Additional Obligations have been met and it is necessary and in the best interests of the County that Additional Obligations be incurred and sold and the proceeds thereof be used to purchase, construct and operate other additions and improvements to the System (the "Series 2017 Property"). Therefore, the Board intends to execute and deliver a Series 2017 Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Series 2017 Obligations (the "Series 2017 Purchase Agreement"), in substantially the form on file with the Clerk of the Board, by which the County will agree to purchase the Series 2017 Property.

(j) The acquisition of the Series 2017 Property will be financed through the sale and execution and delivery of certain proportionate interests (the "Series 2017 Obligations") in the Series 2017 Purchase Agreement pursuant to, and secured by, a Series 2017 Obligation Indenture, to be dated as of the date of the Series 2017 Purchase Agreement (the "Series 2017 Obligation Indenture"), by and between the County and The Bank of New York Mellon Trust Company, N.A., in its separate capacity as trustee (including any successor appointed and acting in such capacity, the "Series 2017 Trustee"), in substantially the form on file with the Clerk of the Board.

(k) The Board intends for the Series 2017 Obligations to be sold (i) directly to a bank or financial institution as purchaser of the Series 2017 Obligations (the "Purchaser") through a private placement by RBC Capital Markets, LLC, as placement agent (in such capacity as placement agent, the "Placement Agent"), in a form arranged by the Placement Agent as provided in a Placement Agent Agreement, to be dated the date of placement of the Series 2017 Obligations (the "Placement Agreement"), between the County and the Placement Agent in a standard form or (ii) if, based on the determination of the chief financial officer of the County (the "Finance Director"), an acceptable offer to directly purchase the Series 2017 Obligations is not received from a bank or financial institution, to RBC Capital Markets, LLC, as underwriter (in such capacity as underwriter, the "Underwriter"), as provided in a Purchase Contract, to be dated the date of the sale of the Series 2017 Obligations (the "Purchase Contract"), between the County and the Underwriter, in substantially the same form as that used in connection with the sale of the Series 2016 Obligations, with such changes as are approved by the Finance Director.

(l) The Underwriter is required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with selling the Series 2017 Obligations as an underwriter, and in that regard, if the Series 2017 Obligations are to be sold pursuant to the Purchase Contract, the County will execute and deliver a Continuing Disclosure Undertaking, to be dated the date of the Series 2017 Obligations (the "Undertaking"), with respect to the Series 2017 Obligations, in substantially the form included as an appendix to the herein described Preliminary Official Statement.

(m) The County has the requisite power and authority to execute and deliver the Series 2017 Purchase Agreement and to cause the sale and execution and delivery of the Series 2017 Obligations, and all acts, conditions and things required by the Constitution and laws

of the State of Arizona and the requirements of the County to happen, exist and be performed precedent to and as a condition to the adoption of this Resolution have happened, exist and been performed in the time and manner required to make the Series 2017 Purchase Agreement a valid and binding limited, special obligation of the County.

Section 2. Authorization and Execution and Delivery of Documents and Obligations.

(a) For the purpose of providing funds to finance the Series 2017 Property and the related costs of the sale and execution and delivery of the Series 2017 Obligations, the Series 2017 Obligations shall be sold and executed and delivered as one or more series of obligations (determined as hereinafter provided). The Series 2017 Obligations shall be dated the date of their initial authentication and delivery and shall be in an aggregate principal amount, shall bear interest, shall be issued in such form and denominations, shall be payable as to interest and principal on such dates, shall be executed in such manner and shall have such other provisions, including, without limitation, provisions with respect to redemption prior to maturity, as set forth in the form of the Series 2017 Obligation Indenture and, if sold to the Purchaser, as agreed to with the Purchaser, and, if sold to the Underwriter, as set forth in, as executed and delivered, the Purchase Contract, with such additions, deletions and modifications consistent with this Resolution as shall be approved by the officers of the Series 2017 Trustee executing and delivering the same on behalf of the Series 2017 Trustee, the execution and delivery thereof to constitute conclusive evidence of their approval and of such additions, deletions or modifications. The Chair of the Board, the County Administrator, the Finance Director and the designees of any of them (collectively, the "Authorized Representatives") are hereby authorized to determine such matters on behalf of the County (including, based on the determination of the Finance Director, whether the Series 2017 Obligations are to be sold to the Purchaser or the Underwriter) and then to take any action, make any modification of documents, enter into any agreements, make any elections or certifications and pay any costs necessary to provide for the sale and execution and delivery of the Series 2017 Obligations or such portion thereof in such manner and to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the terms of the Series 2017 Obligations or such portion thereof and any agreement related thereto including causing the Series 2017 Obligations to be issued in multiple series as designated by them. Notwithstanding the foregoing, the aggregate principal amount of the Series 2017 Obligations shall not exceed $45,000,000, the Series 2017 Obligations shall mature over a period not exceeding the term permitted by the Code in order for the interest paid with respect to the Series 2017 Obligations to be exempt from federal income taxation, but in any event not more than 15 years, and the Series 2017 Obligations shall be sold at such prices and shall bear interest at such rates as to result in an effective yield as calculated for federal income tax purposes relative to the issuance of obligations, the interest income on which is excluded from gross income, of not to exceed six percent (6%) per annum.

