



Bond Counsel

\$25,680,000

**PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2017**

Closing: February 1, 2017



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CLOSING DOCUMENTS

TERMS USED HEREIN

County	–	Pima County, Arizona
Bond Counsel	–	Squire Patton Boggs (US) LLP
Placement Agent	–	RBC Capital Markets, LLC
Placement Agent’s Counsel		Greenberg Traurig, LLP
Bond Registrar and Paying Agent	–	U.S. Bank National Association
Purchaser	–	JPMorgan Chase Bank, N.A.
Purchaser’s Counsel	–	Chapman and Cutler LLP

Tab No.

I. COUNTY PROCEEDINGS AND RELATED DOCUMENTS

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|----|---|---|
| 1. | Certified copy of Resolution No. 2016-84, passed, adopted and approved by the Board of Supervisors of the County on December 13, 2016, authorizing the issuance and sale of the Bonds | 1 |
| 2. | Placement Agent Agreement, dated January 23, 2017, between the County and the Placement Agent | 2 |
| 3. | Bond Registrar, Transfer Agent and Paying Agent Agreement, dated as of February 1, 2017, between the County and the Bond Registrar and Paying Agent | 3 |

II. CERTIFICATES

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DISTRIBUTION OF TRANSCRIPTS

Transcripts containing executed counterparts or photocopies of the closing documents will be distributed by Bond Counsel to the following parties:

Pima County, Arizona	2
Pima County Attorney's Office	2
RBC Capital Markets, LLC	1
Squire Patton Boggs (US) LLP	1
Greenberg Traurig, LLP	1
U.S. Bank National Association	1
JPMorgan Chase Bank, N.A.	1
Chapman and Cutler LLP	1

RESOLUTION NO. 2016- 84

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: Sharon Branson
Chair, Board of Supervisors

ATTEST:

By: Robert Krigside
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP
Bond Counsel

By: Timothy E. Pickrell
Timothy E. Pickrell

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: \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
_____ %	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.



January 23, 2017

Mr. Keith Dommer
Director, Finance and Risk Management
Pima County, Arizona
130 West Congress
Tucson, AZ 85701

Re: \$25,681,000 Pima County, Arizona General Obligation Bonds, Series 2017, issued in the form of either municipal securities or a bank loan (the "Obligations")

The issuance of the above-captioned Obligations has been authorized by a resolution (the "Resolution") adopted by the Board of Supervisors of Pima County, Arizona (the "Issuer" or "you"). Pursuant to the Resolution, the Issuer has authority to engage RBC Capital Markets, LLC (the "Placement Agent" or "RBC CM"), as a placement agent for identifying and soliciting potential bank loans to purchase the Obligations. The Issuer and RBC CM are entering into this placement agreement (this "Placement Agreement"), for such purpose. Upon execution of the Placement Agreement by the parties hereto, and subject to Paragraph 7 hereof, this Placement Agreement shall be binding upon both the Issuer and the Placement Agent.

1. The Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an "arm's length," commercial transaction between the Issuer and the Placement Agent in which the Placement Agent is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Placement Agent has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Placement Agent has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Placement Agent has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Placement Agreement; and (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.
2. Notwithstanding the foregoing or any other provisions of this Placement Agreement, the use of the term "agent" with reference to the Placement Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an independent contractor relationship between

contracting parties and the Placement Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties as Placement Agent. Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Placement Agent hereby agrees to use its best efforts to locate a bank lender (the “Purchaser”) to purchase all, but not less than all, of the Obligations on terms consistent herewith and with the hereinafter defined Loan Documents. If the Purchaser purchases the Obligations on the hereinafter defined Closing Date, the Issuer will pay a placement fee equal to not more than 0.55% of the par amount of the Obligations to the Placement Agent on the Closing Date.

3. Simultaneously with the execution of this Placement Agreement, you will deliver or cause to be delivered to the Placement Agent a copy of the Resolution, which is in full force and effect.
4. You represent and warrant to and agree with the Placement Agent (and hereby it shall be a condition of the obligation of the Placement Agent to perform under this Placement Agreement) that you shall so represent and warrant as of the Closing Date that:
 - (a) The Issuer is duly organized and validly existing under the laws of the State of Arizona (the “State”) with the power to sell and issue the Obligations.
 - (b) The Issuer has complied, and reasonably expects, in all respects on the Closing Date to be in compliance with all of the provisions of applicable State law.
 - (c) The Board of Supervisors of the Issuer, prior to the acceptance hereof, has duly adopted the Resolution, and the Issuer has duly authorized and approved the execution and delivery of the Bond Purchase Agreement (as such term is defined in the Resolution) and this Placement Agreement (collectively, the “Bond Documents”), as well as the performance of its obligations contained in the Obligations and the consummation by it of all other transactions contemplated hereby.
 - (d) The Issuer is not in breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under the Loan Documents; and the execution and delivery of the Loan Documents, the adoption of the Resolution, and the execution and the issuance of the Obligations and compliance with the provisions of each thereof will not conflict materially with or constitute a breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement, or other instrument to which the Issuer is a party or is otherwise subject which breach or default would materially and adversely affect the Issuer, the Loan Documents or its ability to perform its duties and obligations under the Loan Documents.

- (e) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction that would constitute a condition precedent to the performance by the Issuer of its obligations under the Loan Documents and the Obligations have been or, prior to the Closing Date will have been, obtained.
- (f) No litigation is pending or overtly threatened in any court in any way affecting the existence of the Issuer or the title of the members of the Board of Supervisors of the Issuer to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the Obligations, or the collection or pledge of any revenues pledged or to be pledged under the Loan Documents to pay the principal of and interest on the Obligations, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution or this Placement Agreement, or contesting the powers of the Issuer or members of its Board of Supervisors with respect to the Obligations.
- (g) The Issuer will apply the proceeds of the Obligations in accordance with the applicable terms of the Resolution.
- (h) On the Closing Date, the Placement Agent shall receive a copy of each of the following documents, each dated the Closing Date:
 - (i) a certified copy of the Resolution;
 - (ii) a certificate of an authorized officer of the Issuer that the Resolution and this Placement Agreement are in full force and effect;
 - (iii) opinions of your bond counsel, Squire Patton Boggs (US) LLP (“Bond Counsel”), dated the Closing Date in form and substance satisfactory to the Placement Agent;
 - (iv) a certificate, dated as of the Closing Date and signed by an authorized officer of the Issuer, to the effect that (A) the representations, warranties and covenants of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date; (B) no litigation is pending or, to its knowledge, threatened in any court in any way affecting the existence of the Issuer or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Obligations, or the receipt of any revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Obligations, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution or this Placement Agreement, or contesting the powers of the Issuer or its authority with respect to the Obligations, the Resolution or this Placement Agreement, acceptable to the Placement Agent, that in the opinion of such counsel the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); and (C) the Issuer has complied in all material respects

with the Resolution and the terms of the Obligations and satisfied all material conditions on its part to be performed or satisfied at or prior to the delivery of the Obligations;

- (v) a certificate of the Purchaser as to the delivery of the Obligations and of the Issuer as to the receipt of payment therefor;
- (vi) a letter or certificate from the Purchaser in form and substance satisfactory to the Placement Agent; and
- (vii) such additional certificates, instruments or opinions as Bond Counsel, the Issuer, the Purchaser or the Placement Agent may deem necessary or desirable.

All certificates, instruments, opinions and documents referred to above shall be in form and substance satisfactory to Bond Counsel, the Issuer, the Purchaser and the Placement Agent.

If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Issuer shall be under further obligation hereunder.

5. At or prior to 1:00 p.m., on February 1, 2017, or such other date mutually agreed to by us (the "Closing Date"), you will deliver the Obligations to, or at the direction of, the Purchaser in definitive fully registered form duly executed, registered in the names specified by the Purchaser together with the other documents hereinabove mentioned, upon payment of the purchase price of the Obligations by wire and in immediately available funds. Delivery as aforesaid shall be made in Phoenix, Arizona, as shall have been mutually agreed upon and such payment shall be made simultaneously therewith. This payment and delivery is herein called the "Closing."
6. Unless otherwise set forth herein, the representations and agreements in this Placement Agreement shall survive the delivery of the Obligations hereunder.
7. The Placement Agent's obligation hereunder to use its best efforts to place the Obligations shall be subject to the performance by you of your obligations hereunder in all material respects at or prior to the Closing and the accuracy in all material respects of your representations and warranties contained herein and shall also be subject to the following conditions:
 - (a) At the time of the Closing, the Resolution and the Loan Documents and all related documents of the Issuer with respect to the issuance of the Obligations shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the undersigned.
 - (b) The undersigned may terminate this Placement Agreement by notification in writing to you if at any time subsequent to the date hereof and at or prior to the Closing: (i) legislation shall be enacted by or, after the date hereof, introduced in

the Congress of the United States of America or recommended to the Congress for passage by the President of the United States of America, or the Treasury Department of the United States of America or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States of America or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general character of the Obligations, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein; (ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Obligations without registration thereof or obligations of the general character of the Obligations is in violation of any provision of the Securities Act of 1933 or of the Trust Indenture Act of 1939; (iii) in the Congress of the United States, legislation shall be enacted or a bill shall be favorably reported out of committee of either house, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the issuer or of any similar body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; (iv) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency; (v) there shall have occurred a general suspension of trading on the New York Stock Exchange; or (vi) a general banking moratorium shall have been declared by the United States, State of New York, or State of Arizona authorities.

- (c) You shall perform or have performed in all material respects at or prior to the Closing all of your obligations required under or specified in the Loan Documents to be performed at or prior to the Closing.
- 8. Before the Closing Date, the Purchaser shall deliver to the Issuer the names in which the Obligations are to be registered. At the Closing, contemporaneously with the receipt of the Obligations, the Purchaser will deliver the receipt therefor described in Paragraph 4 (v), in form satisfactory to Bond Counsel, signed by the Purchaser.
- 9. You shall pay, solely from the proceeds of the bank loan for the purchase of the Obligations: (a) the cost of the preparation of the Obligations; (b) the placement fee described in Paragraph 2 and the fees and disbursements of Bond Counsel, Placement

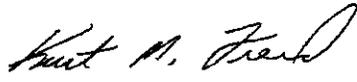
Agent Counsel, Counsel to the Issuer and of any other counsel or consultants retained by you; (c) the fees and expenses of the paying agent and (d) any other fees associated with the placement of the Obligations that are not paid by the Placement Agent. The Placement Agent shall pay its own out-of-pocket expenses. The Issuer shall be under no obligation to pay any expenses incident to the performance of the obligations of the Placement Agent hereunder.

10. You agree and understand that this Placement Agreement is a contract for services and waive any claims you may have that you are immune from suit by virtue of any law or claim for any matter arising from or relating to this Placement Agreement. You further agree, to the extent permissible by law, to indemnify and hold the Placement Agent harmless against any losses, claims, damages or liabilities to which we may become subject, including reasonable and necessary legal fees, in so far as such losses, claims, damages or liabilities arise out of or relate to the transaction contemplated herein.
11. This Placement Agreement may be terminated at any time by the Issuer, upon five business days' prior notice to such effect to the Placement Agent, or by the Placement Agent upon five business days' prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under Paragraph 9 hereof or the respective representations, warranties, agreements, covenants, rights or responsibilities of the parties made or arising prior to the termination of this Agreement.
12. As required by the provisions of Arizona Revised Statutes Section 38-511, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the Issuer hereunder except as required by such Section 38-511. Each of the parties hereto hereby certifies that it is not presently aware of any violation of Section 38-511 which would adversely affect the enforceability of this Agreement and covenants that it shall take no action which would result in a violation of such Section.
13. For purposes of this Placement Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

14. If any provision of this Placement Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Placement Agreement invalid, inoperative or unenforceable to any extent whatever.
15. This Placement Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.
16. The electronic signature of a party to this Placement Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Placement Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an electronic mail or internet message.
17. The agreements and all representations and warranties herein set forth have been and are made for the benefit of the Placement Agent and the Issuer, and no other person shall acquire or have any right under or by virtue of this Placement Agreement.

18. This Placement Agreement shall become effective upon the execution of the acceptance hereof by an authorized officer of the Issuer and shall be valid and enforceable as of the time of such acceptance.

RBC CAPITAL MARKETS, LLC

By 

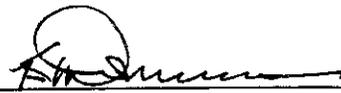
Name: Kurt M. Freund

Title: Managing Director

Date: January 23, 2017

ACCEPTANCE

ACCEPTED this 23rd day of January, 2017

By: 

Name: Keith Dommer

Title: Director, Finance and Risk Management, Pima County, Arizona

Date: 1/23/2017

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2017

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT AGREEMENT

FEDERAL TAXPAYER I.D. NO. 86-6000543

This Bond Registrar, Transfer Agent and Paying Agent Agreement dated as of February 1, 2017 (the “Agreement”), made and entered into by and between **PIMA COUNTY, ARIZONA** (hereinafter called the “County”); and **U.S. BANK NATIONAL ASSOCIATION** (hereinafter called the “Bank”) witnesseth as follows:

The County will issue its bonds which will be known as \$25,680,000 aggregate principal amount of General Obligation Bonds, Series 2017 (the “Bonds”). The services of a registrar, transfer agent and paying agent are necessary and in the best interests of the County.

The Bank desires to perform registrar, transfer agent and paying agent services during the life of the Bonds.

For and in consideration of the mutual promises, covenants, conditions and agreements hereinafter set forth, the parties do agree as follows:

1. Services. The Bank hereby agrees to provide the following services:

A. Registrar services which shall include, but not be limited to, (1) authenticating and verifying the Bonds; (2) keeping registration books sufficient to comply with Section 149 of the Internal Revenue Code of 1986, as amended (the “Code”); (3) recording transfers of ownership of the Bonds promptly as such transfers occur; (4) protecting against double or overissuance; (5) authenticating new Bonds prepared for issuance to transferees of original and subsequent purchasers; and (6) informing the County of the need for additional printings of the Bonds should the forms printed prior to initial delivery prove inadequate.

B. Transfer agent services which shall include, but not be limited to, (1) receiving and verifying all Bonds tendered for transfer; (2) preparing new Bonds for delivery to transferees and delivering same either by delivery or by mail, as the case may be; (3) destroying Bonds submitted for transfer; and (4) providing proper information for recordation in the registration books.

C. Paying agent services which shall include, but not be limited to, (1) providing a billing to the County at least thirty (30) days prior to a Bond interest payment date setting forth the amount of principal and interest due on such date; (2) preparing, executing, wiring or mailing all interest and mandatory sinking fund redemption payments to each registered owner of the Bonds one (1) business day prior to the scheduled payment date or as soon as money for payment of such interest has been transferred to the paying agent but in no event (unless sufficient

funds to make such payments have not been received by the Bank) later than 3:00 p.m. Arizona time, on the date such payments are due; (3) verifying all matured Bonds upon their surrender; (4) paying all maturing principal and premium, if any, due upon the Bonds as they are properly surrendered therefor to the Bank; (5) preparing a semiannual reconciliation showing all principal and interest paid during the period and providing copies thereof to the County; (6) inventorying all cancelled checks, or microfilm proof of such checks, for (6) years after payment; and (7) making proof of such payments available to the County or any owner or former owner.

2. Record Date. The Record Date for the payment of interest will be the fifteenth (15th) day of the month preceding an interest payment date. Normal transfer activities will continue after the Record Date but the interest payment on a particular certificate will be mailed to the registered owners of Bonds as shown on the books of the Bank on the close of business on the Record Date. Maturing principal (and premium, if any) shall be paid only on surrender of the particular Bond at or after its maturity.

3. Reserved.

4. Issuance and Transfer of Bonds. The Bank will issue Bonds to registered owners, require Bonds to be surrendered and cancelled and new Bonds issued upon transfer, and maintain a set of registration books showing the names and addresses of the owners from time to time of the Bonds. The Bank shall promptly record in the registration books all changes in ownership of Bonds.

5. Payment Deposit. The County will transfer or cause to be transferred, immediately available funds to the Bank no later than one (1) business day prior to or, if agreed to by the parties hereto, on the date on which the interest, principal and premium payments (if any) are due on the Bonds but in no event later than 3:00 p.m., Arizona time, on the date such payments are due. The Bank shall not be responsible for payments to Bond owners from any source other than moneys transferred, or caused to be transferred, to it by the County.

6. Collateral. The Bank shall collateralize the funds on deposit at the Bank in accordance with A.R.S. §§ 35-323 and 35-491.

7. Turnaround Time. The Bank will comply with the three (3) business day turnaround time required by Securities and Exchange Commission Rule 17Ad-2 on routine transfer items.

8. Fee Schedule; Initial Fee. For its services under this Agreement, the County shall pay the Bank in accordance with the fee schedule set forth in the attached Exhibit A, which is incorporated herein by reference. The fee for the Bank's initial services hereunder and services to be rendered until the end of the County's current fiscal year (fiscal year 2016-2017) is [\$690.00] and shall be billed by the Bank to the County after closing and paid by the County after the initial delivery of Bonds solely from proceeds of the Bonds. Subsequent payments shall be made in accordance herewith.

9. Fees for Services in Subsequent Fiscal Years. The Bank will bill the County, prior to July 31, 2017, and prior to each July 31 thereafter.

10. Costs and Expenses. The County hereby agrees to pay all costs and expenses of the Bank pursuant hereto. If, for any reason, the amounts the County agrees to pay herein may not be paid from the annual tax levy for debt service on the Bonds, such costs shall be paid by the County from any funds lawfully available therefor and the County agrees to take all actions necessary to budget for and authorize expenditure of such amounts.

11. Hold Harmless. The Bank shall indemnify and hold harmless the Treasurer of the County (the "Treasurer"), the County and all boards, commissions, officials, officers and employees of the Treasurer and the County, individually and collectively, from the Bank's failure to perform to its standard of care as herein stated.

12. Standard of Care Required. In the absence of bad faith on its part in the performance of its services under this Agreement, the Bank shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder, nor for action taken or omitted to be taken by it in good faith and in accordance with advice of counsel, and shall not be liable for any mistakes of fact or error of judgment or for any actions or omissions of any kind unless caused by its own willful misconduct or negligence.

13. Entire Agreement. This Agreement and Exhibit A attached hereto contain the entire understanding of the parties with respect to the subject matter hereof, and no waiver, alteration or modification of any of the provisions hereof, shall be binding unless in writing and signed by a duly authorized representative of all parties hereto.

14. Amendment. The County and the Bank reserve the right to amend any individual service set forth herein or all of the services upon providing a sixty (60) day prior written notice. Any corporation, association or agency into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor registrar, transfer agent and paying agent under this Agreement and vested with all or the same rights, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. Resignation or Replacement. The Bank may resign or the County may replace the Bank as registrar, transfer agent and paying agent at any time by giving thirty (30) days written notice of resignation or replacement to the County or to the Bank, as applicable. The resignation shall take effect upon the appointment of a successor registrar, transfer agent and paying agent. A successor registrar, transfer agent and paying agent will be appointed by the County; provided, that if a successor registrar, transfer agent and paying agent is not so appointed within ten (10) days after a notice of resignation is received by the County, the Bank may apply to any court of competent jurisdiction to appoint a successor registrar, transfer agent and paying agent. Any resignation or replacement of the Bank pursuant to this Section shall be without cost to the County.

In the event the Bank resigns or is replaced, the County reserves the right to appoint a successor registrar, transfer agent and paying agent who may qualify pursuant to A.R.S. § 35-491, et seq., or any subsequent statute pertaining to the registration, transfer and payment of bonds. In such event the provisions hereof with respect to payment by the County shall remain in full force and effect, but the County shall then be authorized to use the funds collected for payment of the costs and expenses of the Bank hereunder to pay the successor registrar, transfer agent and paying agent or as reimbursement if the County acts as registrar, transfer agent and paying agent.

16. Reports to Arizona State Treasurer's Office. The Bank shall make such reports to the Arizona State Treasurer's Office (the "State Treasurer") pertaining to the retirement of any Bonds and of all payments of interest thereon, within thirty (30) days of a request therefor, from the Treasurer or the County, or the agents of either, to comply with the requirements of the State Treasurer pursuant to A.R.S. § 35-502.

17. Form of Records. The Bank's records shall be kept in compliance with standards as have been or may be issued from time to time by the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the requirements of the Code and any other securities industry standard. The Bank shall retain such records in accordance with the applicable record keeping standard of the Internal Revenue Service. In lieu of destruction and immediately prior to the date the Bank would destroy any Bondholder or Bond payment records maintained by the Bank pursuant to this Agreement, such records shall be provided to the County.

18. Advice of Counsel and Special Consultants. When the Bank deems it necessary or reasonable, it may apply to Squire Patton Boggs (US) LLP or such other law firm or attorney for instructions or advice. Any fees and costs incurred shall be added to the next fiscal year's fees, costs and expenses to be paid to the Bank.

19. Examination of Records. The County or its duly authorized agents may examine the records relating to the Bonds at the office of the Bank where such records are kept at reasonable times as agreed upon with the Bank and such records shall be subject to audit from time to time at the request of the County.

20. Payment of Unclaimed Amounts. In the event any check for payment of interest on a Bond is returned to the Bank unendorsed or is not presented for payment within two (2) years from its payment date or any Bond is not presented for payment of principal at the maturity or redemption date, if applicable, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to the Bank for the benefit of the owner thereof, it shall be the duty of the Bank to hold such funds, without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. The Bank's obligation to hold such funds shall continue for two years and six months (subject to applicable escheat or unclaimed property law) following the date on which such interest or principal payment became due, whether at maturity, or at the date fixed for redemption, or otherwise, at which time the Bank shall surrender such unclaimed funds so held to the County, whereupon any claim of whatever nature by the owner of such Bond arising under such Bond shall be made upon the County and shall be subject to the provisions of applicable law.

21. **Invalid Provisions.** If any provision hereof is held to be illegal, invalid or unenforceable under present or future laws, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision.

22. **Mutilated, Lost or Destroyed Bonds.** With respect to Bonds which are mutilated, lost or destroyed, the Bank 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 lost or destroyed, upon the registered owner's paying the reasonable expenses and charges in connection therewith and, in the case of any Bond destroyed or lost, filing by the registered owner with the Bank and the County of evidence satisfactory to the Bank and the County that such Bond was destroyed or lost, and furnishing the Bank and the County with a sufficient indemnity bond pursuant to A.R.S. § 47-8405.

23. **Conflict of Interest.** Each party gives notice to the other parties that A.R.S. § 38-511 provides that the State of Arizona (the "State"), its political subdivisions or any department or agency of either, may within three (3) years after its execution cancel any contract without penalty or further obligation made by the State, its political subdivisions or any of the departments or agencies of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either, is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

24. **Waiver of Trial by Jury.** Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

25. **Levy for Expenses.** Except for the initial fiscal year's costs and expenses, all costs and expenses incurred with respect to services for registration, transfer and payment of the Bonds and, if applicable, for costs and expenses in connection with the calculation of arbitrage rebate shall be treated as interest on the Bonds and the County agrees to include the same in the taxes levied for interest debt service during each of the ensuing fiscal years.

26. **Governing Law.** This Agreement is governed by the laws of the State.

27. **Transfer Expenses.** The transferor of any Bond will be responsible for all fees and costs relating to such transfer of ownership.

28. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

29. Certain Warranties and Certifications from the Bank.

(a) To the extent applicable under A.R.S. § 41-4401, the Bank and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). The Bank's, or a subcontractor's, breach of the above-mentioned warranty shall be deemed a material breach of this Agreement and may result in the termination of the Agreement by the County. The County retains the legal right to randomly inspect the papers and records of the Bank and its subcontractors who work on the Agreement to ensure that the Bank and its subcontractors are complying with the above-mentioned warranty. The Bank and its subcontractors warrant to keep the papers and records open for random inspection by the County during normal business hours. The Bank and its subcontractors shall cooperate with the County's random inspections including granting the County entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

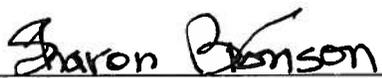
(b) Pursuant to A.R.S. § 35-393 et seq., the Bank hereby certifies that it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in A.R.S. § 35-393. If the County determines that the Bank's certification above is false or that it has breached the foregoing agreement it shall be deemed a material breach by the Bank of this Agreement and may result in the termination of the services of the Bank under the Agreement and its replacement with a successor in those capacities in accordance with this Agreement.

