

**PIMA COUNTY, ARIZONA
SEWER REVENUE BONDS
CASH DEFEASANCE**

Closing: May 3, 2018

CLOSING DOCUMENTS LIST

TERMS USED HEREIN

County	Pima County, Arizona
Bond Counsel	Squire Patton Boggs (US) LLP
Financial Advisor	RBC Capital Markets, LLC
Depository Trustee	The Bank of New York Mellon Trust Company, N.A.

DOCUMENTS:

	<u>Item No.</u>
Certified copy of Resolution No. 1991-138, adopted by the Board of Supervisors of the County (the “Board”) on June 18, 1991, as amended by Resolution No. 1991-182, adopted August 6, 1991, and supplements thereto	1
Certified copy of Resolution No. 2018-16 (the “Resolution”) adopted by the Board on March 20, 2018	2
Depository Trust Agreement, dated as of May 3, 2018, between the County and the Depository Trustee	3
Report of Grant Thornton LLP, dated May 3, 2018, regarding the sufficiency of the Depository Trust and the yield on the Escrowed Obligations and the Government Obligations	4
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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
RBC Capital Markets, LLC	1
Squire Patton Boggs (US) LLP	1
The Bank of New York Mellon Trust Company, N.A.	1

RESOLUTION NO. 1991-138

AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$60,000,000 PRINCIPAL AMOUNT OF PIMA COUNTY, ARIZONA SEWER REVENUE REFUNDING BONDS, SERIES 1991

Passed and adopted by the Pima County Board of Supervisors on June 18, 1991

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RESOLUTION NO. 1991-138

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$60,000,000 PRINCIPAL AMOUNT OF PIMA COUNTY, ARIZONA SEWER REVENUE REFUNDING BONDS, SERIES 1991; PRESCRIBING THE FORM AND OTHER DETAILS OF SAID BONDS; PROVIDING FOR THE COLLECTION AND DISPOSITION OF THE REVENUES TO BE DERIVED FROM THE COUNTY'S SEWER SYSTEM; MAKING OTHER PROVISIONS WITH RESPECT TO THE OPERATION OF SAID SEWER SYSTEM; PROVIDING FOR THE SECURITY AND PAYMENT OF SAID BONDS; AUTHORIZING THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING OF THE SECURITIES PURCHASED WITH THE PROCEEDS OF THE BONDS; AUTHORIZING THE EXECUTION OF A REGISTRAR, TRANSFER AND PAYING AGENT AGREEMENT; AUTHORIZING THE PURCHASE OF BOND AND RESERVE FUND INSURANCE OR GUARANTIES; APPROVING THE DISTRIBUTION OF A FINAL OFFICIAL STATEMENT; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE COUNTY WITH RESPECT TO THE BONDS AND THE PRELIMINARY OFFICIAL STATEMENT.

WHEREAS, pursuant to Title 11, Chapter 2, Article 4, Arizona Revised Statutes, as amended, Pima County, Arizona (the "County") will refund the following respective maturities and amounts of the County's revenue bonds issued for sewer purposes:

Pima County, Arizona, Sewer Revenue Bonds, Series 1980, dated February 1, 1980

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1992	\$ 445,000	8.00%
1993	480,000	8.00%
1994	515,000	8.00%
1995	555,000	7.00%
2010	16,345,000	7.70%

Pima County, Arizona, Sewer Revenue Bonds, Series 1984, dated April 1, 1984

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1992	250,000	11.50%
1993	250,000	11.50%
1994	250,000	11.50%
1995	300,000	11.50%
1996	300,000	11.50%
1997	325,000	10.10%
1998	325,000	9.50%
1999	1,300,000	9.50%
2000	1,425,000	9.60%
2001	1,575,000	9.60%
2002	1,750,000	9.70%

Pima County, Arizona, Sewer Revenue Refunding Bonds, Series 1985, dated December 1, 1985

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1992	470,000	7.00%
1993	510,000	7.25%
1994	570,000	7.50%
1995	605,000	7.70%
1996	660,000	7.80%
1997	715,000	7.90%
1998	815,000	8.00%

Pima County, Arizona, Sewer Revenue Bonds, Project of 1985, dated April 1, 1986

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1992	340,000	8.40%
1993	370,000	8.40%
1994	405,000	8.00%
1995	435,000	6.40%
1996	475,000	6.50%
1997	515,000	6.65%
1998	560,000	6.75%
1999	610,000	6.90%
2000	665,000	7.00%
2001	720,000	7.10%
2002	785,000	7.10%
2003	850,000	7.20%
2004	925,000	7.20%
2005	1,005,000	6.40%

Pima County, Arizona, Sewer Revenue Bonds, Project of 1986, Series A (1986), dated October 1, 1986

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1992	350,000	8.25%
1993	375,000	8.25%
1994	400,000	8.25%
1995	425,000	8.25%
1996	450,000	6.70%
1997	475,000	6.40%
1998	525,000	6.60%
1999	550,000	6.70%
2000	600,000	6.80%
2001	650,000	6.90%
2002	700,000	6.90%

2003	750,000	7.00%
2004	800,000	7.00%
2005	875,000	6.25%
2006	925,000	6.25%

Pima County, Arizona, Sewer Revenue Bonds, Series of 1988,
dated March 1, 1988

<u>Maturity Date (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1992	290,000	8.75%
1993	310,000	8.75%
1994	330,000	8.75%
1995	355,000	8.75%
1996	380,000	8.75%
1997	405,000	7.70%
1998	435,000	6.75%
1999	470,000	6.80%
2000	505,000	7.00%
2001	540,000	7.10%
2002	585,000	7.20%
2003	630,000	7.25%
2004	680,000	7.30%
2005	735,000	7.00%
2006	795,000	7.00%
2007	860,000	7.00%
2008	930,000	7.00%

The foregoing revenue bonds are hereinafter referred to as the
"Bonds Being Refunded"; and

WHEREAS, the Bonds will be sold to a syndicate
managed by Rauscher Pierce Refsnes, Inc. (collectively, the
"Purchaser"); and

WHEREAS, by this resolution, this Board of
Supervisors (the "Board") will authorize and provide for the
issuance and sale of not to exceed \$60,000,000 principal
amount of Pima County, Arizona Sewer Revenue Refunding Bonds,
Series 1991 to advance refund the Bonds Being Refunded, set
the maximum interest rate thereon, maximum term of the Series
1991 Bonds, maximum principal amount of Bonds to be issued and
authorize the Chairman to accept an offer of the Purchasers
(the "Offer") to purchase the Bonds and to execute the Bond
Purchase Contract binding the County to issue and deliver the
Bonds if the Offer is within the maximum amounts, terms and
rates prescribed herein and the Chairman determines it to be
in the County's best interest to accept the Offer; and

WHEREAS, all acts, conditions and things required by
the Constitution and the laws of the State of Arizona (the
"State") to happen, exist and be performed precedent to and in

the adoption of this resolution have happened, exist and have been performed as required to make this resolution a valid and binding instrument for the security of the Bonds authorized herein; and

WHEREAS, this Board is now empowered to proceed with the issuance and sale of the Bonds;

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

Section 1. Authority. The Bonds authorized herein are issued pursuant to Section 11-264.01, Arizona Revised Statutes, as amended, and other applicable provisions of law. This resolution will stay in full force and effect until all Bonds authorized hereunder are fully paid or provided for and all Policy Costs shall have been paid in full.

Section 2. Definitions; Interpretation.

A. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

"Accreted Value" shall mean, with respect to Capital Appreciation Bonds, as of the date of calculation, the initial principal amount thereof plus interest accrued thereon to such calculation date, compounded from the date of initial delivery at the interest rate thereof on stated dates, as set forth in the resolution authorizing the issuance of such Capital Appreciation Bonds.

"Agreement" shall mean any agreement between a Reserve Fund Guarantor and the County, pertaining to a Reserve Fund Guarantor's reimbursement in the event of a Drawdown, as such Agreement may be amended, modified or supplemented from time to time.

"Assumed Interest Rate" shall mean an interest rate for Variable Rate Obligations at the computation date computed to be the lesser of (i) the maximum rate which Bonds of such series may bear under the terms of their issuance or (ii) the rate of interest then established for long-term bonds by the 30-year revenue bond index most recently published by The Bond Buyer of New York, New York prior to the date of computation (or in the absence of such published index, some other index selected in good faith by the Finance Director of the County after consultation with one or more reputable, experienced investment bankers as being equivalent thereto).

"Average Annual Debt Service" shall mean, at the time of computation, the average of each Bond Year's aggregate scheduled Bond principal and interest requirements; when

computing Average Annual Debt Service, Variable Rate Obligations shall be deemed to bear interest at the Assumed Interest Rate and Bonds subject to mandatory redemption shall be treated as maturing on their respective mandatory redemption dates and not at their stated maturity date and interest shall be deemed to cease on Bonds subject to mandatory redemption at the scheduled mandatory redemption dates.

"Beneficial Owner" shall mean the owner of any beneficial interest in any Book-Entry Bond as shown on the records of any Direct or Indirect Participant.

"Board" shall mean the Board of Supervisors of the County.

"Bond Fund" shall mean the Bond Fund created pursuant to Section 10 hereof.

"Bond Insurer" shall mean an issuer of a Municipal Bond Insurance Policy pertaining to the Bonds or any part thereof.

"Bond Register" shall mean the registration books pertaining to the ownership and transfer of the Bonds maintained by the Bond Registrar on behalf of the County.

"Bond Registrar" shall mean The Valley National Bank of Arizona, or its successor as bond registrar.

"Bonds" shall mean the Pima County, Arizona Sewer Revenue Refunding Bonds, Series 1991, authorized to be issued herein and all Parity Bonds.

"Bond Year" shall mean initially the period from the date of the Series 1991 Bonds to July 1, 1992, and thereafter the one-year period commencing each July 2 and ending on the next forthcoming July 1. A Bond Year shall correspond to the Fiscal Year beginning on July 1 of the same year and ending on June 30 of the next year.

"Book-Entry Bonds" shall mean, initially, all Series 1991 Bonds and such other series or portion of a series of Parity Bonds which are hereafter designated by the County as Book-Entry Bonds.

"Capital Appreciation Bonds" shall mean Parity Bonds whose interest component is compounded semiannually on stated dates until maturity or to a date on which such Capital Appreciation Bonds are converted to Bonds paying interest semiannually, if so permitted or required.

"Capitalized Reserve Account" shall mean the Capitalized Reserve Account created pursuant to Section 10 hereof.

"Chairman" means the Chairman of the Board.

"Clerk" shall mean the Clerk of the Board.

"Construction Fund" shall mean the Construction Fund created pursuant to Section 10 hereof.

"Contributed Reserve Account" shall mean the Contributed Reserve Account created pursuant to Section 10 hereof.

"County" shall mean Pima County, Arizona.

"Deficiency" shall mean the difference between (i) the total amount due on a principal or interest payment date for the Bonds and (ii) the amount that has been deposited in the Bond Fund for payment to the Owners (which amount shall not include payments made pursuant to a Municipal Bond Insurance Policy or a Reserve Fund Guaranty but shall include all moneys transferred from the Reserve Fund to the Bond Fund or available in the Reserve Fund for such transfer).

"Depository Trust Agreement" shall mean the agreement between the County and The Valley National Bank of Arizona, as Trustee, regarding the holding in trust of the securities purchased to secure payment of the Bonds Being Refunded and other matters.

"Direct Participant" or "DTC Participant" shall mean any broker-dealer, bank or other financial institution for which the DTC holds Book-Entry Bonds from time to time as a securities depository.

"Drawdown" shall mean any amount drawn by the Paying Agent under any Reserve Fund Guaranty.

"Drawdown Date" shall mean the date on which the Paying Agent makes a Drawdown.

"DTC" shall mean the Depository Trust Company, the depository for the Book-Entry Bonds.

"Finance Director" shall mean the Pima County Finance Director.

"Fiscal Year" shall mean the twelve month period beginning each July 1 and ending on June 30th of the next succeeding year.

"Government Obligations" shall mean (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, (ii) obligations issued by either the Resolution Trust Corporation or the Resolution Funding Corporation, the payment of which is ultimately backed by the United States Treasury; and (iii) pre-refunded municipal obligations meeting the following criteria:

- (a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;
- (b) the municipal obligations are secured by cash or securities described in subparagraphs (i) and (ii) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal and premium payments of such municipal obligations;
- (c) the principal of and interest on the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;
- (d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and
- (e) the Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

"Indirect Participant" shall mean any financial institution for whom any Direct Participant holds an interest in a Book-Entry Bond.

"Maximum Annual Debt Service" shall mean, at the time of computation, the greatest scheduled Bond principal and interest requirements occurring in the then-current, or any subsequent, Bond Year on all Bonds Outstanding; when computing Maximum Annual Debt Service, Variable Rate Obligations shall be deemed to bear interest at the Assumed Interest Rate and Bonds subject to mandatory redemption shall be treated as maturing on their respective mandatory redemption dates and not at their stated maturity date and interest shall be deemed to cease on Bonds subject to mandatory redemption at the scheduled mandatory redemption dates.

"Municipal Bond Insurance Policy" shall mean any Municipal Bond Insurance Policy insuring the payment of the principal of and interest on all or any part of the Bonds according to their terms.

"Net Revenues" shall mean Revenues remaining after deducting Operating Expenses.

"Operating Expenses" shall mean the reasonable and necessary costs of System operation, maintenance, and repair, including salaries, wages, cost of materials and supplies, and insurance, but shall exclude depreciation, payments into the Bond Fund, the Reserve Fund, the Reimbursement Fund and the Rebate Fund.

"Outstanding" or "Outstanding Bonds" when used with reference to the Bonds, shall mean, as of any determination date, all Bonds theretofore authenticated and delivered except:

(a) Bonds theretofore cancelled or delivered for cancellation;

(b) Bonds that are deemed paid and no longer Outstanding as provided herein; and

(c) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen, lost or mutilated, unless evidence satisfactory to the County Treasurer has been received that any such Bond is owned by a bona fide purchaser.

"Owner", except as provided in Section 17(B), shall mean any person who shall be the registered owner of any Bond or Bonds Outstanding (including, with respect to a Book-Entry Bond, DTC or a successor depository).

"Parity Bonds" shall mean any additional Bonds issued in accordance with Section 13 hereof.

"Paying Agent" shall mean The Valley National Bank of Arizona, or its successor as paying agent.

"Permitted Investments" shall mean, to the extent permitted by law:

1. Direct and general obligations of the United States of America, or obligations unconditionally guaranteed as to principal and interest by the same.

Also permitted are evidences of ownership of proportionate interests in future interest and principal payments of the above United States obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a Bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

2. Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

- (a) Federal Home Loan Bank System;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;
- (g) Federal Housing Administration;
- (h) Private Export Funding Corporation;
- (i) Federal National Mortgage Association; and
- (j) obligations issued by either the Resolution Trust Corporation or the Resolution Funding Corporation, the payment of which is ultimately backed by the United States Treasury.

3. Pre-refunded municipal obligations meeting the following conditions:

(a) the bonds are not to be callable prior to maturity or the trustee has been given irrevocable instructions concerning their calling and redemption;

(b) the bonds are secured by cash or Permitted Investments described in No. 1 (the "United States Obligations") which may be applied only to interest, principal, and premium payments of such bonds;

(c) the principal of and interest on the United States Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the bonds;

(d) the United States Obligations serving as security for the bonds are held by an escrow agent or trustee; and

(e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

4. Direct and general long-term obligations of any state on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by either Moody's Investors Service (hereinafter referred to as Moody's) or Standard and Poor's Corporation (hereinafter referred to as S&P) or, in the event each of such rating agencies rate such obligations, by each of them; provided, however, that if, at the time of purchase, neither Moody's nor S&P then rate comparable obligations, the obligations must be rated in one of the two highest rating categories for comparable obligations by one of the two most widely recognized rating agencies then rating such credits.

5. Direct and general short term obligations of any state described in No. 4 above which are rated in the highest rating category by either Moody's or S&P or, in the event each of such rating agencies rate such obligations, by each of them; provided, however, that if, at the time of purchase, neither Moody's nor S&P then rate comparable obligations, the obligations must be rated in the highest rating category for comparable obligations by one of the two most widely recognized rating agencies then rating such credits.

6. Interest bearing demand or time deposits issued by state banks, savings and loan associations or trust companies or any national banking associations which are members of the Federal Deposit Insurance Corporation (FDIC). These deposits must be (a) continuously and fully insured by FDIC, (b) with banks that are rated at least P-1 by Moody's or at least A-1 by S&P, or (c) fully secured by direct and general obligations of the United States, or those which are unconditionally guaranteed as to principal and interest by the same. Such United States' securities must have a market value at all times at least equal to the principal amount of the deposits. The United States' securities must be held by the County or the Bond Registrar and Paying Agent (who shall not be the provider of the collateral), or any Federal Reserve Bank or Depository, as custodian for the institution issuing the deposits. The County or the Bond Registrar and Paying Agent should have a perfected first lien in the United States Obligations serving as collateral, and that collateral is to be free from all third party liens.

7. Long-term or medium-term corporate debt guaranteed by any corporation rated by Moody's and S&P in their two highest rating categories.