(b) The Authorized Representatives are hereby authorized to execute, and the Clerk of the Board is hereby authorized to attest and deliver, respectively, the Series 2017 Purchase Agreement, the Series 2017 Obligation Indenture, the Placement Agreement or the Purchase Contract and, if sold pursuant to the Purchase Contract, the Undertaking, which are hereby approved, with such additions, deletions and modifications as shall be approved by those officers executing and delivering the same on behalf of the County, the execution and delivery

thereof to constitute conclusive evidence of their approval, and of such additions, deletions and modifications. The Authorized Representatives are hereby specifically authorized to approve additions, deletions and modifications to the Series 2017 Obligations, the Series 2017 Purchase Agreement and the Series 2017 Obligation Indenture to accommodate sale of the Series 2017 Obligations to the Purchaser instead of the Underwriter including specifically matters related to the form, authorized denominations and method of payment of the Series 2017 Obligations and to add covenants relating to matters such as providing certain information as required by the Purchaser.

(c) The Series 2017 Trustee is hereby requested to execute and deliver the Series 2017 Obligations, the Series 2017 Purchase Agreement and the Series 2017 Obligation Indenture to accomplish the purposes hereof.

(d) The Authorized Representatives are hereby authorized to cause the sale and execution and delivery of the Series 2017 Obligations and are hereby delegated the authority to complete any information missing in, or necessary for the consummation of the transactions contemplated by, the Series 2017 Purchase Agreement, the Series 2017 Obligation Indenture, the Placement Agreement or the Purchase Contract and, if sold pursuant to the Purchase Contract, the Undertaking. The Authorized Representatives are authorized to select, and execute and deliver contracts with, appropriate professionals (including special counsel) to provide various professional services with respect to the sale and execution and delivery of the Series 2017 Obligations as well as to provide for such other matters (including credit enhancement providers if deemed advantageous by them) as are necessary in order to accomplish the purposes of this Resolution. The Authorized Representatives are hereby further authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such credit enhancement, including those making provision for the repayment of amounts advanced for credit enhancement thereunder. The fees, costs and expenses with respect to the foregoing shall be paid from proceeds of the sale of the Series 2017 Obligations or any other legally available moneys. The Finance Director is hereby authorized to receive and expend such funds as necessary to accomplish the purposes of this Resolution, including payment of installment payments related to debt service on the Series 2017 Obligations.

Section 3. Acceptance of Proposal. So long as the terms for the Series 2017 Obligations are within the parameters established by Section 2 hereof, the Authorized Representatives are hereby authorized to determine whether to accept the proposal of the Underwriter pursuant to the Purchase Contract or the proposal of the Purchaser. If it is the former, such acceptance shall be evidenced by the execution and delivery of the Purchase Contract pursuant to Section 2 hereof. If it is the latter, such acceptance shall be evidenced by an agreement between the County and the Purchaser. The Series 2017 Obligations shall be prepared and executed and delivered following the adoption of this Resolution and shall thereupon be delivered upon payment therefor to either the Purchaser in accordance with the terms of the Placement Agreement or the Underwriter in accordance with the terms of the Purchase Contract.

Section 4. Authorization of Official Statement. If the Series 2017 Obligations are to be sold to the Underwriter, the Authorized Representatives are hereby authorized to (i) approve the preparation and dissemination by the Underwriter of a Preliminary Official Statement, to be

dated the date of the publication thereof (the "Preliminary Official Statement"), relating to the Series 2017 Obligations in substantially the form on file with the Clerk of the Board and (ii) execute and approve the preparation and delivery to, and use by, the Underwriter of a final Official Statement, to be dated the date of the sale of the Series 2017 Obligations (the "Official Statement"), relating to the Series 2017 Obligations in substantially the form of the Preliminary Official Statement with such additions, deletions and modifications consistent with this Resolution as shall be approved by them. If and to the extent applicable, the Authorized Representatives shall certify or otherwise represent that the Preliminary Official Statement, in original or revised form, is a "deemed final" official statement (except for permitted omissions) of the County as of a particular date and that a completed version is a "final" official statement, in both cases, for purposes of the Rule. If so necessary, the distribution and use of the Preliminary Official Statement and the Official Statement by the County and the Underwriter are hereby authorized, ratified, confirmed and approved. If so necessary, the Authorized Representatives are further authorized to use and distribute, or authorize the use and distribution of, any supplements in connection with the original execution and delivery of the Series 2017 Obligations as may be necessary or appropriate and to sign and deliver, on behalf of the County, the Official Statement and such certificates in connection with the accuracy of the Official Statement and any amendment thereto as may be necessary or appropriate.

Section 5. Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., with its designated office in Los Angeles, California, is hereby appointed as the Series 2017 Trustee.