This Agreement is dated and effective as of February 1, 2017.

U.S. BANK NATIONAL ASSOCIATION

By: 
Keith Henselen
Vice President

PIMA COUNTY, ARIZONA

By: 
Sharon Bronson
Chair

ATTEST:

By: 
Julie Castañeda
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP,
Bond Counsel

By: 
Timothy E. Pickrel

Attachment: Exhibit A, Fee Schedule of the Registrar.

[Signature page of Bond Registrar, Transfer Agent and Paying Agent Agreement]

EXHIBIT A

REGISTRAR, TRANSFER AGENT AND PAYING AGENT'S FEE SCHEDULE

See attached Fee Schedule.



U.S. Bank Customer Confidential

Schedule of Fees for Services as
Paying Agent, Registrar and Transfer Agent
For
Pima County, Arizona
General Obligation Bonds, Series 2017

Table with 3 columns: Code, Description, and Amount. Rows include Acceptance Fee (\$250.00), Paying Agent / Registrar / Transfer Agent (\$440.00), Direct Out of Pocket Expenses (At Cost), and Extraordinary Services.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity.

Dated: January 23, 2017

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2017

GENERAL CERTIFICATE OF THE COUNTY

The undersigned, the Chair (the “Chair”) and the Clerk (the “Clerk”) of the Board of Supervisors of Pima County, Arizona (the “County”), acting for and on behalf of the County, do hereby certify as follows with respect to the \$25,680,000 aggregate principal amount of Pima County, Arizona General Obligation Bonds, Series 2017 (the “Bonds”) issued by the County pursuant to Resolution No. 2016-84, passed, adopted and approved by the Board of Supervisors of the County on December 13, 2016 (the “Resolution”), authorizing and providing for the issuance and sale of the Bonds:

1. They are the duly elected or appointed, qualified and acting Chair and Clerk, respectively, of the Board of Supervisors of the County and, as such, are familiar with the matters set forth below and the books, records and proceedings of the County.

2. A regular meeting of the Board of Supervisors of the County was duly called, noticed and held on December 13, 2016, in accordance with the laws of the State of Arizona. Copies of the notice and agenda for such meeting are attached hereto as Exhibit A. The Resolution, as executed by the Chair and attested by the Clerk, is in the same form and text as the copy of such Resolution that was before and adopted by the Board of Supervisors of the County at the meeting of December 13, 2016.

3. The persons named below were on December 13, 2016 to and including January 3, 2017 the duly elected, qualified and acting members and incumbents of the Board of Supervisors of the County set opposite their respective offices:

<u>Name</u>	<u>Office</u>
Sharon Bronson	Chair and Supervisor
Ramón Valadez	Supervisor
Ray Carroll	Supervisor
Richard Elías	Supervisor
Ally Miller	Supervisor

4. The persons named below were on January 4, 2017 to and including the date hereof the duly elected, qualified and acting members and incumbents of the Board of Supervisors of the County set opposite their respective offices:

<u>Name</u>	<u>Office</u>
Sharon Bronson	Chair and Supervisor
Steve Christy	Supervisor
Richard Elías	Supervisor
Ally Miller	Supervisor
Ramón Valadez	Supervisor

To the best of our knowledge, there is no litigation pending or threatened affecting or questioning in any manner whatsoever the rights of the Chair or the Supervisors of the County to their respective offices or affecting the organization, existence or powers of the County.

5. The County is a political subdivision duly organized and validly existing under the Constitution and laws of the State of Arizona and had, and has, full legal right, power and authority to adopt, execute and deliver, as appropriate, the Resolution, the Bonds, the Bond Registrar, Transfer Agent and Paying Agent Agreement, dated as of February 1, 2017 (the “Bond Registrar and Paying Agent Agreement”), between the County and U.S. Bank National Association (the “Registrar”), the Bond Purchase Agreement and Certificate, Acknowledgment and Receipt of the Purchaser, dated February 1, 2017 (the “Bond Purchase Agreement”) between the County and JPMorgan Chase Bank, N.A. (the “Purchaser”), the Placement Agent Agreement, dated January 23, 2017 (the “Placement Agent Agreement”), between the County and RBC Capital Markets, LLC (the “Placement Agent”), and all the other documents, instruments and certificates contemplated therein (all of the foregoing are hereinafter collectively referred to as the “County Documents”) and to authorize and issue the Bonds and to carry out the transactions contemplated by the County Documents; and the County Documents have been duly authorized, executed and delivered by the County and are the legal, valid and binding general obligations of the County enforceable against the County in accordance with their respective terms and, in the case of the Resolution, have not been amended, modified or repealed in any respect subsequent to their execution and are in full force and effect on the date hereof.

6. The execution and delivery of the County Documents and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, governmental rule or regulation, judgment, order, writ, injunction, consent decree, agreement, ordinance, resolution, or other instrument to which the County is a party or to which it or any of its property is subject, and does not require any consent or approval by any governmental authority, agency or body not already obtained.

7. The Chair and the Clerk hereby authorize, ratify and adopt the facsimile signatures of the Chair and the Clerk executing and attesting, respectively, the Bonds in the aggregate principal amount of \$25,680,000, issued under the Resolution in the form of one fully-registered bond without coupons, and maturing on July 1, 2021 and bearing interest at the rate of 1.83% per annum.

8. All representations and warranties of the County contained in the County Documents are true, correct and complete in all material respects as of the date hereof and the County has satisfied and performed all of the conditions and agreements required in the County

Documents to be satisfied or performed by the County at or prior to this date in connection with the issuance, sale and delivery of the Bonds in the manner and with the effect contemplated in the County Documents and, as of the date hereof, to the best knowledge of the County, no default or event of default has occurred, nor has any event occurred which, with the giving of notice or the passage of time, or both, will constitute a default or an event of default with respect to the County Documents.

9. Except as described in the opinion of the County Attorney being delivered on the date hereof, there is no action, suit, proceeding, inquiry, or investigation at law or in equity, or before or by any public board or body, pending or threatened against the County, which questions its right to levy and collect taxes to pay the principal of and interest on the Bonds, or questions the proceedings and authority pursuant to which the levy is made, or questions its right to issue securities, including the Bonds, or to restrain or enjoin the issuance, offer and sale of the Bonds, or in any way affecting or questioning any authority for or the validity of the County Documents, the Bonds or the proceedings for the issuance thereof or the County's right to use the proceeds of the Bonds in the manner contemplated in the Resolution, which, if determined adversely to the County or its interests, individually or in the aggregate, would (a) have a material adverse effect upon the financial condition, assets, properties or operations of the County, or (b) have an adverse effect on the validity or enforceability of the County Documents, or (c) impair the County's ability to comply with the requirements set forth in the Resolution.

10. The County is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default would materially and adversely affect the existence or operation of the County or its properties or the execution, delivery, receipt and the performance of the County Documents or the other agreements contemplated thereby.

11. The Registrar, pursuant to the Resolution and the Bond Registrar and Paying Agent Agreement, is hereby authorized and directed to authenticate the fully-registered Bond and to receipt for and deliver said Bond to the Purchaser, after authentication and upon receipt by the County of \$25,675,500.00 (representing the purchase price of \$25,680,000 less \$4,500.00 being wired directly to Purchaser's counsel as an accommodation to the County). Pursuant to Section 10 of the Resolution, the undersigned Chair has determined that the bid of the Purchaser results in the best price available for the Bonds.

12. To the best of our knowledge, no public officer, supervisor or employee of the County has been compensated or will be compensated for acting as such in connection with the issuance, sale and delivery of the Bonds, except that they may be reimbursed for their actual expenses incurred in the performance of their duties as such officers, supervisors or employees of the County and no officer, supervisor or employee of the County, or relative of such officer, supervisors or employee, has any "substantial interest" (as defined in Section 38-502 of the Arizona Revised Statutes) in any of the transactions contemplated by the County Documents.

13. Upon the issuance of the Bonds, the outstanding general obligation bonded debt of the County, less principal redemption funds on hand, will be not more than \$366,980,000.

14. Any defined term identified herein by an initial capital letter but not otherwise defined herein shall have the meaning ascribed to it in the Resolution.

Dated: February 1, 2017

PIMA COUNTY, ARIZONA

By: Sharon Bronson
Sharon Bronson
Chair, Board of Supervisors

By: Julie Castañeda
Julie Castañeda
Clerk, Board of Supervisors

[Signature Page to General Certificate of the County]

EXHIBIT A

Notice and Agenda of Board of Supervisors Meeting



Pima County

MEETING LOCATION
Administration Bldg - East
130 W. Congress Street
1st Floor
Tucson, AZ 85701

Meeting Agenda Board of Supervisors

Tuesday, December 13, 2016

9:00 AM

Board of Supervisors' Hearing Room

PIMA COUNTY BOARD OF SUPERVISORS

Sharon Bronson, Chair, District 3
Richard Elias, Vice Chair, District 5
Ramón Valadez, Acting Chair, District 2
Ally Miller, Member, District 1
Ray Carroll, Member, District 4

AGENDA/ADDENDUM AND BROADCAST INFORMATION

At least 24 hours before each scheduled meeting, the agenda/addendum is available online at www.pima.gov and in the Clerk of the Board's Office, 130 W. Congress St., 5th Fl., Tucson, AZ 85701, Mon-Fri, 8am to 5pm.
Cable Channels: Comcast 96 and Cox 96 Webcast: www.pima.gov

PUBLIC PARTICIPATION SPEAKERS ARE LIMITED TO 3 MINUTES

To address the Board of Supervisors, please complete a Speaker's Card available in the Hearing Room. Clearly print your name/address, the agenda/addendum item number and other requested information. Speaker Cards are required for each item of interest including Call to the Public. On items not noticed as a hearing, speakers should submit a Speaker Card for Call to the Public. Place the completed Speaker Card(s) in the labeled baskets located on the dais. When the Chairman announces your name, step forward to the podium and state your name and affiliation (if applicable) for the record.

The Chairman reserves the right to ensure all testimony is pertinent or non-repetitive so the matter will be handled fairly and expeditiously, and that all speakers abide by rules of civility. Any questions pertaining to the meeting can be directed to Robin Brigode, Clerk of the Board.

HEARING ROOM NOTICE

Law permits that a video and/or audio recording of all or part of this meeting may be made if doing so does not interfere with the conduct of the meeting. Pima County has no control over the use and distribution of any such recordings. In addition to the official meeting proceedings, these recordings may include images of and comments made by the public prior to the start, during a recess and after adjournment of the meeting, and may be posted on social media or other internet sites.

ACCESSIBILITY

The Board Hearing Room is wheelchair and handicapped accessible. Any person who is in need of special services (e.g., assistive listening device, Braille or large print agenda material, signer for hearing impaired, accessible parking, etc.) due to any disability will be accommodated. Please contact the Clerk of the Board at (520) 724-8449 for these services at least three (3) business days prior to the Board Meeting.

Clerk's Note: Members of the Pima County Board of Supervisors will attend either in person or by telephone, video or internet conferencing.

1. ROLL CALL

2. INVOCATION

To be offered by Pastor Steve Van Kley, Canyon Del Oro Baptist Church.

3. PLEDGE OF ALLEGIANCE

4. PAUSE 4 PAWS

PRESENTATION

5. Recognition of Supervisor Carroll's years of service to Pima County and congratulations on his retirement.

6. Presentation of a Retirement Certificate to John M. Bernal, Deputy County Administrator for Public Works, for 30 years of service to Pima County.

7. CALL TO THE PUBLIC

EXECUTIVE SESSION

(Clerk's Note: As of the posting date of 12/7/16, no executive session item has been placed on the regular agenda. However, this is subject to any addendum. Pursuant to A.R.S. §38-431.03(A)(3) the Board of Supervisors, or the Board sitting as other boards, may vote to go into executive session for the purpose of obtaining legal advice from its counsel with respect to any item listed on this agenda or any addendum thereto.)

BOARD OF SUPERVISORS SITTING AS OTHER BOARDS

FLOOD CONTROL DISTRICT BOARD

8. Variance Request

Staff recommends approval of the Request for Variance on property located at 8675 S. Silver Star Drive due to the hardship of revising the Flood Insurance Rate Maps and the low risk of flooding. (District 3)

Attachments: [FC_SilverStarDriveVarianceRequest](#)

9. **Contract**
Fidelity National Title Agency, Inc., Trust No. 10,808, to provide for the Southwest Wilmot Corridor/Agreement to Donate Real Property, located in Section 18, T16S, R15E, G&SRM, Tax Parcel No. 305-01-002A, Tax Levy Fund, contract amount \$2,700.00 for closing costs (CT-PW-17-205)
Attachments: [CT-PW-17-205](#)
10. **Contract**
U.S. Army Corps of Engineers and Regional Transportation Authority, Amendment No. 1, to provide a Memorandum of Agreement for the U.S. Army Corps of Engineers to expedite their Section 404 review, evaluation and permitting of Regional Flood Control and Pima County Projects, extend contract term to 12/31/20 and amend contractual language, Flood Control Tax Levy Fund, contract amount \$174,817.07 (CT-FC-12-1947)
Attachments: [CT-FC-12-1947](#)

STADIUM DISTRICT BOARD

11. (Clerk's Note: This Contract was approved by the Board of Supervisors on November 22, 2016, and also requires the approval of the Stadium District Board.)
Contract
Metropolitan Tucson Convention and Visitors Bureau, d.b.a. Visit Tucson, to provide for the MLS pre-season training camp and Desert Diamond Cup exhibition matches, Board Contingency Fund, contract amount not to exceed \$130,000.00 (CT-ED-17-189)
Attachments: [CT-ED-17-189](#)

SITTING AS THE BOARD OF SUPERVISORS

12. APPROVAL OF CONSENT CALENDAR

COUNTY ADMINISTRATOR

13. **UNFINISHED BUSINESS (11/22/16)**
Mike Jacob Sportspark Operating Agreement
Staff recommends approval of the following:
- A. A month-to-month Operating Agreement with the present operator, for a period of up to six months, during which County staff will conduct a competitive Request for Proposals process to select a single entity to operate Mike Jacobs Sportspark.
 - B. Up to \$1 million in capital improvements to the facility, with concurrence from the competitively-selected future operator of the Sportspark, using funding from the Arizona Department of

Transportation right-of-way acquisition for Interstate 10 and Ina Road improvements.

Attachments: [CA MemorandumMikeJacobSportsparkOperatingAgreement Part1](#)
[CA MemorandumMikeJacobSportsparkOperatingAgreement Part2](#)
[CA MikeJacobSportsparkOperatingAgreement ChampionshipSportsLetter 11-](#)
[CA MikeJacobSportsparkOperatingAgreement CalltothePublicCommentLetter](#)
[CA MikeJacobSportspark NRPRMemorandum 12-2-16](#)
[CA MikeJacobSportspark-ChampionshipSportsResponsiveMemoandProposal](#)

14. **Amendment to Administrative Procedure 54-2, Acquisition and Disposition of Real Property**
RESOLUTION NO. 2016 - **82**, of the Board of Supervisors, authorizing the amendment of Pima County Administrative Procedure 54-2.

Attachments: [CA ResoProcedure54-2](#)

15. **Funding Request for Sponsorship of the NOVA Home Loans Arizona Bowl**

Staff recommends approval of the following actions:

- A. An allocation of \$40,000.00 from the Board of Supervisor Contingency fund to provide financial sponsorship of the NOVA Home Loans Arizona Bowl.
- B. Decline the following components of the sponsorship package:
 1. 16 Stadium Club Game Tickets
 2. 16 Pre-Game Tailgate Party Tickets
 3. 8 Parking Passes
 4. 8 On-Field Pre-Game Passes
 5. 8 Invitations to Private Player Event at Old Tucson
 6. Commemorative Football

Attachments: [CA ArizonaBowlSponsorship](#)

FINANCE AND RISK MANAGEMENT

16. **Sewer Revenue Obligations**
RESOLUTION NO. 2016 - **83**, of the Board of Supervisors, 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 \$45,000,000.00, 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.

Attachments: [FN_ResoSewerObligationBonds](#)

[FN_ResoSewerObligationBonds_CAMemorandum-12-8-16](#)

17.

General Obligation Bonds

RESOLUTION NO. 2016 - **84**, of the Board of Supervisors, for the issuance and sale of not to exceed \$25,681,000.00, 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.

Attachments: [FN_ResoGeneralObligationBonds](#)

[FN_ResoGeneralObligationBonds_CAMemorandum-12-8-16](#)

PROCUREMENT

18.

UNFINISHED BUSINESS (11/22/16)

Award

Award of Contract: Master Agreement No. MA-PO-17-97, Mobile Maintenance and Towing, L.L.C. (Headquarters: Tucson, AZ), to provide vehicle towing and auction services. Contract is for an initial term of one year in the annual estimated revenue amount of \$580,000.00 and an annual not-to-exceed expense amount of \$464,000.00 with four annual renewal options. Funding Source: General Fund. Administering Department: Sheriff.

Attachments: [MA-PO-17-97](#)

REGIONAL WASTEWATER RECLAMATION

19.

UNFINISHED BUSINESS (10/18/16)

Cortaro-Marana Irrigation District, Metropolitan Domestic Water Improvement District, Bureau of Reclamation, to provide for the Tres Rios WRF Effluent Interconnect Pipeline Project, no cost (CTN-WW-17-64)

Attachments: [CTN-WW-17-64](#)[CTN-WW-17-64 CommentLetter 10-17-16](#)[CTN-WW-17-64 CommentLetter2 10-17-16](#)[CTN-WW-17-64 CommentLetters 10-18-16](#)[CT-WW-17-64 CAMemorandum 12-13-16](#)[CTN-WW-17-64 CommentLetters 12-9-16](#)[CTN-WW-17-64 CommentLetter TucsonMountainsAssociation 12-12-16](#)**ASSESSOR**

20.

Request for Redemption of Waiver of Exemption

Pursuant to A.R.S. §42-11153(B), the Pima County Assessor has determined that the applications for Redemptions of the Waivers of Tax Exemptions for Tax Year 2016 qualify for exemption under the applicable statutes and requests the Board of Supervisors redeem the waivers.

Attachments: [AS_RedemptionofWaiverofExemption](#)***** HEARINGS *******FRANCHISE/LICENSE/PERMIT**

21.

Hearing - Liquor License

10103807, Kim Kenneth Kwiatkowski, Circle K Store No. 3493, 4600 W. Valencia Road, Tucson, Series 10, Beer and Wine Store, New License.

Attachments: [FLP_LLCircleKStoreNo.3493](#)

22.

Hearing - Agent Change/Acquisition of Control/Restructure

06100119, Andrea Dahlman Lewkowitz, La Posada Lodge & Casitas, 5900 N. Oracle Road, Tucson, Acquisition of Control.

Attachments: [FLP_ACLaPosadaLodge&Casitas](#)

23.

Hearing - Fireworks Permit

Michelle Schuyler, Skyline Country Club, 5200 E. Saint Andrew Drive, Tucson, December 31, 2016 at 10:00 p.m.

Attachments: [FLP_FWSkylineCountryClub](#)

DEVELOPMENT SERVICES

24. UNFINISHED BUSINESS (8/15/16, 10/18/16 and 11/22/16)
Hearing - Modification (Substantial Change) of Rezoning Conditions
Co9-89-21, LAWYERS TITLE AND TRUST, TR NO. 6486 - T - INTERSTATE 19 NO. 2 REZONING
Request of Borderlands Investments I, L.L.C., represented by Wavelength Management, for a modification (substantial change) of Rezoning Condition No. 10, which requires adherence to the revised rezoning preliminary development plan approved on April 15, 1997; and Condition No. 16, which limits uses to a golf course club house, pro shop, restaurant, and six residential lots as approved by the Architectural Review Committee of the Green Valley Coordinating Council, to allow the additional use of a communication tower. The subject site is the non-residential portion of the rezoning that is approximately 4.96 acres zoned CB-2 (General Business) and is located at the southeast corner of the intersection of S. Camino del Sol and S. Desert Jewel Loop. On motion, the Planning and Zoning Commission voted 7-1 (Commissioner Gavin voted NAY, Commissioners Membrilla and Cook were absent) to recommend **APPROVAL SUBJECT TO CONDITIONS**. Staff recommends **APPROVAL SUBJECT TO CONDITIONS**. (District 4)

- Attachments:** [DSD Co9-89-21 Part1](#)
[DSD Co9-89-21 Part2](#)
[DSD Co9-89-21 CommentLetters](#)
[DSD Co9-89-21 CommentLetters-8-10-16](#)
[DSD Co9-89-21 CommentLetters-8-11-16](#)
[DSD Co9-89-21 CommentLetters-8-12-16](#)
[DSD Co9-89-21 CommentLetters-8-15-16](#)
[DSD Co9-89-21 ContinuanceRequest-8-15-16](#)
[DSD Co9-89-21 ContinuationLetter](#)
[DSD Co9-89-21 ContinuationRequest 10-17-16](#)
[DSD Co9-89-21 ContinuationLetter-10-19-16](#)
[DSD Co9-89-21 CommentLetter-11-15-16](#)
[DSD Co9-89-21 ContinuanceRequest 11-17-16](#)
[DSD Co9-89-21 CommentLetter-11-29-16](#)
[DSD Co9-89-21 Continuation Letter 12-13-16](#)
[DSD Co9-89-21 CommentLetter 12-12-16](#)
[DSD Co9-89-21 GVCRRecommendation 12-12-16](#)
[DSD Co9-89-21 CommentLetter2 12-12-16](#)
[DSD Co9-89-21 CommentsLetters 12-13-16](#)
[DSD Co9-89-21 CommentLetters 12-14-16](#)

**TAX COMPLIANCE CERTIFICATE
OF ISSUER**

Pertaining to

\$25,680,000

**PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2017**

Dated as of February 1, 2017

Pima County, Arizona (the “Issuer”), by its officer signing this Certificate, certifies, represents, and covenants as follows with respect to the captioned bonds (the “Issue”) being issued pursuant to the provisions of a Resolution adopted by the Board of Supervisors of the Issuer on December 13, 2016 (the “Resolution”). All statements in this Certificate are of facts or, as to events to occur in the future, reasonable expectations.

I. DEFINITIONS

1.10 **Attachment A.** The definitions and cross references set forth in Attachment A apply to this Certificate and its Attachments. All capitalized terms relating to a particular issue, such as Sale Proceeds, relate to the Issue, unless indicated otherwise. (For example, “Sale Proceeds” refers to Sale Proceeds of the Issue, unless indicated otherwise.)

1.20 **Special Definitions.** In addition, the following definitions apply to this Certificate and its Attachments:

“**Bond Fund**” means the portion of the Issuer’s Interest and Redemption Fund that is properly allocable to the Issue.

“**Instructions**” means the Rebate Instructions attached hereto as Attachment C-2.

“**New Money Project**” means the costs incurred by the Issuer in connection with the acquisition, constructing and equipping of various capital projects pursuant to the authorization granted by the qualified electors of the Issuer voting at the bond elections held on May 20, 1997, May 18, 2004, May 16, 2006 and November 4, 2014, and includes interest on the Issue for up to three years from the Issuance Date or, if later, one year after the date the New Money Project is placed in service, all of which are governmental purposes for purposes of the Code.

“**Purchaser**” means JPMorgan Chase Bank, N.A.