8. Repurchase agreements, the maturity of which are less than thirty (30) days, entered into with financial institutions such as banks or trust companies organized under state law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation or with a dealer or parent holding company rated investment grade by Moody's or S&P; provided, however, that if, at the time of purchase, neither Moody's nor S&P then rate comparable obligations, the obligations must be rated in one of the two highest rating categories for comparable obligations by one of the two most widely recognized rating agencies then rating such credits. The repurchase agreement should be secured by direct and general obligations of the United States of America or those unconditionally guaranteed as to principal and interest by the same. The United States obligations must have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement. The County or the Paying Agent (who shall not be the provider of the collateral) must have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party claims.

9. Prime commercial paper of a United States corporation, finance company or banking institution rated at least "P-1" by Moody's or at least "A-1" by S&P; provided, however, that if, at the time of purchase, neither Moody's nor S&P then rate comparable obligations, the obligations must be rated in one of the two highest rating categories for comparable obligations by one of the two most widely recognized rating agencies then rating such credits.

10. Interests in money market portfolios issued by state banks, trust companies, savings and loan associations, or national banking associations which are members of the FDIC. Such interest should be (a) fully insured by FDIC; or (b) secured by direct and general obligations of the United States or those guaranteed as to principal and interest by the same. The collateral obligations must have a market value, exclusive of accrued interest, at least equal to the principal amount of the interests in the money markets and should be held by a custodian.

11. Public housing bonds issued by public agencies. Such bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States; or state or public agency or municipality obligations rated in the highest rating category by a nationally recognized bond rating agency.

12. Shares of a diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a money market fund, which has been rated in the highest rating categories by Moody's or S&P; provided, however, that if, at the time of purchase, neither Moody's nor S&P then rate comparable obligations, the obligations must be rated in one of the two highest rating category for comparable obligations by one of the two most widely recognized rating agencies then rating such credits, or money market accounts of the Trustee or any state or federal bank which is rated at least P-1 by Moody's or at least A-1 by S&P or whose one bank holding company parent is rated at least A-1 by S&P or at least P-1 by Moody's; provided, however, that if, at the time of purchase, neither Moody's nor S&P then rate comparable obligations, the obligations must be rated in a comparable rating category for comparable obligations by one of the two most widely recognized rating agencies then rating such entities, all to the extent not fully insured by FDIC having a combined capital and surplus of not less than \$50,000,000 at the time of any such deposit.

Any other provision of this definition of Permitted Investments to the contrary notwithstanding, from and after the execution of the initial Agreement, this definition shall be deemed amended to conform to the definition set forth in such Agreement.

"Policy Costs" shall mean the amount necessary to reimburse a Reserve Fund Guarantor for any Drawdown(s) pursuant to the terms of an Agreement including, without limitation, the amount of any Drawdown, such Reserve Fund Guarantor's expenses (including any legal expenses) and interest thereon at the Reimbursement Rate until paid.

"Purchasers" shall mean, with respect to the Series 1991 Bonds, Rauscher Pierce Refsnes, Inc., Dean Witter Reynolds, Inc., First Southwest Company, Peacock, Hislop, Staley & Given, Inc. and Piper Jaffray & Hopwood, Inc.

"Rebate Fund" shall mean the Rebate Fund created pursuant to Section 10 hereof.

"Record Date" shall mean the fifteenth day of the month preceding an interest payment date (or if such day is a Saturday, Sunday or holiday, on the next preceding business day).

"Reimbursement Fund" shall mean the Reimbursement Fund created pursuant to Section 10 hereof.

"Reimbursement Period" shall mean, with respect to any Drawdown, the period commencing on the Drawdown Date and ending on the first anniversary of a Drawdown Date.

"Reimbursement Rate" shall mean the respective rate of interest to be paid by the County to reimburse a Reserve Fund Guarantor after a Drawdown as set forth in the respective Agreement.

"Representation Letter" shall mean letters to, or agreements with, a depository for Book-Entry Bonds to effectuate a book entry system with respect to certain Bonds registered in the Bond Register under the nominee name of the depository.

"Reserve Fund" shall mean the Reserve Fund created pursuant to Section 10 hereof.

"Reserve Fund Guarantor" shall mean, with respect to any series of Bonds, the issuer of a surety bond, letter of credit or line of credit or insurance policy executed and delivered to the Paying Agent as a Reserve Fund Guaranty, to be issued by an entity experienced in insuring municipal bonds or extending lines of credit with respect to municipal bonds whose insurance policies, surety bonds, letters or lines of credit will not adversely affect the Bonds' then-current rating if then rated by Moody's Investors Service or by Standard & Poor's Corporation.

"Reserve Fund Guaranty" shall mean any surety bond, letter of credit or line of credit or insurance policy executed and delivered by a Reserve Fund Guarantor to the County or the Paying Agent for the County as a reserve fund guaranty for purposes of this resolution.

"Reserve Fund Value" shall mean the value of moneys and investments credited to the Reserve Fund determined in accordance with Section 18 hereof plus the aggregate penal sums of all Reserve Fund Guaranties.

"Reserve Requirement" shall mean, initially, an amount equal to Average Annual Debt Service on the Series 1991 Bonds, which amount shall be adjusted upon the issuance of Parity Bonds to equal Average Annual Debt Service immediately after such issuance or the maximum amount the Reserve Fund is then permitted to increase under Section 148 of the Internal Revenue Code of 1986, as amended, or any comparable statutory provision limiting the amount of a reasonably required reserve and replacement fund.

"Revenue Fund" shall mean the Revenue Fund created pursuant to Section 10 hereof.

"Revenues" shall mean and include all income, moneys and receipts derived by the County from the ownership, use and operation including, without limitation, interest received on, and profits realized from the sale of, investments made with System moneys (excluding from such determination interest and profits retained in either the Construction Fund or the System Development Fund pursuant to Section 10B(8)) however, the term Revenues shall not include Bond proceeds or the interest received on any Bond proceeds placed irrevocably in trust to pay, or provide for the payment of, any Bond or Bonds Being Refunded or any amounts received which the County is contractually required to pay out as reimbursement for acquisition, construction or installation of System facilities.

"Series 1991 Bonds" shall mean the series of Bonds authorized to be issued pursuant to Section 3 hereof.

"State" shall mean the State of Arizona.

"System" shall mean the County's entire sewer system, all sewer properties of every nature hereafter owned by the County and all acquisitions, improvements and extensions added thereto by the County while any Bonds remain Outstanding, including all real and personal property of every nature comprising part of, or used or useful in connection with, the County's sewer system, and including all appurtenances, contracts, leases, franchises, and other intangibles.

"System Development Fund" shall mean the system development fund created pursuant to Section 10 hereof.

"Variable Rate Obligations" shall mean any Parity Bonds which may, in the future, bear interest at rates which cannot be determined with specificity on their original issue date.

B. Interpretation.

1. Any reference herein to the County, its Board or any officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

2. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

3. Section headings and the table of contents hereof are solely for convenience and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

4. The words "hereof" or "herein" shall refer to this resolution.

5. All accounting reports or statements required by this resolution shall be presented in accordance with generally accepted governmental accounting principles at the date of the report or statement.

Section 3. Authorization of Bonds.

A. To advance refund the Bonds Being Refunded, there are hereby authorized to be issued not to exceed \$60,000,000 principal amount of Pima County, Arizona Sewer Revenue Refunding Bonds, Series 1991. The Bonds shall never be construed to be general obligations of the County within the meaning of Title 35, Chapter 3, Article 3, Arizona Revised Statutes, as amended, or to create a debt of the County within the Constitution and laws of the State.

B. The Bonds are special obligations of the County payable solely from and secured as to the payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions hereof. Subject to Section 10(B) hereof, Net Revenues are pledged as security for the payment of the principal and redemption price of, and interest on the Bonds in accordance with their terms and the provisions hereof. All Net Revenues shall be immediately subject to the pledge of this resolution without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the County, irrespective of whether such persons have notice thereof. Nothing contained in this section shall be construed as limiting any authority granted elsewhere herein to issue Parity Bonds nor be deemed a limitation upon the issuance of bonds, notes or other obligations under any law pertaining to the County secured by moneys, income and funds other than the Net Revenues and other moneys and investments pledged hereunder.

Section 4. Terms of Bonds. The Series 1991 Bonds shall be dated either the first or the 15th day of the month in which the Series 1991 Bond Purchase Agreement is executed, at the option of the Chairman, shall be numbered from 1 consecutively upwards, shall be fully registered Bonds without coupons, shall be in the denomination of \$5,000 or any integral multiple thereof, shall bear interest at a rate or rates not exceeding eight and one-half percent (8-1/2%) per

annum from the most recent January 1 or July 1 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date, which interest shall be payable on January 1, 1992, and semiannually thereafter on July 1 and January 1 of each year during the term of each Bond. The principal of the Bonds shall be payable at the principal corporate trust office of The Valley National Bank of Arizona in Phoenix, Arizona, as Paying Agent. Interest on the Bonds shall be payable by check mailed to the Owner thereof, as shown on the Bond Register at the address appearing therein at the close of business on the Record Date. Additionally, payment may also be made by wire transfer to DTC or upon two (2) days prior written request delivered to the Paying Agent specifying a wire transfer address in the continental United States by any Owner of Bonds (other than DTC) owning an aggregate principal amount of at least \$1,000,000. No document of any nature whatsoever need be surrendered as a condition to payment of principal of and interest on Book-Entry Bonds.

All Series 1991 Bonds will be registered so as to participate in a book-entry system with DTC (the "DTC Program"). Either the Chairman or the Finance Director is authorized to execute a Representation Letter or such other documents as may be necessary for the County to participate in the DTC Program. Upon initial issuance, the ownership of the Bonds held by DTC shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto, as nominee for DTC. The County shall have no responsibility or obligation to Direct or Indirect Participants or Beneficial Owners for which DTC holds Bonds from time to time as a depository. Without limiting the immediately preceding sentence, the County shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Direct or Indirect Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Direct or Indirect Participant or any person, other than a registered Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, or (c) the payment to any Direct or Indirect Participant or any other person, other than a registered Owner as shown in the Bond Register, of any amount with respect to the Bonds. No person other than an Owner as shown in the Bond Register shall receive a certificate evidencing a Bond or confirming ownership of a Book-Entry Bond.

The Series 1991 Bonds shall mature on July 1 of each year. The Series 1991 Bonds shall mature in such amounts in any of the years 1992 to 2015 as shall be acceptable to the Purchasers and accepted by the Chairman. No Series 1991 Bonds may mature later than July 1, 2015. The Series 1991 Bonds may be sold at a price which is below par, but the difference between the price for which the Series 1991 Bonds are sold and

their par value (exclusive of accrued interest) shall not be greater than 2 1/2 % of such par value.

The terms of Bonds included in any series of Parity Bonds shall be set forth in the resolution authorizing such Parity Bonds.

The Valley National Bank of Arizona is hereby appointed as the Bond Registrar and the Paying Agent. The Bond Registrar shall maintain the Bond Register for registration of ownership of each Bond. A Bond may be transferred on the Bond Register upon its delivery to the Bond Registrar, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by such Bond's Owner or the Owner's attorney-in-fact or legal representative, containing written instructions as to the details of its transfer. Transfers shall not be effective until entered on the Bond Register.

In all cases upon the transfer of a Bond, the Bond Registrar will enter the transfer of ownership on the Bond Register and will authenticate and deliver in the transferee or transferee's name a new fully registered Bond or Bonds in denominations of \$5,000 or any integral multiple thereof (no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the Owner is entitled to receive. The County or the Bond Registrar will charge the Owner for every such transfer an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or governmental charge be paid before any such new Bond or Bonds shall be delivered.

The Bond Registrar shall keep the Bond Register showing the Bonds' Owners and all ownership transfers. Bonds presented to the Bond 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 transferee's name but the related interest payment will be made to the Owners shown on the Bond Register at the close of business on the Record Date.

The Bond 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 fifteen (15) days before the 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.

Section 5. Redemption Prior to Maturity. On behalf of the County, the Chairman is authorized to agree to such provisions for redemption of the Series 1991 Bonds prior to maturity as he deems in the best interests of the County, and is authorized to include such prior redemption terms in the form of Series 1991 Bonds and to cause the Series 1991 Bonds to include such terms. The prior redemption features may include both optional and mandatory redemptions.

The Series 1991 Bonds shall be redeemed only in integral multiples of \$5,000. If less than all Outstanding Series 1991 Bonds of a single maturity are to be redeemed, the Bonds in that maturity to be redeemed shall be selected by lot in such manner as the Bond Registrar may determine.

Not more than sixty (60) nor less than thirty (30) days before any prior redemption date, the Bond Registrar shall cause a notice of any such redemption to be mailed by registered or certified mail to each Reserve Fund Guarantor and to the Owner of each Bond to be redeemed at the address shown on the Bond Register. Failure to mail notice to any Owner shall not affect the validity of the proceeding for the redemption with respect to other Owners.

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.

The County may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, the Owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Bond 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 Owner thereof.

Whenever Bonds which are subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or are delivered by the County to the Paying Agent for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against any

mandatory redemption requirements for the respective series of Bonds so purchased, redeemed or cancelled of the same maturity for such years as the County may direct.

The prior redemption terms for any Parity Bond series shall be as set forth in the resolution authorizing the issuance of such series of Bonds.

Section 6. Bond Execution. The Bonds shall be executed for the County by the Chairman and shall be attested by the Clerk by their manual or facsimile signatures and by imprinting thereon the corporate seal of the County, and such officials are authorized and directed to execute the Bonds as aforesaid.

Section 7. Source of Payment and Pledge of Revenues. The Bonds shall be payable solely from the Net Revenues. The Bonds shall be equally and ratably secured by a pledge thereof and lien thereon without priority one over the other.

Section 8. Bond Forms.

A. The Bonds shall be in substantially the form attached hereto as Exhibit A allowing those executing the Bonds to make insertions and deletions necessary to conform the Bonds to this resolution and the Offer.

B. The form of Bonds pertaining to Parity Bonds shall be determined by the County. The County shall cause the Bond forms applicable to any series of Parity Bonds to conform as nearly as practicable to the Bond form set forth in Exhibit A. Parity Bonds may be in the form of fixed interest rate obligations, Capital Appreciation Bonds or Variable Rate Obligations or any combination thereof.

Section 9. Rate Covenant. The County covenants and agrees with the Owners that it will establish and maintain rates, fees and other charges for all services supplied by the System to provide Revenues fully sufficient, after making reasonable allowance for contingencies and errors in estimates, to pay all Operating Expenses and produce aggregate Net Revenues in each Fiscal Year equal to at least one hundred twenty percent (120%) of the principal and interest requirements on all Outstanding Bonds for the corresponding Bond Year (treating Variable Rate Obligations as bearing interest at the Assumed Interest Rate and Bonds subject to mandatory redemption as maturing on their respective mandatory redemption dates).

Section 10. Creation of Funds; Application of Revenues.

A. Upon the Series 1991 Bonds' issuance, the County Treasurer shall create the following special funds and accounts to be held in trust for the Owners, Reserve Fund Guarantors or the County, as the case may be, and expended as herein provided:

1. The Pima County Sewer Revenue Bond Revenue Fund (the "Revenue Fund").

2. The Pima County Sewer Revenue Bond Operation and Maintenance Fund (the "Operation and Maintenance Fund").

3. The Pima County Sewer Revenue Bond Principal and Interest Fund (the "Bond Fund").

4. The Pima County Sewer Revenue Bond Reserve Fund Guarantor Reimbursement Fund (the "Reimbursement Fund").

5. The Pima County Sewer Revenue Bond Reserve Fund (the "Reserve Fund"), which fund also shall contain separate accounts to be known as the Capitalized Reserve Account and the Contributed Reserve Account.

6. The Pima County Sewer Revenue Bond Rebate Fund (the "Rebate Fund").

7. The Pima County Sewer Revenue Bonds System Development Fund (the "System Development Fund").

8. The Pima County Revenue Bond Sewer Construction Fund (the "Construction Fund").

B. While any Bonds are Outstanding and unpaid either as to principal or interest, the entire Revenues shall be held in the County Treasurer's custody in the Revenue Fund. The Revenue Fund shall be disbursed only for the purposes herein authorized and only in the following order of priority:

1. Operation and Maintenance Fund. First, to the Operation and Maintenance Fund, on or before the tenth (10th) day of each month, an amount which, together with any money already on deposit in said Fund, will be sufficient to pay Operating Expenses for said month. Money in the Operation and Maintenance Fund shall be used only to pay Operating Expenses. The County may accumulate in the Operation and Maintenance Fund equitable allowances for accruals and accumulations to cover periodic Operating Expenses, including such items as insurance premiums and expenditures for

renewals, replacements and repairs normally classified as Operating Expenses. Where items such as insurance, gasoline and electrical energy are purchased by the County at large, it may allocate to the System only its share of such expenditure, which allocation shall not be contestable except for fraud or willful misconduct by the County.

2. Bond Fund. Second, on or before the tenth (10th) day of each month, to the Bond Fund the following amounts in the following manner:

(a) Commencing August 10, 1991, through December 10, 1991, one-fifth (1/5), and commencing January 10, 1992, one-sixth (1/6) of the interest becoming due on the next interest payment date on all Series 1991 Bonds then Outstanding; and

(b) Commencing August 10, 1991, through June 10, 1992, one-eleventh (1/11), and commencing July 10, 1992, one-twelfth (1/12) of the principal becoming due on the next principal payment date on all Series 1991 Bonds then Outstanding.

The proceedings pertaining to the issuance of Parity Bonds shall provide for additional deposits to the Bond Fund sufficient to satisfy all additional or modified debt service requirements.