Section 6. Severability. It is the intention hereof to confer upon the County the whole of the powers provided for in the Act and if any one or more sections, clauses, sentences and parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, but shall be confined to the specific sections, clauses, sentences and parts so determined. All prior resolutions or parts thereof in conflict herewith are hereby repealed.

Section 7. Ratification of Actions. All actions of the officers, employees and agents of the County that conform to the purposes and intent of this Resolution and that further the actions contemplated by this Resolution, whether taken before or after adoption of this Resolution, are hereby ratified, confirmed and approved. The proper officers and agents of the County are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the County as may be necessary to carry out the terms and intent of this Resolution.

PASSED, ADOPTED, AND APPROVED by the Board of Supervisors of Pima County, Arizona, on December 13, 2016.

By.....
Sharon Bronson, Chair, Board of Supervisors

ATTEST:

.....
Robin Brigode, Clerk, Board of Supervisors

APPROVED AS TO FORM:

GREENBERG TRAURIG, LLP
Special Counsel

By.....
Michael Cafiso

PHX 331839244v3

RESOLUTION NO. 2016-___

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED $25,681,000 PIMA COUNTY, ARIZONA, GENERAL OBLIGATION BONDS, SERIES 2017, IN ONE OR MORE SERIES; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; PROVIDING TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; APPOINTING AN INITIAL REGISTRAR AND PAYING AGENT FOR THE BONDS; AND APPROVING AND RATIFYING ALL ACTIONS TAKEN IN FURTHERANCE OF THIS RESOLUTION.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Recitals, Findings and Conclusions.

A. Pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes (the "Act"), Pima County, Arizona (the "County") is authorized to issue general obligation bonds for authorized purposes after receiving voter approval. A majority of the qualified electors of the County voting at a special bond election held in and for the County on May 20, 1997 (the "1997 Bond Election") authorized the issuance and sale by the County of $256,980,000 aggregate principal amount of bonds for various purposes, a portion of which has been previously issued. A majority of the qualified electors of the County voting at a special bond election held in and for the County on May 18, 2004 (the "2004 Bond Election") authorized the issuance and sale by the County of $582,250,000 aggregate principal amount of bonds for various purposes, a portion of which has been previously issued. A majority of the qualified electors of the County voting at a special bond election held in and for the County on May 16, 2006 (the "2006 Election") authorized the issuance and sale by the County of $54,000,000 aggregate principal amount of bonds for various purposes, a portion of which has been previously issued. A majority of the qualified electors of the County voting at a general bond election held in and for the County on November 4, 2014 (together with the 1997 Bond Election, the 2004 Bond Election and the 2006 Bond Election, the "Bond Elections") authorized the issuance and sale by the County of $22,000,000 aggregate principal amount of bonds for various purposes, a portion of which has been previously issued.

B. The Board of Supervisors of the County (the "Board of Supervisors") intends to issue Bonds (as defined below) in the aggregate principal amount of not to exceed $25,681,000, in one or more series, for the purpose of financing public improvements in accordance with the authority granted at the Bond Elections and for the purpose of paying a portion of the costs of issuance of the Bonds.

C. The Board of Supervisors shall authorize its Chair (the "Chair"), as its representative, to either (i) sell the Bonds directly to a bank or financial institution as purchaser of the Bonds (the "Purchaser") through a private placement by RBC Capital Markets, LLC, as placement agent, or in the form of a bank loan arranged by RBC Capital Markets, LLC, or (ii) if

an acceptable offer to directly purchase the Bonds is not received from a bank or financial institution, to RBC Capital Markets, LLC, as underwriter (the "Underwriter"); provided, however, that the Bonds shall be sold at the price the Chair, on behalf of the Board of Supervisors, deems to be the best price available therefor.

D. The Bonds, if sold through an underwritten offering to the Underwriter, will be offered for sale pursuant to a Preliminary Official Statement in a form substantially the same as that used in connection with the offering of the County's General Obligation Refunding Bonds, Series 2016 (the "2016 Bonds"), with such changes as are approved by the Director of Finance of the County (the "Preliminary Official Statement"), which, with conforming changes, will become the Official Statement (the "Official Statement").

E. By this resolution, the Board of Supervisors shall approve the entering into of a bond purchase agreement with the Purchaser or the Underwriter in a form approved by the Director of Finance of the County, and, if the Bonds are sold to a Purchaser, a placement agent agreement with RBC Capital Markets, LLC. Such bond purchase agreement and placement agent agreement, if and as applicable, are to be completed with the final terms of the bonds and entered into between the County and the Underwriter or the Purchaser, and the County and RBC Capital Markets, LLC, as placement agent, if and as applicable, when the final terms of the sale have been determined (as so completed, such bond purchase agreement is hereby referred to as the "Bond Purchase Agreement" and such placement agent agreement is hereby referred to as the "Placement Agreement").

F. Within and by the parameters set forth in this resolution, the Board of Supervisors shall authorize the sale, execution and issuance of the Bonds and their delivery to the Underwriter or the Purchaser, as applicable, in accordance with the Bond Purchase Agreement.