1.30 **References.** Reference to a Section means a section of the Code. Reference by number only (for example, “2.10”) means that numbered paragraph of this Certificate. Reference to an Attachment means an attachment to this Certificate.

II. ISSUE DATA

2.10 **Issuer.** The Issuer is a Governmental Unit.

2.20 **Purpose of Issue.** The Issue is being issued to provide funds to (A) pay costs of the New Money Project, and (B) pay Issuance Costs.

2.30 **Dates.** The Sale Date is February 1, 2017 and the Issuance Date is February 1, 2017. The final maturity date of the Issue is July 1, 2021.

2.40 **Issue Price.** The Issue Price is set forth in Attachment B and is computed as follows:

Par amount	\$25,680,000.00
Net Original issue discount	(0.00)
Pre-Issuance Accrued Interest	(0.00)
Issue Price	<u>\$25,680,000.00</u>

2.50 **Sale Proceeds, Net Proceeds and Net Sale Proceeds.** The Sale Proceeds, Net Proceeds and Net Sale Proceeds are as follows:

Issue Price	\$25,680,000.00
Pre-Issuance Accrued Interest	(0.00)
Sale Proceeds	\$25,680,000.00
Deposit to reserve fund	(0.00)
Net Proceeds	\$25,680,000.00
Minor Portion	(100,000.00)
Net Sale Proceeds	<u>\$25,580,000.00</u>

2.60 **Disposition of Sale Proceeds and Pre-Issuance Accrued Interest.** There is no Pre-Issuance Accrued Interest. The Sale Proceeds will be applied as follows:

Deposit to Bond Fund	\$ 0.00
To pay costs of the New Money Project	25,500,674.00
To pay Issuance Costs	179,326.00
Total Sale Proceeds	<u>\$25,680,000.00</u>

2.70 **Higher Yielding Investments.** Gross Proceeds will not be invested in Higher Yielding Investments except for (A) those Gross Proceeds identified in 3.10, 3.20, and 3.30, but only during the applicable Temporary Periods there described for those Gross Proceeds, and (B) the Minor Portion to the extent provided in 3.80.

2.80 **Single Issue.** All of the obligations of the Issue were sold on the Sale Date pursuant to the same plan of financing and are expected to be paid from substantially the same source of funds. Whether obligations are expected to be paid from substantially the same source of funds is determined without regard to guarantees from a person who is not a Related

Party to the Issuer. Accordingly, all of the obligations of the Issue constitute a single “issue” for federal income tax purposes. No obligations, other than those comprising the Issue, have been or will be sold less than 15 days before or after the Sale Date that are expected to be paid from substantially the same source of funds as the Issue. Accordingly, no obligations other than those comprising the Issue are a part of a single issue with the Issue.

III. ARBITRAGE (NONREBATE) MATTERS

3.10 Use of Sale Proceeds and Pre-Issuance Accrued Interest; Temporary Periods; Transferred Proceeds.

(A) **Pre-Issuance Accrued Interest.** There is no Pre-Issuance Accrued Interest.

(B) **Issuance Costs.** Sale Proceeds in the amount of \$179,326.00 will be used to pay Issuance Costs within 13 months from the Issuance Date, such period being the Temporary Period for that amount.

(C) **Payment of New Money Project Costs.**

(1) Sale Proceeds of the Issue in the amount of \$25,500,674.00 will be used to pay a portion of the costs of the New Money Project. All of such Sale Proceeds may be used to acquire or hold Higher Yielding Investments for a period ending on the third anniversary of the Issuance Date (such period being the Temporary Period for such amount) because the following three tests are reasonably expected to be satisfied:

(a) At least 85% of the Net Sale Proceeds of the Issue will be allocated to expenditures on the New Money Project by the end of the Temporary Period for such Net Sale Proceeds;

(b) Within 6 months of the Issuance Date, the Issuer will incur substantial binding obligations to one or more third parties to expend at least 5% of the Net Sale Proceeds of the Issue on the New Money Project; and

(c) Completion of the Issue and allocation of the Net Sale Proceeds of the Issue to expenditures with respect to the Issue will proceed with due diligence.

Any Sale Proceeds of the Issue that remain unspent on the third anniversary of the Issuance Date, which is the expiration date of the Temporary Period for such Proceeds, shall not be invested in Higher Yielding Investments with respect to the Issue after that date except as part of the Minor Portion. In complying with the foregoing sentence, the Issuer may take into account “yield reduction payments” (within the meaning of Regulations § 1.148-5(c)) timely paid to the United States.

(2) There is no Reimbursement Allocation.

3.20 **Investment Proceeds.** Any Investment Proceeds of the Issue will be used to pay costs of the Issue and may be invested in Higher Yielding Investments during the Temporary Period identified in 3.10(C) or, if longer, during the one year period from the date of receipt, such period being the Temporary Period for such Proceeds.

3.30 **Bond Fund.** The Bond Fund is a Bona Fide Debt Service Fund. Amounts deposited from time to time in the Bond Fund will be used to pay Debt Service within 13 months after the amounts are so deposited, such period being the Temporary Period for such amounts.

3.40 **No Other Replacement Fund or Assured Available Funds.** The Issuer has not established and does not expect to establish or use any sinking fund, debt service fund, redemption fund, reserve or replacement fund, or similar fund, or any other fund to pay Debt Service other than the Bond Fund. Except for money referred to in 3.30 and Proceeds of a Refunding Issue, if any, no other money or Investment Property is or will be pledged as collateral or used for the payment of Debt Service (or for the reimbursement of any others who may provide money to pay that Debt Service), or is or will be restricted, dedicated, encumbered or set aside in any way as to afford the holders of the Issue reasonable assurance of the availability of such money or Investment Property to pay Debt Service.

3.50 **Hedge Contracts.** The Issuer has not entered into, and will not enter into, any Hedge with respect to the Issue, or any portion thereof, without obtaining a Bond Counsel's Opinion that doing so will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Issue. The Issuer acknowledges that entering into a Hedge with respect to the Issue, or any portion thereof, may change the Yield.

3.60 **No Overissuance.** The Proceeds are not reasonably expected to exceed the amount needed for the governmental purposes of the Issue as set forth in 2.20.

3.70 **Other Uses of Proceeds Negated.** Except as stated otherwise in this Certificate, none of the Proceeds will be used:

(A) to pay principal of or interest on, refund, renew, roll over, retire, or replace any other obligations issued by or on behalf of the Issuer or any other Governmental Unit,

(B) to replace any Proceeds of another issue that were not expended on the project for which such other issue was issued,

(C) to replace any money that was or will be used directly or indirectly to acquire Higher Yielding Investments,

(D) to make a loan to any person or other Governmental Unit,

(E) to pay any Working Capital Expenditures other than expenditures identified in Regulations § 1.148-6(d)(3)(ii)(A) and (B) (*i.e.*, Issuance Costs, Qualified Administrative Costs, reasonable charges for a Qualified Guarantee or for a Qualified Hedge, interest on the Issue for a period commencing on the Issuance Date and ending on the date that is the later of three years from such Issuance Date or one year after the date on which the project

financed or refinanced by the Issue is Placed in Service, payments of the Rebate Amount, costs, other than those already described, that do not exceed 5% of the Sale Proceeds and that are directly related to Capital Expenditures financed or deemed financed by the Issue, principal or interest on an issue paid from unexpected excess Sale Proceeds or Investment Proceeds, principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a Bona Fide Debt Service Fund, and expenditures for extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments in amounts in excess of reasonable insurance coverage), or

(F) to reimburse any expenditures made prior to the Issuance Date that do not satisfy the requirements for a Reimbursement Allocation.

No portion of the Issue is being issued solely for the purpose of investing Proceeds in Higher Yielding Investments.

3.80 Minor Portion. The Minor Portion of \$100,000 may be invested in Higher Yielding Investments.

3.90 No Other Replacement Proceeds. That portion of the Issue that is to be used to finance or refinance Capital Expenditures has a weighted average maturity that does not exceed 120% of the weighted average reasonably expected economic life of the property resulting from such Capital Expenditures.

3.100 Written Procedures to Monitor the Requirements of Section 148. The procedures set forth in Attachments C-1 (Compliance Policy) and C-2 (Rebate Instructions) constitute the Issuer's written procedures to monitor compliance with the arbitrage Yield restriction and rebate requirements of Section 148.

IV. REBATE MATTERS

4.10 Issuer Obligation Regarding Rebate. Consistent with its covenants contained in the Resolution, the Issuer will calculate and make, or cause to be calculated and made, payments of the Rebate Amount in the amounts and at the times and in the manner provided in Section 148(f) and the Instructions with respect to Gross Proceeds to the extent not exempted under Section 148(f)(4) and the Instructions.

4.20 No Avoidance of Rebate Amount. No amounts that are required to be paid to the United States will be used to make any payment to a party other than the United States through a transaction or a series of transactions that reduces the amount earned on any Investment Property or that results in a smaller profit or a larger loss on any Investment Property than would have resulted in an arm's length transaction in which the Yield on the Issue was not relevant to either party to the transaction.

4.30 **Exceptions.**

(A) Notwithstanding the foregoing, the computations and payments of amounts to the United States referred to in IV need not be made to the extent that such failure will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Issue, based on an Opinion of Bond Counsel.

(B) The Issue is a Construction Issue. The Issuer hereby elects to apply the 2-year spending exception to the rebate requirement on the basis of actual facts instead of the Issuer's reasonable expectations.

V. OTHER TAX MATTERS

5.10 **Not Private Activity Bonds or Pool Bonds.** No bond of the Issue will be a Private Activity Bond or a pooled financing bond (within the meaning of Section 149(f)), based on the following:

(A) Not more than 5% of the Proceeds, if any, directly or indirectly, will be used for a Private Business Use and not more than 5%, if any, of the Debt Service, directly or indirectly, will be derived from or secured by Private Security or Payments.

(B) Less than 5% or \$5,000,000, whichever is less, of the Proceeds, if any, will be used to make or finance loans to any Private Person or Governmental Unit other than the Issuer.

(C) The lesser of the Proceeds that are being or will be used for any Private Business Use or the Proceeds with respect to which there are or will be Private Security or Payments does not exceed \$15,000,000 and none of the Proceeds will be used with respect to an "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4).

5.20 **Disposition of Property.** The Issuer does not intend to sell or otherwise dispose of the New Money Project or any portion thereof during the term of the Issue except for dispositions of property in the normal course at the end of such property's useful life to the Issuer. With respect to tangible personal property, if any, that is financed or refinanced by the Issue, the Issuer reasonably expects that:

(A) Dispositions of such tangible personal property, if any, will be in the ordinary course of an established governmental program;

(B) The weighted average maturity of the bonds of the Issue financing or refinancing such property (treating the bonds of the Issue properly allocable to such personal property, as a separate issue for this purpose) will not be greater than 120% of the reasonably expected actual use of such property for governmental purposes;

(C) The fair market value of such property on the date of disposition will not be greater than 25% of its cost;

(D) The property will no longer be suitable for its governmental purposes on the date of disposition; and

(E) The amounts received from any disposition of such property are required to, and will, be deposited in the Issuer's General Fund (as defined in the Resolution) and commingled with substantial tax or other governmental revenues and will be spent on governmental programs within 6 months from the date of such deposit and commingling.

5.30 Issue Not Federally Guaranteed. The Issue is not Federally Guaranteed.

5.40 Not Hedge Bonds. At least 85% of the Spendable Proceeds of the Issue will be used to carry out the governmental purposes of the Issue within three years from the Issuance Date. Not more than 50%, if any, of the Proceeds of the Issue will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more, including but not limited to any investment contract or fixed Yield investment having a maturity of four years or more. The reasonable expectations stated above were not and are not based on and do not take into account (A) any expectations or assumptions as to the occurrence of changes in market interest rates or changes of federal tax law or regulations or rulings thereunder or (B) any prepayments of items other than items that are customarily prepaid.

5.50 Internal Revenue Service Information Return. Within the time and on the form prescribed by the Internal Revenue Service under Section 149(e), the Issuer will file with the Internal Revenue Service an Information Return setting forth the required information relating to the Issue. The information reported on that Information Return will be true, correct and complete to the best of the knowledge and belief of the undersigned.

5.60 Written Procedures to Remediate Nonqualified Bonds. The Issuer acknowledges and establishes the Post-Issuance Compliance for Debt Issues set forth in Attachment C-1 as its written procedures to ensure that all "nonqualified bonds" (as defined therein) are remediated in accordance with Regulations § 1.141-12. The Issuer will monitor the expenditure of Gross Proceeds and the use of facilities financed by the Issue, and will undertake, if necessary, any available measures under Regulations § 1.141-12 to ensure compliance after the Issuance Date with the applicable covenants contained in V.

5.70 Recordkeeping. The Issuer will maintain records to support the representations, certifications and expectations set forth in this Tax Compliance Certificate until the date three (3) years after the last bond of the Issue has been retired, and if any portion of the Issue is refunded by a Refunding Issue, the Issuer will maintain all records listed hereunder until the later of the date three (3) years after the last bond of the Issue has been retired or the date three (3) years after the last bond of the Refunding Issue has been retired. The records to be retained include, but are not limited to:

(A) Basic records and documents relating to the Issue (including this Tax Compliance Certificate and all Opinions of Bond Counsel relating to the Issue).

(B) Documentation evidencing the timing and allocation of expenditures of Proceeds of the Issue and of all issues refunded directly or indirectly by the Issue.

(C) Documentation evidencing the use of the New Money Project by all persons, including Private Persons (*e.g.*, copies of any management contracts, leases, etc.).

(D) Documentation evidencing all sources of payment or security for the Issue.

(E) Documentation pertaining to all investments of Proceeds (including the purchase and sale of securities, SLGs subscriptions, actual investment income received from the investment of Proceeds, Guaranteed Investment Contracts, and rebate calculations).

(F) Records of all amounts paid to the United States pursuant to 4.10.

(G) Any elections or revocations of elections under the Code relating to the Issue.

5.80 **Tax Covenant.** The Issuer hereby agrees and covenants to do all things necessary to ensure that interest on the Issue shall be, and shall continue to be, excluded from the gross income of the holders thereof for federal income tax purposes.

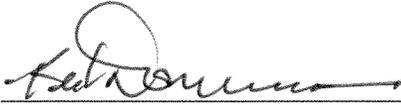
5.90 **Responsibility of Officer.** The officer signing this Certificate is one of the officers of the Issuer responsible for issuing the Issue.

In making the representations in this Certificate, the Issuer relies in part on the representations of the Purchaser set forth in Attachment B and of RBC Capital Markets, LLC, as Placement Agent set forth in Attachment D. To the best of the knowledge, information and belief of the undersigned, all expectations stated in this Certificate and in such Attachments are the expectations of the Issuer and are reasonable, all facts stated are true and there are no other existing facts, estimates, or circumstances that would or could materially change the statements made in this Certificate or in such Attachments. The certifications and representations made in this Certificate and in such Attachments are intended to be relied upon as certifications described in Regulations § 1.148-2(b) and may be relied upon by Bond Counsel in connection with the rendering of any opinion with respect to the Issue. The Issuer acknowledges that any change in the facts or expectations from those set forth in this Certificate or in such Attachments may result in different requirements or a change in status of the Issue or interest thereon under the Code, and that bond counsel should be contacted if such changes are to occur.

[Remainder of page left blank intentionally]

The date of this Certificate is February 1, 2017.

PIMA COUNTY, ARIZONA

By: 

Keith Dommer
Finance and Risk Management Director

[Signature page of Tax Compliance Certificate of Issuer]

List of Attachments

- Attachment A – Definitions for Tax Compliance Certificate
- Attachment B – Purchaser’s Certificate
- Attachment C-1 – Compliance Policy
- Attachment C-2 – Rebate Instructions
- Attachment D -- Certificate of Placement Agent

Attachment A

Definitions for Tax Compliance Certificate

The following terms, as used in Attachment A and in the Tax Compliance Certificate to which it is attached and in the other Attachments to the Tax Compliance Certificate, have the following meanings unless therein otherwise defined or unless a different meaning is indicated by the context in which the term is used. Capitalized terms used within these definitions that are not defined in Attachment A have the meanings ascribed to them in the Tax Compliance Certificate to which this Attachment A is attached. The word “Issue,” in lower case, refers either to the Issue or to another issue of obligations or portion thereof treated as a separate issue for the applicable purposes of Section 148, as the context requires. The word “obligation” or “obligations,” in lower case, includes any obligation, whether in the form of bonds, notes, certificates, or any other obligation that is a “bond” within the meaning of Section 150(a)(1). All capitalized terms used in this Certificate include either the singular or the plural. All terms used in this Attachment A or in the Tax Compliance Certificate to which this Attachment A is attached, including terms specifically defined, shall be interpreted in a manner consistent with Sections 103 and 141-150 and the applicable Regulations thereunder except as otherwise specified. All references to Section, unless otherwise noted, refer to the Code.

“Advance Refunding Issue” means any Refunding Issue that is not a Current Refunding Issue.

“Advance Refunding Portion” means that portion of a Multipurpose Issue that constitutes a separate governmental purpose and that would be treated as an Advance Refunding Issue if it had been issued as a separate issue.

“Available Construction Proceeds” means an amount equal to (a) the sum of (i) the Issue Price of an issue, (ii) Investment Proceeds on that Issue Price, (iii) earnings on any reasonably required reserve or replacement fund allocable to the issue not funded from the Issue Price, and (iv) Investment Proceeds and earnings on (ii) and (iii), (b) reduced by the portions, if any, of the Issue Price of the issue (i) attributable to Pre-Issuance Accrued Interest and earnings thereon, (ii) allocable to the underwriter’s discount, (iii) used to pay other Issuance Costs of the issue, and (iv) deposited in a reasonably required reserve or replacement fund allocable to the issue. “Available Construction Proceeds” does not include Investment Proceeds or earnings on a reasonably required reserve or replacement fund allocable to the issue for any period after the earlier of (a) the close of the 2-year period that begins on the Issuance Date or (b) the date the construction of the project financed by the issue is substantially completed, provided, however, that such Investment Proceeds or earnings shall be excluded from “Available Construction Proceeds” if the Issuer has timely elected such exclusion. If an issue is a Multipurpose Issue that includes a New Money Portion that is a Construction Issue, this definition shall be applied by substituting “New Money Portion” for “issue” each place the latter term appears. If an issue or the New Money Portion of a Multipurpose Issue, as applicable, is not a Construction Issue, and the Issuer makes the bifurcation election under Regulations §1.148-7(j)(1) and Section 148(f)(4)(C)(v) to treat the issue or the New Money Portion as two separate issues consisting of the Construction Portion and the Nonconstruction Portion, this definition shall be applied by substituting “Construction Portion” for “issue” each place the latter term appears.

“Available Project Proceeds” means “available project proceeds” as defined in Section 54A(e)(4), being (A) the excess of (i) Sale Proceeds, over (ii) Issuance Costs paid with Proceeds (to the extent that such Issuance Costs do not exceed 2% of Sale Proceeds), plus (B) Proceeds actually or constructively received from any investment of such excess.

“Bifurcated Issue” means a New Money Issue or the New Money Portion of a Multipurpose Issue that the Issuer, pursuant to Section 148(f)(4)(C)(v) and Regulations §1.148-7(j), has elected in its Tax Compliance Certificate to bifurcate into a Construction Portion, which finances 100% of the Construction Expenditures, and a Nonconstruction Portion.

“Bona Fide Debt Service Fund” means a fund, including a portion of or an account in that fund (or in the case of a fund established for two or more issues, the portion of that fund properly allocable to an issue), or a combination of such funds, accounts or portions that is used primarily to achieve a proper matching of revenues with Debt Service on an issue within each Bond Year and that is depleted at least once each year except for a reasonable carryover amount not to exceed the greater of the earnings thereon for the immediately preceding Bond Year or one-twelfth of the annual Debt Service on the issue for the immediately preceding Bond Year.

“Bond Counsel’s Opinion” or **“Opinion of Bond Counsel”** means an opinion or opinions of a nationally recognized bond counsel firm whose opinion is given with respect to the Issue when issued, or its successors or other nationally recognized bond counsel appointed by the Issuer.

“Bond Year” means the annual period relevant to the application of Section 148(f) to an issue, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the Issuance Date of an issue unless the Issuer selects another date on which to end a Bond Year in the manner permitted by the Code.

“Build America Bond” means any obligation described in Section 54AA(d)(1), including, where applicable, any Recovery Zone Economic Development Bond.

“Capital Expenditures” means costs of a type that are properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles, including capitalized interest computed taking into account the Placed in Service date.

“Code” means the Internal Revenue Code of 1986, the Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section includes any applicable successor section or provision and such applicable Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Commingled Fund” means any fund or account of the Issuer that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of the issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account.

“Commingled Investment Proceeds” means Investment Proceeds of an issue (other than Investment Proceeds held in a Refunding Escrow) that are deposited in a Commingled Fund with substantial tax or other revenues from governmental operations of the Issuer and that are reasonably expected to be spent for governmental purposes within six months from the date of deposit in the Commingled Fund, using any reasonable accounting assumptions.

“Computation Date” means each date on which the Rebate Amount for an issue is required to be computed under Regulations §1.148-3(e). In the case of a Fixed Yield Issue, the first Computation Date shall not be later than five years after the Issuance Date of the issue. Subsequent Computation Dates shall be not later than five years after the immediately preceding Computation Date for which an installment payment of the Rebate Amount was paid. In the case of a Variable Yield Issue, the first Computation Date shall be the last day of any Bond Year irrevocably selected by the Issuer ending on or before the fifth anniversary of the Issuance Date of such issue and subsequent Computation Dates shall be the last day of each Bond Year thereafter or each fifth Bond Year thereafter, whichever is irrevocably selected by the Issuer after the first date on which any portion of the Rebate Amount is required to be paid to the United States. The final Computation Date is the date an issue is retired.

“Computational Base” means the amount of Gross Proceeds the Issuer or Conduit Borrower reasonably expects, as of the date a Guaranteed Investment Contract is required, to be deposited in that Guaranteed Investment Contract over its term.

“Conduit Borrower” means the obligor on a purpose investment.

“Conduit Financing Issue” means an issue the Proceeds of which are reasonably expected to be used to finance one or more Conduit Loans.

“Conduit Loan” means a purpose investment acquired by the Issuer with Proceeds of a Conduit Financing Issue, thereby effecting a loan to the Conduit Borrower.

“Construction Expenditures” means Capital Expenditures allocable to the cost of real property (including the construction or making of improvements to real property, but excluding acquisitions of interests in land or other existing real property) or constructed personal property within the meaning of Regulations §1.148-7(g).

“Construction Issue” means an issue at least 75% of the Available Construction Proceeds of which are to be used for Construction Expenditures with respect to property that is, or upon completion will be, owned by a Governmental Unit or a 501(c)(3) Organization. If an issue is a Multipurpose Issue that includes a New Money Portion, this definition shall be applied by substituting “New Money Portion” for “Construction Issue” each place the latter term appears. If an election under Section 148(f)(4)(C)(v) and Regulations §1.148-7(j) is made to bifurcate an issue or the New Money Portion of a Multipurpose Issue, this definition shall be applied by substituting “Construction Portion” for “Construction Issue” each place the latter term appears.

“Construction Portion” means that portion of an issue or the New Money Portion of a Multipurpose Issue at least 75% of the Available Construction Proceeds of which are to be used for Construction Expenditures with respect to property that is, or upon completion will be, owned

by a Governmental Unit or a 501(c)(3) Organization and that finances 100% of the Construction Expenditures.

“Controlled Group” means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of Regulations §1.150-1(e).

“Current Refunding Issue” means a Refunding Issue that is issued not more than 90 days before the last expenditure of any Proceeds of the Refunding Issue for the payment of Debt Service on the Refunded Bonds.

“Current Refunding Portion” means that portion of a Multipurpose Issue that constitutes a separate governmental purpose and that would be treated as a Current Refunding Issue if it had been issued as a separate issue.