The Bond Fund shall be a trust fund used solely to pay principal of and interest on the Bonds. Moneys in the Bond Fund shall be transferred to the Paying Agent as needed to pay punctually all principal and interest as it matures or comes due.

3. Reimbursement Fund. Third, if a Drawdown shall have occurred, there shall be deposited to the Reimbursement Fund to pay Policy Costs commencing the tenth (10th) day of the first month following a Drawdown and each month thereafter for the next succeeding eleven (11) months, or until the Reimbursement Fund contains amounts sufficient to reimburse all Policy Costs or all Policy Costs with respect to such Drawdown have been paid, an amount equal to at least one-twelfth (1/12) of the aggregate Policy Costs related to the Drawdown. Moneys in the Reimbursement Fund shall be used only to pay Reserve Fund Guarantors for Policy Costs.

Policy Costs owing to a Reserve Fund Guarantor shall be paid from the Reimbursement Fund in twelve (12) equal monthly installments commencing the tenth day of the first month following a Drawdown; provided, however, that if moneys are available in the System Development Fund the Finance

Director may elect to transfer moneys to the Reimbursement Fund and then direct that any such Policy Costs be paid at an earlier date or dates. Policy Costs with respect to any Drawdown which occurs against more than one Reserve Fund Guaranty shall be reimbursed on a pro rata basis (calculated by reference to the maximum amounts available for such reimbursement).

If the County fails to repay any Policy Costs, the Reserve Fund Guarantor or Guarantors shall be entitled to exercise all remedies available to the Owners at law or under this resolution or to any Reserve Fund Guarantor under any Agreement other than (i) acceleration of the maturity of the Bonds or (ii) any other remedies which would adversely affect the Owners' rights.

All Reserve Fund Guaranties shall be held by the Paying Agent acting as fiduciary for the Owners. All Reserve Fund Guaranties shall by their terms expire no earlier than the final maturity date of the respective series for which said Reserve Fund Guaranty applies.

4. Reserve Fund. Fourth, on or before the tenth (10th) day of each month to the Reserve Fund any amounts required to be deposited to the Reserve Fund in accordance with Section 13(A)(4)(ii) if applicable, or one-twelfth (1/12) of the amount required to restore the Reserve Fund to the Reserve Requirement after a Reserve Fund withdrawal.

If, on any principal or interest payment date, a Deficiency exists, then:

- (a) If there are investments or cash in the Reserve Fund, such investment shall be liquidated and the cash and investment proceeds transferred to the Bond Fund; and
- (b) If the Deficiency is not cured after any transfers pursuant to subparagraph (a) above, then the Paying Agent shall deliver a Drawdown request to each Reserve Fund Guarantor. All Drawdowns and Reserve Fund proceeds shall be applied solely to pay the interest on, and principal of, the Bonds then due.

All money so taken from the Reserve Fund to pay such principal and interest shall be replaced therein from the first moneys in the Revenue Fund thereafter received which are not required for current transfers into the Operation and Maintenance, Bond or Reimbursement Funds pursuant to subparagraphs (1), (2) and (3) of this Subsection.

The Reserve Fund shall contain two accounts, the Contributed Reserve Account and the Capitalized Reserve Account. The two accounts are created to segregate Reserve Fund moneys and investments to provide a means of tracking such deposits and investment income thereon for arbitrage rebate purposes. All Reserve Fund deposits made from Net Revenues or other available moneys of the County shall be deposited to the Contributed Reserve Account. All Bond proceeds deposited to the Reserve Fund shall be deposited in the Capitalized Reserve Account. Any proceedings hereinafter taken with respect to Parity Bonds may specify the amount to be deposited to either Account, so long as the minimum amount required by this resolution to be deposited to the Reserve Fund shall be so deposited. All Reserve Fund Guaranties shall be deemed deposited to, and a part of, the Capitalized Reserve Account.

If, after a Reserve Fund withdrawal, the Reserve Requirement exceeds the Reserve Fund Value, unless otherwise provided herein, such deficiency shall be made up over a twelve (12) month period by deposit of twelve (12) substantially equal payments to the Contributed Account of the Reserve Fund.

5. Rebate Fund. Fifth, to the Rebate Fund the balance remaining in the Revenue Fund until the amount in the Rebate Fund equals the amount to be deposited in the Rebate Fund for arbitrage rebate purposes during such Bond Year as determined by the Finance Director.

6. System Development Fund. Sixth, any moneys in the Revenue Fund exceeding the amounts necessary to be placed in the Operation and Maintenance Fund, the Bond Fund, the Reimbursement Fund, the Reserve Fund and the Rebate Fund shall be deposited in the System Development Fund. After all payments have been made in any month, moneys in the System Development Fund may be used (without priority): (1) for System extensions and betterments; (2) for unbudgeted maintenance and operation expenses; (3) for the redemption of Bonds then subject to optional redemption prior to maturity or to purchase from time to time in the open market any Outstanding Bonds as the Finance Director deems proper; (4) to pay general obligation bonds issued by the County for acquisition of the System or for construction of additions or improvements to the System; (5) to make loans to the County to be used for any lawful County purpose under equitable terms prescribed by the Board; or (6) used for any lawful System purpose.

7. The money in the Revenue Fund shall be allotted and paid into the various Funds hereinbefore established in the order in which said Funds are listed and if in any month the money in the Revenue Fund is insufficient to

make the required deposits to any Fund, the insufficiency shall be made up in the following month or months after payment into all Funds enjoying a prior claim to the Revenues has been met in full.

8. Money on deposit in the Revenue Fund, the Operation and Maintenance Fund, the Bond Fund, the Reserve Fund, the Reimbursement Fund and the Rebate Fund may be invested and reinvested by the County in Permitted Investments. All income derived from such investments shall be regarded as System Revenues and shall be deposited in the Revenue Fund. Such investments shall be liquidated as needed and the proceeds applied to the purpose for which the respective fund or account was created. Moneys in the Construction and System Development Funds may be invested in any investment which the County is permitted by law from time to time to make. At the option of the Finance Director, income derived from investments of moneys in either the Construction or System Development Funds shall be deposited to either the Revenue Fund or retained in the respective Fund.

Section 11. Covenants Regarding the System. The County covenants and agrees with each Owner that it will:

A. Permit no free sewer services to be furnished to any consumer or user;

B. Maintain the System in good condition and operate the same in an efficient manner and at reasonable cost;

C. Maintain insurance on all System properties (which may be in the form of or include an adequately-funded program of self-insurance) of the type and with the coverage normally carried by municipalities or private companies engaged in a similar business. System self-insurance may be maintained either separately or in connection with any County-wide self-insurance program; provided, that (i) any such program is in writing and has been adopted by the Board and (ii) an independent insurance or actuarial consultant appointed by the County annually reviews and certifies to the County in writing that any such program is adequate and actuarially sound. The proceeds of any such insurance, except public liability insurance, received by the County shall be pledged as security for the Bonds until used to replace the System parts damaged or destroyed, or if not so used, shall be placed in the Revenue Fund in addition to all other moneys required to be deposited therein;

D. Cause to be kept proper books and accounts adapted to the System, and cause the books and accounts to be audited after each Fiscal Year by a recognized independent

certified public accountant firm in accordance with generally accepted governmental accounting practices;

The County will furnish copies of such audits to any Reserve Fund Guarantor and to any Owner at their request, no later than one hundred eighty (180) days after the end of each Fiscal Year;

E. Faithfully and punctually perform all its duties concerning the System required by the Constitution and laws of the State of Arizona;

F. Not sell, lease, mortgage or in any manner dispose of the System or any part thereof, including any extensions and additions that may be added thereto, until all Bonds and any County obligations under any Agreement have been paid or provided for in full. This covenant shall not be construed to prevent the disposition of property which the County determines to be inexpedient for use in connection with the System. All proceeds from such disposition shall be deposited in the Revenue Fund;

G. Prior to each Fiscal Year, prepare and adopt a budget showing the estimated Revenues and Operating Expenses for System operation and maintenance for the ensuing Fiscal Year, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any Owner upon request;

H. To the extent allowed by law, discontinue the service to any premises for which the owner or occupant shall be delinquent in the payment of System charges for a period beyond the period allowed by County policy from time to time, not resume the service until all delinquent charges, with interest and penalties, shall have been paid, and do all things and exercise all remedies legally available to assure the prompt payment of System charges;

I. Duly pay and discharge, from time to time, or cause to be paid and discharged, all taxes, assessments or other governmental charges, if any, lawfully imposed upon the System, or upon any Revenues when the same shall become due, as well as any lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon the System, or upon any Revenues, or which might impair the security of the Bonds and subject to the provisions hereof, will duly observe and conform to all valid governmental requirements pertaining to the System and to all covenants, terms and conditions hereof;

J. Deposit the net proceeds realized by the County from any eminent domain proceeding concerning the System in the Revenue Fund;

K. To the extent allowed by law, refuse to grant any franchise or permits for any competing sewer system operation in the County. This covenant shall not prohibit the County from entering into "privatization" contracts, agreements or other similar arrangements with private parties.

L. Not cause or permit the moneys in the Bond Fund, the Reimbursement Fund, the Reserve Fund or the Construction Fund to be invested in any investments except Permitted Investments.

M. Not violate the terms of any Agreement and will give all notices and perform all acts and abide by all promises contained in such Agreement or Agreements.

Section 12. Remedies of Owners. Any Owner may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction protect the lien on the Net Revenues, enforce and compel performance of all duties imposed upon the County by the provisions hereof or seek the appointment of a receiver as herein provided.

If any default occurs in the payment of principal of or interest on any Bonds, then upon the filing of suit by an Owner, any court having jurisdiction of the action may appoint a receiver to administer the System for the County with power to charge and collect fees sufficient to pay all Operating Expenses and to make all required payments to the Bond, Reimbursement and Reserve Funds.

Section 13. Equality of Lien; Parity Bonds. The Bonds shall each enjoy complete parity of lien on the Net Revenues despite the fact that any Bond may have been delivered before any other Bonds. The County will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Net Revenues having priority over or parity with the Bonds herein authorized; provided, however, that additional Parity Bonds may be issued on a parity with the Bonds herein authorized under the following conditions, but not otherwise:

A. Parity Bonds may be issued on a parity with the Bonds herein authorized only if all the following conditions are met:

1. The Net Revenues for the completed Fiscal Year immediately preceding the issuance of the Parity Bonds must have been at least equal to one hundred twenty percent (120%) of Maximum Annual Debt

Service on all Bonds to be Outstanding immediately after issuance of such Parity Bonds as shown by a certificate signed by the Finance Director. For the purposes of the computation required by this subsection, additional amounts may be added to the Net Revenues of the preceding Fiscal Year, as follows: (i) If all or part of the proceeds of the Parity Bonds are to be expended for the acquisition of existing sewer properties, the net revenues which would have been derived from the operation of such acquired sewer properties during the entire immediately preceding Fiscal Year, as estimated by an engineer or engineering firm having a wide and favorable reputation in respect to such matters, may be added to the Net Revenues, (ii) if during such preceding Fiscal Year the County has acquired existing sewer properties, the net revenues which would have been derived from the operation of such sewer properties during such Fiscal Year had such sewer properties been acquired and operating throughout such Fiscal Year, as estimated by an engineer or engineering firm having a wide and favorable reputation in respect to such matters, may be added to the Net Revenues, and (iii) if during such preceding Fiscal Year the County shall have increased its System rates, fees and charges, the increased amount which would have been received during such Fiscal Year had such increase been in effect throughout such Fiscal Year, as estimated by an engineer or engineering firm having a wide and favorable reputation in respect to such matters, may be added to the Net Revenues;

2. The payments required to be made into the various Funds provided in Section 10 hereof must be current at the time of issuance of the Parity Bonds;

3. The additional Parity Bond proceeds must be used solely to make extensions, renewals, improvements, or replacements to the System or to refund any Bonds; and

4. The Reserve Fund Value shall be increased with respect to such Parity Bonds, at the Board's option, by: (i) the immediate deposit of Parity Bond proceeds or available moneys of the County to the Reserve Fund or the immediate delivery of a Reserve Fund Guaranty to the Paying Agent, or any combination thereof in order for the Reserve Fund Value to equal or exceed the Reserve Requirement immediately after issuance of such Parity Bonds; or (ii) deposits of Net Revenues to the Reserve Fund in approximately equal monthly installments on the 10th

day of each month such that the Reserve Fund Value will equal or exceed the increased Reserve Requirement not later than the expiration of five years following the initial delivery of such Parity Bonds; or (iii) any combination of the methods described in clauses (i) and (ii) above in an aggregate amount equal to the increase in the Reserve Requirement resulting from the issuance of such Bonds.

B. Any provision of this Section 13 to the contrary notwithstanding, one series of Parity Bonds having an aggregate principal amount of not to exceed \$7,000,000 may be issued prior to January 1, 1992, subject only to the conditions set forth in subparagraphs 2 through 4 of subsection A of this Section 13 but without regard to any requirements set forth in subparagraph 1 of subsection A.

Section 14. Bond Proceeds.

A. From the Series 1991 Bond proceeds, all accrued interest shall be deposited in the Bond Fund. All Series 1991 Bond proceeds not retained in the Bond Fund shall be delivered to the Trustee and shall be invested or expended by the Trustee as directed in the Depository Trust Agreement. The proceeds so invested or cash held by the Trustee, shall be held in trust by The Valley National Bank of Arizona, as the trustee (the "Trustee"), under the Depository Trust Agreement. After all the Bonds Being Refunded shall have become due and payable through maturity or redemption prior to maturity, any moneys or investments remaining under the Depository Trust Agreement over and above the amount necessary to be retained to pay any Bonds Being Refunded not yet presented shall be returned to the County and deposited in the Bond Fund.

B. Upon delivery of the Series 1991 Bonds, the Treasurer is ordered and directed to transfer from the reserve funds pertaining to the Bonds Being Refunded to the Construction Fund herein created all moneys and investments in such reserve funds, except amounts required by the Depository Trust Agreement to be transferred to the Trustee. All moneys so deposited to the Construction Fund shall be expended for the purposes for which the Bonds Being Refunded were originally issued.

C. All moneys deposited to the Construction Fund from the proceeds of Parity Bonds shall be held and expended solely for the purposes for which such Parity Bonds were issued.

Section 15. Resolution Incorporated Into the Bonds. The provisions of this resolution are deemed incorporated into the Bonds themselves and no change, variation or alteration of any kind in the provisions hereof shall be made in any manner, except as provided in the following Section and Section 17 hereof, until all Outstanding Bonds and interest due thereon have been paid in full or fully provided for.

Section 16. Resolution Modification.

A. Without the consent of or notice to any of the Owners, the County may modify this resolution for one or more of the following purposes:

(1) To cure any ambiguity or formal defect or omissions herein or to correct or supplement any provision herein which may be inconsistent with any other provision herein.

(2) To grant or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(3) To secure additional Revenues for the System or provide additional security or reserves for the payment of the Bonds;

(4) To comply with the requirements of any federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder;

(5) To permit, preserve or continue (in the event of a change in federal income tax laws (the "Code") which requires a Supplement hereto in order to continue such exclusion) the exclusion of the interest income borne on the Bonds from gross income as defined by the Code or the exemption from State income taxes and to preserve the power of the County to continue to issue bonds or other obligations (specifically not limited to the Bonds authorized hereby) the interest income on which is likewise excluded from gross income as defined by the Code for federal income tax purposes and exempt from State income taxes;

(6) To conform the definition of Permitted Investments to the definition set forth in the initial Agreement;

(7) To vest in any Reserve Fund Guarantor the rights same rights afforded herein to any Owner or to any other Reserve Fund Guarantor;

(8) To provide such remedies and assurances as may be necessary to induce Reserve Fund Guarantors to issue Reserve Fund Guaranties or to induce Bond Insurers to issue Municipal Bond Insurance Policies with respect to the Bonds, and to conform this Resolution to the Initial Agreement.

B. Except as provided in Subsection A of this Section 16, the Owners of fifty-one percent (51%) in aggregate principal amount (treating the Accreted Value of a Capital Appreciation Bond at the time of calculation as its principal amount) of the Bonds then Outstanding (not including in any case any Bonds that may then be held or owned by or for the County) shall have the right from time to time to consent to and approve the adoption by the Board of a resolution or resolutions modifying or amending any terms or provisions contained herein; provided, however, that this resolution may not be so modified or amended in any manner which:

1. Changes the maturity of any Outstanding Bond.
2. Changes the interest rate on any Outstanding Bond.
3. Reduces the principal or redemption premium payable on any Bond.
4. Modifies the principal, interest or redemption premium payment terms on any Bond or imposes any adverse conditions on such payments.
5. Adversely affects the rights of the Owners of less than all Bonds then Outstanding.

Whenever the County shall propose to amend or modify this resolution, it shall cause notice of the proposed amendment to be mailed by first class mail, postage prepaid to each Owner. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file with the Clerk for public inspection.

If, within one (1) year from said mailing, there shall be filed with the Clerk an instrument or instruments executed by the Owners of at least fifty-one percent (51%) in aggregate principal amount (treating the Accreted Value of a Capital Appreciation Bond at the time of calculation as its principal amount) of the Bonds then Outstanding referring to the proposed amendatory resolution described in said notice and specifically consenting to and approving its adoption, the Board may adopt such amendatory resolution and such resolution shall become effective.