Section 2. Authorization. The Board of Supervisors hereby authorizes the issuance and sale of Pima County, Arizona General Obligation Bonds, Series 2017 (the "Bonds") to be issued and sold by negotiated sale pursuant to A.R.S. § 35-457(C), in one or more series, in an aggregate principal amount not exceeding $25,681,000, for the purpose of (1) providing funds to make certain of the public improvements the bond financing of which was authorized at the Bond Elections and (2) paying the costs of issuance of the Bonds. The Bonds shall be issued and sold in accordance with the provisions of this resolution and delivered against payment therefor by the Underwriter or the Purchaser, as applicable.

Section 3. Terms. The Bonds will be dated the date of initial delivery thereof and will bear interest at such rate or rates not exceeding 6.00%, calculated on the basis of a 360-day year of twelve 30-day months, from such date to the maturity or prior redemption of each of the Bonds at the rates per annum established by the accepted proposal and set forth in the Bond Purchase Agreement as executed and delivered, the first interest payment date to be July 1, 2017, or such other date as is set forth in the Bond Purchase Agreement as executed and delivered, interest to be payable semiannually thereafter on each January 1 and July 1 during the term of the Bonds, the Bonds to be in the denomination of $5,000 each or integral multiples thereof, or such other denomination set forth in the Bond Purchase Agreement, in fully registered form. Interest will be paid on each interest payment date by check mailed by the Paying Agent (as hereinafter defined) to each registered owner of the Bonds at the address shown on the registration book of

the Registrar (as hereinafter defined) on the Record Date (as described in Section 11 hereof), or by wire transfer to any securities depository or, upon two days' prior written request delivered to the Paying Agent specifying a wire transfer address in the continental United States, to any registered owner of at least $1,000,000 aggregate principal amount of Bonds. Principal of the Bonds, at maturity or upon redemption prior to maturity, will be payable upon presentation and surrender at the designated office of the Paying Agent. The Bonds will mature (or be subject to mandatory redemption) on July 1 in the years and in the amounts as set forth in the accepted proposal and the Bond Purchase Agreement as executed and delivered and not exceeding the longest period authorized at the Bond Elections. The principal amount of the Bonds, the principal amount maturing in each year, the interest rates applicable to each maturity, the optional, mandatory and extraordinary optional redemption, if any, provisions, and any other final terms of the Bonds and of the sale of the Bonds shall be as set forth in the Bond Purchase Agreement as executed and delivered, and such approval shall be evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 4. Prior Redemption.

A. Optional Redemption. The Bonds may be subject to optional redemption as provided in the Bond Purchase Agreement.

B. Mandatory Redemption. The Bonds may be subject to mandatory redemption as provided in the Bond Purchase Agreement.

C. Notice of Redemption. Notice of redemption will be given by mail to the registered owners of the Bonds that are not deposited with the Depository Trustee and that are at the address shown on the bond register maintained by the Registrar not less than 30 days nor more than 60 days prior to the specified redemption date. Neither failure to give such notice, nor any defect therein, with respect to any Bond shall affect the regularity of the proceedings for redemption of any other Bond. Notwithstanding the foregoing, notice of redemption may be given in accordance with the procedures of a securities depository for the Bonds. If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the County or by a Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

D. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and, if moneys for payment of the redemption price and accrued interest are held in separate accounts by the Paying Agent, interest on such Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest and such Bonds shall be deemed paid and no longer outstanding.

E. Redemption of Less Than All of a Bond. The County may redeem a portion of any Bond in $5,000 increments or such other increments as set forth in the Bond

Purchase Agreement. In that event, the registered owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

Section 5. Use of Bond Proceeds.

A. Pursuant to A.R.S. § 35-457(D), premium received for the Bonds may be, at the direction of the Director of Finance of the County or his designee, (i) applied to pay costs of issuance of the Bonds, (ii) deposited in the Interest Account to pay interest on the Bonds, or (iii) set aside and used for the purposes authorized at the Bond Elections as further described in (B) below; provided, however, that premium may only be used for the purposes authorized at the Bond Elections if the County has available voter authorization under the Bond Elections and the amount of net premium used for such purpose will reduce in an equal amount both the available aggregate indebtedness capacity of the County under the statutes and constitution of the State of Arizona and the principal amount authorized at the Bond Elections.

B. Proceeds from the sale of the Bonds, other than premium on the Bonds used for the purposes described under (A)(i) and (ii) above, shall be set aside and used for the purposes (including the allocable expenses of issuance) authorized at the Bond Elections. The use of proceeds and the breakdown of the maturity schedule by purpose will be set forth in a Certificate (the "Certificate") of the Director of Finance of the County or his designee and will be charged against the purposes authorized at the Bond Elections. The allocation set forth in that Certificate is subject to the reserved right of the Board of Supervisors under A.R.S. § 35-456 to modify the determination of the voted purposes for which the Bonds were issued on or before retirement of the Bonds.