“Debt Service” means principal of and interest and any redemption premium on an issue.

“Excess Gross Proceeds” means all Gross Proceeds of an Advance Refunding Issue that exceed an amount equal to 1% of the Sale Proceeds of such Advance Refunding Issue, other than Gross Proceeds allocable to: (a) payment of Debt Service on the Refunded Bonds; (b) payment of Pre-Issuance Accrued Interest on the Advance Refunding Issue and interest on the Advance Refunding Issue that accrues for a period up to the completion date of any capital project financed by the Prior Issue, plus one year; (c) a reasonably required reserve or replacement fund for the Advance Refunding Issue or Investment Proceeds of such fund; (d) payment of Issuance Costs of the Advance Refunding Issue; (e) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Advance Refunding Issue, or investments of the Advance Refunding Issue; (f) Transferred Proceeds allocable to expenditures for the governmental purpose of the Prior Issue (treating for this purpose all unspent Proceeds of the Prior Issue properly allocable to the Refunded Bonds as of the Issuance Date of the Advance Refunding Issue as Transferred Proceeds); (g) interest on purpose investments; (h) Replacement Proceeds in a sinking fund for the Advance Refunding Issue; and (i) fees for a Qualified Guarantee for the Advance Refunding Issue or the Prior Issue. If an Issue is a Multipurpose Issue that includes an Advance Refunding Portion, this definition shall be applied by substituting “Advance Refunding Portion” for “Advance Refunding Issue” each place the latter term appears.

“Federally Guaranteed” means that (a) the payment of Debt Service on an issue, or the payment of principal or interest with respect to any loans made from the Proceeds of the issue, is directly or indirectly guaranteed in whole or in part by the United States or by an agency or instrumentality of the United States, within the meaning of Section 149(b), or (b) more than 5% of the Proceeds of an issue will be invested directly or indirectly in federally insured deposits or accounts. The preceding sentence does not apply to (a) Proceeds invested during an initial Temporary Period until such Proceeds are needed to pay costs of the project, (b) investments of a Bona Fide Debt Service Fund, (c) direct purchases from the United States of obligations issued by the United States Treasury, or (d) other investments permitted by Section 149(b) or Regulations §1.149(b)-1(b).

“501(c)(3) Organization” means an organization described in Section 501(c)(3) and exempt from tax under Section 501(a).

“Fixed Yield Issue” means an issue of obligations the Yield on which is fixed and determinable on the Issuance Date.

“Future Value” means the value of a Payment or Receipt at the end of a period determined using the economic accrual method as the value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Yield on the applicable issue, using the same compounding interval and financial conventions that were used to compute that Yield.

“Governmental Unit” means a state, territory or possession of the United States, the District of Columbia, or any political subdivision thereof referred to as a “State or local governmental unit” in Regulations §1.103-1(a). “Governmental Unit” does not include the United States or any agency or instrumentality of the United States.

“Guaranteed Investment Contract” means any Nonpurpose Investment that has specifically negotiated withdrawal or retirement provisions and a specifically negotiated interest rate and any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“Gross Proceeds” means Proceeds and Replacement Proceeds of an issue.

“Hedge” means a contract entered into by the Issuer or the Conduit Borrower primarily to modify the Issuer’s or the Conduit Borrower’s risk of interest rate changes with respect to an obligation (*e.g.*, an interest rate swap, an interest rate cap, a futures contract, a forward contract or an option).

“Higher Yielding Investments” means any Investment Property that produces a Yield that (a) in the case of Investment Property allocable to Replacement Proceeds of an issue and Investment Property in a Refunding Escrow, is more than one thousandth of one percentage point (.00001) higher than the Yield on the applicable issue, and (b) for all other purposes is more than one-eighth of one percentage point (.00125) higher than the Yield on the issue.

“Investment Proceeds” means any amounts actually or constructively received from investing Proceeds of an issue in Investment Property.

“Investment Property” means investment property within the meaning of Sections 148(b)(2) and 148(b)(3), including any security (within the meaning of Section 165(g)(2)(A) or (B)), any obligation, any annuity contract and any other investment-type property (including certain residential rental property for family units as described in Section 148(b)(2)(E) in the case of any bond other than a Private Activity Bond). Investment Property includes a Tax-Exempt Obligation that is a “specified private activity bond” as defined in Section 57(a)(5)(C), but does not include other Tax-Exempt Obligations.

“Issuance Costs” means costs to the extent incurred in connection with, and allocable to, the issuance of an issue, and includes underwriter’s compensation withheld from the

Issue Price, counsel fees, financial advisory fees, rating agency fees, trustee fees, paying agent fees, bond registrar, certification and authentication fees, accounting fees, printing costs for bonds and offering documents, public approval process costs, engineering and feasibility study costs, guarantee fees other than for a Qualified Guarantee and similar costs, but does not include fees charged by the Issuer.

“Issuance Date” means the date of physical delivery of an issue by the Issuer in exchange for the purchase price of the issue.

“Issue Price” means in the circumstances applicable to an issue:

(1) Public Offering. In the case of obligations actually offered to the general public in a bona fide public offering at the initial offering price for each maturity set forth in the certificate of the underwriter or placement agent attached to the Tax Compliance Certificate of the Issuer, the aggregate of the initial offering price for each maturity (including any Pre-Issuance Accrued Interest and taking into account any original issue premium and original issue discount), which price is not more than the fair market value thereof as of the Sale Date, and at which initial offering price not less than 10% of the principal amount of each maturity, as of the Sale Date, was sold or reasonably expected to be sold (other than to bond houses, brokers or other intermediaries). In the case of publicly offered obligations that are not described in the preceding sentence, Issue Price means the aggregate of the initial offering price to the public of each maturity set forth in the certificate of the underwriter or placement agent attached to the Tax Compliance Certificate of the Issuer, at which initial offering price not less than 10% of the principal amount of each maturity was sold to the public. Notwithstanding the foregoing, in no event shall the Issue Price of an issue exceed the fair market value of the issue as of the Sale Date thereof.

(2) Private Placement. In the case of obligations sold by private placement, the aggregate of the prices (including any Pre-Issuance Accrued Interest and original issue premium, but excluding any original issue discount) paid to the Issuer by the first purchaser(s) (other than bond houses, brokers or other intermediaries). Notwithstanding the foregoing, in no event shall the Issue Price of an issue exceed the fair market value of the issue as of the Sale Date thereof.

“Minor Portion” means an amount equal to the lesser of \$100,000 or 5% of the Sale Proceeds of an issue.

“Multipurpose Issue” means an issue the bonds of which are allocable to two or more separate governmental purposes within the meaning of Regulations §1.148-9(h).

“Net Proceeds” means the Sale Proceeds of an issue less the portion thereof, if any, deposited in a reasonably required reserve or replacement fund for the issue.

“Net Sale Proceeds” means the Sale Proceeds of an issue less (a) the portion thereof, if any, deposited in a reasonably required reserve or replacement fund for the issue and (b) the portion invested as a part of a Minor Portion for the issue.

“New Money Issue” means an issue that is not a Refunding Issue.

“New Money Portion” means that portion of a Multipurpose Issue other than the Refunding Portion.

“Nonconstruction Portion” means that portion of a New Money Issue or of the New Money Portion other than the Construction Portion.

“Nonpurpose Investments” means any Investment Property that is acquired with Gross Proceeds as an investment and not in carrying out any governmental purpose of an issue. “Nonpurpose Investments” does not include any investment that is not regarded as “investment property” or a “nonpurpose investment” for the particular purposes of Section 148 (such as certain investments in U.S. Treasury obligations in the State and Local Government Series and certain temporary investments), but does include any other investment that is a “nonpurpose investment” within the applicable meaning of Section 148.

“Payment” means payments actually or constructively made to acquire Nonpurpose Investments, as specified in Regulations §1.148-3(d)(1)(i) through (v).

“Placed in Service” means the date on which, based on all the facts and circumstances, a facility has reached a degree of completion that would permit its operation at substantially its design level and the facility is, in fact, in operation at such level.

“Pre-Issuance Accrued Interest” means interest on an obligation that accrued for a period not greater than one year before its Issuance Date and that will be paid within one year after such Issuance Date.

“Preliminary Expenditures” means any Capital Expenditures that are “preliminary expenditures” within the meaning of Regulations §1.150-2(f)(2), *i.e.*, architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project other than land acquisition, site preparation, and similar costs incident to commencement of construction. The aggregate amount of Preliminary Expenditures may not exceed 20% of the aggregate Issue Price of the issue or issues that financed or are reasonably expected to finance the project for which such Preliminary Expenditures are or were incurred.

“Prior Issue” means an issue of obligations all or a portion of the Debt Service on which is paid or provided for with Proceeds of a Refunding Issue. The Prior Issue may be a Refunding Issue.

“Private Activity Bond” means (a) obligations of an issue more than 10% of the Proceeds of which, directly or indirectly, are or are to be used for a Private Business Use and more than 10% of the Debt Service on which, directly or indirectly, is or is to be paid from or secured by payments with respect to property, or secured by property, used for a Private Business Use, or (b) obligations of an issue, the Proceeds of which are or are to be used to make or finance loans to any Private Person that, in the aggregate, exceed the lesser of 5% of such Proceeds or \$5,000,000. In the event of Unrelated or Disproportionate Use, the tests in (a) shall be applied by substituting 5% for 10% each place the latter term is used.

“Private Business Use” means use (directly or indirectly) in a trade or business carried on by any Private Person other than use as a member of, and on the same basis as, the general public. Any activity carried on by a Private Person (other than a natural person) shall be treated as a trade or business. In the case of a Qualified 501(c)(3) Bond, Private Business Use excludes use by a 501(c)(3) Organization that is not an unrelated trade or business activity by such 501(c)(3) Organization within the meaning of Section 513(a).

“Private Person” means any natural person or any artificial person, including a corporation, partnership, trust or other entity, other than a Governmental Unit. “Private Person” includes the United States and any agency or instrumentality of the United States.

“Private Security or Payments” means (i) any interest in property used or to be used for a Private Business Use, or in payments in respect of such property, that directly or indirectly secures any payment of principal of, or interest on, an issue, or (ii) payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a Private Business Use from which payments of principal of, or interest on, an issue are directly or indirectly derived, all as determined and measured in accordance with Treasury Regulations Section 1.141-4.

“Proceeds” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of an issue. “Proceeds” does not include Replacement Proceeds.

“Qualified Administrative Costs” means the reasonable, direct administrative costs, other than carrying costs, of purchasing or selling Nonpurpose Investments such as separately stated brokerage or selling commissions. Qualified Administrative Costs do not include legal and accounting fees, recordkeeping, custody and similar costs, general overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing the Rebate Amount. In general, Qualified Administrative Costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than Gross Proceeds of Tax-Exempt Obligations.

“Qualified 501(c)(3) Bonds” means an issue of obligations that satisfies the requirements of Section 145(a).

“Qualified Guarantee” means any guarantee of an obligation that constitutes a “qualified guarantee” within the meaning of Regulations §1.148-4(f).

“Qualified Hedge” means a Hedge that is a “qualified hedge” within the meaning of Regulations §1.148-4(h)(2).

“Reasonable Retainage” means an amount, with respect to an issue, not to exceed 5% of the Net Sale Proceeds of the issue, that is retained for reasonable business purposes relating to the property financed with Proceeds of the issue. For example, Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the Issuer reasonably determines that a dispute exists regarding completion or payment.

“Rebate Amount” means the excess of the future value, as of any date, of all receipts on Nonpurpose Investments acquired with Gross Proceeds of an issue over the future value, as of that date, of all payments on those Nonpurpose Investments, computed in accordance with Section 148(f) and Regulations §1.148-3.

“Rebate Analyst” means an independent individual, firm or entity experienced in the computation of the Rebate Amount pursuant to Section 148(f).

“Receipt” means amounts actually or constructively received from Nonpurpose Investments as specified in Regulations §1.148-3(d)(2)(i) through (iii).

“Recovery Zone Economic Development Bond” means any Build America Bond described in Section 1400U-2(b)(1).

“Refunded Bonds” means obligations of a Prior Issue the Debt Service on which is or is to be paid from Proceeds of a Refunding Issue.

“Refunding Bonds” means obligations of a Refunding Issue.

“Refunding Escrow” means one or more funds established as part of a single transaction, or a series of related transactions, containing Proceeds of a Refunding Issue and any other amounts to be used to pay Debt Service on Refunded Bonds of one or more issues.

“Refunding Issue” means an issue the Proceeds of which are or are to be used to pay Debt Service on Refunded Bonds and includes Issuance Costs, Pre-Issuance Accrued Interest or permitted capitalized interest, a reasonably required reserve or replacement fund and similar costs of the Refunding Issue.

“Refunding Portion” means that portion of a Multipurpose Issue the Proceeds of which are, or are to be, used to pay Debt Service on Refunded Bonds and includes Issuance Costs, Pre-Issuance Accrued Interest or permitted capitalized interest, a reasonably required reserve or replacement fund and similar costs properly allocable to the Refunding Portion.

“Regulations” or **“Reg.”** means Treasury Regulations.

“Reimbursement Allocation” means an allocation of the Proceeds of an issue for the reimbursement of Capital Expenditures paid prior to the Issuance Date of such issue that: (a) is evidenced on the books or records of the Issuer maintained with respect to the issue, (b) identifies either actual prior Capital Expenditures or the fund or account from which the prior Capital Expenditures were paid, (c) evidences the Issuer’s use of Proceeds of the issue to reimburse a Capital Expenditure for a governmental purpose that was originally paid from a source other than the Proceeds of the issue and (d) satisfies the following requirements: except for Preliminary Expenditures, (i) the Issuer adopted an official intent for the Capital Expenditure that satisfies Regulations §1.150-2(e) prior to, or within 60 days after, payment of the Capital Expenditure, and (ii) the allocation in reimbursement of that Capital Expenditure occurs or will occur within 18 months after the later of the date the Capital Expenditure was paid or the date the project resulting from such Capital Expenditure was Placed in Service or abandoned, but in no event more than three years after the Capital Expenditure was paid.

“Related Party” means, in reference to a Governmental Unit or 501(c)(3) Organization, any member of the same Controlled Group and, in reference to any person that is not a Governmental Unit or 501(c)(3) Organization, a “related person” as defined in Section 144(a)(3).

“Replacement Proceeds” means, with respect to an issue, amounts (including any investment income, but excluding any Proceeds of any issue) replaced by Proceeds of that issue within the meaning of Section 148(a)(2). “Replacement Proceeds” includes amounts, other than Proceeds, held in a sinking fund, pledged fund or reserve or replacement fund for an issue.

“Sale Date” means, with respect to an issue, the first date on which there is a binding contract in writing with the Issuer for the sale and purchase of an issue (or of respective obligations of the issue if sold by the Issuer on different dates) on specific terms that are not later modified or adjusted in any material respect.

“Sale Proceeds” means that portion of the Issue Price actually or constructively received by the Issuer upon the sale or other disposition of an issue, including any underwriter’s compensation withheld from the Issue Price, but excluding Pre-Issuance Accrued Interest.

“Spensible Proceeds” means the Net Sale Proceeds of an issue.

“Tax-Exempt Obligation” means any obligation or issue of obligations (including bonds, notes and lease obligations treated for federal income tax purposes as evidence of indebtedness) the interest on which is excluded from gross income for federal income tax purposes within the meaning of Section 150, and includes any obligation or any investment treated as a “tax-exempt bond” for the applicable purpose of Section 148.

“Tax-Exempt Organization” means a Governmental Unit or a 501(c)(3) Organization.

“Temporary Period” means the period of time, as set forth in the Tax Compliance Certificate, applicable to particular categories of Gross Proceeds of an issue during which such category of Gross Proceeds may be invested in Higher Yielding Investments without the issue being treated as arbitrage bonds under Section 148.

“Transferred Proceeds” means that portion of the Proceeds of an issue (including any Transferred Proceeds of that issue) that remains unexpended at the time that any portion of the principal of the Refunded Bonds of that issue is discharged with the Proceeds of a Refunding Issue and that thereupon becomes Proceeds of the Refunding Issue as provided in Regulations §1.148-9(b). “Transferred Proceeds” does not include any Replacement Proceeds.

“Unrelated or Disproportionate Use” means Private Business Use that is not related to or is disproportionate to use by a Governmental Unit within the meaning of Section 141(b)(3) and Regulations §1.141-9.

“Variable Yield Issue” means any Issue that is not a Fixed Yield Issue.

“Working Capital Expenditures” means any costs of a type that do not constitute Capital Expenditures, including current operating expenses.

“Yield” has the meaning assigned to it for purposes of Section 148, and means that discount rate (stated as an annual percentage) that, when used in computing the present worth of all applicable unconditionally payable payments of Debt Service, all payments for a Qualified Guarantee, if any, and payments and receipts with respect to a Qualified Hedge, if any, as required by the Regulations, paid and to be paid with respect to an obligation (paid and to be paid during and attributable to the Yield Period in the case of a Variable Yield Issue), reduced by the credit, if any, allowed by Section 6431, produces an amount equal to (a) the Issue Price in the case of a Fixed Yield Issue or the present value of the Issue Price at the commencement of the applicable Yield Period in the case of a Variable Yield Issue, or (b) the purchase price for yield purposes in the case of Investment Property, all subject to the applicable methods of computation provided for under Section 148, including variations from the foregoing. The Yield on Investment Property in which Proceeds or Replacement Proceeds of an issue are invested is computed on a basis consistent with the computation of Yield on that issue, including the same compounding interval of not more than one year selected by the Issuer.

“Yield Period” means, in the case of the first Yield Period, the period that commences on the Issuance Date and ends at the close of business on the first Computation Date and, in the case of each succeeding Yield Period, the period that begins immediately after the end of the immediately preceding Yield Period and ends at the close of business on the next succeeding Computation Date.

The terms “bond,” “obligation,” “reasonably required reserve or replacement fund,” “reserve or replacement fund,” “loan,” “sinking fund,” “purpose investment,” “same plan of financing,” “other replacement proceeds” and other terms relating to Code provisions used but not defined in this Certificate shall have the meanings given to them for purposes of Sections 103 and 141 to 150 unless the context indicates another meaning.

(End of Attachment A)

Attachment B
to Tax Compliance Certificate
of Issuer

Pertaining to

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2017

Dated as of February 1, 2017

PURCHASER'S CERTIFICATE

JPMorgan Chase Bank, N.A. (the "Purchaser"), the Purchaser for the bonds identified above (the "Issue"), issued by Pima County, Arizona (the "Issuer"), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

(1) **Issue Price.** The Purchaser is purchasing all of the Issue directly from the Issuer with the present intent of investment, and not with the present intent of resale to others, at a price of \$25,680,000.00 or par (the "Purchase Price"), on February 1, 2017, the Sale Date of the Issue, being the date upon which the Purchaser entered into a binding commitment with the Issuer to purchase the Issue. The Issue is not being reoffered by the Purchaser to the public as of the date hereof. The Purchase Price of the Issue was established by an arm's length transaction between the Issuer, a willing seller, and the Purchaser, a willing buyer. Except for payment of the Purchaser's counsel fees, the Purchaser is not receiving a fee or any other amounts in connection with its purchase of the Issue.

(2) **Information Return.** No CUSIP number is being assigned to the Issue.

(3) **Purchaser's Capacity.** The Purchaser is not acting in the capacity of a broker, dealer, municipal securities underwriter or financial advisor in connection with its purchase of the Issue.

The signer of this Certificate is an officer of the Purchaser and duly authorized to execute and deliver this Certificate. The undersigned understands that the certifications contained in this Certificate will be relied on by the Issuer in making certain of its representations in the Tax Compliance Certificate and in completing and filing the Information Return for the Issue, and by Squire Patton Boggs (US) LLP, as bond counsel, in rendering certain of its opinions in connection with the issuance of the Issue.

All capitalized terms not defined in this Certificate have the meaning set forth in the Issuer's Tax Compliance Certificate or in Attachment A to it.

Dated: February 1, 2017

JPMORGAN CHASE BANK, N.A.

By: 

David Chan
Authorized Officer

	Effective Date: 11/30/11 Review Date: Revision Date: 01/31/17 Page: 1 of 14
Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
Subject: Post Issuance Compliance for Debt Issues	

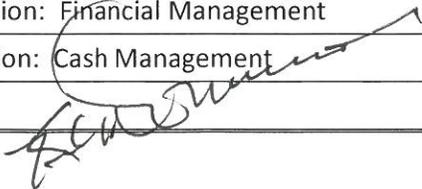


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Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
Subject: Post Issuance Compliance for Debt Issues	

Statement: The policies and procedures provided herein shall be followed in order to ensure compliance with the requirements of the Internal Revenue Code (the “Code”) that are applicable to the issuance of Tax-Exempt Bonds or other Obligations (hereinafter called “Bonds”). Undefined terms used herein have the meanings assigned to them in the Code and the related Treasury Regulations. These policies and procedures, coupled with requirements contained in the Arbitrage Certificate (the “Tax Certificate”) executed at the time of issuance of the Bonds, are intended to constitute written procedures for compliance with the federal tax requirements applicable to the Bonds and for timely identification of violations of such requirements. Throughout the term of each issue of Bonds, the federal tax law requirements on which the following procedures are based may change. The County will regularly consult with bond counsel, who can assist with amending these procedures where necessary, and tailor them to the changing laws and the County’s changing needs.

I. General Matters

A. Responsible Officer

The Director of the Department of Finance and Risk Management will have overall responsibility for ensuring that the ongoing requirements described herein are met with respect to the Bonds (the “Responsible Officer”).

B. Identify Additional Responsible Employees

The Responsible Officer shall identify any additional employees who will be responsible for each of the procedures described herein, notify the current holder of that office of the responsibilities, and provide that person a copy of the procedures.

1. Upon employee or officer transitions, new personnel should be advised of responsibilities under the procedures and ensure they understand the importance of the procedures.
2. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as necessary to ensure that all procedures have been appropriately assigned.

	Effective Date: 11/30/11 Review Date: Revision Date: 01/31/17 Page: 3 of 14
Internal Operating Procedures	Responsible Division: Financial Management Responsible Section: Cash Management
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C. Periodic Review

The Responsible Officer should periodically review compliance with these procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be remedied through the “remedial action” regulations (Treasury Regulation §1.141-12) or the Voluntary Closing Agreement Program described in Internal Revenue Service (“IRS”) Notice 2008-31 (or successor guidance).

D. Change in Bond Terms

If any changes to the terms of the Bonds are contemplated, bond counsel will be consulted.

II. Market Trading Activity

A. Ensure that the market trading activity of the Bonds is reviewed after their sale date but before their issuance date, that questions concerning such data are answered, and that reports concerning the sales data as necessary are produced. (Market trading information is generally available through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (EMMA) (<http://www.emma.msrb.org>)).

B. Records of reports produced, including copies of the market trading information, should be maintained in the bond book.

III. IRS Information Return Filing – 8038 G

Ensure that IRS Form 8038 G is timely filed with respect to each Bond issue, including the required debt service schedule and other required schedules and attachments and maintain it as part of the transcript for the Bond issue.

IV. Use of Proceeds

A. Consistent Accounting Procedures

Clear accounting procedures for tracking investment and expenditures of proceeds, including investment proceeds.

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B. Reimbursement Allocations at Closing

At or shortly after issuance of a Bond issue, allocation of proceeds of the Bond issue to reimbursement of prior expenditures, as appropriate.

C. Cost of Issuance

Ensure that no more than 2% of the sale proceeds of a Bond issue are used to pay issuance costs.

D. Capital Expenditures

Ensure that 100% of all sale proceeds and investment proceeds, other than sale proceeds used to pay issuance costs or deposited in a reasonably required reserve fund, are allocated to capital expenditures.

E. Requisitions

Ensure that requisitions are used to draw Bond proceeds and verify the requisitions contain the information needed to show what and how Bond proceeds were spent, reviewing them carefully before submission to ensure proper use of Bond proceeds to minimize need for reallocations.