If the Owners of at least fifty-one percent (51%) in aggregate principal amount (treating the Accreted Value of a Capital Appreciation Bond at the time of calculation as its principal amount) of the Bonds Outstanding at the time of the adoption of such amendment, or the predecessors in title of such Owners, shall have consented to the adoption thereof as herein provided, no Owner shall have any right or interest to object to such amendment's adoption or to object to any terms or provisions therein contained or to the operation thereof or to enjoin or restrain the County or the Board from taking any action pursuant thereto.

Any consent given by the Owner shall be irrevocable for six (6) months from the mailing date above provided for and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked after such six (6) months' period by the Owners who gave such consent or by a successor in title by filing a notice of revocation with the Clerk but such revocation shall not be effective if the Owners of fifty-one percent (51%) in aggregate principal amount (treating the Accreted Value of a Capital Appreciation Bond at the time of calculation as its principal amount) of the Bonds Outstanding have, prior to the attempted revocation, consented to and approved such amendment.

The fact and date of any consent or revocation's execution may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to acknowledge deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the Bonds held by any person executing such instrument and the date of such person's holding the same may be proved by a certificate executed by the Bond Registrar showing that on the date therein mentioned such person was shown as the Owner of the Bonds on the Bond Register.

Section 17. Rights of Reserve Fund Guarantors;
Rights of Bond Insurers.

A. If any Bond's principal or interest shall be paid by a Reserve Fund Guarantor, (i) the pledge of the Net Revenues and all of the County's covenants, agreements and other obligations to the Owner hereunder shall continue to exist and such Reserve Fund Guarantor shall be fully subrogated to all of such Owner's rights in accordance with the respective Agreement.

B. For all purposes hereunder, the County may treat the consent of any Bond Insurer as the consent of the Owners of any Bonds then insured by such Insurer, if such Bond Insurer's insurance is then in effect and if the credit of said Insurer is then such that Bonds insured by it are rated, because of such insurance, in one of the two highest grades of municipal securities by one of the two most widely recognized rating agencies then rating municipal bond credits.

Section 18. Method of Valuation; Frequency. In computing the amount in any fund or account, Permitted Investments shall be valued at their market value. With respect to all Funds and Accounts, valuation shall occur annually and immediately upon a withdrawal from the Reserve Fund.

Section 19. Prior Redemption of Bonds Being Refunded. The Treasurer is ordered and directed to retain an amount of Series 1991 Bond proceeds and moneys in the redemption funds for the Bonds Being Refunded sufficient to pay on the prior redemption date all principal, interest and redemption premiums on all the Pima County, Arizona, Sewer Revenue Bonds, Series of 1980; which Bonds are called for redemption on September 1, 1991 if the Series 1991 Bonds are issued prior to July 25, 1991. If the Series 1991 Bonds are initially issued after July 25, 1991, the Series 1980 Bonds are called for redemption on a date occurring not more than 60 days after such issuance. The Clerk of this Board is directed to publish and mail a notice of redemption of the Series 1980 Bonds in the manner directed by this Board's Resolution No. 1979-185. The Treasurer is ordered and directed to pay the premium, accrued interest to the redemption date only and principal on the Series 1980 Bonds upon presentation and surrender on or after the redemption date.

If the Series 1991 Bonds are issued and the Depository Trust Agreement is fully funded, the remaining Bonds Being Refunded shall be called for redemption in accordance with the following schedule:

<u>Name of Series</u>	<u>Prior Redemption Date</u>
Series 1984	July 1, 1994
Refunding Series 1985	July 1, 1993
Project of 1985	July 1, 1995
Project of 1986	July 1, 1995
Series of 1988	July 1, 1997

Bonds of any of the above-mentioned series maturing on or before the prior redemption date will be paid in the normal manner.

Section 20. Defeasance. Payment of all or any part of the Bonds may be provided for by the irrevocable deposit with a trustee of moneys or Government Obligations, or both. The moneys and the maturing principal and interest income on such Government Obligations, if any, shall be sufficient, as evidenced by a certificate of an independent certified public accountant, a firm of such accountants or an actuary, or firm of actuaries, or other experts in the field who shall calculate the sufficiency of the subject moneys and Government Obligations to pay when due the principal or redemption price of and interest on such Bonds. The moneys and Government Obligations shall be held by a trustee irrevocably in trust for the Owners of such Bonds solely for the purpose of paying the principal or redemption price of and interest on such Bonds as the same shall mature, come due or become payable upon prior redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable, to the trustee as to the dates upon which any such Bonds are to be redeemed prior to their respective maturities, if applicable.

If payment of Bonds is so provided for, the Trustee shall mail a notice so stating to each Owner of a Bond so provided for.

Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed Outstanding hereunder or secured hereby. The obligation of the County in respect of such Bonds shall nevertheless continue but the Owners thereof shall thereafter be entitled to payment only from the moneys or Government Obligations deposited with the trustee to provide for the payment of such Bonds.

No Bond may be so provided for if, as a result thereof or of any other action in connection with the provision for payment of such Bond, the interest payable on any Bond is thereby made subject to federal income taxes. The trustee and the County may rely upon an opinion of a nationally recognized bond counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this Section will not be breached by so providing for the payment of any Bonds.

Section 21. Bond Purchase Agreement Form; Authorization to Execute. A Bond Purchase Agreement substantially in the form attached hereto and marked Exhibit E is approved and the Chairman is authorized to execute such Bond Purchase Agreement, and Clerk to attest, and to cause such Bond Purchase Agreement to be delivered to the Purchasers upon receiving and approving the Offer. The Bond Purchase Agreement, when so executed and delivered, shall evidence the County's agreement to sell the Series 1991 Bonds to the Purchasers in accordance therewith.

The County Treasurer is authorized and directed to cause the Series 1991 Bonds to be authenticated by the Bond Registrar and to be delivered to or upon the Purchaser's order upon payment therefor and satisfaction of all conditions for delivery thereof in accordance with the terms hereof and of the Bond Purchase Agreement.

Section 22. Authorization of Certain Agreements.

A. For and on behalf of the County, the Chairman, the Treasurer and the Clerk (as applicable) are authorized and directed to execute, attest and deliver the following agreements:

1. The Depository Trust Agreement (see Exhibit B hereto) and
2. The Bond Registrar and Paying Agent Agreement (see Exhibit C hereto),

each in substantially the form attached hereto with such changes as may be approved by such officials whose signatures thereon shall be conclusive evidence of such approval.

B. The Chairman is authorized to execute and deliver an Agreement pertaining to the Series 1991 Bonds between the County and the initial Reserve Fund Guarantor.

Section 23. Approval of Official Statement. The use and distribution of the Preliminary Official Statement pertaining to the original issuance of the Series 1991 Bonds in the form now on file with the Clerk is approved and is "deemed final" (except for permitted omissions) by the County as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1). Either the Chairman or the Finance Director is authorized on behalf of the County and in such person's official capacity, to complete the Official Statement relating to the Series 1991 Bonds with such modifications, changes and supplements as may be necessary to conform the Official Statement to the terms set forth in the Series 1991 Bond Purchase Agreement. Such officers shall approve or authorize and certify, or otherwise represent, that such official statement is the final official statement for the Series 1991 Bonds for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(3) and (4).

The Chairman is further authorized to use and distribute, or authorize the use and distribution of, the final official statement and supplements thereto in connection with the original issuance and sale of the Series 1991 Bonds as may in the Chairman's judgment be necessary or appropriate.

The Chairman and the Clerk are also authorized to sign and deliver, on behalf of the County, and in their official capacities, such certificates in connection with the accuracy of the final official statement and any amendment thereto as may, in their judgment, be necessary or appropriate.

Section 24. Federal Tax Law Covenants. In consideration of the purchase and acceptance of the Bonds by the Owners and, as authorized by Arizona Revised Statutes, Title 35, Chapter 3, Article 7, and in consideration of retaining the exclusion of interest income on the Bonds from gross income for federal income tax purposes, the County covenants with the Owners neither to take nor fail to take any action which action or failure to act is within its power and authority and which would result in the interest income on the Bonds becoming includable in gross income for federal income tax purposes under either laws existing on the date of issuance of the Bonds or such laws as they may be modified or amended.

The County agrees that it will comply with such requirement(s) and will take any such action(s) as in the opinion of a nationally recognized bond counsel ("Bond Counsel") are necessary to prevent interest income on the Bonds becoming includable in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained herein; to pay to the United States of America any required amounts representing rebates of investment income relating to the Bonds; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with proceeds of the Bonds; and limiting the use of Bond proceeds.

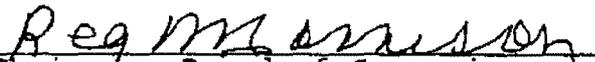
To determine which Series 1991 Bonds are issued for advance refunding purposes and which are issued for prior redemption of the Series 1980 Bonds, the Finance Director is authorized and directed to allocate the various maturities of the Series 1991 Bonds to the Bonds Being Refunded. Such allocation shall be deemed binding upon the County and this Board. Such allocation shall be set forth in the County's no arbitrage statement executed and delivered with respect to the Series 1991 Bonds.

Section 25. Ratification of Actions. All actions of the officers and agents of the County that conform to the purposes and intent of this resolution and which further the issuance and sale of the Bonds as contemplated by this resolution, whether heretofore or hereafter taken, shall be

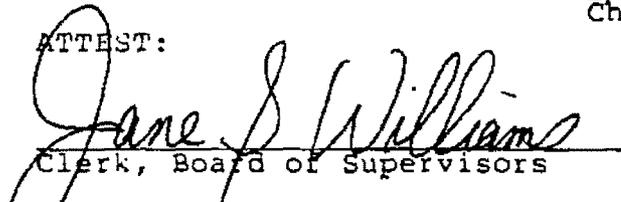
and are ratified, confirmed and approved. The proper officers and agents of the County are authorized and directed to do all such acts and things and to execute and deliver all such documents for the County as may be necessary to carry out the terms and intent hereof.

Section 26. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Adopted and approved this 18th day of June, 1991.


Chairman, Board of Supervisors

ATTEST:

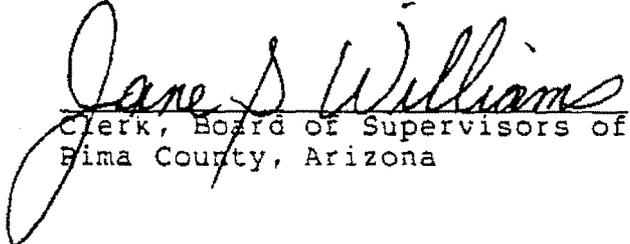

Clerk, Board of Supervisors

APPROVED AS TO FORM:


Bond Counsel

CERTIFICATION

I hereby certify that the foregoing Resolution No. 1991-138 was duly passed and adopted by the Board of Supervisors of Pima County, Arizona, at a meeting held on June 18, 1991, and the vote was 4 aye's and 1 nay's and that the Supervisors were present thereat.


Clerk, Board of Supervisors of
Pima County, Arizona

Certificate of Clerk

Board of Supervisors of Pima County, Arizona

State of Arizona

County of Pima ^{SS}

I, Julie Castañeda, do hereby certify that I am the duly appointed and qualified, Clerk of the Board of Supervisors of Pima County, Arizona.

I further certify that the attached resolution entitled

RESOLUTION NO. 2018 – 16

(See attached copy)

is a true and correct copy of a resolution passed and adopted by the Board of Supervisors of Pima County, Arizona, at a meeting held on the 20th day of March, 2018, at which a quorum was present, and that the original resolution is officially of record in my possession.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Board of Supervisors of Pima County, Arizona, this 17th day of April, 2018.


Clerk

RESOLUTION NO. 2018-16

RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA AUTHORIZING THE PREPAYMENT OR REDEMPTION OF CERTAIN OUTSTANDING SEWER REVENUE BONDS AND OBLIGATIONS WITH COUNTY FUNDS; AUTHORIZING THE APPOINTMENT OF DEPOSITORY TRUSTEES AND THE EXECUTION OF DEPOSITORY TRUST AGREEMENTS AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE PREPAYMENT OR REDEMPTION OF SUCH BONDS OR OBLIGATIONS; AND AUTHORIZING OTHER ACTIONS AND MATTERS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Title 11, Chapter 2, Article 4, Arizona Revised Statutes, and Resolution No. 1991-138 passed and adopted by the Board of Supervisors (the "Board") of Pima County, Arizona (the "County") on June 18, 1991 as amended by Resolution No. 1991-182 adopted August 6, 1991, the County currently has outstanding its Sewer Revenue Bonds, Series 2008, Sewer Revenue Bonds, Series 2009, and a Loan Agreement with the Water Infrastructure Authority of Arizona (collectively, the "Prior Obligations"), all of which were issued or executed and delivered to finance or refinance improvements to the sewer system of the County (the "System") and are payable from net revenues derived from operation of the System; and

WHEREAS, the Board has also authorized the execution and delivery of, and currently has outstanding, its Sewer System Revenue Obligations, Series 2010, Sewer System Revenue Obligations, Series 2011B, Sewer System Revenue Obligations, Series 2012A, Sewer System Revenue Obligations, Series 2014, Sewer System Revenue Refunding Obligations, Series 2016, and Sewer System Revenue Obligations, Series 2017, all of which were executed and delivered to finance or refinance improvements to the System and are payable from net revenues derived from operation of the System (collectively, the "Outstanding Parity Obligations"); and

WHEREAS, the Board may in the future authorize the execution and delivery of additional obligations to finance or refinance improvements to the System which will be payable from net revenues derived from operation of the System on a parity with the Outstanding Parity Obligations (the "Additional Parity Obligations" and, together with the Outstanding Parity Obligations, the "Parity Obligations"), under the conditions permitted in the documents authorizing the execution and delivery of the then-Outstanding Parity Obligations; and

WHEREAS, if the County Administrator of the County deems it prudent and advantageous to prepay or redeem any Prior Obligations or Parity Obligations from time to time prior to the maturity or payment dates thereof, it may be necessary for the County to execute and deliver one or more depository trust agreements or escrow agreements (each a "Depository Trust Agreement") with a depository trustee or escrow agent named therein (each a "Depository Trustee"); and

WHEREAS, the County has determined that it is advantageous and in the public interest to provide for and approve such prepayment or redemption of any outstanding Prior Obligations or Parity Obligations from time to time prior to the payment dates thereof in order to secure the financial advantages for the County:

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

1. The Chairman, Vice Chairman or Acting Chairman of this Board or the County Administrator of the County (each an "Authorized Officer") are each hereby authorized, empowered and directed, with the approval of counsel to the County, in the name and on behalf of the County, to execute or attest, as required, and deliver Depository Trust Agreements and any related agreements or documents (collectively, the "County Documents") related to the prepayment or redemption of Prior Obligations or Parity Obligations, in such forms as shall be reviewed by counsel to the County and approved by the Authorized Officer executing the same.

2. From and after the execution and delivery of the County Documents 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 or desirable in connection with the execution and delivery of the County Documents or the prepayment or redemption of Prior Obligations or Parity Obligations, including, without limitation, calling for redemption such Prior Obligations or Parity Obligations for which payments are being provided and directing the transfer of County funds to the Depository Trustee for the purpose of such prepayment or redemption.

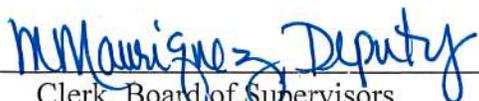
3. All actions of the officers, agents and employees of the County which are in conformity with the purposes and intent of the foregoing resolutions be, and the same are hereby, in all respects, authorized, approved, ratified and confirmed.

[Remainder of page left blank intentionally]

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Pima County, Arizona, on March 20, 2018.

By: 
Chairman, Board of Supervisors

ATTEST:

By: 
Clerk, Board of Supervisors

APPROVED AS TO FORM:

SQUIRE PATTON BOGGS (US) LLP,
Bond Counsel

By: 
Timothy E. Pickrell

DEPOSITORY TRUST AGREEMENT

between

PIMA COUNTY, ARIZONA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

as Trustee and Depository Trustee

Dated as of May 3, 2018

providing payment for certain

**PIMA COUNTY, ARIZONA
SEWER REVENUE BONDS, SERIES 2008**

DEPOSITORY TRUST AGREEMENT

THIS DEPOSITORY TRUST AGREEMENT, dated as of May 3, 2018, between PIMA COUNTY, ARIZONA (the “County”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee under the hereinafter-described Senior Resolution and as Depository Trustee (the “Depository Trustee” or the “Trustee”),

W I T N E S S E T H:

WHEREAS, pursuant to Resolution No. 1991-138 passed and adopted on June 18, 1991, as amended by Resolution No. 1991-182 passed and adopted August 6, 1991, and supplements thereto (collectively, the “Senior Resolution”), the Board of Supervisors of the County (the “Board”) has authorized the sale and issuance of various series of sewer revenue and sewer revenue refunding bonds to finance portions of the County’s sewer system (the “System”), which are payable solely from revenues of the System after deduction for operating expenses, as provided in the Senior Resolution; and

WHEREAS, the Trustee serves as “Trustee” under the Senior Resolution; and

WHEREAS, the County has previously issued and pursuant to Resolution No. 2018-16 (the “Resolution”) adopted by the Board on March 20, 2018, now desires to provide for the payment of the obligations identified on Exhibit A attached hereto in advance of their respective maturities (collectively, the “Escrowed Obligations”); and

WHEREAS, pursuant to the Resolution, the County has caused to be purchased obligations issued or guaranteed by the United States Government (hereinafter referred to as “Government Obligations”), the maturing principal of and investment income from which will be sufficient to pay the principal of, premium, if any, and interest on the Escrowed Obligations maturing on July 1, 2018 and to redeem on July 1, 2018 the Escrowed Obligations maturing on July 1, 2019; and

WHEREAS, the Resolution approves the execution and delivery of this Depository Trust Agreement with the Depository Trustee for the purpose of creating an irrevocable trust for the administration and safekeeping of the Government Obligations and other moneys to be held in trust for, and irrevocably pledged to, the payment of the Escrowed Obligations; and

WHEREAS, the Depository Trustee agrees to accept and administer the trust created hereby for such purpose:

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements hereinafter contained, IT IS HEREBY AGREED as follows:

Section 1. Definitions. For the purpose of this Depository Trust Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“Bond Counsel” means a firm of attorneys of national reputation acceptable to the Depository Trustee and experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“Bond Fund” means the “Bond Fund” established by Section 10 of the Senior Resolution.