C. Pending any disbursement(s), the County Treasurer is directed to invest the proceeds from the sale of the Bonds in the State Treasurer's Local Government Investment Pool (LGIP); provided, however, that the County, acting through the Director of Finance of the County, may at any time provide other written investment instructions to the County Treasurer and the County Treasurer, to the extent that such investments are lawful, is authorized and directed to invest the monies designated in the written instructions in the investments set forth in the instructions.

Section 6. Form of Bonds.

A. The Bonds shall be in substantially the form of Exhibit A, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and as necessary to reflect the terms set forth in the Bond Purchase Agreement and are approved by those officers executing the Bonds and the execution thereof by such officers shall constitute conclusive evidence of such approval.

B. The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show the date of its authentication and registration.

Section 7. Book Entry Only System.

A. The Bonds will initially be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), an automated clearinghouse for securities transactions, which will act as securities depository for the Bonds. One fully registered Bond, in the aggregate principal amount of each maturity, will initially be registered in the name of and held by Cede & Co., as nominee for DTC.

B. So long as the book entry only system is in effect, beneficial ownership interests in the Bonds will be available in book entry form only through direct or indirect participants in DTC, in the principal amount of $5,000 or any integral multiple thereof. Beneficial owners of the Bonds will not receive certificates representing their interests in the Bonds and will not be deemed to be registered owners of the Bonds.

C. So long as the book entry only system is in operation, principal of and interest on the Bonds will be payable by the Paying Agent to Cede & Co., as nominee of DTC, which organization consequently bears sole responsibility for remitting such principal and interest to its direct and indirect participants for subsequent credit or disbursement to the beneficial owners of the Bonds.

D. In the event the County determines not to continue the DTC book entry only system or DTC determines to discontinue providing its services with respect to the Bonds and the County does not select another qualified securities depository, the County shall cause the Registrar to deliver to DTC for redistribution to beneficial owners of the Bonds one or more Bonds in such principal amount or amounts, in denominations of $5,000 and any integral multiple thereof, and registered in such name or names, as DTC shall designate.

E. The provisions of this Section 7 shall not apply to the Bonds if the Purchaser thereof requests that the Bonds be issued and registered in its name.

Section 8. Execution of Bonds.

A. The Bonds shall be executed for and on behalf of the County by the Chair and attested by the Clerk of the Board of Supervisors by their manual or facsimile signatures.

B. If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, the Bond shall nevertheless be valid.

C. A Bond shall not be valid or binding until authenticated by the manual signature of an authorized officer of the Registrar. The signature shall be conclusive evidence that the Bond has been authenticated and issued under this Resolution.

Section 9. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated, destroyed or lost, the County shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner's paying the reasonable expenses and charges of the County in connection therewith and, in the case of a Bond destroyed or lost, upon the registered owner filing with the Clerk of the

Board of Supervisors and the Registrar evidence satisfactory to the County and the Registrar that such Bond was destroyed or lost, and furnishing the County with a sufficient indemnity Bond pursuant to A.R.S. § 47-8405.

Section 10. Sale of Bonds; Award of Bonds; Limitations of Transfer.

A. The County anticipates receiving proposals from the Underwriter and/or Purchaser for the purchase of the Bonds. Such proposal as the Chair determines to result in the best price available for the Bonds shall be accepted, provided that the Bonds shall not be sold for less than 99% of the principal amount thereof. When the final terms of the Bonds are known, the Bond Purchase Agreement shall be finalized. The Chair of the Board of Supervisors or the Director of Finance of the County are authorized and directed to cause the Bond Purchase Agreement to be completed and executed; provided, however, that the parameters of this resolution shall govern the Bond Purchase Agreement and provided further that no terms or conditions may be inserted in the Bond Purchase Agreement which would be contrary to this resolution. Upon the completion, execution and delivery of the Bond Purchase Agreement, the Bonds are ordered sold to the Underwriter or the Purchaser, as applicable, pursuant to the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement as completed shall be conclusive evidence of such approval of the final terms and provisions.

B. The Director of Finance of the County or his designee is hereby authorized and directed to cause the Bonds to be delivered to the Underwriter or the Purchaser, as applicable, upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the Bond Purchase Agreement.

C. If the Bonds are sold directly to one of more Purchasers, the County may place such restrictions on the transfer of the Bonds by such Purchasers as set forth in the Bond Purchase Agreement as executed and delivered.

Section 11. Registrar and Paying Agent.

A. The County will employ an agency where Bonds may be presented for registration of transfer (the "Registrar") and an office or agency where Bonds may be presented for payment (the "Paying Agent"). The County may appoint one or more co-Registrars or one or more additional Paying Agents. The Registrar and Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the owners of the Bonds.

B. Initially, U.S. Bank National Association, a financial institution selected by the Finance Director of the County will act as Registrar and Paying Agent with respect to the Bonds. The County may change the Registrar or Paying Agent without notice to or consent of owners of the Bonds and the County may act in any such capacity.