F. Final Allocation

Ensure that a final allocation of Bond proceeds (including investment proceeds) to qualifying expenditures is made if Bond proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the Bond proceeds as spent as shown in the accounting records for bond draws and project expenditures). An allocation other than on the basis of "direct tracing" is often made to reduce the private business use of Bond proceeds that would otherwise result from "direct tracing" of Bond proceeds to project expenditures. This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the issuance date of the Bonds or 60 days after the Bond issue is retired. Bond counsel can assist with the final allocation of Bond proceeds to project costs.

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G. Record Retention

Maintain careful records of all project and other costs (e.g., issuance costs, credit enhancement, and capitalized interest) and uses (e.g., deposit to reserve fund) for which Bond proceeds were spent or used. These records should be maintained separately for each issue of Bonds.

V. **Monitoring Private Business Use**

A. Review of Contracts with Private Persons

Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as “Private Persons”) with respect to the Bond-financed facilities which could result in private business use of the Bond-financed facilities:

1. Sales of Bond-financed facilities.
2. Leases of Bond-financed facilities.
3. Management or service contracts relating to Bond-financed facilities.
4. Research contracts under which a Private Person sponsors research in Bond financed facilities.
5. Any other contracts involving “special legal entitlements” (such as naming rights or exclusive provider arrangements) granted to a Private Person with respect to Bond-financed facilities.

B. Review of New Leases, Management, Research and Other Contracts

Review any documentation that amends an existing agreement with a Private Person or enters into any new lease, management, service, or research agreement with a Private Person, review such amendment or agreement to determine whether it results in private business use.

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C. Establish Procedures to Ensure Proper Use

Establish procedures to ensure Bond financed facilities are identified and are not used for private use without approval of the Responsible Officer.

D. Analyze Use

Analyze any private business use of Bond-financed facilities and, for each issue of Bonds, determining whether the 10% limit on private business use (5% in the case of “unrelated or disproportionate” private business use) is exceeded, and contacting bond counsel or other tax advisors if either of these limits is exceeded.

E. Record Retention

Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with Private Persons for the period indicated in VII. below.

VI. Arbitrage and Rebate

A. Yield

Record the yield of the Bond issue, as shown on the Form 8038-G.

B. Temporary Period

Review the Tax Certificate to determine the temporary periods for the Bond issue, during which periods various categories of gross proceeds of the Bond issue may be invested without yield restriction.

C. Post-Temporary Period Investments

Ensure that proceeds of the Bond issue are not invested in investments with a yield above the yield for the Bonds following the end of the applicable temporary period identified above unless Yield reduction payments may be made.

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D. Monitoring Temporary Period Compliance

Monitor expenditures of Bond proceeds, including investment proceeds, against issuance date expectations for satisfaction of three-year or five-year temporary period from yield restriction on investment of Bond proceeds and to avoid “hedge bond” status.

E. Establishing Fair Market Value of Investments

Ensure that investments acquired with Bond proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures) and maintaining records to demonstrate satisfaction of such safe harbors.

F. Debt Service, Credit Enhancement, and Sinking Funds

Consult with bond counsel before engaging in credit enhancement or hedging transactions in respect of a Bond issue and before creating separate funds that are reasonably expected to be used to pay debt service on the Bonds.

G. Document Retention

Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions.

H. Donations

Before beginning a capital campaign that may result in gifts that are restricted to Bond-financed projects (or, in the absence of such a campaign, upon the receipt of such restricted gifts), to determine whether replacement proceeds may result.

I. Bona Fide Debt Service Fund

Even after all proceeds of a given Bond issue have been spent, ensure that the debt service fund meets the requirements of a bona fide debt service fund, i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of:

- the earnings on the fund for the immediately preceding bond year; or

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- one-twelfth of the debt service on the issue for the immediately preceding bond year.

To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.

J. Debt Service Reserve Fund

Ensure that amounts invested in any reasonably required debt service reserve fund do not exceed the least of:

- 10% of the stated principal amount of the Bonds (or the sale proceeds of the Bond issue if the Bond issue has original issue discount or original issue premium that exceeds 2% of the stated principal of the Bond issue plus, in the case of premium, reasonable underwriter’s compensation);
- maximum annual debt service on the Bond issue;
- 125% of average annual debt service on the Bond issue.

K. Rebate Requirement

Review the arbitrage rebate covenants noted in the Tax Certificate. Subject to the exceptions described below, investment earnings on Bond proceeds at a yield in excess of the bond yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.

1. Ensure that rebate calculations will be timely performed and payment of rebate amounts, if any, will be timely made; such payments are generally due 60 days after the fifth anniversary of the issuance date of the Bond issue, then in succeeding installments every five years; the final rebate payment for a Bond issue is due 60 days after retirement of the last Bond of the issue; hiring a rebate consultant if necessary.
2. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement may apply to the Bonds, ensuring that the spending of proceeds is monitored prior to semi-annual spending dates for the applicable exception.
3. Timely making rebate and yield reduction payments and filing Form 8038-T.

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4. Even after all other proceeds of a given Bond issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement.

L. Record Retention

Maintain records of investments and expenditures of Proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and Yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions.

VII. Record Retention

Procedures will be set forth for maintaining all records and documents described in these procedures while any of the bonds of the issue are outstanding and during the three-year period following the final maturity or redemption of the bond issue or, if later, while any bonds that refund (or re-refund) bonds of that original issue are outstanding and for the three-year period following the final maturity or redemption date of the latest refunding bond issue.

VIII. Compliance Checklist and Remedial Actions

- A. The County will spend the Gross Proceeds of the Issue and use the facilities financed with those Gross Proceeds (“Bond-Financed Facilities”) in a manner that complies with the restrictions and requirements imposed by the Code and Regulations on Tax-Exempt Bonds. The County will comply with the remedial action requirements, if necessary, set forth in Regulations §1.141-12. These Instructions provide guidance for that compliance.

B. Annual Review and Approval

1. On an annual basis, Cash Management will complete their sections of the Post Issuance Compliance checklist (see Attachment 1) and submit it to management to finalize, review and approve.

C. Remedial Action

Consult with Bond Counsel to undertake any necessary remedial actions, discussed below, in respect of “nonqualified bonds” of the Issue.

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1. Deliberate Action

A deliberate action (Deliberate Action) is any action taken after the Issuance Date by the Issuer that is within the Issuer’s control and that causes:

- more than 5% or 10%, as applicable, of the Proceeds to be used for a Private Business Use (Private Business Use Limit), and
- more than 5% or 10%, as applicable, of either the principal of or interest on the Issue to be secured by or derived, directly or indirectly, from Private Security or Payments (collectively with the Private Business Use Limit, the Private Business Limits).

An action by the Issuer is not a Deliberate Action if the action was (i) the result of an involuntary conversion of all or a portion of the Project, or (ii) an action that was taken in response to a regulatory directive made by the federal government (see Regulations §1.141-2(d)(3)(ii)).

2. Timely Reallocation

If a Deliberate Action occurs, the Issuer may reallocate the Proceeds that had been allocated to the Project or portion thereof as to which the Deliberate Action occurred to other permitted uses not later than 18 months after the later of (i) the date of the expenditure to which the Proceeds were originally allocated or (ii) the placed in service date of the Project or portion thereof to which such Proceeds were originally allocated, but not later than 60 days after the fifth anniversary of the Issuance Date or the retirement of the Issue, if earlier (see Regulations §§1.141-6(a) and 1.148-6(d)(1)(iii)).

3. Remedial Action

a. Effect

A “remedial action” cures the use of Proceeds that caused the Private Business Use limit to be exceeded. A remedial action will not impact the amount of Private Security or Payments.

b. Ability to Use

In order to achieve either or both of the effects set forth in 3.a, five conditions must be satisfied (see 3.c) and one of three alternative remedial actions must be taken (see D.).

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c. Conditions

The Issuer may use a “remedial action” only if the following five conditions are satisfied:

- (1) On the Issuance Date, the Issuer did not reasonably expect the Private Business Limits to be exceeded at any time while any portion of the Issue was outstanding.
- (2) On the Issuance Date, the weighted average maturity of the Issue did not exceed 120% of the weighted average of the reasonably expected economic lives of the assets comprising the Project.
- (3) Unless the Project is being used for an alternative use (as described in 4 below), the new user of all or any portion of the Project must have paid fair market value.
- (4) The Issuer must treat any “disposition proceeds,” which are all proceeds received from the sale, transfer or other disposition of all or a portion of the Project, as Gross Proceeds for arbitrage purposes.
- (5) Prior to the Deliberate Action, the Proceeds were used for a governmental purpose unless the remedial action to be taken is described in D.1.

D. Types of Remedial Action

1. Redemption of Non-Qualified Bonds

The “non-qualified bonds” are the portion of the Issue allocable to the Deliberate Action that causes the Issue to exceed the Private Business Limits. In general, within 90 days after the Deliberate Action, either the non-qualified bonds must be redeemed or an escrow that defeases the non-qualified bonds to their earliest redemption date must be established. A defeasance escrow may not be used, however, if the period between the Issuance Date and the earliest redemption date of the non-qualified bonds is more than 10.5 years; in such case, a closing agreement with the IRS may be necessary. If a defeasance escrow is established, the Issuer must notify the IRS within 90 days of its

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establishment. Notwithstanding the general requirement stated above that all non-qualified bonds must be redeemed or defeased, if the disposition proceeds consist exclusively of cash, it is sufficient that the disposition proceeds be used to redeem or defease a pro rata portion of the non-qualified bonds.

2. Alternative Use of Disposition Proceeds

The Issue satisfies the requirements of this remedial action if:

- a. all disposition proceeds consist exclusively of cash;
- b. the Issuer reasonably expects to spend the disposition proceeds within two years after the date of the Deliberate Action;
- c. the disposition proceeds are treated as Proceeds for purposes of the Private Business Limits, the use of the disposition proceeds does not cause the Issue to exceed these Limits, and the Issuer does not take a subsequent Deliberate Action that causes either of these Limits to be exceeded;
- d. any unspent disposition proceeds must be used to redeem all or a portion of the Issue;
- e. if the disposition proceeds are to be used by a 501(c)(3) Organization, from the date of the Deliberate Action, the non-qualified bonds must constitute Qualified 501(c)(3) Bonds and be treated as reissued for that purpose.

3. Alternative Use of Project

The Issuer satisfies the requirements of this remedial action if:

- a. the portion of the Project that is transferred or disposed of could have been financed by another type of Tax-Exempt Bond;
- b. the Deliberate Action taken by the Issuer did not involve a purchase financed by another issue of Tax-Exempt Bonds;
- c. any disposition proceeds resulting from the Deliberate Action (other than those related to the provision of services) are used to pay Debt Service on the Issue on the next available payment date or, within 90

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days of receipt, are deposited into a Yield-restricted escrow to be used to pay Debt Service on the next available payment date.

Under these circumstances, the non-qualified bonds are treated as re-issued as of the date of the Deliberate Action, and must remain qualifying Tax-Exempt Bonds throughout their term.

E. Examples of Deliberate Action

1. Lease to a Private Person

A Deliberate Action generally occurs if the Issuer

- leases space within the Project to a Private Person and that use, when added to any other Private Business Use, exceeds 5% or 10%, as applicable, of the Bond-Financed Facilities so that more than 5% or 10%, as applicable, of the Proceeds of the Issue are considered used for a Private Business Use
- receives rent under that lease that, when added to any other Private Security or Payments, exceeds 5% or 10%, as applicable, of the Proceeds.

2. Service Contract

A Deliberate Action generally occurs if:

- (the Issuer enters into a “service contract” (defined below) with a Private Person,
- that Service Contract will be performed (or will be deemed to be performed) within the Project,
- that Service Contract does not satisfy the requirements set forth in Revenue Procedure 97-13 (or its successor),
- that use, when added to any other Private Business Use of the Project, exceeds 5% or 10%, as applicable, of the Proceeds, and
- payments received or deemed received with respect to the Project in which the Service Contract is performed, when added to any other

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Private Security or Payments, exceed 5% or 10%, as applicable, of the Proceeds.

A service contract is an arrangement under which services are to be provided by a Private Person involving the use of all or any portion of, or any function of, the Bond-Financed Facilities (for example, management services for an entire facility or a specific department of a facility).

3. Sale of Project

A Deliberate Action generally occurs if the Issuer sells all or more than 5% or 10%, as applicable, of the Bond-Financed Facilities to a Private Person, which results in Private Business Use, and receives commensurate disposition proceeds for that sale.

**Post Issuance Compliance Checklist
For FYE _____**

Post Issuance Compliance for Debt Issues Checklist

I. Responsible Officer

- a. Have there been any changes to the Responsible Officers or Responsible Employees during the year?
 Yes
 If yes, were new parties provided training and a copy of the procedure?
 No

- b. Were there any changes to job responsibilities that would require reassignment of responsibilities related to this policy and procedure?
 Yes
 If yes, were the responsibilities reassigned and affected associates trained on the procedure?
 No

- c. Did the Responsible Officer review compliance with the procedure and Tax Certificate during the year?
 Yes
 No

- d. Were there any changes in Bond Terms?
 Yes
 If yes, was bond counsel consulted?
 No

II. New Issues:

- a. Cash Management verifies that the 8038-G was filed timely and a copy is included in the Cash Management Bond Book and Bond issue transcript.

- b. Cash Management verifies that at issuance, or shortly thereafter, there is a reimbursement of prior expenditures as appropriate.

- c. Cash Management validates that no more than 2% of the sale proceeds were used to pay issuance costs.

- d. Cash Management reviews the pre issuance trading activity on EMMA and places a copy of the report in the Bond Book.

III. Use of Proceeds:

- a. ___ Cash Management verifies that the drawdown schedules and LGIP (Local Government Investment Pool) reconciliations are up to date.
- b. ___ Cash Management verifies that 100% of the proceeds, excluding the amount allowed for cost of issuance and any reserve fund requirements, are used for capital expenditures.
- c. ___ Cash Management verifies that all drawdown memos are supported by presentation sheets or other reports that identify the projects that are being reimbursed with the drawdown.
- d. ___ Cash Management verifies that the Cash Management Bond Book contains all the relevant information on the debt issue as described in these procedures while any of the bonds of the issue are outstanding and during the three-year period following the final maturity or redemption of the bond issue or, if later, while any bonds that refund (or re-refund) bonds of that original issue are outstanding and for the three-year period following the final maturity or redemption date of the latest refunding bond issue.

IV. Private Business Use:

- a. ___ Finance Administration or Cash Management will contact Facilities Management quarterly to request copies of any existing, new or amended lease, management, service or research agreements with a private person related to a bond financed facility. Bond Counsel is notified of any relevant changes.
- b. ___ Finance Administration or Cash Management will ask Facilities Management on a quarterly basis to provide the current and contemplated uses of Bond-Financed Facilities and ensure that the use of the Bond-Financed Facilities complies with the covenants and restrictions set forth in the Certificate.
- c. ___ Finance Administration reviews any Sale of bond financed facilities.
- d. ___ Cash Management will maintain the Private Business Use Spreadsheet and perform an initial analysis of the private business use of Bond-financed facilities by identifying any projects that utilize 5% or more of an issue. Once completed, Cash Management will submit it to Management.

- e. ____ Management will finalize, review and verify that the 10% limit on private business use (5% in the case of “unrelated or disproportionate” private business use) has not been exceeded. Contact Bond Counsel if any contracts or contract amendments with private persons constitute a private business use of a bond financed facility.

Examples: Bank of America Building, Abrams, Public Service Center

V. Arbitrage and Rebate:

- a. ____ Cash Management verifies that Arbitrage Consultant is producing and submitting arbitrage compliance reports.
- b. ____ Cash Management verifies that the Debt Issue accounts meet the criteria of a bona fide debt service fund each year. The fund is depleted at least once each bond year, except for the reasonable carryover amount not to exceed the greater of the earnings on the fund for the immediately preceding bond year or one-twelfth of the debt service on the issue for the preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year. Annual Verification Worksheet.
- c. ____ For any new issue of Sewer Revenue Obligations, Cash Management verifies that the amounts invested in any required debt service reserve fund do not exceed the least of: 10% of the stated principal amount of the bonds (or the sale proceeds of the Bond issue if the Bond issue has original issue discount or original issue premium that exceeds 2% of the stated principal of the Bond issue plus, in the case of premium, reasonable underwriter’s compensation), the maximum annual debt service on the bond issue or 125% of average annual debt service on the bond issue.

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2017

Attachment C-2
to Tax Compliance Certificate

INSTRUCTIONS FOR COMPLIANCE WITH REBATE
REQUIREMENTS OF SECTION 148(f) OF THE CODE

The Issuer¹ covenanted in the operative documents (*i.e.*, Ordinance/Resolution/Trust Indenture/Tax Compliance Certificate) to comply with the arbitrage rebate requirement of Section 148(f) of the Code. These Instructions provide guidance for that compliance, including the spending exceptions that free the Issue from all or part of the rebate requirements. Capitalized terms that are not defined in these Rebate Instructions are defined in Attachment A to the Tax Compliance Certificate.

PART I: GENERAL

SECTION 1.01. REBATE GENERALLY.

The Rebate Amount with respect to the Issue must be paid (rebated) to the United States to prevent the bonds of the Issue from being arbitrage bonds, the interest on which is subject to federal income tax. In general, the Rebate Amount is the amount by which the actual earnings on Nonpurpose Investments purchased (or deemed to have been purchased) with Gross Proceeds of the Issue exceed the amount of earnings that would have been received if those Nonpurpose Investments had a Yield equal to the Yield on the Issue.² Stated differently, the Rebate Amount for the Issue as of any date is the excess of the Future Value, as of that date, of all Receipts on Nonpurpose Investments over the Future Value, as of that date, of all Payments on Nonpurpose Investments, computed using the Yield on the Issue as the Future Value rate.³

¹ For purposes of these Instructions, the term “Issuer” includes the borrower in a conduit financing issue.

² Amounts earned on the Bona Fide Debt Service Fund for the Issue are not taken into account in determining the Rebate Amount: (1) for any Bond Year in which the gross earnings on such Fund for such Year are less than \$100,000; (2) if the average annual Debt Service on the Issue does not exceed \$2,500,000; or (3) if none of the obligations of the Issue are Private Activity Bonds, the rates of interest on the Issue do not vary and the average maturity of the Issue is at least five years.

³ The scope of these Instructions does not permit a detailed description of the computation of the Rebate Amount with respect to the Issue. If you need assistance in computing the Rebate Amount on the Issue or want Squire Sanders (US) LLP to do the computations, please feel free to contact the Squire Sanders (US) LLP attorney with whom you normally consult to discuss engaging the Firm to provide such assistance.

If the Issue is a Fixed Yield Issue, the Yield on the Issue generally is the Yield to maturity, taking into account mandatory redemptions prior to maturity. If the Issue is a Variable Yield Issue, the Yield on the Issue is computed separately for each Yield Period selected by the Issuer.

PART II: EXCEPTIONS TO REBATE

SECTION 2.01. SPENDING EXCEPTIONS.

The rebate requirements with respect to the Issue are deemed to have been satisfied if any one of three spending exceptions (the 6-Month, the 18-Month, or the 2-Year Spending Exception, collectively, the “Spending Exceptions”) is satisfied. The Spending Exceptions are each independent exceptions. The Issue need not meet the requirements of any other exception in order to use any one of the three exceptions. For example, a Construction Issue may qualify for the 6-Month Spending Exception or the 18-Month Spending Exception even though the Issuer makes one or more elections under the 2-Year Exception with respect to the Issue.

The following rules apply for purposes of all of the Spending Exceptions except as otherwise noted.

Refunding Issues. The only spending exception available for a Refunding Issue⁴ is the 6-Month Spending Exception.

Special Transferred Proceeds Rules. In applying the Spending Exceptions to a Refunding Issue, unspent Proceeds of the Prior Issue that become Transferred Proceeds of the Refunding Issue are ignored. If the Prior Issue satisfies one of the rebate Spending Exceptions, the Proceeds of the Prior Issue that are excepted from rebate under that exception are not subject to rebate either as Proceeds of the Prior Issue or as Transferred Proceeds of the Refunding Issue.

However, if the Prior Issue does not satisfy any of the Spending Exceptions and is not otherwise exempt from rebate, the Transferred Proceeds from the Prior Issue will be subject to rebate, even if the Refunding Issue satisfies the 6-Month Spending Exception. The Rebate Amount will be calculated on the Transferred Proceeds on the basis of the Yield of the Prior Issue up to each transfer date and on the basis of the Yield of the Refunding Issue after each transfer date.

Application of Spending Exceptions to a Multipurpose Issue. If the Issue is a Multipurpose Issue, the Refunding Portion and the New Money Portion are treated for purposes of the rebate Spending Exceptions as separate issues. Thus, the Refunding Portion is eligible to use only the 6-Month Spending Exception. The New Money Portion is eligible to use any of the three Spending Exceptions.

⁴ For purposes of these Instructions, references to “Refunding Issue” include the Refunding Portion of a Multipurpose Issue.

Expenditures for Governmental Purposes of the Issue. Each of the spending exceptions requires that expenditures of Gross Proceeds be for the governmental purposes of the Issue. These purposes include payment of interest (but not principal) on the Issue.

SECTION 2.02. 6-MONTH SPENDING EXCEPTION.

The Issue will be treated as satisfying the rebate requirements if all of the Gross Proceeds of the Issue are allocated to expenditures for the governmental purposes of the Issue within the 6-month period beginning on the Issuance Date and the Rebate Amount, if any, with respect to earnings on amounts deposited in a reasonably required reserve or replacement fund or a Bona Fide Debt Service Fund if and to the extent that such Fund is subject to rebate (see footnote 3) is timely paid to the United States. If no bond of the Issue is a Private Activity Bond (other than a Qualified 501(c)(3) Bond) or a tax or revenue anticipation bond, the 6-month period is extended for an additional six months if the unexpended Gross Proceeds of the Issue at the end of the 6-month period do not exceed 5% of the Proceeds of the Issue.

For purposes of the 6-Month Spending Exception, Gross Proceeds required to be spent within six months do not include amounts in a reasonably required reserve or replacement fund for the Issue or in a Bona Fide Debt Service Fund for the Issue.

SECTION 2.03. 18-MONTH SPENDING EXCEPTION.

The Issue (or the New Money Portion if the Issue is a Multipurpose Issue) is treated as satisfying the rebate requirement if the conditions set forth in (A), (B) and (C) are satisfied.

(A) All of the Gross Proceeds of the Issue (excluding amounts in a reasonably required reserve or replacement fund for the Issue or in a Bona Fide Debt Service Fund for the Issue) are allocated to expenditures for the governmental purposes of the Issue in accordance with the following schedule, measured from the Issuance Date:

- (1) at least 15% within six months;
- (2) at least 60% within 12 months; and
- (3) 100% within 18 months, subject to the Reasonable Retainage exception described below.

(B) The Rebate Amount, if any, with respect to earnings on amounts deposited in a reasonably required reserve or replacement fund or in a Bona Fide Debt Service Fund for the Issue, to the extent such Fund is subject to rebate (see footnote 3), is timely paid to the United States.

(C) The Gross Proceeds of the Issue qualify for the initial 3-year Temporary Period.

If the only unspent Gross Proceeds at the end of the 18th month are Reasonable Retainage, the requirement that 100% of the Gross Proceeds be spent by the end of the 18th

month is treated as met if the Reasonable Retainage, and all earnings thereon, are spent for the governmental purposes of the Issue within 30 months of the Issuance Date.

For purposes of determining whether the spend-down requirements have been met as of the end of each of the first two spending periods, the amount of Investment Proceeds that the Issuer reasonably expects as of the Issuance Date to earn on the Sale Proceeds and Investment Proceeds of the Issue during the 18-month period are included in Gross Proceeds of the Issue. The final spend-down requirement includes actual Investment Proceeds for the entire 18 months.