“Business Day” means a day of the year (i) which is not a Saturday or Sunday, (ii) on which banks located in the city in which the principal corporate trust office of the Depository Trustee is located are not required or authorized to remain closed and (iii) on which the New York Stock Exchange is not closed.

“Code” means the Internal Revenue Code of 1986, as amended.

“Depository Trust Agreement” means this Depository Trust Agreement, dated as of May 3, 2018, between the County and the Depository Trustee.

“Depository Trustee” or “Trustee” means The Bank of New York Mellon Trust Company, N.A. and its successors, as the Trustee under the Senior Resolution and as the Depository Trustee under this Depository Trust Agreement.

“Escrowed Obligations” means the obligations described in Exhibit A attached hereto.

“Expense Account” means the account so named created pursuant to Section 12 hereof.

“Permitted Investment” means any security listed in Exhibit B attached hereto and any other “Government Obligation” as defined in the Senior Resolution.

“Report” means the written verification report addressed to the Depository Trustee by Grant Thornton LLP, certified public accountants, of the accuracy of the arithmetical computations of the adequacy of the maturing principal of and interest on the investments held by Depository Trustee in the trust accounts created hereunder to pay, when due, principal, premium, if any, and interest, on the Escrowed Obligations as the same become due.

“State” means the State of Arizona.

“Senior Resolution” means Resolution No. 1991-138 passed and adopted on June 18, 1991, as amended by Resolution No. 1991-182 passed and adopted August 6, 1991, and supplements thereto.

“Trust Account” means the trust fund so named created pursuant to Section 3 hereof.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., as trustee under the Senior Resolution.

Section 2. Acknowledgment by Depository Trustee. The Depository Trustee acknowledges receipt of copies of the Senior Resolution and the Report.

Section 3. Creation of Trust Account; Payment of Debt; Costs of Issuance Fund.

(a) The County hereby declares this Depository Trust Agreement to be an irrevocable trust made for the benefit of the holders of the Escrowed Obligations, as their respective interests may appear (the "Beneficiaries").

In the event that this Depository Trust Agreement is ever declared void, made voidable, terminated or canceled for any reason, the express trust created herein shall continue for the benefit of the Beneficiaries, and the County shall use its best efforts to obtain a qualified successor bank to act as Depository Trustee hereunder. In the further event that no successor depository trustee shall qualify to succeed as trustee hereunder, the trust herein declared shall not terminate, and the County shall hold the moneys and Permitted Investments then on deposit in the hereinafter described Trust Account in trust for the Beneficiaries.

(b) The County shall cause to be deposited with the Depository Trustee the aggregate sum of \$16,637,084.82. The Depository Trustee shall deposit \$35,500.00 of such moneys in the Expense Account described in Section 12 hereof. The Depository Trustee agrees to hold the remaining amount of the deposit and all investments made with such moneys and all earnings from investment and reinvestment of such moneys as a special trust fund (the "Trust Account") separate from all other funds and investments held by the Depository Trustee. The Trust Account shall be held by the Depository Trustee pursuant to Section 20 of the Senior Resolution and this Depository Trust Agreement to pay when due debt service on the Escrowed Obligations.

(c) The amounts credited to the Trust Account, other than an initial cash balance of \$0.82, shall be applied immediately to create the portfolio of moneys and Permitted Investments described in Exhibit B attached hereto and constituting "Government Obligations" under the Senior Resolution, which is a part of this Depository Trust Agreement. The Depository Trustee shall keep adequate and accurate records of such moneys, Permitted Investments and investment earnings thereon and all payments from the Trust Account. The Depository Trustee shall not redeem the Permitted Investments in advance of their maturity dates except as provided in this Depository Trust Agreement. Amounts earned on investments held in the Trust Account shall be deposited, as and when the same are earned, thereto.

(d) If on the date of the deposit to the Trust Account (the "Closing Date"), the Depository Trustee shall not receive from the seller thereof any of the Permitted Investments listed in Exhibit B attached hereto ("Failed Escrow Securities"), the Depository Trustee shall accept, as temporary substitutes, at the same purchase price, other Government Obligations under the Senior Resolution (collectively, "Substitute Escrow Securities"), the payments on which are scheduled to provide, as determined by an independent certified public accountant, at least the same amounts of moneys on or before the same dates as the Failed Escrow Securities for which they are substituted. The Depository Trustee may rely upon the opinion of independent public accountants that the condition in the preceding sentence is satisfied.

If Substitute Escrow Securities are delivered thereafter, upon delivery by the seller to the Depository Trustee of Failed Escrow Securities together with any amounts paid thereon subsequent to the Closing Date, the Depository Trustee shall return to the seller an amount of

Substitute Escrow Securities, and any amounts paid thereon subsequent to the Closing Date, corresponding to the Failed Escrow Securities which the Substitute Escrow Securities replaced.

The moneys and Permitted Investments credited to the Trust Account and all proceeds thereof are pledged solely to payment of principal of and interest or redemption premium on the Escrowed Obligations to the extent necessary for such payment and shall be used solely for that purpose except as otherwise expressly provided herein. To secure such payment, the Beneficiaries are granted a security interest in such moneys and Permitted Investments and proceeds thereof to the extent necessary for such payment.

Section 4. Payment of Escrowed Obligations.

(a) The Depository Trustee, as Trustee and Paying Agent for the Escrowed Obligations, is hereby irrevocably authorized and directed to make payments of principal, premium, if any, and interest on the Escrowed Obligations, when due, in the respective amounts due on such payment dates for the Escrowed Obligations in accordance with Exhibit C attached hereto.

(b) The County is hereby delivering notice to the Depository Trustee of the County's irrevocable election to call the Escrowed Obligations maturing on July 1, 2019 for redemption on the redemption date set forth on Exhibit A and the Depository Trustee is hereby also authorized and directed to mail notices of redemption to each registered owner of a Escrowed Obligation in accordance with the Senior Resolution, such mailing to take place on the date of creation of the Trust Account.

Section 5. Application of Moneys; Reinvestment; Liquidation. The Depository Trustee shall, at all times, hold the Permitted Investments and all moneys in the Trust Account for the account of the County and for the benefit of the Beneficiaries, shall maintain the Trust Account wholly segregated from other funds and securities on deposit with the Depository Trustee, shall never commingle such Permitted Investments and other moneys with other funds or obligations of the Depository Trustee, and shall never at any time use, loan or borrow the same in any way.

Notwithstanding the foregoing, the Depository Trustee may liquidate investments and reinvestments held in the Trust Account in advance of their maturity dates, and may reinvest or otherwise disburse the liquidation proceeds or other amounts only upon receipt of:

(a) Written instructions from the County to do so;

(b) An opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion from gross income for purposes of Federal income taxation of the interest income on the Escrowed Obligations, and will not cause the Escrowed Obligations to become "arbitrage bonds" as that term is defined in Section 148 of the Code; and

(c) A report from an independent certified public accountant or firm of independent certified public accountants whose members are also members of the American Institute of Certified Public Accountants and acceptable to the Depository Trustee and the County, verifying the accuracy of the arithmetical computations of the adequacy of the proceeds from the

liquidation, if any, together with any additional deposits and the maturing principal of and interest of Permitted Investments, if any, to be acquired by the Depository Trustee in accordance with the County's instructions, to pay, when due, without reinvestment the amounts to be paid from the Trust Account as provided herein.

Notwithstanding any provision herein to the contrary, all reinvestments shall be in Permitted Investments, and the Depository Trustee shall rely upon the report to show that such Permitted Investments shall mature on or before the dates required to pay, when due, the principal of and interest and redemption premium, if any, of the Escrowed Obligations and in an amount at least equal to the purchase price thereof.

Section 6. Security for Deposits. Any moneys credited to the Trust Account which are not invested in Permitted Investments as provided herein, shall be held as cash and shall at all times be insured by the Federal Deposit Insurance Corporation or be secured by Permitted Investments at least equal in value to the amount of such moneys.

Section 7. Certain Covenants. The County covenants that:

(a) It will take no action or fail to take any action, either directly or through affiliates, which action or failure to take action would adversely affect the exemption from federal income taxation of the interest income on any of the Escrowed Obligations.

(b) It will not take or direct any action which will cause the Escrowed Obligations to become "arbitrage bonds" as that term is defined in Section 148(a) of the Code.

(c) It will preserve the validity of the Escrowed Obligations and the exclusion from gross income for purposes of federal income tax of interest on the Escrowed Obligations.

Section 8. Acceptance. The Depository Trustee shall have only the duties set forth herein and referred to in the Senior Resolution authorizing the Escrowed Obligations with no liability in connection with any action or omission to act hereunder, except for its own negligence, willful misconduct and no liability for payments on the Escrowed Obligations except from the funds herein pledged for that purpose. By executing this Depository Trust Agreement, the Depository Trustee shall evidence its acceptance of the powers, duties and responsibilities bestowed upon and requested of the Depository Trustee under the terms hereof.

Section 9. Reports. On or prior to July 15, 2018, the Depository Trustee shall submit to the County a report covering all moneys it shall have received and all payments it shall have made under the provisions hereof for the immediately preceding semiannual period until the Escrowed Obligations have been paid and redeemed.

Section 10. Responsibilities and Indemnification.

(a) The Depository Trustee shall have no responsibility or liability for any action taken in accordance with the express provisions hereof and shall have no liability for the genuineness of any investments made or received hereunder or for any loss resulting from any investments made pursuant hereto. In the event the Depository Trustee is required or permitted hereby, or is requested hereunder, to take any action (or refrain from taking any action) which

exposes the Depository Trustee to unreasonable risk of liability or expense, the Depository Trustee shall have no duty to take (or refrain from taking) any such action until the Depository Trustee has been furnished with indemnity satisfactory, in its sole judgment, to protect the Depository Trustee, its directors, officers, employees, agents and attorneys for, from and against such liability or expense, and all reasonable costs and expenses (including reasonable attorneys' fees) in connection therewith.

(b) (i) The County agrees, to the extent permitted by law, to indemnify and hold the Depository Trustee, its directors, officers, employees, agents and attorneys harmless for, from and against any and all claims, liabilities, judgments, losses, costs and expenses (including reasonable attorneys' fees) arising from the Depository Trustee's performance of its duties hereunder. Such indemnification shall not extend to claims successfully brought against the Depository Trustee, its directors, officers, employees, agents or attorneys, for, or liabilities, losses, costs and expenses incurred as a result of, the Depository Trustee's own negligence or willful misconduct. In the event any action or proceeding is instituted or pending against the Depository Trustee, its directors, officers, employees, agents or attorneys by reason of the Depository Trustee's performance of its duties hereunder, the County may, at its election, assume the defense of any such action or proceeding with counsel satisfactory to the indemnified party. If any such action or proceeding includes any claims alleging the Depository Trustee's own negligence or willful misconduct in the performance of its duties hereunder, the indemnified party shall reimburse the County its expenses (including reasonable attorneys' fees), if any, of assuming the defense of such action or proceeding if it is determined by a final judgment of a court of competent jurisdiction that the said party is not entitled to be indemnified by the County as authorized in this Section 10(b). The County may, without the prior approval of the indemnified party, settle any such action or proceeding on such terms as may be acceptable to the County provided the County assumes all responsibility and liability in connection with any such settlement. Any such settlement shall not, of itself, create a presumption as to the merits of any claims alleging the Depository Trustee's own negligence or willful misconduct in the performance of its duties hereunder.

(ii) This Section 10(b) shall survive the termination of this Depository Trust Agreement and the earlier removal or resignation of the Depository Trustee.

(iii) None of the provisions of this Depository Trust Agreement shall require the Depository Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Depository Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Depository Trustee may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Depository Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(iv) The Depository Trustee may at any time resign by giving 30 days written notice of resignation to the County. Upon receiving such notice of resignation, the County shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Depository Trustee from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the County, the resigning Depository Trustee and the successor. If no successor shall have been so appointed and have accepted appointment within 60 days after the giving of such notice of resignation, the resigning Depository Trustee may petition any court of competent jurisdiction for the appointment of a successor.

(v) Anything in this Depository Trust Agreement to the contrary notwithstanding, in no event shall the Depository Trustee be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits).

(vi) The Depository Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Depository Trust Agreement and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Depository Trustee, or another method or system specified by the Depository Trustee as available for use in connection with its services hereunder); provided, however, that the County shall provide to the Depository Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the County whenever a person is to be added or deleted from the listing. If the County elects to give the Depository Trustee Instructions using Electronic Means and the Depository Trustee in its discretion elects to act upon such Instructions, the Depository Trustee’s understanding of such Instructions shall be deemed controlling. The County understands and agrees that the Depository Trustee cannot determine the identity of the actual sender of such Instructions and that the Depository Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Depository Trustee have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Depository Trustee and that the County and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the County. The Depository Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Depository Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (A) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Depository Trustee, including without limitation the risk of the Depository Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (B) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Depository Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (C) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light

of its particular needs and circumstances; and (D) to notify the Depository Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 11. Fees. The Depository Trustee hereby acknowledges receipt of its fee in the total amount of \$1,000.00. Except as otherwise expressly provided herein, such fee, which the County hereby agrees to pay on or promptly after the Closing Date, constitutes all payments the Depository Trustee shall receive with respect to services hereunder; provided, however, that the County also agrees to pay or reimburse the Depository Trustee for any unusual or extraordinary costs incurred by it in performance of its duties and to pay the Depository Trustee its usual and customary fees and to reimburse the Depository Trustee for its reasonable costs (including reasonable attorneys' fees) in connection with the redemption of the Escrowed Obligations. Notwithstanding the foregoing, the Depository Trustee shall be obligated to perform its duties hereunder if it does not receive the fees payable to it hereunder subject to its right to resign under Section 10 hereof. Except as specifically provided in the first sentence of Section 16 hereof, the Depository Trustee shall have no lien nor assert any lien on moneys or investments in the Trust Account securing payment of its fees or expenses.

Section 12. Expense Account. The Depository Trustee is hereby authorized and directed to pay solely from the \$35,500.00 of moneys deposited with the Depository Trustee as described in Section 3(b) hereof for such purpose, the costs and expenses associated with the prepayment of Escrowed Obligations to the parties and in the amounts set forth on Schedule I attached hereto, upon presentation of an invoice, except the Depository Trustee does not need to present an invoice. Amounts deposited with the Depository Trustee for such purpose shall be held in a separate account (the "Expense Account") and shall not constitute a part of the Trust Account created with respect to the Escrowed Obligations. Any moneys remaining in the Expense Account after all authorized expenses have been paid or after July 31, 2018 shall be transferred into the Bond Fund established in the Senior Bond Resolution. Amounts in the Expense Account shall be invested as directed by the County in writing.

Section 13. Assignment. The rights and duties of the Depository Trustee under this Depository Trust Agreement shall not be assigned to any other person, corporation, partnership or trustee unless the Depository Trustee is required by law to divest, or does divest, itself of its trust department or unless the Depository Trustee shall sell or assign substantially all of its trust business in which event the trust hereunder shall be continued by the Depository Trustee's successor in interest.

Section 14. Right to Deal in Escrowed Obligations. The Depository Trustee may in good faith buy, sell or hold and deal in any Escrowed Obligations with like effect as if it were not such Depository Trustee but such action shall not abrogate, alter or diminish any duty of the Depository Trustee as the depository trustee under this Depository Trust Agreement.

Section 15. Irrevocability; Amendments. The parties hereto recognize that the holders of the Escrowed Obligations have a beneficial and vested interest in the moneys and investments in the Trust Account to pay when due principal, interest and redemption premiums, if any, on the Escrowed Obligations. It is therefore recited, understood and agreed by the parties hereto that this Depository Trust Agreement shall not be revoked or amended without the consent of the holders of 100% of the aggregate principal amount of the Escrowed Obligations,

except that this Depository Trust Agreement may be amended without notice to or consent of the holders of the Escrowed Obligations for one or more of the following purposes:

(a) To insert any unintentionally omitted material or to cure any formal defect or omission or to cure any ambiguity, provided any such amendment shall not, in the opinion of the Depository Trustee (in reliance upon an opinion of counsel), materially adversely affect the interests of the holders of the Escrowed Obligations;

(b) To grant or confer upon the holders of the Escrowed Obligations any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(c) To secure or provide additional revenues or security or reserves for the payment of the Escrowed Obligations; or

(d) To reflect the severance of any section, paragraph, subdivision, sentence, clause or phrase hereof which has been held illegal or unenforceable.