C. Each Paying Agent will be required to agree in writing that the Paying Agent will hold in trust for the benefit of the owners of the Bonds all money held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds.

D. The Registrar may appoint an authenticating agent acceptable to the County to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Registrar may do so. Each reference in this Resolution to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

E. The Registrar shall keep a register of the Bonds, the registered owners of the Bonds and of transfer of the Bonds. When Bonds are presented to the Registrar or a co-Registrar with a request to register a transfer, the Registrar will register the transfer on the registration books if its requirements for transfer are met and will authenticate and deliver one or more Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds. Any Bond or Bonds may be exchanged at the designated office of the Registrar for a Bond or Bonds of the same maturity date and aggregate principal amount as the surrendered Bond or Bonds. The "Record Date" for the Bonds will be the close of business of the Registrar on the 15th day of the month preceding an interest payment date. Bonds presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent interest payment date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

F. The Registrar shall authenticate Bonds for original issue upon the written request of the Director of Finance of the County or his designee. The aggregate principal amount of Bonds outstanding at any time may not exceed the amount authorized by this resolution except for replacement Bonds as to which the requirements of the Registrar and the County are met.

Section 12. Tax Levy for Payment. For the purpose of providing for the payment of interest on the Bonds herein authorized and to create a redemption fund for the purpose of paying the Bonds at their respective maturity dates, there will be levied on all of the taxable property in the County a continuing, direct, annual, ad valorem tax sufficient to pay the principal of and interest on the Bonds as they become due, without limitation as to rate or amount. Upon collection, said taxes will be placed in a fund to be designated "Interest and Redemption Fund" and the taxes therein will be applied solely for the purpose of payment of principal of and interest on the Bonds and for no other purpose whatsoever until all of the Bonds authorized hereunder have been fully paid, satisfied and discharged.

Section 13. Resolution a Contract. This Resolution shall constitute a contract between the County and the registered owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

Section 14. Tax Covenants.

A. The County recognizes that the purchasers and owners of the Bonds will have accepted them on and paid a price for them reflecting the understanding that interest thereon is excludable from gross income of the owners thereof for federal income tax purposes under laws in force at the time the Bonds are delivered. In this connection, the County covenants

that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (i) the Bonds will not constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Code, or to be treated other than as bonds to which Section 103(a) of the Code applies, and (ii) the interest on the Bonds will not be an item of tax preference under Section 57 of the Code. For purposes of this Section 16, the "Code" means, collectively, the Internal Revenue Code of 1986, as amended, the Treasury Regulations (whether temporary or final) promulgated pursuant thereto, and any amendments or successor provisions thereto, any official rulings, announcements, notices, procedures and judicial determinations regarding any of them.

B. The County further covenants that (i) it will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes; (ii) it will not take or authorize to be taken any actions that would adversely affect that exclusion; (iii) it, or persons acting for it, will, among other acts of compliance, (a) apply the proceeds of the Bonds to the governmental purposes of the borrowing; (b) restrict the yield on investment property acquired with the proceeds; (c) make timely and adequate payments to the federal government as required under the Tax Compliance Certificate of the County (the "Tax Compliance Certificate") relating to the Bonds; (d) maintain books and records and make calculations and reports; and (e) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds all in such manner and to the extent necessary to assure that exclusion of that interest under the Code.

C. The Director of Finance of the County or his designee is authorized to (i) make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of the County with respect to the Bonds as the County is permitted to make or give under the federal income tax laws, including, without limitation, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which actions shall be in writing and signed by that officer; (ii) take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the County, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds; and (iii) give one or more appropriate certificates, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Bonds.

D. The County authorizes the creation by the Director of Finance of the County or his designee of a fund that is hereinafter referred to as the "Rebate Fund," and any other such accounts or sub-accounts as necessary or advisable in order to comply with the foregoing covenants and the Tax Compliance Certificate. The County will comply with the rebate requirements set forth in the Tax Compliance Certificate.

E. The Director of Finance of the County or his designee is hereby authorized to execute on behalf of the County the Tax Compliance Certificate. The Tax Compliance Certificate shall constitute a certification, representation and agreement of the County and no investment shall be made of the proceeds of the Bonds herein authorized nor of the money in the accounts established hereunder in violation of the expectations and covenants prescribed by the Tax Compliance Certificate. The Tax Compliance Certificate shall constitute an agreement of the County to follow certain covenants which may require the County to take certain actions (including the payment of certain amounts to the United States Treasury) or which may prohibit certain actions (including the establishment of certain funds) under certain conditions as specified in the Tax Compliance Certificate.

F. The County further recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order for interest thereon to be excludable from gross income for purpose of federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the County agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form if such action would cause interest on the Bonds to be included in gross income for federal income tax purposes.