The 18-Month Spending Exception does not apply to the Issue (or the New Money Portion, as applicable) if any portion of the Issue (or New Money Portion) is treated as meeting the rebate requirement under the 2-Year Spending Exception discussed below. This rule prohibits use of the 18-Month Spending Exception for the Nonconstruction Portion of a Bifurcated Issue. The only Spending Exception available for the Nonconstruction Portion of a Bifurcated Issue is the 6-Month Spending Exception.

SECTION 2.04. 2-YEAR SPENDING EXCEPTION FOR CERTAIN CONSTRUCTION ISSUES.

(A) In general. A Construction Issue no bond of which is a Private Activity Bond (other than a Qualified 501(c)(3) Bond or a Bond that finances property to be owned by a Governmental Unit or a 501(c)(3) Organization) is treated as satisfying the rebate requirement if the Available Construction Proceeds of the Issue are allocated to expenditures for the governmental purposes of the Issue in accordance with the following schedule, measured from the Issuance Date:

- (1) at least 10% within six months;
- (2) at least 45% within one year;
- (3) at least 75% within 18 months; and
- (4) 100% within two years, subject to the Reasonable Retainage exception described below.

Amounts in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund for the Issue are not treated as Gross Proceeds for purposes of the expenditure requirements. However, unless the Issuer has elected otherwise in the Tax Compliance Certificate, earnings on amounts in a reasonably required reserve or replacement fund for the Issue are treated as Available Construction Funds during the 2-year period and therefore must be allocated to expenditures for the governmental purposes of the Issue.

If the Issuer elected in the Tax Compliance Certificate to exclude from Available Construction Proceeds the Investment Proceeds or earnings on a reasonably required reserve or replacement fund for the Issue during the 2-year spend-down period, the Rebate Amount, if any, with respect to such Investment Proceeds or earnings from the Issuance Date must be timely paid to the United States. If the election is not made, the Rebate Amount, if any, with respect to such

Investment Proceeds or earnings after the earlier of the date construction is substantially completed or two years after the Issuance Date must be timely paid to the United States. The Rebate Amount, if any, with respect to earnings on amounts in a Bona Fide Debt Service Fund must be timely paid to the extent such Fund is subject to the rebate requirements (see footnote 3).

The Issue does not fail to satisfy the spending requirement for the fourth spend-down period (*i.e.*, 100% within two years of the Issuance Date) if the only unspent Available Construction Proceeds are amounts for Reasonable Retainage if such amounts (together with all earnings on such amounts) are allocated to expenditures within three years of the Issuance Date.

For purposes of determining whether the spend down requirements have been met as of the end of each of the first three spend-down periods, Available Construction Proceeds include the amount of Investment Proceeds or earnings that the Issuer reasonably expected as of the Issuance Date to earn during the 2-year period unless the Issuer elects, on or before the Issuance Date, to apply these spend-down requirements on the basis of actual facts rather than reasonable expectations. For purposes of satisfying the final spend-down requirement, Available Construction Proceeds include actual Investment Proceeds or earnings from the Issuance Date through the end of the 2-year period.

Available Construction Proceeds do not include Gross Proceeds used to pay Issuance Costs financed by the Issue, but do include earnings on such Proceeds. Thus, an expenditure of Gross Proceeds to pay Issuance Costs does not count toward meeting the spend-down requirements, but expenditures of earnings on such Gross Proceeds to pay Issuance Costs do count.

(B) 1½% penalty in lieu of rebate for Construction Issues. If the Issuer elected in the Tax Compliance Certificate for a Construction Issue, or for the Construction Portion of a Bifurcated Issue, to pay a 1½% penalty in lieu of the Rebate Amount on Available Construction Proceeds in the event that the Construction Issue fails to satisfy any of the spend-down requirements, the 1½% penalty is calculated separately for each spend-down period, including each semiannual period after the end of the fourth spend-down period until all Available Construction Proceeds have been spent. The penalty is equal to 0.015 times the underexpended Proceeds as of the end of the applicable spend-down period. The fact that no arbitrage is in fact earned during such spend-down period is not relevant. The Rebate Amount with respect to Gross Proceeds other than Available Construction Proceeds (*e.g.*, amounts in a reasonably required reserve or replacement fund or in a Bona Fide Debt Service Fund, to the extent subject to rebate (see footnote 3)) must be timely paid.

PART III: COMPUTATION AND PAYMENT

SECTION 3.01. COMPUTATION AND PAYMENT OF REBATE AMOUNT.

If none of the Spending Exceptions described above is satisfied (and if the 1½% penalty election for a Construction Issue or the Construction Portion of a Bifurcated Issue has not been made), then within 45 days after each Computation Date the Issuer shall compute, or cause to be computed, the Rebate Amount as of such Computation Date. The first Computation Date is a date selected by the Issuer, but shall be not later than five years after the Issuance Date.

Each subsequent Computation Date shall end five years after the previous Computation Date except that, in a Variable Yield Issue, the Issuer may select annual Yield Periods. The final Computation Date shall be the date the last obligation of the Issue matures or is finally discharged.

Within 60 days after each Computation Date (except the final Computation Date), the Issuer shall pay to the United States not less than 90% of the Rebate Amount, if any, computed as of such Computation Date. Within 60 days after the final Computation Date, the Issuer shall pay to the United States 100% of the Rebate Amount, if any, computed as of the final Computation Date. In computing the Rebate Amount, a computation credit may be taken into account on the last day of each Bond Year to the Computation Date during which there are unspent Gross Proceeds that are subject to the rebate requirement, and on the final maturity date.

If the operative documents pertaining to the Issue establish a Rebate Fund and require the computation of the Rebate Amount at the end of each Bond Year, the Issuer shall calculate, or cause to be calculated, within 45 days after the end of each Bond Year the Rebate Amount, taking into account the computation credit for each Bond Year. Within 50 days after the end of each Bond Year, if the Rebate Amount is positive, the Issuer shall deposit in the Rebate Fund such amount as will cause the amount on deposit therein to equal the Rebate Amount, and may withdraw any amount on deposit in the Rebate Fund in excess of the Rebate Amount. Payments of the Rebate Amount to the Internal Revenue Service on a Computation Date shall be made first from amounts on deposit in the Rebate Fund and second from other amounts specified in the operative documents.

Each payment of the Rebate Amount or portion thereof shall be payable to the Internal Revenue Service and shall be made to the Internal Revenue Service Center, Ogden, UT 84201 by certified mail. Each payment shall be accompanied by Internal Revenue Service Form 8038-T and any other form or forms required to be submitted with such remittance.

SECTION 3.02. BOOKS AND RECORDS.

(A) The Issuer or Trustee, as applicable, shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the Gross Proceeds of the Issue. Such records shall specify the account or fund to which each Nonpurpose Investment (or portion thereof) held by the Issuer or Trustee is to be allocated and shall set forth as to each Nonpurpose Investment (1) its purchase price, (2) identifying information, including par amount, interest rate, and payment dates, (3) the amount received at maturity or its sales price, as the case may be, including accrued interest, (4) the amounts and dates of any payments made with respect thereto, and (5) the dates of acquisition and disposition or maturity.

(B) The Issuer, Trustee, or Rebate Analyst, as applicable, shall retain the records of all calculations and payments of the Rebate Amount until three years after the retirement of the last obligation that is a part of the Issue.

SECTION 3.03. FAIR MARKET VALUE.

(A) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(B) The fair market value of any Nonpurpose Investment shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in an arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (*i.e.*, the trade date rather than the settlement date). Except as otherwise provided in this Section, a Nonpurpose Investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code) is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) Obligations purchased directly from the Treasury. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(D) Safe harbor for Guaranteed Investment Contracts. The purchase price of a Guaranteed Investment Contract shall be treated as its fair market value on the purchase date if all the following conditions are met.

(1) The Issuer or broker makes a bona fide solicitation for a specified Guaranteed Investment Contract and receives at least three bona fide bids from reasonably competitive providers (of Guaranteed Investment Contracts) that have no material financial interest in the Issue.

(2) The Issuer purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker's fees).

(3) The Yield on the Guaranteed Investment Contract (determined net of broker's fees) is not less than the Yield then available from the provider on reasonably comparable Guaranteed Investment Contracts, if any, offered to other persons from a source of funds other than Gross Proceeds of Tax-Exempt Obligations.

(4) The determination of the terms of the Guaranteed Investment Contract takes into account as a significant factor the Issuer's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in a Bona Fide Debt Service Fund and a reasonably required reserve or replacement fund.

(5) The terms of the Guaranteed Investment Contract, including collateral security requirements, are reasonable.

(6) The obligor on the Guaranteed Investment Contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the Guaranteed Investment Contract.

(E) Safe harbor for certificates of deposit. The purchase price of a certificate of deposit shall be treated as its fair market value on the purchase date if all of the following requirements are met.

(1) The certificate of deposit has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal.

(2) The Yield on the certificate of deposit is not less than (a) the Yield on reasonably comparable direct obligations of the United States, or (b) the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

Certificates evidencing the foregoing requirements should be obtained before purchasing any Guaranteed Investment Contract or certificate of deposit.

SECTION 3.04. CONSTRUCTIVE SALE/PURCHASE.

(A) Nonpurpose Investments that are held by the Issuer or Trustee as of any Computation Date (or Bond Year if the computations are required to be done annually) shall be treated for purposes of computing the Rebate Amount as of such date as having been sold for their fair market value as of such date. Investment Property that becomes allocated to Gross Proceeds of the Issue on a date after such Investment Property has actually been purchased shall be treated for purposes of the rebate requirements as having been purchased by the Issuer on such date of allocation at its fair market value on such date.

(B) For purposes of constructive or deemed sales or purchases of Investment Property (other than Investment Property in the Escrow Fund or that is otherwise not invested for a Temporary Period or is not part of a reasonably required reserve or replacement fund for the Issue) must be valued at its fair market value on the date of constructive or deemed sale or purchase.

(C) Except as set forth in (B), fixed-rate Investment Property that is (1) issued with not more than 2% of original issue discount or original issue premium, (2) issued with original issue premium that is attributable exclusively to reasonable underwriters' compensation or (3) acquired with not more than 2% of market discount or market premium may be treated as having a fair market value equal to its outstanding stated principal amount plus accrued interest. Fixed-rate Investment Property also may be treated as having a fair market value equal to its present value.

SECTION 3.05. ADMINISTRATIVE COSTS.

(A) Administrative costs shall not be taken into account in determining the payments for or receipts from a Nonpurpose Investment unless such administrative costs are

Qualified Administrative Costs. Thus, administrative costs or expenses paid, directly or indirectly, to purchase, carry, sell, or retire Nonpurpose Investments generally do not increase the Payments for, or reduce the Receipts from, Nonpurpose Investments.

(B) Qualified Administrative Costs are taken into account in determining the Payments and Receipts on Nonpurpose Investments and thus increase the Payments for, or decrease the Receipts from, Nonpurpose Investments. In the case of a Guaranteed Investment Contract, a broker's commission or similar fee paid on behalf of either the Issuer or the provider is a Qualified Administrative Cost to the extent that (1) the amount of the fee treated as a Qualified Administrative Cost does not exceed the lesser of (a) \$37,000, or such higher amount as determined and published by the Internal Revenue Service as the "cost of living adjustment" for the calendar year in which the Guaranteed Investment Contract is acquired and (b) 0.2% of the Computational Base or, if more, \$4,000, or such higher amount as determined and published by the Internal Revenue Service as the "cost of living adjustment" for the calendar year in which the Guaranteed Investment Contract is acquired and (2) the aggregate amount of broker's commissions or similar fees with respect to all Guaranteed Investment Contracts and Nonpurpose Investments acquired for a yield-restricted defeasance escrow purchased with Gross Proceeds of the Issue treated as Qualified Administrative Costs does not exceed a cap of \$111,000, or such higher amount as determined and published by the Internal Revenue Service as the "cost-of-living adjustment" for the calendar year in which the Guaranteed Investment Contract is acquired less the portion of such cap, if any, used in prior years with respect to the Issue.

PART IV: COMPLIANCE AND AMENDMENT

SECTION 4.01. COMPLIANCE.

The Issuer, Trustee or Rebate Analyst, as applicable, shall take all necessary steps to comply with the requirements of these Instructions in order to ensure that interest on the Issue is excluded from gross income for federal income tax purposes under Section 103(a) of the Code. However, compliance shall not be required in the event and to the extent stated therein the Issuer and the Trustee receive a Bond Counsel's Opinion that either (A) compliance with such requirement is not required to maintain the exclusion from gross income for federal income tax purposes of interest on the Issue or (B) compliance with some other requirement in lieu of such requirement will comply with Section 148(f) of the Code, in which case compliance with the other requirement specified in the Bond Counsel's Opinion shall constitute compliance with such requirement.

SECTION 4.02. LIABILITY.

If for any reason any requirement of these Instructions is not complied with, the Issuer and the Trustee, if applicable, shall take all necessary and desirable steps to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence. The Trustee shall have no duty or responsibility to independently verify any of the Issuer's, or the Rebate Analyst's, calculations with respect to the payments of the Rebate Amount due and owing to the United

States. Under no circumstances whatsoever shall the Trustee be liable to the Issuer, any bondholder or any other person for any inclusion of the interest on the Issue in gross income for federal income tax purposes, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, so long as the Trustee acts only in accordance with these Instructions and the operative documents pertaining to the Issue.

(End of Attachment C-2)

Attachment D
to Tax Compliance Certificate
of Issuer

Pertaining to

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2017

Dated as of February 1, 2017

CERTIFICATE OF PLACEMENT AGENT

In connection with the issuance of the obligations identified above (“Issue”), issued by Pima County, Arizona (“Issuer”), RBC Capital Markets, LLC (“Placement Agent”) has been asked by the Issuer and Squire Patton Boggs (US) LLP (“Bond Counsel”) to calculate the Yield of the Issue and the weighted average maturity of the Issue in accordance with the instructions of Bond Counsel set forth in this Certificate. The Placement Agent certifies as of this date as follows:

(1) **Yield.** The Yield on the Issue is 1.8302%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and semi-annual compounding, produces an amount equal to the Issue Price of the Issue as stated in paragraph (1) of the Certificate of the Purchaser.

(2) **Weighted Average Maturity.** The weighted average maturity (defined below) of the Issue is 2.5232 years. The weighted average maturity of an issue is equal to the sum of the products of the Issue Price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the Issue Price of the entire Issue.

All capitalized terms not defined in this Certificate have the meaning set forth in the Issuer’s Tax Compliance Certificate or in Attachment A to it.

The signer is an officer of the Placement Agent and duly authorized to execute and deliver this Certificate of the Placement Agent. The Placement Agent understands that the certifications contained in this Certificate will be relied on by the Issuer in making certain of its representations in its Tax Compliance Certificate and in completing and filing the Information Return for the Issue, and by Bond Counsel in rendering certain of its legal opinions in connection with the issuance of the Issue. The Placement Agent is certifying only as to facts in evidence on the date hereof. Nothing herein represents the interpretation of any laws, including the Code or the regulations promulgated thereunder, or the application of any laws to the facts contained in this Certificate. The Placement Agent is neither an accountant nor an actuary, and the Placement Agent is not engaged in the practice of law; accordingly, while the Placement Agent believes its calculations set forth in this Certificate to be correct, the Placement Agent does not warrant their validity for purposes of Sections 103 and 141 through 150 of the Code.

Dated: February 1, 2017

RBC CAPITAL MARKETS, LLC

By: 

Title: Managing Director

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2017

CERTIFICATE OF COUNTY ASSESSOR

I, the undersigned, County Assessor of Pima County, Arizona, hereby certify that as of the date hereof, the total unadjusted assessed valuation of all taxable property within Pima County, Arizona (derived by applying the applicable percentages set forth in Arizona Revised Statutes, Title 42, Chapter 15, Article 1 to the full cash value of said property) as shown on the most recent assessment roll for State and County taxes established on the third Monday in August, 2016 to be used as the basis for assessing, determining and levying secondary property taxes, is not less than \$7,816,826,920.

Dated: February 1, 2017

PIMA COUNTY ASSESSOR

By: 

Lon Berg

Title: Chief Deputy Assessor

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2017

CERTIFICATE OF FINANCE AND RISK MANAGEMENT DIRECTOR

The undersigned Finance and Risk Management Director of Pima County, Arizona (the "County"), does hereby certify as follows with respect to the issuance of the County's \$25,680,000 aggregate principal amount of General Obligation Bonds, Series 2017 (the "Bonds"), authorized by Resolution No. 2016-84, adopted by the Board of Supervisors of the County on December 13, 2016 (the "Bond Resolution"), with respect to the application of proceeds of the Bonds pursuant to Section 5 of the Bond Resolution. All capitalized terms used herein shall have the meanings assigned to such terms in the Bond Resolution.

1. \$25,680,000.00 of the proceeds received from the sale of the Bonds shall be set aside and used for the purposes and amounts shown on Exhibit A attached hereto (which includes the payment of \$179,326.00 of related issuance costs), subject to the reserved right of the County under Arizona Revised Statutes Section 35-456 to modify this determination.

[Remainder of page left blank intentionally]

Dated: February 1, 2017

PIMA COUNTY, ARIZONA

By: 

Keith Dommer
Finance and Risk Management Director

The undersigned certifies that Keith Dommer has signed the foregoing certificate on behalf of Pima County, Arizona (the "County"), and that such person is on the date hereof the duly appointed and acting officer Finance and Risk Management Director of the County and the signature appearing above is a true and correct specimen of such person's genuine signature:

Dated: February 1, 2017



Julie Castañeda
Clerk, Board of Supervisors
Pima County, Arizona

[Signature page of Certificate of Finance and Risk Management Director]

EXHIBIT A

<u>Election</u>	<u>Ballot Question and Purpose</u>	<u>Amount</u>
1997	Question 2: Public Safety, Law Enforcement and Superior Courts	\$ --
	Question 3: Parks	289,480
	Question 4: Sonoran Desert Open Space and Historic Preservation	--
	Question 5: Public Health, Safety, Recreational and Cultural Facilities	847,463
	Question 6: Flood Control Improvements	--
	Question 7: Solid Waste Improvements	<u>692,609</u>
	Total 1997 Purposes:	<u>1,829,552</u>
2004	Question 1: Sonoran Desert Open Space and Habitat Protection; Prevention of Urban Encroachment of Davis Monthan Air Force Base	--
	Question 2: Public Health and Community Facilities	2,963,527
	Question 3: Public Safety and Justice Facilities	--
	Question 4: Parks and Recreational Facilities	1,989,757
	Question 5: River Parks and Flood Control Improvements	<u>943,184</u>
	Total 2004 Purposes:	<u>5,896,468</u>
2006	Question 3: Psychiatric Urgent Care Facilities	--
	Question 4: Psychiatric Inpatient Hospital Facilities	<u>--</u>
	Total 2006 Purposes:	
2014	Question 1: Pima Animal Care Center	<u>17,953,980</u>
	Total 2014 Purposes:	<u>17,953,980</u>
	Total:	<u>\$25,680,000</u>

Exhibit A

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2017

CERTIFICATE OF THE COUNTY
RESPONSIVE TO THE PLACEMENT AGENT AGREEMENT

Responsive to the Placement Agent Agreement, dated January 23, 2017 (the “Placement Agent Agreement”), between Pima County, Arizona (the “County”) and RBC Capital Markets, LLC (the “Placement Agent”), the undersigned certifies as follows to the best of his knowledge. Capitalized terms used herein which are not otherwise defined herein shall have the meaning set forth in the Placement Agent Agreement.

1. The representations, warranties and covenants of the County contained in the Placement Agent Agreement are true and correct in all material respects on and as of the date hereof;

2. No litigation is pending or, to its knowledge, threatened in any court in any way affecting the existence of the County or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the receipt of any revenues or assets of the County pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or the Placement Agent Agreement, or contesting the powers of the County or its authority with respect to the Bonds, the Resolution or the Placement Agent Agreement; and

3. The County has complied in all material respects with the Resolution and the terms of the Bonds and satisfied all material conditions on its part to be performed or satisfied at or prior to the delivery of the Bonds.

[Remainder of page left blank intentionally]

Dated: February 1, 2017

PIMA COUNTY, ARIZONA

By: 

Keith Dommer
Finance and Risk Management Director

[Signature page of Certificate of the County Responsive to the Placement Agent Agreement]

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2017

CERTIFICATE OF BOND REGISTRAR AND PAYING AGENT

U.S. Bank National Association (the “Bank”), as bond registrar and paying agent (the “Bond Registrar and Paying Agent”) pursuant to a Bond Registrar, Transfer Agent and Paying Agent Agreement, dated as of February 1, 2017 (the “Bond Registrar and Paying Agent Agreement”), between the County and the Bond Registrar and Paying Agent, entered into in connection with the issuance by the County of its \$25,680,000 aggregate principal amount of General Obligation Bonds, Series 2017 (the “Bonds”) does hereby accept the duties and obligations imposed upon it as Bond Registrar and Paying Agent pursuant to the Bond Registrar and Paying Agent Agreement, and does hereby certify as follows:

1. The Bank is duly organized, validly existing and in good standing under the laws of the United States, having full power and authority to exercise corporate trust powers in the State of Arizona and to execute, deliver and perform its obligations under the Bond Registrar and Paying Agent Agreement.

2. The execution and delivery of the Bond Registrar and Paying Agent Agreement and the due performance by the Bank of its obligations thereunder and the taking of any and all other actions required on the part of the Bank to carry out, give effect to, and consummate the transactions contemplated thereby, have been duly authorized by all necessary corporate action on the part of the Bank, and to the best knowledge of the undersigned, under present law do not contravene any provision of any order, decree, writ or injunction known to the Bank or the Bank’s Articles of Association or Bylaws, or result in a breach of or default under, or require consent under any material agreement, indenture or other instrument to which the Bank is a party or by which it is bound.

3. The Bank has taken all action necessary for the acceptance of, and has duly accepted the office the Bond Registrar and Paying Agent pursuant to the Bond Registrar and Paying Agent Agreement, and will comply with the requirements of such agreement, and in accordance therewith will not take or omit to take any action which will in any way result in the proceeds from the sale of the Bonds being applied in a manner inconsistent with such document.

4. The representations of the Bank contained in the Bond Registrar and Paying Agent Agreement are true and correct in all material respects as of the date hereof and the Bank has complied with all agreements and satisfied all conditions on its part to be performed or satisfied thereunder at or prior to the date hereof.

5. To the knowledge of the undersigned, no litigation is pending or threatened against the Bank before any judicial, quasi-judicial or administrative forum (a) restraining or enjoining the execution or delivery of the Bonds or the application of the proceeds thereof, (b)

contesting or affecting any authority for, or the validity of the Bonds, or (c) contesting or affecting the existence or corporate trust powers of the Bank or the Bank's ability to perform and fulfill its duties and obligations under the Bond Registrar and Paying Agent Agreement.

6. The Bond Registrar and Paying Agent Agreement was signed on behalf of the Bank by the person named below, and such person was, at the time of the execution of such agreement, and is now, the duly elected, qualified and acting officer or other authorized representative of the Bank, duly authorized to execute the above-named agreement, and the signature appearing below is a true and correct specimen of such person's genuine signature:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
Keith Henselen	Vice President	

7. Pursuant to the Bond Registrar and Paying Agent Agreement and the General Certificate of the County, dated the date hereof, the Bonds were authenticated by an authorized signatory of the Bank.

8. All blanks in each of the Bonds requiring completion by the Bond Registrar and Paying Agent have been accurately completed and the Certificate of Authentication appearing on each of the Bonds has been duly executed and dated the date of its authentication, which is the date hereof, by an authorized officer or representative of the Bond Registrar and Paying Agent.