Section 16. Termination. When all amounts payable on the Escrowed Obligations have become due and the Depository Trustee has on deposit all moneys necessary for the payment of such amounts, and in any event on the Business Day following the date on which the last of the Escrowed Obligations is to be retired, the Depository Trustee shall deposit all moneys and investments credited to the Trust Account and not needed for payment of principal of and interest on the Escrowed Obligations or fees and expenses of the Depository Trustee into the Interest Account under the Senior Resolution. Any moneys held by the Depository Trustee or any paying agent for the payment of the principal of and interest on any Escrowed Obligations remaining unclaimed for four years after the principal of all Escrowed Obligations has become due and payable shall then be paid (without liability for interest) to the County and the holders of any Escrowed Obligations not theretofore presented for payment shall thereafter be entitled to look only to the County for payment thereof and all liability of the Depository Trustee and any paying agent with respect to such moneys shall thereupon cease and this Depository Trust Agreement shall terminate. Any claims of the Depository Trustee against the County for amounts due the Depository Trustee pursuant to Sections 10 and 11 hereof shall survive the termination of this Depository Trust Agreement.

Section 17. Severability. If any section, paragraph, subdivision, sentence, clause or phrase hereof shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions hereof. If any provision hereof contains an ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

Section 18. Applicable Laws. This Depository Trust Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State.

Section 19. Headings for Reference Only. The headings herein are inserted for reference only and shall not define or limit the provision hereof.

Section 20. Counterparts. This Depository Trust Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

Section 21. Notices. All notices, consents or other communications required or permitted to be made hereunder to the parties hereto shall be deemed sufficient if given in writing, addressed and mailed by certified or registered mail, postage prepaid as follows:

To the County:

Pima County, Arizona
130 West Congress, 6th Floor
Tucson, Arizona 85701
Attention: Finance and Risk Management Director

To the Depository Trustee or the Trustee:

The Bank of New York Mellon Trust Company, N.A.
601 Travis Street, 17th Floor
Houston, TX 77002
Attention: Corporate Trust Services

or to such other address as such party may hereafter designate by notice in writing addressed and mailed or delivered to each other party hereto.

Section 22. Statutory Notice Regarding Cancellation of Contracts. As required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the County may cancel any contract, without penalty or further obligation, made by the County if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is, at any time while the contract or any extension of the contract is in effect, an employee 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 County's Board of Supervisors is received by all other parties to the contract unless the notice specifies a later time. All parties represent that to the best of their knowledge, no basis exists for the County to cancel this Depository Trust Agreement pursuant to Arizona Revised Statutes Section 38-511 as of the date hereof. The Depository covenants not to employ as an employee, an agent or, with respect to the subject matter of this Depository Trust Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Depository Trust Agreement on behalf of the County within 3 years from execution of this Depository Trust Agreement, unless a waiver of A.R.S. § 38-511 is provided by the County's Board of Supervisors.

Section 23. Certain Warranties and Certifications from the Depository Trustee.

(a) To the extent applicable under Arizona Revised Statutes ("A.R.S.") § 41-4401, the Depository Trustee, in its capacity as Depository Trustee hereunder and as Trustee under the Senior Resolution, including its subcontractors who work on this Depository Trust Agreement or the Senior Resolution, warrants compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E verify requirements under A.R.S. § 23-214(A). The breach by the Depository Trustee of the foregoing shall be deemed a material breach by the Depository Trustee of this Depository Trust Agreement and the Senior Resolution

and may result in the termination of its role as Trustee under the Senior Resolution and as Depository Trustee hereunder and its replacement with a successor in such capacities, to the extent permitted by the Senior Resolution. The County retains the legal right to randomly inspect the papers and records of the Depository Trustee to ensure that the Depository Trustee is complying with the above-mentioned warranty. The Depository Trustee shall keep such papers and records open for random inspection by the County during normal business hours. The Depository Trustee shall cooperate with the random inspections by the County, including granting the County entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential. To the extent permitted by law, the County will preserve the confidentiality of any information, records, or papers the County views, accesses, or otherwise obtains during any and every such random inspection.

(b) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, the Depository Trustee hereby certifies that it is not currently engaged in, and for the duration of this Depository Trust Agreement shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the County determines that the Depository Trustee submitted a false certification, the County may impose remedies as provided by law, including termination of its role as Trustee under the Senior Resolution and as Depository Trustee hereunder and its replacement with a successor in such capacities, to the extent permitted by the Senior Resolution.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have caused this Depository Trust Agreement to be signed in their names and on their behalf by their duly authorized officers, all as of the date and year first above written.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee and Depository
Trustee

By:  _____
Vice President

PIMA COUNTY, ARIZONA

By: _____
Chair, Board of Supervisors

ATTEST:

By: _____
Clerk, Board of Supervisors

[Signature page to Depository Trust Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Depository Trust Agreement to be signed in their names and on their behalf by their duly authorized officers, all as of the date and year first above written.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee and Depository
Trustee

By: _____
Vice President

PIMA COUNTY, ARIZONA

By:  _____
Chair, Board of Supervisors

ATTEST:

By:  _____
Clerk, Board of Supervisors

[Signature page to Depository Trust Agreement]

**EXHIBIT A
TO
DEPOSITORY TRUST AGREEMENT**

Escrowed Obligations

Sewer Revenue Bonds, Series 2008

<u>Maturity Date (July 1)</u>	<u>Outstanding Principal Amount</u>	<u>Principal Amount Defeased</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2018	\$7,960,000	\$7,960,000	N.A.	N.A.
2019	8,360,000	8,360,000	07/01/18	100%

Exhibit A

**EXHIBIT B
TO
DEPOSITORY TRUST AGREEMENT**

PERMITTED INVESTMENTS

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Coupon</u>	<u>Cost</u>
SLGS	07/01/18	\$16,601,584.00	1.670%	\$16,601,584.00

Exhibit B

**EXHIBIT C
TO
DEPOSITORY TRUST AGREEMENT**

DEBT SERVICE

Escrowed Obligations

Sewer Revenue Bonds, Series 2008

<u>Payment Date</u>	<u>Principal Retired</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
07/01/18	\$16,320,000.00	\$326,400.00	-0-	\$16,646,400.00

SCHEDULE I

Costs and Expenses

<u>Payee</u>	<u>Amount</u>
Squire Patton Boggs (US) LLP	\$17,500.00
RBC Capital Markets	15,000.00
Grant Thornton	2,000.00
Depository Trustee	<u>1,000.00</u>
TOTAL:	<u>\$35,500.00</u>

Defeasance Verification Report

Pima County, Arizona

May 3, 2018

Contents

Letter

Exhibit A Schedule of Sources and Uses of Funds

Exhibit B Escrow Account Cash Flow

Exhibit B-1 Cash Receipt From and Yield on the SLGS

Exhibit B-2 Debt Service Payment on the Defeased Bonds

Appendix I Applicable schedules provided by RBC Capital Markets, LLC



Grant Thornton LLP
 200 S 6th Street, Suite 1400
 Minneapolis, MN 55042-1434

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Report of Independent Certified Public Accountants

Pima County
 130 West Congress, Sixth Floor
 Tucson, Arizona

Squire Patton Boggs (US) LLP
 One East Washington Street, Suite 2700
 Phoenix, Arizona

The Bank of New York Mellon
 Trust Company, N.A.
 601 Travis Street
 Houston, Texas

RBC Capital Markets, LLC
 2398 East Camelback Road, Suite 700
 Phoenix, Arizona

We have performed the procedures described in this report, at the request of Pima County, Arizona (the “County”) and RBC Capital Markets, LLC (“RBC”), to verify the mathematical accuracy of certain computations contained in the schedules attached in Appendix I provided by RBC. These procedures were performed solely to assist you relating to the County’s Sewer Revenue Bonds, Series 2008 (the “2008 Bonds”) and the defeasance of the outstanding 2008 Bonds (the “Defeased Bonds”) as summarized below. We have performed the procedures included in this report in accordance with American Institute of Certified Public Accountants (AICPA) Statement on Standards for Consulting Services.

Series	Defeased Bonds					
	Principal Issued	Dated	Principal Defeased	Maturities Defeased	Redemption Date	Redemption Price
2008	\$75,000,000	May 1, 2008	\$16,320,000	7-1-18 and 7-1-19	7-1-18	100%

VERIFICATION OF ESCROW ACCOUNT CASH FLOW SUFFICIENCY

RBC provided us with schedules (Appendix I) summarizing the future escrow account cash receipt and disbursement. These schedules indicate that there will be sufficient cash available in the escrow account to pay the principal and interest on the Defeased Bonds assuming the Defeased Bonds maturing on July 1, 2019 will be redeemed on July 1, 2018 at 100 percent of par plus accrued interest.

The attached Exhibit A (Schedule of Sources and Uses of Funds) was prepared based upon information provided by RBC.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B through B-2 independently calculating the future escrow account cash receipt and disbursement and compared the information used in our calculations to the information listed below contained in applicable pages of the following documents:

- Subscription confirmation, dated April 25, 2018, and Schedule of U.S. Treasury Securities provided by RBC used to acquire certain United States Treasury Securities - State and Local Government Series (the "SLGS") insofar as the SLGS are described as to the principal amount, interest rate, maturity date and issuance date; and
- Official Statement for the 2008 Bonds provided by RBC insofar as the Defeased Bonds are described as to the maturity and interest payment dates, principal amounts, interest rates and optional redemption date and price.

In addition, we compared the interest rate for the maturity of the SLGS, as shown on the Schedule of U.S. Treasury Securities, with the maximum allowable interest rate shown on the Department of Treasury, Bureau of Public Debt, SLGS Table for use on April 25, 2018 and found that the interest rate was equal to the maximum allowable interest rate for that maturity.

Our procedures, as summarized in Exhibits B through B-2, verified the mathematical accuracy of the schedules provided by RBC summarizing the future escrow account cash receipt and disbursement. The schedules provided by RBC and those prepared by us reflect that the anticipated receipt from the SLGS, together with an initial cash deposit of \$0.82 to be deposited into the escrow account on May 3, 2018, will be sufficient to pay, when due, the principal and interest related to the Defeased Bonds assuming the Defeased Bonds maturing on July 1, 2019 will be redeemed on July 1, 2018 at 100 percent of par plus accrued interest.

VERIFICATION OF YIELD

RBC provided us with schedules (Appendix I) which indicate that the yield on the cash receipt from the SLGS is less than the yield on the 2008 Bonds. These schedules were prepared based on the assumed settlement date of May 3, 2018 using a 360-day year with interest compounded semi-annually. The term "yield", as used herein, means that yield which, when used in computing the present value of all payments of principal and interest to be received on an obligation produces an amount equal to, in the case of the cash receipt from the SLGS, the purchase price.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared a schedule attached hereto as Exhibit B-1 independently calculating the yield on the cash receipt from the SLGS. The result of our calculations, based on the aforementioned assumptions, is summarized below:

	<u>Yield</u>	<u>Exhibit</u>
• Yield on the cash receipt from the SLGS	1.680284%	B-1
• Yield on the 2008 Bonds	4.0550%	*

* As shown on the Form 8038-G provided by RBC.

Our procedures, as summarized in Exhibit B-1, verified the mathematical accuracy of the schedules provided by RBC summarizing the yield. The schedules provided by RBC and the schedule prepared by us reflect that the yield on the cash receipt from the SLGS is less than the yield on the 2008 Bonds.

* * * * *

We performed the procedures in accordance with American Institute of Certified Public Accountants (AICPA) Statement on Standards for Consulting Services. Grant Thornton was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement. Grant Thornton relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the County. In addition, Grant Thornton has relied on any information provided to it by the County's retained advisors, consultants or legal counsel.

This report is intended solely for the information and use of those to whom this letter is addressed and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Minneapolis, Minnesota
May 3, 2018

Pima County, Arizona

SCHEDULE OF SOURCES AND USES OF FUNDS

May 3, 2018

SOURCES:

Cash available for defeasance	<u><u>\$16,637,084.82</u></u>
-------------------------------	-------------------------------

USES:

Purchase price of the SLGS	\$16,601,584.00
Beginning cash deposit to the escrow account	0.82
Costs of defeasance	<u>35,500.00</u>
	<u><u>\$16,637,084.82</u></u>

Pima County, Arizona

ESCROW ACCOUNT CASH FLOW

<u>Dates</u>	<u>Cash receipt from SLGS (Exhibit B-1)</u>	<u>Debt service payment on the Defeased Bonds (Exhibit B-2)</u>	<u>Cash balance</u>
Cash deposit on May 3, 2018			\$0.82
07-01-18	<u>\$16,646,399.18</u>	<u>\$16,646,400.00</u>	0.00
	<u><u>\$16,646,399.18</u></u>	<u><u>\$16,646,400.00</u></u>	

Pima County, Arizona

CASH RECEIPT FROM AND YIELD ON THE SLGS

<u>Receipt date</u>	<u>Principal</u>	<u>Interest rate</u>	<u>Interest</u>	<u>Cash receipt from SLGS</u>	<u>Present value on May 3, 2018 using a yield of 1.680284%</u>
07-01-18	<u>\$16,601,584</u>	1.670%	<u>\$44,815.18</u>	<u>\$16,646,399.18</u>	<u>\$16,601,584.00</u>
Purchase price of the SLGS					<u>\$16,601,584.00</u>

The present value of the cash receipt from the SLGS on May 3, 2018, using a yield of 1.680284%, is equal to the purchase price of the SLGS.

Pima County, Arizona

DEBT SERVICE PAYMENT ON THE DEFEASED BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest rate</u>	<u>Interest</u>	<u>Debt service payment</u>
07-01-18	<u>\$16,320,000</u>	(1)	<u>\$326,400.00</u>	<u>\$16,646,400.00</u>

(1) Actual maturity dates, principal amounts and interest rates are as follows:

<u>Maturity date</u>	<u>Principal amount</u>	<u>Interest rate</u>
07-01-18	\$7,960,000	4.000%
07-01-19	8,360,000	4.000%
	<u>\$16,320,000</u>	

APPENDIX I

**Applicable schedules provided by
RBC Capital Markets, LLC**

SOURCES AND USES OF FUNDS

PIMA COUNTY, ARIZONA
Cash Defeasance of Sewer System Revenue Bonds, Series 2008

FINAL
(April 25, 2018)

Dated Date 05/03/2018
Delivery Date 05/03/2018

Sources:

Other Sources of Funds:

Cash	16,637,084.82
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16,637,084.82

Uses:

Refunding Escrow Deposits:

Cash Deposit	0.82
SLGS Purchases	16,601,584.00
	<hr/> 16,601,584.82

Delivery Date Expenses:

Cost of Issuance	35,500.00
------------------	-----------

16,637,084.82



ESCROW SUFFICIENCY

PIMA COUNTY, ARIZONA
Cash Defeasance of Sewer System Revenue Bonds, Series 2008

FINAL
(April 25, 2018)

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
05/03/2018		0.82	0.82	0.82
07/01/2018	16,646,400.00	16,646,399.18	-0.82	
	16,646,400.00	16,646,400.00	0.00	



ESCROW CASH FLOW

PIMA COUNTY, ARIZONA
Cash Defeasance of Sewer System Revenue Bonds, Series 2008

FINAL
(April 25, 2018)

Date	Principal	Interest	Net Escrow Receipts	Present Value to 05/03/2018 @ 1.6802836%
07/01/2018	16,601,584.00	44,815.18	16,646,399.18	16,601,584.00
	16,601,584.00	44,815.18	16,646,399.18	16,601,584.00

Escrow Cost Summary

Purchase date	05/03/2018
Purchase cost of securities	16,601,584.00

Target for yield calculation	16,601,584.00



ESCROW COST

PIMA COUNTY, ARIZONA
Cash Defeasance of Sewer System Revenue Bonds, Series 2008

FINAL
(April 25, 2018)

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	07/01/2018	16,601,584	1.670%	16,601,584.00
		16,601,584		16,601,584.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
05/03/2018	16,601,584	0.82	16,601,584.82	1.680284%
	16,601,584	0.82	16,601,584.82	



ESCROW DESCRIPTIONS

PIMA COUNTY, ARIZONA
Cash Defeasance of Sewer System Revenue Bonds, Series 2008

FINAL
(April 25, 2018)

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate	Total Cost
May 3, 2018:							
SLGS	Certificate	07/01/2018	07/01/2018	16,601,584	1.670%	1.670%	16,601,584.00
				16,601,584			16,601,584.00

SLGS Summary

SLGS Rates File	25APR18
Total Certificates of Indebtedness	16,601,584.00



ESCROW REQUIREMENTS

PIMA COUNTY, ARIZONA
Cash Defeasance of Sewer System Revenue Bonds, Series 2008

FINAL
(April 25, 2018)

Period Ending	Principal	Interest	Principal Redeemed	Total
07/01/2018	7,960,000.00	326,400.00	8,360,000.00	16,646,400.00
	7,960,000.00	326,400.00	8,360,000.00	16,646,400.00



SUMMARY OF BONDS REFUNDED

PIMA COUNTY, ARIZONA
Cash Defeasance of Sewer System Revenue Bonds, Series 2008

FINAL
(April 25, 2018)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Sewer Revenue Bonds, Series 2008:					
SERIAL	07/01/2018	4.000%	7,960,000.00		
	07/01/2019	4.000%	8,360,000.00	07/01/2018	100.000
			16,320,000.00		



**PIMA COUNTY, ARIZONA
SEWER REVENUE BONDS
CASH DEFEASANCE**

GENERAL CERTIFICATE OF THE COUNTY

The undersigned, Chairman (the “Chair”) and 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 cash defeasance of a portion of the County’s Sewer Revenue Bonds, Series 2008 (the “Bonds”):

1. They are the duly elected or appointed, qualified and acting Chairman 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 March 20, 2018, in accordance with the laws of the State of Arizona. A copy of the notice and agenda for the meeting is attached hereto as Exhibit A.