Section 15. Continuing Disclosure Undertaking. The County recognizes that the initial purchaser of the Bonds may be required to comply with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with purchasing or selling the Bonds. Upon request of the Purchaser of the Bonds, in order to assist the initial Underwriter or Purchaser in complying with the Rule, the County will enter into a Continuing Disclosure Undertaking with respect to the Bonds, and a Continuing Disclosure Undertaking, which will be in substantially the form entered into by the County in connection with the sale of the 2016 Bonds with such changes as are approved by the Director of Finance of the County is hereby approved. The Director of Finance of the County or his designee is hereby authorized and directed to execute and deliver the Continuing Disclosure Undertaking and to do all such acts and things necessary to carry out the terms and intent of the Continuing Disclosure Undertaking.

Section 16. Official Statement. If the Bonds are the subject of an underwritten offering, the Director of Finance of the County or his designee is hereby authorized and directed to prepare or authorize to be prepared, and to complete the Preliminary Official Statement in connection with the original issuance of the Bonds and a final Official Statement relating to the original issuance of the Bonds in substantially the form of the Preliminary Official Statement, with such additions, deletions and modifications consistent with this Resolution as shall be approved by the Director of Finance of the County or his designee. If and to the extent applicable, the Director of Finance of the County or his designee shall certify or otherwise represent that the Preliminary Official Statement, in original or revised form, is a "deemed final" official statement (except for permitted omissions) of the County as of a particular date and that a completed version is a "final" official statement for purposes of the Rule. The distribution and use of the Preliminary Official Statement and the final Official Statement by the County and the original purchaser of the Bonds is hereby authorized, ratified, confirmed and approved.

The Chair or any member of this Board of Supervisors, the County Administrator of the County and the Director of Finance of the County or his designee are each further authorized to use and distribute, or authorize the use and distribution of, any supplements in connection with the original issuance of the Bonds as may be necessary or appropriate, and to sign and deliver, on behalf of the County, the Official Statement and such certificates in connection with the accuracy of the Preliminary Official Statement and the Official Statement and any amendment thereto as may be necessary or appropriate.

Section 17. Bond Insurance or Other Credit Enhancement. The Director of Finance of the County is authorized to contract for one or more credit enhancements for all or any part of the Bonds, and to pay the costs of them from proceeds of the Bonds or other monies of the County, if he determines that the credit enhancement will result in a savings in financing costs to the County. If he determines that one or more credit enhancements will result in savings in the cost of this financing to the County, the Finance Director of the County is authorized to cause to be completed, signed and delivered, on behalf of the County, appropriate agreements with credit enhancement providers concerning matters customary to be covered by such agreements, including, without limitation, any of the following: (a) the terms of the credit or liquidity support instrument and the amounts to be paid for it, (b) procedures for payments pursuant to the credit or liquidity support instrument and reimbursement of amounts advanced, including subrogation of the provider to the rights of owners of bonds receiving payment from monies furnished by the provider, (c) voting rights, (d) remedies, (e) notices and providing of information, and (f) permitted investments of monies with respect to all or any series of the Bonds. If one or more credit enhancements are obtained with respect to any of the Bonds, the provider of credit enhancement may be deemed to be the owner of the Bonds supported for purposes of demands, requests, consents, waivers or other actions by owners of the Bonds so long as the provider has not failed to comply with its obligations.

Section 18. Other Actions. From and after the execution and delivery of the Bond Purchase Agreement in definitive form by the County and the other parties thereto, as required, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary to carry out and comply with the provisions thereof, including but not limited to the execution of a Placement Agreement, if the Bonds are sold to a Purchaser, and the execution of tax compliance certificates or any other such document necessary in relation to the tax-exempt status of any series of Bonds intended by the County to be executed and delivered bearing tax-exempt interest or otherwise required by the Bond Purchase Agreement.

Section 19. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. The Board of Supervisors hereby declares that the County would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 20. Ratification of Actions. All actions of the officers, agents and employees of the County which are in conformity with the purposes and intent of the foregoing resolutions be, and the same are hereby, in all respects, authorized, approved, ratified and confirmed.

[Remainder of page left blank intentionally]

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County, Arizona, on December 13, 2016.

PIMA COUNTY, ARIZONA

By:_____
Chair, Board of Supervisors

ATTEST:

By:_____
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP
Bond Counsel

By: Timothy E Pickrell
Timothy E. Pickrell

010-8279-5553

EXHIBIT A

RESOLUTION NO. 2016-_____

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED AND DELIVERED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BOND
SERIES 2017

Number: _____ Denomination: $_____

Interest Rate	Maturity Date	Original Issue Date	CUSIP
_____%	July 1, 20___	_____, 2017	721663___

Registered Owner: CEDE & CO.

Principal Amount: _____ AND NO/100 DOLLARS

PIMA COUNTY, ARIZONA (the "County"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

Certain bonds of the issue of which this bond is one are subject to call for redemption prior to maturity in accordance with the terms set forth herein.