9. Attached hereto as Exhibit A is a true, complete and correct copy of an Assistant Secretary's Certificate of the Bank which clearly demonstrates the authority of the person named in paragraph 6 above to act on behalf of the Bank and said resolution or bylaw excerpt was in effect on the date or dates said person or persons acted and remains in full force and effect on the date hereof.

[Remainder of page left blank intentionally]

Dated: February 1, 2017

U.S. BANK NATIONAL ASSOCIATION

By: 
Name: Mary Ambriz-Reyes
Its: Vice President

[Signature page of Certificate of Bond Registrar and Paying Agent]

EXHIBIT A

ASSISTANT SECRETARY'S CERTIFICATE AS TO SIGNATURE AUTHORITY



**U.S. BANK NATIONAL ASSOCIATION
ASSISTANT SECRETARY CERTIFICATE**

I, Linda E. Bidon, an Assistant Secretary of U.S. Bank National Association, hereby certify that the following is a true and exact extract from the Bylaws of U.S. Bank National Association, a national banking association organized under the laws of the United States.

**ARTICLE VI.
CONVEYANCES, CONTRACTS, ETC.**

All transfers and conveyances of real estate, mortgages, and transfers, endorsements or assignments of stock, bonds, notes, debentures or other negotiable instruments, securities or personal property shall be signed by any elected or appointed officer.

All checks, drafts, certificates of deposit and all funds of the Association held in its own or in a fiduciary capacity may be paid out by an order, draft or check bearing the manual or facsimile signature of any elected or appointed officer of the Association.

All mortgage satisfactions, releases, all types of loan agreements, all routine transactional documents of the Association, and all other instruments not specifically provided for, whether to be executed in a fiduciary capacity or otherwise, may be signed on behalf of the Association by any elected or appointed officer thereof.

The Secretary or any Assistant Secretary of the Association or other proper officer may execute and certify that required action or authority has been given or has taken place by resolution of the Board under this Bylaw without the necessity of further action by the Board.

I further certify the following officers of U.S. Bank National Association have been duly appointed and qualified officers of the Association authorized to act under Article VI of the Bylaws of the Association and that such authority is in full force and effect as of the date hereof and have not been modified, amended or revoked.

Mary J. Ambriz-Reyes	Vice President	Linda Y. Riley	Assistant Vice President
Keith N. Henselen	Vice President	Suzanne M. Gibbs	Assistant Vice President
Robert L. Von Hess	Vice President		

IN WITNESS WHEREOF, I have set my hand this 16th day of September, 2015.

(No corporate seal)

Linda E. Bidon, Assistant Secretary

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2017

BOND PURCHASE AGREEMENT
AND
CERTIFICATE, ACKNOWLEDGEMENT AND RECEIPT OF THE
PURCHASER

This BOND PURCHASE AGREEMENT AND CERTIFICATE, ACKNOWLEDGEMENT AND RECEIPT OF THE PURCHASER is being executed and delivered in connection with the issuance by Pima County, Arizona (the "County") of \$25,680,000 aggregate principal amount of its General Obligation Bonds, Series 2017 (the "Bonds") and the sale thereof to JPMorgan Chase Bank, N.A. (the "Purchaser"). The County agrees to sell and the Purchaser agrees to purchase the Bonds at a price of \$25,680,000.00, representing the principal amount thereof. \$25,675,500.00 of such proceeds will be paid directly to the County and \$4,500.00 will be wired directly to Purchaser's counsel as an accommodation to the County. The Bonds are dated February 1, 2017, are in the form of a single fully registered bond in the principal amount of \$25,680,000, registered in the name of the Purchaser, maturing on July 1, 2021, bearing interest at the rate of 1.83% per annum and subject to mandatory redemption and containing such other terms as shown on Exhibit A attached hereto and as provided in Resolution 2016-84, adopted by the Board of Supervisors of the County on December 13, 2016 (the "Resolution"). Bonds are issuable only in fully registered form in the denomination of \$100,000 each or integral multiples of \$5,000 in excess thereof, provided that Bonds may be in a denomination of less than \$100,000 if necessary to accommodate redemptions. Interest (except that due at maturity) and mandatory sinking fund redemption payments will be paid without presentation by check payable to the order of and mailed by the Paying Agent (as defined in the Bonds) to the registered owner at the address shown on the registration books maintained by the Registrar (as defined in the Bonds) at the close of business on the record date, or by wire transfer 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 maturing principal amount (and interest due on that date) will be paid when due by wire or check payable to the order of 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.

In connection with the issuance and sale of the Bonds the undersigned authorized representative of the Purchaser does hereby certify as follows:

1. The Purchaser has full power and authority to carry on its business as now conducted.

2. The Purchaser is a lender that regularly extends credit by purchasing loans in the form of state and local government obligations such as the Bonds; has knowledge and experience in financial and business matters that make it capable of evaluating the Bonds and the risks associated with the purchase of the Bonds; has the ability to bear the economic risk of an acquisition of the Bonds; and is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.

3. The Purchaser has conducted its own investigation of the financial condition of the County in the transaction effecting the issuance of the Bonds, the purposes for which the Bonds were delivered and of the security for the payment of the principal of and interest on the Bonds, and has obtained such information regarding the Bonds and the County and its operations, financial condition and financial prospects as the Purchaser deemed necessary to make an informed investment decision with respect to the purchase of the Bonds.

4. The Purchaser is purchasing the Bonds as a vehicle for making a commercial loan for its own loan account and without any present intention of distributing or selling any interest therein or portion thereof. The Purchaser may only transfer the Bonds without restriction to: (a) an affiliate of the Purchaser; or (b) a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to "Accredited Investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, or Qualified Institutional Buyers as that term is defined in Rule 144A of the Securities Exchange Act of 1934, as amended; or (c) an Accredited Investor or a Qualified Institutional Buyer who executes and delivers to the County a certificate that is substantially in the form of paragraphs 2, 3, 4 and 8 of this agreement and certificate. Except as described above, any other transfer of the Bonds can only be done with the prior written consent of the County.

5. The Purchaser is acting solely for its own loan account and not as a fiduciary for the County, or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor or fiduciary and has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the County (including to any financial advisor or any placement agent engaged by the County) with respect to the structuring, issuance, sale or delivery of the Bonds.

6. Representatives of the Purchaser have notified the County that (a) the Purchaser has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the County or the Issuer with respect to the transactions relating to the structuring, issuance, sale or delivery of the Bonds and the discussions, undertakings and procedures leading thereto; (b) the County should seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) with respect to the Bonds from its own financial, legal, tax and other advisors (and not from the undersigned or its affiliates) to the extent that the County should or needs to obtain such advice; (c) no view is expressed regarding the legal sufficiency of the representations of the Purchaser for purposes of compliance with any legal requirements applicable to any other party or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters and (d) the transactions between the County and the Purchaser are "arm's length," commercial transactions in which the Purchaser is

acting and has acted solely as a principal and for its own interest and the Purchaser has not made recommendations to the Issuer with respect to the transactions relating to the Bonds.

7. The aggregate issue price of the Bonds is the principal amount thereof and resulted from an "arm's length," commercial transaction between the Purchaser and the Issuer.

8. The undersigned, on behalf of the Purchaser, does further hereby acknowledge (1) that (a) the Bonds have not been registered under the Securities Act of 1933, as amended, and have not been registered or otherwise qualified for sale under the securities laws of any state, (b) the Bonds will not be listed on any securities exchange, (c) there is no established market for the Bonds and that none is likely to develop, (d) the offering of the Bonds is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (e) in connection with its purchase of the Bonds, the County has not prepared or caused to be prepared, an official statement, private placement memorandum or other offering document in connection with the sale and purchase of the Bonds, (f) no CUSIP has been requested or obtained for the Bonds, and (g) the acquisition of the Bonds will not be closed through DTC or in book-entry form and (2) receipt of the Bonds on this date from U.S. Bank National Association, as bond registrar and paying agent, fully executed and authenticated.

As required by the provisions of Arizona Revised Statutes Section 38-511, notice is hereby given that the State, its political subdivisions (including the County) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the County hereunder except as required by such Section 38-511. Each of the parties hereto hereby certifies that it is not presently aware of any violation of Section 38-511 which would adversely affect the enforceability of this agreement and covenants that it shall take no action which would result in a violation of such Section.

Dated: February 1, 2017

JPMORGAN CHASE BANK, N.A.

By  _____

Printed Name: David Chan
Title: Authorized Officer

PIMA COUNTY, ARIZONA

By _____
Keith Dommer
Finance and Risk Management Director

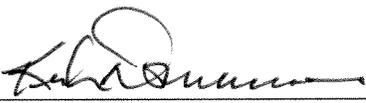
Dated: February 1, 2017

JPMORGAN CHASE BANK, N.A.

By _____

Printed Name: David Chan
Title: Authorized Officer

PIMA COUNTY, ARIZONA

By  _____

Keith Dommer
Finance and Risk Management Director

EXHIBIT A

[ATTACH BOND NO. R-1]

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS AS INDICATED HEREIN

PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BOND
SERIES 2017

Registered
Number: R-1

Registered
Denomination: \$25,680,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>
1.83%	July 1, 2021	February 1, 2017

Registered Owner: JPMORGAN CHASE BANK, N.A.

Principal Amount: TWENTY-FIVE MILLION SIX HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS

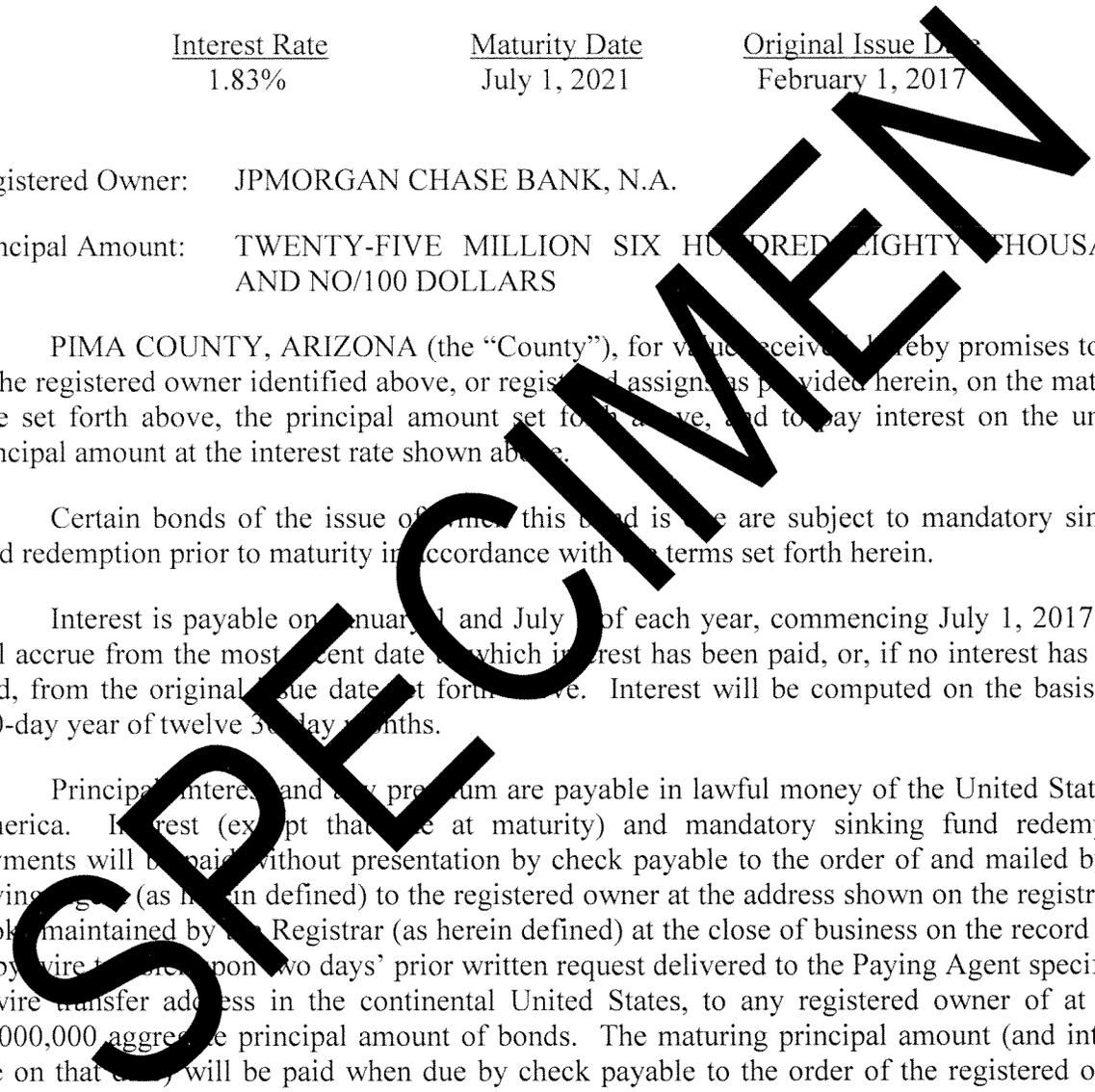
PIMA COUNTY, ARIZONA (the "County"), for value received hereby promises to pay to the registered owner identified above, or registered assignee as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest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

Certain bonds of the issue of which this bond is one are subject to mandatory sinking fund 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 July 1, 2017, and will accrue from the most recent date at 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 (except that due at maturity) and mandatory sinking fund redemption payments will be paid without presentation 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 book maintained by the Registrar (as herein defined) at the close of business on the record date, or by wire transfer 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 maturing principal amount (and interest due on that day) will be paid when due by check payable to the order of 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 \$25,680,000 of like tenor, except as to 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 5 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 are subject to mandatory sinking fund redemption prior to maturity on July 1 in the years and principal amounts set forth below. 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, as follows:

<u>Year</u>	<u>Principal Amount</u>
2017	\$4,250,000
2018	2,035,000
2019	8,085,000
2020	9,350,000
2021 (maturity)	1,960,000

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 will require an owner, among other things, to furnish appropriate endorsements and transfer documents, including an executed Certificate of Transferee in the form attached to this bond, 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 or wired, as applicable, 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 \$100,000 each or integral multiples of \$5,000 in excess thereof, provided that bonds may be in a denomination of less than \$100,000 if necessary to accommodate redemption. This bond may be exchanged at the designated office of the Registrar for 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

SPECIMEN

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

Chair, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

SPECIMEN

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: February 1, 2017

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By: _____
Authorized Representative

SPECIMEN

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 constitute 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 participating 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 — 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.

CERTIFICATE OF TRANSFEREE

The undersigned _____, (the "Transferee") certifies as indicated below to U.S. Bank National Association, as bond registrar and paying agent, or its successors (the "Bond Registrar and Paying Agent") in connection with the transfer of Bond Numbered R_____, representing \$_____ aggregate principal amount of Pima County, Arizona General Obligation Bonds, Series 2017 (the "Bonds") from the current registered owner (the "Transferor") to the Transferee:

_____ The Transferee is an affiliate of the Transferor under a common parent corporation; or

_____ The Transferee is a trust or other custodial arrangement established by the Transferor or one of its affiliates, the owners of any beneficial interest in which are limited to "Accredited Investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, or "Qualified Institutional Buyers" as that term is defined in Rule 144A of the Securities Exchange Act of 1934, as amended; or

_____ The Transferee is an Accredited Investor or a Qualified Institutional Buyer who certifies:

1. The Transferee has all power and authority to carry on its business as now conducted.
2. The Transferor is a lender that regularly extends credit by purchasing loans in the form of state and local government obligations such as the Bonds; has knowledge and experience in financial and business matters that make it capable of evaluating the Bonds and the risks associated with the purchase of the Bonds; has the ability to bear the economic risk of an acquisition of the Bonds; and is an accredited investor as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.
3. The Transferee has conducted its own investigation of the financial condition of Pima County, Arizona (the "County") in the transaction effecting the transfer of the Bonds, the purposes for which the Bonds were delivered and of the security for the payment of the principal of and interest on the Bonds, and has obtained such information regarding the Bonds and the County and its operations, financial condition and financial prospects as the Transferee deemed necessary to make an informed investment decision with respect to the purchase of the Bonds.
4. The Transferee is purchasing the Bonds as a vehicle for making a commercial loan for its own loan account and without any present intention of distributing or selling any interest therein or portion thereof. The Transferee may

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only transfer the Bonds without restriction to: (a) an affiliate of the Transferee; or (b) a trust or other custodial arrangement established by the Transferee or one of its affiliates, the owners of any beneficial interest in which are limited to "Accredited Investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, or Qualified Institutional Buyers as that term is defined in Rule 144A of the Securities Exchange Act of 1934, as amended; or (c) an Accredited Investor or a Qualified Institutional Buyer who executes and delivers to the Bond Registrar and Paying Agent a certificate that is substantially in the form of this certificate.

5. The Transferee further hereby acknowledges that (a) the Bonds have not been registered under the Securities Act of 1933, as amended, and have not been registered or otherwise qualified for sale under the securities laws of any state, (b) the Bonds will not be listed on any securities exchange, (c) there is no established market for the Bonds and that none is likely to develop, (d) the offering of the Bonds is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (e) in connection with its purchase of the Bonds, the County has not prepared or caused to be prepared, an official statement, private placement memorandum or other offering document in connection with the sale and purchase of the Bonds, (f) no CUSIP has been requested or obtained for the Bonds, and (g) the acquisition of the Bonds will not be closed through DTC or in book-entry form; or

____ Attached is a true and correct copy of the prior written consent of Pima County, Arizona for the transfer of this Bond, signed by the chief financial officer.

Dated: _____ 20__

[NAME OF TRANSFEREE]

By _____

Printed Name: _____

Title: _____

SPECIMEN

\$25,680,000
PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS,
SERIES 2017

COUNTY TREASURER'S RECEIPT FOR BOND PROCEEDS

I, the undersigned, hereby certify that I am the duly elected and acting Treasurer of Pima County, Arizona (the "County"), and that in connection with the sale and delivery by the County of its \$25,680,000 aggregate principal amount of General Obligation Bonds, Series 2017 (the "Bonds"), issued pursuant to Resolution No. 2016-84, passed, adopted and approved by the Board of Supervisors of the County on December 13, 2016 (the "Bond Resolution"), authorizing and providing for the issuance and ordering the sale of the Bonds, the undersigned has received from JPMorgan Chase Bank, N.A., the sum of \$25,675,500.00, representing the portion of the total purchase price of the Bonds being received by the County.

I do further certify that the proceeds from the sale of the Bonds received by the undersigned have been apportioned and applied to the account established by the Bond Resolution for such proceeds of the Bonds to be used for projects to be financed with such proceeds and to pay costs of issuance.

[Remainder of page left blank intentionally]

Dated: February 1, 2017

PIMA COUNTY, ARIZONA

Beth Ford, County Treasurer

By: Beth Ford

[Signature page of County Treasurer's Receipt for Bond Proceeds]

February 1, 2017

To: Pima County, Arizona
Tucson, Arizona

Ladies and Gentlemen:

We have served as bond counsel to our client Pima County, Arizona (the “County”) and not as counsel to any other person in connection with the issuance by the County of its \$25,680,000 aggregate principal amount of bonds designated the Pima County, Arizona General Obligation Bonds, Series 2017 (the “Bonds”), dated the date of this letter. The Bonds are issued pursuant to Title 35, Chapter 3, Article 3 of the Arizona Revised Statutes, and under the provisions of an authorizing resolution adopted by the Board of Supervisors of the County on December 13, 2016 (the “Bond Resolution”). Capitalized terms not defined in this letter are used as defined in the Bond Resolution. In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond, and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds constitute valid, legal and binding general obligations of the County, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes on all property subject to ad valorem taxes levied by the County, without limitation as to rate or amount to pay the principal and interest on the Bonds. It is required by law that there be levied, assessed and collected, in the same manner as other taxes of the County, an annual tax upon such taxable property in the County sufficient to pay the principal of and interest on the Bonds when due.

2. The interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. The interest on the Bonds is exempt from Arizona state income tax. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the County.

In rendering those opinions with respect to treatment of the interest on the Bonds, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the County. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Respectfully submitted,

Squire Patton Boggs (US) LLP

February 1, 2017

To: Pima County, Arizona
Tucson, Arizona

RBC Capital Markets, LLC
Phoenix, Arizona

JPMorgan Chase Bank, N.A.
Phoenix, Arizona

We have served as bond counsel to our client Pima County, Arizona (the “County”) and not as counsel to any other person in connection with the issuance by the County of its \$25,680,000 aggregate principal amount of General Obligation Bonds, Series 2017 (the “Bonds”), dated the date of this letter.

We have rendered on this date our legal opinion as bond counsel concerning the Bonds (the “Legal Opinion”). This Supplemental Opinion is also being rendered in connection with the issuance and sale of the Bonds. Capitalized terms not otherwise defined in this letter are used as defined in the General Certificate of the County, dated the date hereof.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, the Bond Resolution, the Bond Purchase Agreement, the Placement Agent Agreement and the Bond Registrar and Paying Agent Agreement (the Bond Purchase Agreement, the Placement Agent Agreement and the Bond Registrar and Paying Agent Agreement are hereinafter referred to as the “County Documents”) and such other documents, matters and law as we deem necessary to render the opinions and advice set forth in this letter.

The addressees of this letter may rely upon the Legal Opinion as if it were addressed to the them.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The County is duly organized and validly existing as a political subdivision under the laws of the State with powers specifically required for the purpose of the issuance and sale of the Bonds, specifically Title 35, Chapter 3, Article 3 of the Arizona Revised

- Statutes (the “Act”), and has a full legal right, power and authority under the Act to adopt the Bond Resolution and under the Act and the Bond Resolution (a) to enter into, execute and deliver the County Documents and all documents required thereunder to be executed and delivered by the County, (b) to sell, issue and deliver the Bonds to the Purchaser as provided in the Bond Purchase Agreement and (c) to carry out and consummate the transactions contemplated by the County Documents and the County has complied in all respects with the terms of the Act.
2. By all necessary official action of the County, the County has duly authorized all necessary action to be taken by it for (a) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (b) the approval, execution and delivery of, and the performance by the County of the obligations on its part contained in, the Bonds and the County Documents, and (c) the consummation by it of all other transactions contemplated by the County Documents.
 3. The Bond Resolution was duly and validly adopted by the County and is in full force and effect and the Bond Resolution has been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the County and in compliance with the Constitution and laws of the State, including the Act.
 4. The County Documents have been duly authorized, executed and delivered by the County, and constitute legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms.
 5. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the County of its obligations under the County Documents and the Bonds, have been obtained.
 6. The Bonds are exempted securities under the Securities Act of 1933, as amended (the “1933 Act”), and the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”) and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Bond Resolution under the Trust Indenture Act.

The opinions and advice stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon: (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those

Pima County, Arizona
RBC Capital Markets, LLC
JPMorgan Chase Bank, N.A.
February 1, 2017
Page 3

Squire Patton Boggs (US) LLP

documents upon, any parties other than the County and (iii) the correctness of the legal conclusions contained in the legal opinion letters of counsel to the County delivered in connection with this matter.

The rights of the parties under the County Documents and Bond Resolution and the enforceability of the County Documents and Bond Resolution are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

This letter is furnished to each of the Purchaser and the Placement Agent solely for their benefit in their capacity as Purchaser and Placement Agent, respectively, in connection with the original issuance of the Bonds and may not be relied upon for any other purpose or by any other person, including the subsequent holders, owners or beneficial owners of the Bonds. The opinions and advice in this letter are stated only as of this date, and no other opinion or advice shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Respectfully submitted,





OFFICE OF THE
Pima County Attorney
Civil Division
32 NORTH STONE AVENUE
SUITE 2100
Tucson, Arizona 85701-1412
(520) 740-5750
FAX (520) 620-6556

Barbara LaWall
PIMA COUNTY ATTORNEY

February 1, 2017

JPMorgan Chase Bank, N.A.
Phoenix, Arizona

RBC Capital Markets, LLC
Phoenix, Arizona

Squire Patton Boggs (US) LLP
Phoenix, Arizona

This opinion is given in connection with the issuance by the County of its \$25,680,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2017 (the "Bonds"). Capitalized terms used herein which are not otherwise defined herein shall have the meaning set forth in the General Certificate of the County, dated as of this date.