3. The persons named below were on March 20, 2018 and are on the date hereof, the duly elected, qualified and acting members and incumbents of the office of the County set opposite their respective names:

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

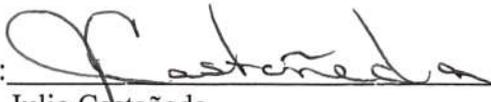
4. The County is a political subdivision duly organized and validly existing under the Constitution and laws of the State of Arizona and had, and has, full legal right, power and authority to adopt Resolution No. 2018-16 on March 20, 2018 (the “Bond Resolution”) and to execute and deliver the Depository Trust Agreement, dated as of May 3, 2018 (the “Depository Trust Agreement”), between the County and The Bank of New York Mellon Trust Company, N.A. (the “Depository Trustee”) and to authorize and to carry out the transactions contemplated by the Bond Resolution and the Depository Trust Agreement; and the Depository Trust Agreement has been duly authorized, executed and delivered by the County and is intended to be a legal, valid and binding special obligation of the County enforceable against the County in accordance with its terms and has not been amended, modified or repealed in any respect subsequent to its adoption or execution and delivery, as applicable, and is in full force and effect on the date hereof.

5. The undersigned Chair is an Authorized Officer (as defined in the Depository Trust Agreement).

Dated: May 3, 2018

PIMA COUNTY, ARIZONA

By: 
Richard Elías
Chair, Board of Supervisors

By: 
Julie Castañeda
Clerk, Board of Supervisors

[Signature page of General Certificate of the County]

EXHIBIT A

Notice and Agenda for March 20, 2018 Meeting of the Pima County Board of Supervisors



Pima County

Meeting Agenda

Board of Supervisors

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

Tuesday, March 20, 2018

9:00 AM

Board of Supervisors' Hearing Room

PIMA COUNTY BOARD OF SUPERVISORS

Richard Elías, Chairman, District 5
Ramón Valadez, Vice Chair, District 2
Sharon Bronson, Acting Chair, District 3
Ally Miller, Member, District 1
Steve Christy, 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 Julie Castañeda, 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 Joan E. Wiggins, Mount Calvary Missionary Baptist Church.

3. PLEDGE OF ALLEGIANCE

4. PAUSE 4 PAWS

PRESENTATION/PROCLAMATION

- 5.** Presentation of a proclamation to Susan Kinkade, Banner University Medical Center, proclaiming the day of Saturday, March 31, 2018 to be: "STOP THE BLEED DAY"

Attachments: [PROC_StoptheBleedDay](#)

6. CALL TO THE PUBLIC

Attachments: [CalltothePublic 3-20-18](#)

EXECUTIVE SESSION

(Clerk's Note: As of the posting date of 3/14/18, 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.)

7. APPROVAL OF CONSENT CALENDAR

COUNTY ADMINISTRATOR

- 8. Colossal Cave Cooperative Management, Operation and Development Agreement for the Operation of Show Cave and Other Facilities**

Staff recommends waiving Section 13.3.2 of the agreement for this year only and to direct the operator to allocate the cost of the audit directly to improvements at the Colossal Cave Mountain Park. The operator will be required to provide a reviewed financial statement for the period.

Attachments: [CA_ColossalCave](#)

ASSESSOR**9. UNFINISHED BUSINESS (2/20/18)****Contract**

Helm, Livesay & Worthington, Ltd., Amendment No. 2, to provide legal advice and representation and extend contract term to 2/16/19, General Fund, contract amount \$50,000.00 (CT-AS-15-356)

Attachments: [CT-AS-15-356](#)

[CT-AS-15-356_District4Submittal](#)

DEVELOPMENT SERVICES**10. Final Plat With Assurances**

P17FP00013, Santa Rita Ranch III, Lots 276-330 and Common Areas "A" (Open Space), "B" (Natural Open Space) and "C" (Open Space & Mitigation). (District 4)

Attachments: [DSD_P17FP00013SantaRitaRanchIII](#)

11. Final Plat With Assurances

P16FP00013, La Cholla Station, Lots 1-35, Block 1 and Common Areas "A" (Drainage and Landscape), Common Area "B" (N.O.S.) and Common Area "C" (Private Streets and Public Sewer). (District 1)

Attachments: [DSD_P16FP00013LaChollaStation](#)

FACILITIES MANAGEMENT**12. (Clerk's Note: This item is contingent upon approval of Agenda Item Nos. 13 and 17.)****Contract**

Metropolitan Tucson Convention & Visitors Bureau, d.b.a. Visit Tucson, to provide a lease agreement for property located at 115 N. Church Avenue, contract amount \$5,373,117.00/15 year term revenue (CTN-FM-18-123)

Attachments: [CTN-FM-18-123](#)

[FM_CAMemorandum](#)

13. (Clerk's Note: This item is contingent upon approval of Agenda Item Nos. 12 and 17.)**Contract**

The Arizona Board of Regents, University of Arizona, to provide a lease agreement for property located at 115 N. Church Avenue, contract amount \$6,450,039.00/15 year term revenue (CTN-FM-18-124)

Attachments: [CTN-FM-18-124](#)

[FM_CAMemorandum](#)

FINANCE AND RISK MANAGEMENT

14. **Outstanding Sewer Revenue Bonds and Obligations**
RESOLUTION NO. 2018 - **16**, of the Board of Supervisors, authorizing the prepayment or redemption of certain outstanding sewer revenue bonds and obligations with County funds; authorizing the appointment of depository trustees and the execution of Depository Trust Agreements and other necessary agreements, instruments and documents in connection with the prepayment or redemption of such bonds or obligations; and authorizing other actions and matters in connection therewith.
Attachments: [FN_ResoOutstandingSewerRevenueBondsandObligations](#)
[FN_CAMemorandum_3-15-18](#)
15. **Tucson January 8th Memorial Foundation Donation and Naming Agreement - Shirley Estes**
Staff recommends acceptance of a \$100,000.00 donation and naming agreement by Shirley Estes for the Tucson January 8th Memorial Foundation.
Attachments: [FN_Donation-ShirleyEstes](#)
16. **Tucson January 8th Memorial Foundation Donation and Naming Agreement - Margaret E. Mooney Foundation**
Staff recommends acceptance of a \$100,000.00 donation and naming agreement by the Margaret E. Mooney Foundation for the Tucson January 8th Memorial Foundation.
Attachments: [FN_Donation-MargaretEMooneyFoundation](#)

PROCUREMENT

17. (Clerk's Note: This item is contingent upon approval of Agenda Item Nos. 12 and 13.)
Contract
Kittle Design and Construction, L.L.C., to provide for the Pima County Historic Courthouse Interior Tenant Improvement Project (XOCH02), Capital Non-Bond Projects Fund, contract amount \$7,350,696.00 (CT-FM-18-276) Facilities Management
Attachments: [CT-FM-18-276](#)
[PO_CAMemorandum](#)

***** HEARINGS *******FRANCHISE/LICENSE/PERMIT**

18. **Hearing - Liquor License**
09100063, Kim Kenneth Kwiatkowski, Circle K Store No. 3493, 4600 W. Valencia Road, Tucson, Series 9, Liquor Store, Location Transfer.
Attachments: [FLP_LLCircleKStore3493](#)
19. (Clerk's Note: See Sheriff's Report.)
Hearing - Agent Change/Acquisition of Control/Restructure
10103731, Alice Soto, Los Acres Grocery, 4141 W. Tetakusim Road, Tucson, Acquisition of Control.
Attachments: [FLP_ACLosAcresGrocery](#)

DEVELOPMENT SERVICES

20. **Hearing - Rezoning**
P17RZ00009, VANDER-HAYDEN, ET AL. - S. SAN JOAQUIN AVENUE REZONING
Request of Gerald and Kristi Vander-Hayden, representing Debra Gowin and Shelly Gowin, for a rezoning of approximately 2.17 acres from the SH (Suburban Homestead) zone to the CMH-1 (County Manufactured and Mobile Home-1) zone, on property located on the east side of S. San Joaquin Avenue, approximately 800 feet south of W. Irvington Road and approximately 150 feet north of W. Nebraska Street. The proposed rezoning conforms to the Pima County Comprehensive Plan which designates the property for Low Intensity Urban 3.0. On motion, the Planning and Zoning Commission voted 7-0 (Commissioners Bain and Tronsdal were absent) to recommend **APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS**. Staff recommends **APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS**. (District 5)
Attachments: [DSD_P17RZ00009](#)
21. **Hearing - Rezoning**
P17RZ00010, HAYMORE - W. SUNKIST ROAD REZONING
Request of David and Barbara Haymore for a rezoning of approximately 2.90 acres from the SR (Suburban Ranch) zone to the SR-2 (Suburban Ranch Estate) zone, on property located approximately 336 feet south of W. Sunkist Drive and approximately 2,840 feet east of N. La Cholla Boulevard and approximately 2,000 feet west of N. La Canada Drive. The proposed rezoning conforms to the Pima County Comprehensive Plan which designates the property for Low Intensity Urban 0.3. On motion, the

Planning and Zoning Commission voted 5-2 (Commissioners Gungle and Membrilla voted Nay; Commissioners Bain and Tronsdal were absent) to recommend **APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS**. Staff recommends **APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS**. (District 1)

Attachments: [DSD_P17RZ00010](#)

[DSD_P17RZ00010CommentLetters_3-16-18](#)

[DSD_DSDMemorandum_3-19-18](#)

[DSD_DSDMemorandumCorrected_3-19-18](#)

22. ADJOURNMENT

POSTED: Levels A & B, 1st & 5th Floors, Pima County Administration Bldg.

Pima County Homepage: www.pima.gov

DATE/TIME POSTED: 3/14/18 @ 3:00 p.m.

DATE/TIME REPOSTED (additional attachments only): 3/15/18 @ 3:15 p.m.

DATE/TIME REPOSTED (additional attachments only): 3/16/18 @ 1:00 p.m.

DATE/TIME REPOSTED (additional attachments only): 3/16/18 @ 5:00 p.m.

DATE/TIME REPOSTED (additional attachments only): 3/19/18 @ 12:30 p.m.

**DATE/TIME REPOSTED (combined Agenda/Addendum and additional attachments):
3/19/18 @ 5:00 p.m.**

DATE/TIME REPOSTED (additional attachments only): 3/20/18 @ 2:00 p.m.

ADDENDUM 1**BOARD OF SUPERVISORS SITTING AS OTHER BOARDS****FLOOD CONTROL DISTRICT BOARD**

1. **Program for Public Information**
RESOLUTION NO. 2018 - FC¹, of the Pima County Flood Control District Board of Directors approving the first annual update of the program for public information as part of the National Flood Insurance Program's community rating system.

Attachments: [FC_ResoProgramforPublicInformation](#)

SITTING AS THE BOARD OF SUPERVISORS**FINANCE AND RISK MANAGEMENT**

2. **(Clerk's Note: The following item may present a conflict of interest for Supervisor Miller.)**
Tucson January 8th Memorial Foundation Donation and Naming Agreement - The Raytheon Company
Staff recommends acceptance of a \$250,000.00 donation and naming agreement by the Raytheon Company for the Tucson January 8th Memorial Foundation.

Attachments: [FN_Donation-RaytheonCompany](#)

GRANT APPLICATION/ACCEPTANCE

3. **Acceptance - Community Services, Employment and Training**
City of Tucson, to provide for the Continuum of Care - ECHO Supportive Housing Program, HUD Fund, \$101,129.00/\$25,282.25 General Fund match (GTAW 18-66)

Attachments: [GR_GTAW 18-66](#)

POSTED: Levels A & B, 1st & 5th Floors, Pima County Administration Bldg.

Pima County Homepage: www.pima.gov

DATE/TIME POSTED: 3/16/18 @ 11:00 a.m.

**CONSENT
CALENDAR
MARCH 20, 2018**

CONSENT CALENDAR, MARCH 20, 2018**CONTRACT AND AWARD****Community Services, Employment and Training**

1. Joint Technical Education District (JTED), to provide for the JTED Student Internship Program, no cost (CTN-CS-18-122)

Attachments: [CTN-CS-18-122](#)

Natural Resources, Parks and Recreation

2. Tucson Audubon Society, Amendment No. 3, to provide for a nature shop at Roy P. Drachman - Agua Caliente Park and extend contract term to 4/30/19, no cost (CTN-PR-15-136)

Attachments: [CTN-PR-15-136](#)

Procurement

3. **Award**

Award: Multiple Master Agreements for automotive truck and off road tires. Master Agreements are for an initial term of one (1) year in the shared annual award amount of \$831,300.00 (including sales tax) and includes four (4) one-year renewal options. Funding Source: Fleet Internal Services Fund. Administering Department: Fleet Services.

Group A: Automotive Passenger Tires/Master Agreement No./Award Amount

Purcell Tire & Rubber Company, d.b.a. Purcell Western States Tires
(Primary)/MA-PO-18-260/\$224,800.00
American Tire Distributors (Secondary)/MA-PO-18-264/\$56,200.00

Group B: Light Trucks/SUV Tires/Master Agreement No./Award Amount

Bridgestone Americas, Inc., d.b.a. Bridgestone Americas Tire Operations, L.L.C., d.b.a.
GRC Tire Service (Primary)/MA-PO-18-261/\$200,000.00
Purcell Tire & Rubber Company, d.b.a. Purcell Western States Tires
(Secondary)/MA-PO-18-260/\$50,000.00

Group C: Medium/Heavy Truck Tires/Master Agreement No./Award Amount

Best Drive, L.L.C. (Primary)/MA-PO-18-262/\$125,600.00
Purcell Tire & Rubber Company, d.b.a. Purcell Western States Tires
(Secondary)/MA-PO-18-260/\$31,400.00

Group D: Off Road and Heavy Equipment Truck Tires/Master Agreement No./Award Amount

Purcell Tire & Rubber Company, d.b.a. Purcell Western States Tires
(Primary)/MA-PO-18-260/\$50,400.00
American Tire Distributors (Secondary)/MA-PO-18-264/\$12,600.00

Group E: Farm/Turf/Golf Carts/Trailer Tires/Master Agreement No./Award Amount

American Tire Distributors (Primary)/MA-PO-18-264/\$63,200.00

Redburn Tire Company (Secondary)/MA-PO-18-263/\$15,800.00

Group F: Tubes and Wheels/Master Agreement No./Award Amount

Redburn Tire Company (Primary)/MA-PO-18-263/\$900.00

American Tire Distributors (Secondary)/MA-PO-18-264/\$400.00

Attachments: [PO AwardMA-PO-18-260 18-264](#)

4.

Award

Amendment of Award: Master Agreement No. MA-PO-15-256, Amendment No. 1, Minnesota Life Insurance Co., d.b.a. Minnesota Life, to provide for Group Term Life and AD&D Insurance Benefits. This amendment increases options available to employees, extends the termination date to 6/30/23 with locked rates and increases the award amount by \$15,000,000.00 for a cumulative not-to-exceed contract amount of \$22,513,212.00. Funding Source: Pima County Health Benefits Trust and Employee Contributions Funds. Administering Department: Human Resources.

Attachments: [PO AwardMA-PO-15-256](#)

5.

Award

Amendment of Award: Master Agreement No. MA-PO-17-84, Portable Computer Systems, Inc. and Mobile Concepts Technology, L.L.C., to provide for Panasonic computer equipment, peripherals and services. This revision is for a one-time increase in the amount of \$1,250,000.00 for a cumulative contract amount of \$1,516,100.00 and an increase to the annual award amount from \$250,000.00 to \$700,000.00 effective with renewal date 10/18/18. Funding Source: Internal Service Fund (ISF). Administering Department: Information Technology.

Attachments: [PO AwardMA-PO-17-84](#)**GRANT APPLICATION/ACCEPTANCE**

6.

Acceptance - Health

Arizona Department of Health Services, Amendment No. 2, to provide for the Health Start Program, extend grant term to 6/30/19 and amend grant language, no cost (GTAM 18-32)

Attachments: [GR GTAM 18-32](#)

7.

Acceptance - Sheriff

Executive Office of the President, Office of National Drug Control Policy, to provide for the High Intensity Drug Trafficking Areas (HIDTA) Program, \$363,463.00/\$64,000.00 General Fund match estimate (GTAW 18-65)

Attachments: [GR GTAW 18-65](#)

BOARD, COMMISSION AND/OR COMMITTEE

8. **Public Art and Community Design Committee**
Appointment of Lucia Lagarda, to fill a vacancy created by Ann Keuper. No term expiration. (District 2)
Attachments: [BCC_PublicArtCommunityDesignCommitteeAppt](#)
9. **Parks and Recreation Commission**
Reappointment of Enrique Serna. Term expiration: 1/31/24. (District 2)
Attachments: [BCC_ParksRecreationCommissionReappt](#)
10. **Community Law Enforcement Partnership Commission**
Appointment of Laura Conover. No term expiration. (District 3)
Attachments: [BCC_CommunityLawEnforcementPartnershipCommissionAppt](#)

**SPECIAL EVENT LIQUOR LICENSE/TEMPORARY EXTENSION OF PREMISES/
PATIO PERMIT/WINE FAIR/WINE FESTIVAL APPROVED PURSUANT TO
RESOLUTION NO. 2016-62**

11. **Special Event**
- William Dean Woodruff, Corpus Christi Catholic Church, 300 N. Tanque Verde Loop Road, Tucson, March 16, 2018.
 - Jeffrey Peter Schneider, Knights of Columbus Council 8077, St. Elizabeth Ann Seton Church, 8650 N. Shannon Road, Tucson, March 17, 2018.
 - Stacy Elaine Taormina Gopp, Juvenile Diabetes Research Foundation (JDRF), La Encantada, 2905 E. Skyline Drive, Tucson, March 23, 2018.
 - Andrew Heideman, Rotary Club of Green Valley, Arizona, West Center, Green Valley Recreation Center, Inc., 1111 S. GVR Drive, Green Valley, March 25, 2018.
 - Thomas Tucker Tilton, Tucson Sunrise Rotary Foundation, Inc., Green Things, 3235 E. Allen Road, Tucson, May 4, 2018.
 - Ted Schaefer, Pantano Tucson Rotary Foundation, Girl Scouts Hacienda Program Center, 3101 N. Sabino Canyon Road, Tucson, May 12, 2018.