Interest is payable on January 1 and July 1 of each year, commencing _____, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original issue date set forth above. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Principal, interest and any premium are payable in lawful money of the United States of America. Interest will be paid by check payable to the order of and mailed by the Paying Agent

(as herein defined) to the registered owner at the address shown on the registration books maintained by the Registrar (as herein defined) at the close of business on the record date, or by wire transfer to any securities depository or, upon two days' prior written request delivered to the Paying Agent specifying a wire transfer address in the continental United States, to any registered owner of at least $1,000,000 aggregate principal amount of bonds. The principal and any premium will be paid when due to the registered owner upon surrender of this bond for payment at the designated office of the Paying Agent, which on the original issue date is the designated corporate trust office of U.S. Bank National Association.

This bond is one of an issue of bonds in the total principal amount of $_____ of like tenor except as to maturity date, rate of interest and number, issued by the County to provide funds to make those certain public improvements approved by a majority vote of qualified electors voting at elections duly called and held in and for the County on May 20, 1997, May 18, 2004, May 16, 2006 and November 4, 2014, pursuant to a resolution of the Board of Supervisors of the County duly adopted prior to the issuance hereof, and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of such bonds.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes sufficient for that purpose, the full faith and credit of the County are hereby irrevocably pledged.

Upon collection, said taxes will be placed in a fund to be designated "Interest and Redemption Fund" and the taxes therein will be applied solely for the purpose of payment of principal of and interest on the bonds and for no other purpose whatsoever until all the bonds authorized hereunder have been fully paid, satisfied, and discharged.

This bond is issued under the provisions of Title 35, Chapter 3, Article 3 of the Arizona Revised Statutes (the "Act") and a Resolution adopted by the Board of Supervisors of the County on December 13, 2016 (the "Resolution"). Reference is hereby made to the Act and the Resolution referred to above for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the County and the owners of bonds issued thereunder, to all of which the registered owner of this bond, by acceptance of this bond, assents.

The bonds maturing on or before July 1, 20__ are not subject to call for redemption prior to their respective maturity dates. The bonds maturing on or after July 1, 20__ are subject to call for redemption on any date on or after July 1, 20__ at the election of the County, in whole or in part from maturities selected by the County and within any maturity by lot, by the payment of a redemption price equal to the principal amount of each bond called for redemption plus accrued interest to the date fixed for redemption, without premium.

Notice of redemption will be given by mail to the registered owners of the bonds at the address shown on the bond register maintained by the Registrar not less than 30 days nor more than 60 days prior to the specified redemption date.

The initial Registrar and Paying Agent is U.S. Bank National Association (the "Registrar" and the "Paying Agent," as applicable). The Registrar or Paying Agent may be changed by the County without notice and the County may serve in such capacities.

This bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the Registrar upon surrender and cancellation of this bond, but only in the manner and subject to the limitation and upon payment of the charges provided in the Resolution. Upon such transfer, a new bond or bonds of the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange. The Registrar may require an owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Resolution. The County has chosen the 15th day of the month preceding an interest payment date as the record date for this issue of bonds. Should this bond be submitted to the Registrar for transfer during the period commencing after the close of business on the record date and continuing to and including the next subsequent interest payment date, ownership will be transferred in the normal manner but the interest payment will be made payable to and mailed to the registered owner as shown on the Registrar's books at the close of business on the record date.

The Registrar may but need not register the transfer of a bond which has been selected for redemption and need not register the transfer of any bond for a period of 15 days before a selection of bonds to be redeemed. If the transfer of any bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the bond or bonds.

Bonds of this issue are issuable only in fully registered form in the denomination of $5,000 each or integral multiples of $5,000. This bond may be exchanged at the designated office of the Registrar for a like aggregate principal amount of bonds of the same maturity in authorized denominations upon the terms set forth in the Resolution.

The County, the Registrar and the Paying Agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal, interest and any premium and for all other purposes and none of them shall be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual ad valorem tax upon all of the taxable property in the County for the payment of this bond and of the interest hereon as each becomes due, without limitation as to rate or amount.

The County has caused this bond to be executed by the Chair of its Board of Supervisors and attested by the Clerk of its Board of Supervisors, which signatures may be facsimile signatures.

This bond is not valid or binding upon the County without the manually affixed signature of an authorized signatory of the Registrar.

PIMA COUNTY, ARIZONA

_____(facsimile)_____
Chair, Board of Supervisors

ATTEST:

_____(facsimile)_____
Clerk, Board of Supervisors

SEAL

AUTHENTICATION CERTIFICATE

This bond is one of the Pima County, Arizona General Obligation Bonds, Series 2017, described in the Resolution mentioned herein.

Date of Authentication: _____, 2017

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By: _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____
(Name and Address of Transferee)

_____
(Social Security or other Federal Tax Identification Number of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises,

Dated: _____

_____
Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within registered bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Note: Signature(s) must be guaranteed by an eligible guarantor institution pursuant to Securities and Exchange Commission Rule 17Ad-15 that is a participant in a signature guarantor program recognized by the Trustee.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common
TEN ENT — as tenants by the entireties
JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT--
_____ Custodian _____
(Cust) (Minor)
Under Uniform Gifts/Transfers to Minors Act

_____
(State)

Additional abbreviations may also be used though not in list above.