Pursuant to existing laws, regulations and rulings, it is my opinion that:

1. The County is duly organized and validly existing as a political subdivision pursuant to the laws of the State of Arizona.

2. Except as disclosed on Exhibit A, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the County, after due inquiry, threatened against the County, affecting the corporate existence of the County or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale issuance or delivery of the Bonds or the levying, assessment and collection of the property taxes securing the payment of principal of and interest on, the Bonds pursuant to the Resolution or in any way contesting or affecting the validity or enforceability of the Bonds or the County Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or State income tax purposes, or contesting the powers of the County or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the County Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the County Documents or have a material, adverse effect on the financial condition of the County.

3. The adoption of the Resolution and the execution and delivery of the County Documents and compliance by the County with the provisions thereof, under the circumstances contemplated therein, will not conflict with or constitute on the part of the County a material breach of or a default under any agreement or instrument to which the County is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the County is subject.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Regina Nassen", with a large, sweeping flourish at the end.

Regina Nassen
Deputy County Attorney

EXHIBIT A

Other Litigation; Self-Insurance or Commercial Insurance Coverage. The County has been named as a defendant in several lawsuits for which the County believes either that it has adequate self-insurance or insurance coverage in the event of liability or that such liability would not otherwise materially and adversely affect the financial condition of the County. In one such matter, the County is currently defending a lawsuit filed against it, and others, in federal court in April 2016 by a plaintiff who alleges he was wrongfully imprisoned for 42 years. The plaintiff has made various State and federal-law claims and is seeking damages in excess of \$40 million. The County believes that it has meritorious defenses against all claims and is vigorously defending the lawsuit. The County is also determining whether the claim, if it is ultimately successful in whole or in part, is covered by any commercial liability insurance policies covering the County. If there is no available coverage, and if and to the extent the claim is successful, damages would be paid from the County's self-insurance trust.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name Pima County, Arizona		2 Issuer's employer identification number (EIN) 86 6000543
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 130 West Congress, 6th Floor	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Tucson, AZ 85701		7 Date of issue 02/01/2017
8 Name of issue General Obligation Bonds, Series 2017		9 CUSIP number N/A
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Keith Dommer, Finance and Risk Management Director		10b Telephone number of officer or other employee shown on 10a 520-724-8496

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ► General Governmental Purposes	18	25,680,000 00
19 If obligations are TANs or RANs, check only box 19a ► <input type="checkbox"/>		
If obligations are BANs, check only box 19b ► <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box ► <input type="checkbox"/>		

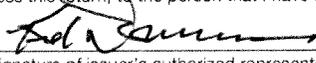
Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2021	\$ 25,680,000	\$ 25,680,000	2.5232 years	1.8302 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest	22			0
23	Issue price of entire issue (enter amount from line 21, column (b))	23			25,680,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	179,326	00	
25	Proceeds used for credit enhancement	25	0		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27	Proceeds used to currently refund prior issues	27	0		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)	29	179,326	00	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	25,500,674	00	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the bonds to be currently refunded ►	_____ years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ►	_____ years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ►	_____
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	_____

Part VI Miscellaneous

- | | | |
|-----|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b Enter the final maturity date of the GIC ▶ _____
- c Enter the name of the GIC provider ▶ _____
- 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b Enter the date of the master pool obligation ▶ _____
- c Enter the EIN of the issuer of the master pool obligation ▶ _____
- d Enter the name of the issuer of the master pool obligation ▶ _____
- 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶
- 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
- 41a If the issuer has identified a hedge, check here and enter the following information:
- b Name of hedge provider ▶ _____
- c Type of hedge ▶ _____
- d Term of hedge ▶ _____
- 42 If the issuer has superintegrated the hedge, check box ▶
- 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶
- 44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
- 45a If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	2/1/2017 Date	Keith Dommer, Finance Director Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	John W. Hutchinson		2/1/2017	PTIN P01065270
	Firm's name ▶ Squire Patton Boggs (US) LLP	Firm's EIN ▶ 34-0648199		Phone no. (212) 872-9821
	Firm's address ▶ 30 Rockefeller Plaza, New York, New York 10112			

CERTIFICATE OF MAILING

I hereby certify and declare that I deposited in the United States mail, postage prepaid, certified mail, return receipt requested (Certified No. 9171 9690 0935 0136 2454 57) the Form 8038-G, Information Return for Tax-Exempt Governmental Obligations for the above-captioned financing addressed to the Internal Revenue Service Center, Ogden, Utah 84201, on February 17, 2017.



Timothy D. Pickrell



Squire Patton Boggs (US) LLP
1 E. Washington St., Suite 2700
Phoenix, Arizona 85004

O +1 602 528 4000
F +1 602 253 8129
squirepattonboggs.com

Timothy E. Pickrell
T +1 602 528 4031
timothy.pickrell@squirepb.com

February 17, 2017

Via Certified Mail

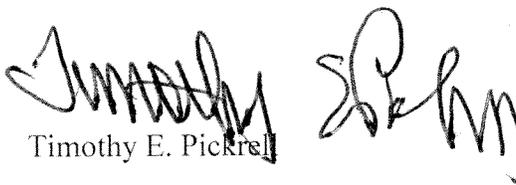
Internal Revenue Service Center
Ogden, Utah 84201

Re: \$25,680,000 Pima County, Arizona
General Obligation Bonds, Series 2017

Ladies and Gentlemen:

On behalf of Pima County, Arizona enclosed is Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Sincerely,



Timothy E. Pickrell

TEP:wa
Enclosure

Certified No. 9171 9690 0935 0136 2454 57

46 Offices in 21 Countries

Squire Patton Boggs (US) LLP is part of the international legal practice Squire Patton Boggs, which operates worldwide through a number of separate legal entities. Please visit squirepattonboggs.com for more information.

010-8422-3496/1

9171 9690 0935 0136 2454 57

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL™



9171 9690 0935 0136 2454 57

9171 9690 0935 0136 2454 57



UNITED STATES
POSTAL SERVICE

Date: March 1, 2017

Squire Patton Boggs:

The following is in response to your March 1, 2017 request for delivery information on your Certified Mail™ item number 9171969009350136245457. The delivery record shows that this item was delivered on February 21, 2017 at 11:00 am in OGDEN, UT 84201. The scanned image of the recipient information is provided below.

Signature of Recipient :

M Ansley

Address of Recipient :

IRS 84201

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

**Report of Bond and Security Issuance
Pursuant to A.R.S. § 35-501B**

This information is due to the Arizona State Treasurer's Office within 60 days of the issue.

1. Jurisdiction: Pima County, Arizona	
2. Issue name / title: General Obligation Bonds, Series 2017	
3. Dated Date: 02/01/2017 Closing Date: 02/01/2017	<i>If multipurpose and is subject to more than one debt limit, please designate appropriate portion.</i> 4. Par amount: \$25,680,000
5. Overall Interest rate (TIC OR NIG): 2.046007%	6. Type of Bond or Security: General Obligation
7. Repayment sources: ad valorem property taxes to be levied on all taxable property within the County	
8. Total amount outstanding: \$ 341,300,000	9. Total amount outstanding of senior or subordinate bonds: N.A.
10. Original issue price: Attach Schedule 1 a. Par Amount (Principal Amount) \$25,680,000.00	11. Total limitations (Constitutional or Statutory) on the type of bonds/securities issued: <i>If multipurpose and is subject to more than one limitation provide information for each limitation.</i> For General Obligation Bonds: 15% a. Secondary net assessed value: \$8,262,664,502 b. Debt limit percentage: 15% c. Total debt limit: \$1,239,399,675
b. Original Issue Discount (-) -0-	
c. Premium Amount (+) -0-	
d. Original Issue Price (=) \$25,680,000.00	
e. Underwriter and/or Placement Agent Compensation (Discount)(-) \$134,820.00	
f. Net Proceeds (=) \$25,545,180.00	
14. Remaining authorized amount: -0-	12. Available debt limit: \$872,419,675 13. Total amount authorized: \$915,230,000 15. If voter authorized, Election dates: Election dates: May 20, 1997 (\$256,980,000), May 18, 2004 (\$582,250,000), May 16, 2006 (\$54,000,000) and November 4, 2014 (\$22,000,000)

16. Attach a detailed listing of Issue Cost.

17. Attach the Debt Service Schedule.

18. Attach Form 8038.

19. Attach Final Official Statement.

Signature

Date

Political Subdivision Contact Name, address, phone number

Trustee name, address and phone number

Keith Dommer, Finance & Risk Mngt. Director

Keith Henselen, Vice President

Pima County Finance Department

U.S. Bank National Association

130 West Congress, 6th Floor

101 North First Avenue, Suite 1600

Tucson, Arizona 85701

Phoenix, Arizona 85003

(520) 724-8496

(602) 257-5331

Submit this form with attachments within 60 days of issuance to:
Arizona State Treasurer's Office
Office of Project and Research
1700 W. Washington St.
Phoenix, AZ 85007

ATTACHMENT TO
REPORT OF BOND AND SECURITY ISSUANCE

Costs of Issuance

Bond Counsel	\$ 31,816
Placement Agent	\$134,820
Placement Agent Counsel	\$ 7,500
Purchaser's Counsel	\$ 4,500
Initial Bond Registrar/Paying Agent	\$ 690
TOTAL	<u>\$179,326</u>

ATTACHMENT TO
REPORT OF BOND AND SECURITY ISSUANCE

No Official Statement for this transaction.



Squire Patton Boggs (US) LLP
1 E. Washington St., Suite 2700
Phoenix, Arizona 85004

O +1 602 528 4000
F +1 602 253 8129
squirepattonboggs.com

Timothy E. Pickrell
T +1 602 528 4031
timothy.pickrell@squirepb.com

February 17, 2017

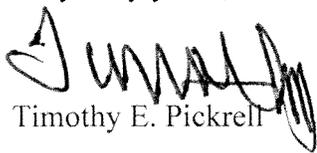
Arizona State Treasurer's Office
Office of Project and Research
1700 W. Washington Street
Phoenix, Arizona 85003

Re: \$25,680,000 Pima County, Arizona
General Obligation Bonds, Series 2017

Ladies and Gentlemen:

On behalf of Pima County, Arizona, enclosed is the Report of Bond and Security Issuance Pursuant to A.R.S. §35-501B, for the above-referenced financing.

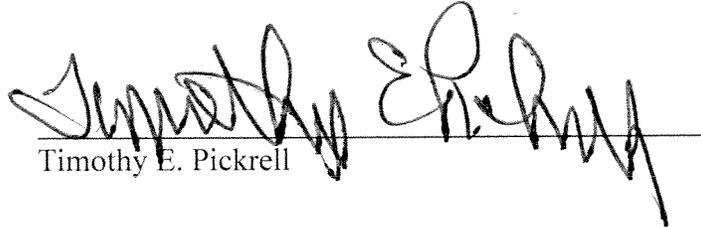
Very truly yours,


Timothy E. Pickrell 

TEP:wa
Enclosures

CERTIFICATE OF MAILING

I hereby certify and declare that I deposited in the United States mail, postage prepaid, the Report of Bond and Security Issuance Pursuant to A.R.S. §35-501B for the above-captioned financing addressed to the Arizona State Treasurer's Office, Office of Project and Research, 1700 W. Washington Street, Phoenix, AZ 85007, on February 17, 2017.



Timothy E. Pickrell

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS AS INDICATED HEREIN

PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BOND
SERIES 2017

Registered
Number: R-1

Registered
Denomination: \$25,680,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>
1.83%	July 1, 2021	February 1, 2017

Registered Owner: JPMORGAN CHASE BANK, N.A.

Principal Amount: TWENTY-FIVE MILLION SIX HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS

PIMA COUNTY, ARIZONA (the "County"), for the value received hereby promises to pay to the registered owner identified above, or registered assignee 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 mandatory sinking fund redemption prior to maturity in accordance with the terms set forth herein.

Interest is payable on January and July of each year, commencing July 1, 2017, 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 (except that due at maturity) and mandatory sinking fund redemption payments will be paid without presentation 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 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 maturing principal amount (and interest due on that date) will be paid when due by check payable to the order of 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 \$25,680,000 of like tenor, except as to 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 2 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 are subject to mandatory sinking fund redemption prior to maturity on July 1 in the years and principal amounts set forth below, 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, as follows:

<u>Year</u>	<u>Principal Amount</u>
2017	\$4,250,000
2018	2,035,000
2019	8,085,000
2020	9,350,000
2021 (maturity)	1,960,000

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 will require an owner, among other things, to furnish appropriate endorsements and transfer documents, including an executed Certificate of Transferee in the form attached to this bond, 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 or wired, as applicable, 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 \$100,000 each or integral multiples of \$5,000 in excess thereof, provided that bonds may be in a denomination of less than \$100,000 if necessary to accommodate redemptions. 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 shall 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

Sharon Benson

Chair, Board of Supervisors

ATTEST:

[Signature]
Clerk, Board of Supervisors

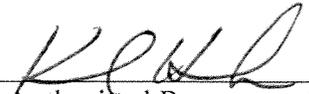
SPECIMEN

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: February 1, 2017

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By: 
Authorized Representative

SPECIMEN

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.

CERTIFICATE OF TRANSFEREE

The undersigned _____, (the "Transferee") certifies as indicated below to U.S. Bank National Association, as bond registrar and paying agent, or its successors (the "Bond Registrar and Paying Agent") in connection with the transfer of Bond Numbered R-____, representing \$_____ aggregate principal amount of Pima County, Arizona General Obligation Bonds, Series 2017 (the "Bonds") from the current registered owner (the "Transferor") to the Transferee:

_____ The Transferee is an affiliate of the Transferor under a common parent corporation; or

_____ The Transferee is a trust or other custodial arrangement established by the Transferor or one of its affiliates, the owners of any beneficial interest in which are limited to "Accredited Investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, or "Qualified Institutional Buyers" as that term is defined in Rule 144A of the Securities Exchange Act of 1934, as amended; or

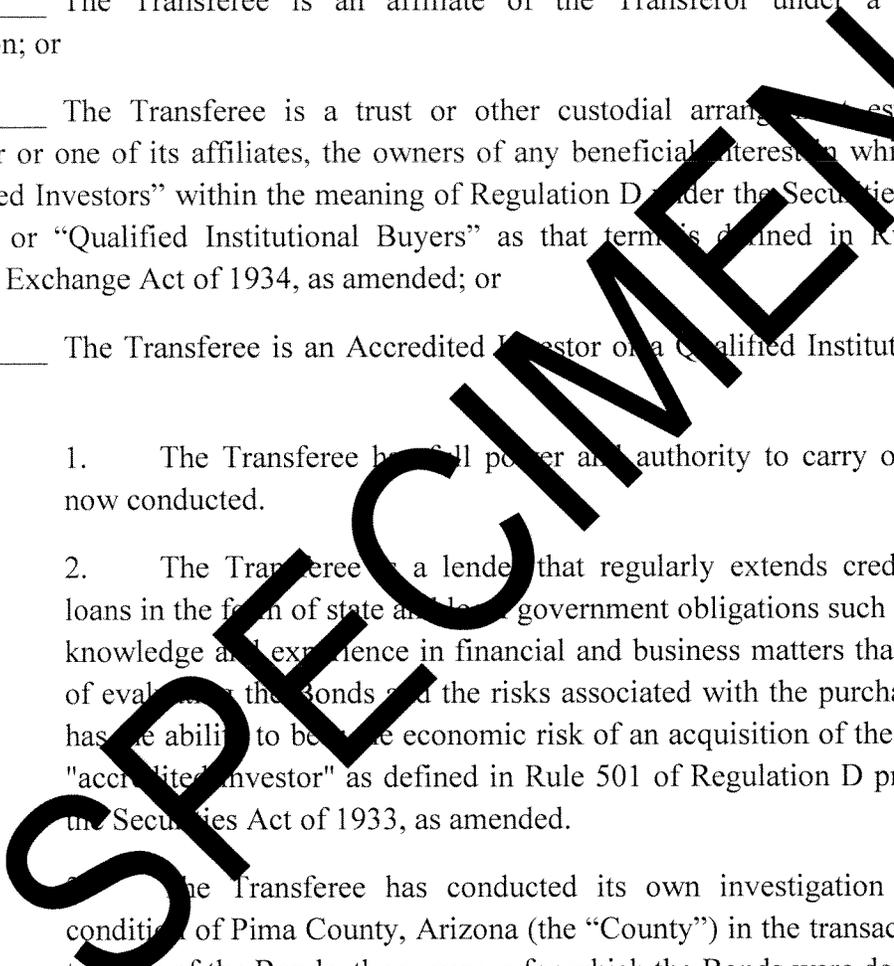
_____ The Transferee is an Accredited Investor or a Qualified Institutional Buyer who certifies:

1. The Transferee has full power and authority to carry on its business as now conducted.

2. The Transferee is a lender that regularly extends credit by purchasing loans in the form of state and local government obligations such as the Bonds; has knowledge and experience in financial and business matters that make it capable of evaluating the Bonds and the risks associated with the purchase of the Bonds; has the ability to bear the economic risk of an acquisition of the Bonds; and is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.

3. The Transferee has conducted its own investigation of the financial condition of Pima County, Arizona (the "County") in the transaction effecting the transfer of the Bonds, the purposes for which the Bonds were delivered and of the security for the payment of the principal of and interest on the Bonds, and has obtained such information regarding the Bonds and the County and its operations, financial condition and financial prospects as the Transferee deemed necessary to make an informed investment decision with respect to the purchase of the Bonds.

4. The Transferee is purchasing the Bonds as a vehicle for making a commercial loan for its own loan account and without any present intention of distributing or selling any interest therein or portion thereof. The Transferee may



only transfer the Bonds without restriction to: (a) an affiliate of the Transferee; or (b) a trust or other custodial arrangement established by the Transferee or one of its affiliates, the owners of any beneficial interest in which are limited to "Accredited Investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, or Qualified Institutional Buyers as that term is defined in Rule 144A of the Securities Exchange Act of 1934, as amended; or (c) an Accredited Investor or a Qualified Institutional Buyer who executes and delivers to the Bond Registrar and Paying Agent a certificate that is substantially in the form of this certificate.

5. The Transferee further hereby acknowledges that (a) the Bonds have not been registered under the Securities Act of 1933, as amended, and have not been registered or otherwise qualified for sale under the securities laws of any state, (b) the Bonds will not be listed on any securities exchange, (c) there is no established market for the Bonds and that none is likely to develop, (d) the offering of the Bonds is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (e) in connection with its purchase of the Bonds, the County has not prepared or caused to be prepared, an official statement, private placement memorandum or other offering document in connection with the sale and purchase of the Bonds, (f) no CUSIP has been requested or obtained for the Bonds, and (g) the acquisition of the Bonds will not be closed through DTC or in book-entry form; or

_____ Attached is a true and correct copy of the prior written consent of Pima County, Arizona for the transfer of these Bonds signed by its chief financial officer.

Dated: _____, 20____

[NAME OF TRANSFEREE]

By _____

Printed Name: _____

Title: _____



FINAL

SETTLEMENT, DELIVERY & CLOSING PROCEDURES

ISSUE: \$25,680,000
Pima County, Arizona
General Obligation Bonds
Series 2017 (the “Bonds”)

BONDS DATED: February 1, 2017

INTEREST PAYMENT DATES: Interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2017.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES: The Bonds, in the full principal amount of \$25,680,000, mature on July 1, 2021 and bear interest at a fixed single rate of interest of 1.83%. The Bonds are subject to mandatory redemption on July 1 of the following years in the following amounts:

July 1, 2017	\$4,250,000
July 1, 2018	2,035,000
July 1, 2019	8,085,000
July 1, 2020	9,350,000
July 1, 2021 (maturity)	1,960,000

A debt service schedule for the Bonds is provided on Exhibit A.

PRE-CLOSING MATTERS: On January 31st between 9:30 a.m. and 11:30 a.m., the Purchaser will contact the County (Michelle Campagne) to confirm wiring instructions.

Final closing documents will be available to be reviewed at the offices of the Bond Counsel or as a result of electronic distribution of final versions of such documents.

CLOSING: The Closing will be held on **Wednesday, February 1, 2017**. The Purchaser will confirm when the wire to purchase the Bonds has been sent, and the County will confirm receipt. Once all funds have cleared and been accounted for, Bond Counsel will notify all parties that the issue has closed.

PARTICIPANTS: The financing participants are listed on Exhibit B.

REGISTRATION & AUTHENTICATION After the Bonds have been registered and executed, U.S. Bank National Association (the “Bond Registrar and Paying Agent”) will authenticate the Bonds in the form of a single physical Bond fully registered to JPMorgan Chase Bank, N.A. (the “Purchaser”).

**SETTLEMENT
INSTRUCTIONS:**

Payment to County	\$25,675,500.00
Payment of Bank Counsel Fees	<u>4,500.00</u>
Purchase Price	<u>\$25,680,000.00</u>

FLOW OF FUNDS:

Prior to the delivery of the Bonds on the day of closing, the Purchaser (JPMorgan Chase Bank, N.A.) will:

- (1) Wire transfer **\$25,675,500.00** in federal or immediately available funds to the **Pima County Treasurer's Office** (the "County Treasurer"), as follows:

Bank of America
201 E Washington
Phoenix, AZ 85004
Routing Transit No.: 026009593
Account Title: Pima County Treasurer
Account Number: 412724156
Reference: PC GO Bonds 2017
Attention: Beth Ford

Confirmation on sending the wire and of the receipt of such funds will be made on the morning of closing with Bin Luo at the Pima County Treasurer's Office at (520) 724-8824.

- (2) Wire transfer **\$4,500.00** to the Bank's counsel, **Chapman & Cutler LLP**, as follows:

Zions Bank
Routing No.: 124000054
Credit to: Chapman & Cutler LLP
Account Number: 002170025
Invoice/Matter No.: 8708026

USES:

The \$25,675,500.00 in proceeds received by the County Treasurer (consisting of the purchase price of \$25,680,000 net of \$4,500 wired by the Purchaser directly to the counsel for the Purchaser) will be used for project costs and to pay the remaining costs of issuance of the Bonds.

**DELIVERY
INSTRUCTIONS:**

When all parties are satisfied that all monies have been transferred and that documentation is in order, the loan to purchase the Bonds will be closed and the Bond evidencing the loan will be released to the Purchaser.

SIGNATURE:



Keith Dommer
Director, Finance and Risk Management
Pima County, Arizona

Exhibit A**PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2017**

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
07/01/2017	\$4,250,000	\$195,810.00	\$4,445,810.00	\$4,445,810.00
01/01/2018		196,084.50	196,084.50	
07/01/2018	2,035,000	196,084.50	2,231,084.50	2,427,169.00
01/01/2019		177,464.25	177,464.25	
07/01/2019	8,085,000	177,464.25	8,262,464.25	8,439,928.50
01/01/2020		103,486.50	103,486.50	
07/01/2020	9,350,000	103,486.50	9,453,486.50	9,556,973.00
01/01/2021		17,934.00	17,934.00	
07/01/2021	1,960,000	17,934.00	1,977,934.00	1,995,868.00
TOTAL	\$25,680,000	\$1,185,748.50	\$26,865,748.50	\$26,865,748.50

**PIMA COUNTY, ARIZONA
GENERAL OBLIGATION BONDS, SERIES 2017**

DISTRIBUTION LIST

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County Attorney's Office
130 West Congress
Tucson, Arizona 85701

Regina Nassen
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PIMA COUNTY TREASURER

Pima County Treasurer's Office
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BOND REGISTRAR & PAYING AGENT

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Keith Henselen
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