FINANCE AND RISK MANAGEMENT

12. **Duplicate Warrants - For Ratification**
Service Link Holdings, L.L.C. \$1,817.83; Nancy Tepper \$14.57; Joel Feinman \$18.00; Holly Schaffer \$50.95; Sara Torres \$10.00; US Foods, Inc. \$4,728.18; Christopher Holguin \$147.00.
Attachments: [FN_DuplicateWarrants](#)

RATIFY AND/OR APPROVE

13. Minutes: February 6 and 20, 2018

Attachments: [CL_02-06-18DraftMinutes](#)

[CL_02-20-18DraftMinutes](#)

**PIMA COUNTY, ARIZONA
SEWER REVENUE BONDS
CASH DEFEASANCE**

CERTIFICATE AND RECEIPT OF DEPOSITORY TRUSTEE

The undersigned duly qualified and acting officer of The Bank of New York Mellon Trust Company, N.A. (the “Depository Trustee”), in its capacity as depository trustee under the Depository Trust Agreement, dated as of May 3, 2018 (the “Depository Trust Agreement”), by and between Pima County, Arizona (the “County”) and the Depository Trustee, relating to the defeasance of \$16,320,000 aggregate principal amount of Sewer Revenue Bonds, Series 2008, maturing in the years and in the amounts set forth on Exhibit A of the Depository Trust Agreement, the payment of which is being provided for on the date hereof, hereby certifies as follows:

1. The officer signing below is duly authorized to execute documents on behalf of the Depository Trustee.

2. The Depository Trustee is a national banking association duly organized and validly existing under the laws of the United States of America and is duly qualified to engage in trust business in Arizona. Attached hereto as Exhibit A is true, correct and complete of the bylaws of the Depository Trustee, together with the signing authority resolution of the Depository Trustee adopted pursuant thereto demonstrating the authority of the Depository Trustee and the authority of the undersigned to act on behalf of the Depository Trustee. Said bylaws and resolution were in effect on the date that such officer acted and remain in full force and effect on the date hereof.

3. The Depository Trustee has all necessary power and authority to enter into and carry out its obligations as depository trustee under the Depository Trust Agreement, and has duly authorized, executed and delivered the Depository Trust Agreement.

4. The Depository Trustee has received \$16,637,084.82 from the County and has applied such monies as directed in the Depository Trust Agreement to (a) deposit \$35,500.00 in the Expense Account, (b) purchase the Permitted Investments, and (c) establish an initial cash balance of \$0.82 (all as defined in the Depository Trust Agreement).

[Remainder of page intentionally left blank.]

DATED: May 3, 2018

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Depository
Trustee

By: 
Its: Vice President

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

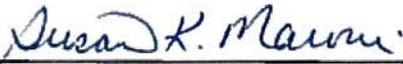
I, the undersigned, Susan K. Maroni, Assistant Secretary of The Bank of New York Mellon Trust Company, National Association, a national banking association organized under the laws of the United States (the "Association") and located in the State of California, DO HEREBY CERTIFY that the following individuals are duly appointed and qualified Officers of the Association:

<u>Officer</u>	<u>Title</u>	<u>Signing Authority</u>
Patricia A. Barbarino	Vice President	A, J, N
Watson T. Barger	Vice President	A, J, N
Rhonda J. Brannon	Vice President	A, J, N
Rosalyn Y. Davis	Vice President	A, J, N
Catherine Duffy	Vice President	A, J, N
Letha Glover	Vice President	A, J, N
Rebecca A. Newman	Vice President	A, J, N
James J. Prichard	Vice President	A, J, N
Stuart E. Statham	Vice President	A, J, N

I further certify that as of this date they have been authorized to sign on behalf of the Association in discharging or performing their duties in accordance with the limited signing powers provided under Article V, Section 5.3 of the By-Laws of the Association and the paragraphs indicated above of the signing authority resolution of the Board of Directors of the Association.

Attached hereto are true and correct copies of excerpts of the By-laws of the Association, as amended through January 18, 2018, and the signing authority resolution, which has not been amended or revised since October 15, 2009, both of which are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Bank of New York Mellon Trust Company, National Association this 26th day of January 2018.



Susan K. Maroni, Assistant Secretary

Extracts from By-Laws
of
The Bank of New York Mellon Trust Company, N.A.
As Amended through January 18, 2018

ARTICLE V
SIGNING AUTHORITIES

Section 5.1 Real Property. Real property owned by the Association in its own right shall not be deeded, conveyed, mortgaged, assigned or transferred except when duly authorized by a resolution of the Board. The Board may from time-to-time authorize officers to deed, convey, mortgage, assign or transfer real property owned by the Association in its own right with such maximum values as the Board may fix in its authorizing resolution.

Section 5.2. Senior Signing Powers. Subject to the exception provided in Section 5.1, the President and any Executive Vice President is authorized to accept, endorse, execute or sign any document, instrument or paper in the name of, or on behalf of, the Association in all transactions arising out of, or in connection with, the normal course of the Association's business or in any fiduciary, representative or agency capacity and, when required, to affix the seal of the Association thereto. In such instances as in the judgment of the President, or any Executive Vice President may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer to have the powers set forth in this section applicable only to the performance or discharge of the duties of such officer within his or her particular division or function. Any officer of the Association authorized in or pursuant to Section 5.3 to have any of the powers set forth therein, other than the officer signing pursuant to this Section 5.2, is authorized to attest to the seal of the Association on any documents requiring such seal.

Section 5.3. Limited Signing Powers. Subject to the exception provided in Section 5.1, in such instances as in the judgment of the President or any Executive Vice President, may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer, employee or individual to have the limited signing powers or limited power to affix the seal of the Association to specified classes of documents set forth in a resolution of the Board applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function.

Section 5.4. Powers of Attorney. All powers of attorney on behalf of the Association shall be executed by any officer of the Association jointly with the President, any Executive Vice President, or any Managing Director, provided that the execution by such Managing Director of said Power of Attorney shall be applicable only to the performance or discharge of the duties of said officer within his or her particular division or function. Any such power of attorney may, however, be executed by any officer or officers or person or persons who may be specifically authorized to execute the same by the Board of Directors.

Section 5.5. Auditor. The Auditor or any officer designated by the Auditor is authorized to certify in the name of, or on behalf of the Association, in its own right or in a fiduciary or representative capacity, as to the accuracy and completeness of any account, schedule of assets, or other document, instrument or paper requiring such certification.

SIGNING AUTHORITY RESOLUTION

Pursuant to Article V, Section 5.3 of the By-Laws Adopted October 15, 2009

RESOLVED that, pursuant to Section 5.3 of the By-Laws of the Association, authority be, and hereby is, granted to the President or any Executive Vice President, in such instances as in the judgment of any one of said officers may be proper and desirable, to authorize in writing from time-to-time any other officer, employee or individual to have the limited signing authority set forth in any one or more of the following paragraphs applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function:

(A) All signing authority set forth in paragraphs (B) through (I) below except Level C which must be specifically designated.

(B1) Individuals authorized to accept, endorse, execute or sign any bill receivable; certification; contract, document or other instrument evidencing, embodying a commitment with respect to, or reflecting the terms or conditions of, a loan or an extension of credit by the Association; note; and document, instrument or paper of any type, including stock and bond powers, required for purchasing, selling, transferring, exchanging or otherwise disposing of or dealing in foreign currency, derivatives or any form of securities, including options and futures thereon; in each case in transactions arising out of, or in connection with, the normal course of the Association's business.

(B2) Individuals authorized to endorse, execute or sign any certification; disclosure notice required by law; document, instrument or paper of any type required for judicial, regulatory or administrative proceedings or filings; and legal opinions.

(C1) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000 with single authorization for all transactions.

(C2) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000*.

(C3) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$500,000,000.

(C4) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount in excess of \$100,000,000 but not to exceed \$500,000,000*.

(C5) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt;

certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$100,000,000.

(C6) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$10,000,000.

(C7) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000,000.

(C8) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$1,000,000.

(C9) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$250,000.

(C10) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$50,000.

(C11) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000.

*Dual authorization is required by any combination of senior officer and/or Sector Head approved designee for non-exempt transactions. Single authorization required for exempt transactions.

(D1) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$1,000,000.

(D2) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$250,000.

(D3) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$50,000.

(D4) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$5,000.

(E) Authority to accept, endorse, execute or sign any guarantee of signature to assignments of stocks, bonds or other instruments; certification required for transfers and deliveries of stocks, bonds or other instruments; and document, instrument or paper of any type required in connection with any Individual Retirement Account or Keogh Plan or similar plan.

(F) Authority to accept, endorse, execute or sign any certificate of authentication as bond, unit investment trust or debenture trustee and on behalf of the Association as registrar and transfer agent.

(G) Authority to accept, endorse, execute or sign any bankers acceptance; letter of credit; and bill of lading.

(H) Authority to accept, endorse, execute or sign any document, instrument or paper of any type required in connection with the ownership, management or transfer of real or personal property held by the Association in trust or in connection with any transaction with respect to which the Association is acting in any fiduciary, representative or agency capacity, including the acceptance of such fiduciary, representative or agency account.

(I) Authority to effect the external movement of free delivery of securities and internal transfers resulting in changes of beneficial ownership.

(I2) Authority to effect the movement of securities versus payment at market or contract value.

(J) Authority to either sign on behalf of the Association or to affix the seal of the Association to any of the following classes of documents: Trust Indentures, Escrow Agreements, Pooling and Servicing Agreements, Collateral Agency Agreements, Custody Agreements, Trustee's Deeds, Executor's Deeds, Personal Representative's Deeds, Other Real Estate Deeds for property not owned by the Association in its own right, Corporate Resolutions, Mortgage Satisfactions, Mortgage Assignments, Trust Agreements, Loan Agreements, Trust and Estate Accountings, Probate Petitions, responsive pleadings in litigated matters and Petitions in Probate Court with respect to Accountings, Contracts for providing customers with Association products or services.

(N) Individuals authorized to accept, endorse, execute or sign internal transactions only, (i.e., general ledger tickets); does not include the authority to authorize external money movements, internal money movements or internal free deliveries that result in changes of beneficial ownership.

(P1) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in excess of \$10,000,000.

(P2) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000,000.

(P3) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000,000.

(P4) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$1,000,000.

(P5) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$250,000.

(P6) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$100,000.

(P7) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$50,000.

(P8) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$25,000.

(P9) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000.

(P10) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000.

(P11) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$3,000.

RESOLVED, that any signing authority granted pursuant to this resolution may be rescinded by the President or any Executive Vice President and such signing authority shall terminate without the necessity of any further action when the person having such authority leaves the employ of the Association.

May 3, 2018

To: Pima County, Arizona
The Bank Of New York Mellon Trust Company, N.A.

We have served as bond counsel to our client Pima County, Arizona (the “County”) in connection with providing on this date for the payment of a portion of the Issuer’s Sewer Bonds, Series 2008 maturing on July 1, 2018 and July 1, 2019 (collectively, the “Revenue”). Providing for the payment of the Bonds is referred to herein as the “Defeasance.” Capitalized terms not otherwise defined in this letter are used as defined in the Depository Trust Agreement dated as of May 3, 2018 between the County and the Bank of New York Mellon Trust Company, N.A. (the “Depository Trust Agreement”).

In our capacity as bond counsel, we have examined: the Depository Trust Agreement, the verification report provided by Grant Thornton LLP (the “Verification Report”), and such other proceedings, 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. Upon the deposit of monies and investments described in the Depository Trust Agreement and the Verification Report with the Depository Trustee in accordance with the provisions of the Depository Trust Agreement, the Bonds will no longer be deemed to be Outstanding within the meaning of the Senior Resolution, and the Bonds will be entitled to payment only from the moneys and investments held by the Depository Trustee.
2. The Defeasance will not, by itself, adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

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 Issuer.

May 3, 2018

Page 2

The opinion stated above regarding treatment of interest on the Bonds for federal income tax purposes is limited to the legal effect of the Defeasance. We delivered our opinion letter as bond counsel to the County dated May 22, 2008 (the "Bond Opinion") in connection with the original issuance of the Bonds. The Bond Opinion speaks only as of its date and this letter is not a confirmation or renewal of the Bond Opinion as of any more recent date. We have not for purposes of this letter examined any of the matters of law or fact upon which the legal opinions expressed in the Bond Opinion were based. We have not for purposes of this letter obtained, verified or reviewed any information concerning any event, other than the Defeasance, that might have occurred subsequent to the original issuance of the Bonds and that might have adversely affected the exclusion from gross income of interest on the Bonds for federal income tax purposes. Accordingly, except as expressly stated above, we express no opinion as to any matters concerning the status of the interest on the Bonds under the Internal Revenue Code of 1986, as amended, including specifically whether the interest on the Bonds is excluded from gross income for federal income tax purposes.

This letter is being furnished only to you for your use solely in connection with the Defeasance and may not be relied upon by anyone else or for any other purpose without our prior written consent. No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the Defeasance is concluded upon delivery of this letter.

Respectfully submitted,

Handwritten signature in blue ink that reads "Squire Patton Boggs (US) LLP".

NOTICE OF FULL REDEMPTION TO THE HOLDERS OF

Pima County, Arizona Sewer Revenue Bonds Series 2008

Pima County, Arizona Sewer Revenue Bonds Series 2008 - General Obligation/PF Paying Agency

NOTICE IS HEREBY GIVEN that, there have been called for full redemption on July 1, 2018 all outstanding Bonds of the above captioned bonds, totaling \$8,360,000.00 in principal amount, plus accrued interest thereon to the Redemption Date, as listed below:

<u>Maturity</u>	<u>Amount Called</u>	<u>Rate</u>	<u>Redemption Price</u>	<u>*CUSIP Number</u>
07/01/2019	\$8,360,000.00	4.00%	100.00%	721876NJ5

The Bonds are being called pursuant to the redemption provisions of the governing documents at the referenced Redemption Price plus accrued interest to July 1, 2018 on which date all interest on the Bonds will cease to accrue. Holders of the Bonds are requested to present their Bonds, at the following addresses:

First Class/Registered/Certified

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, New York 13057

Express Delivery Only

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, New York 13057

By Hand Only

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street 1st Floor East
New York, New York 10286

Pima County, Arizona Sewer Revenue Bonds Series 2008
By: The Bank of New York Mellon Trust Company, N.A.
as Trustee Agent
Bondholder Communications: 800-254-2826



Dated: June 1, 2018

IMPORTANT TAX NOTICE

Withholding of 24% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. **Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.**

**Note: The Issuer and Trustee/Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

Notice #:2018070176909

MATERIAL EVENT NOTICES

DEFEASANCE OF THE FOLLOWING BONDS

**PIMA COUNTY, ARIZONA
SEWER REVENUE BONDS
SERIES 2008**

<u>Maturity Dates Being Refunded</u>	<u>Principal Balances Being Refunded</u>	<u>CUSIP (721876)</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 2018	\$7,960,000	NH9	N/A	N/A
July 1, 2019	8,360,000	NJ5	07/01/18	100%

NOTICE IS HEREBY GIVEN pursuant to the Continuing Disclosure Undertaking, dated May 22, 2008, as executed by Pima County, Arizona, in connection with the issuance of the above-captioned Series 2008 Sewer Revenue Bonds (the "Refunded Bonds"), that on May 3, 2018, the Refunded Bonds have been defeased in advance of their stated maturity dates by the irrevocable deposit of funds and securities with The Bank of New York Mellon Trust Company, N.A., as Depository Trustee, in an amount sufficient, together with investment income, to provide for the payment of principal of and interest on the Refunded Bonds as it becomes due until their respective maturity or redemption dates listed above.

The date of this Notice is May 9, 2018.

PIMA COUNTY, ARIZONA

By: 
Keith Dommer

Finance and Risk Management Director



FINAL

SETTLEMENT, DELIVERY & CLOSING PROCEDURES

**PIMA COUNTY, ARIZONA
SEWER REVENUE BONDS, SERIES 2008**

PREPAYMENT AND DEFEASANCE

DEFEASANCE DATE: May 3, 2018

**MATURITY DATES,
PRINCIPAL AMOUNTS
OF BONDS BEING
DEFEASED:** See Exhibit A.

PARTICIPANTS: See Exhibit B.

**SETTLEMENT
INSTRUCTIONS:** (A) On the day of closing, **Pima County Treasurer's Office** (the "County Treasurer") will wire transfer **\$16,637,084.82** to the depository trustee, **The Bank of New York Mellon Trust Company, N.A.**, (the "Depository Trustee") as follows:

The Bank of New York Mellon
ABA# 021000018
Account# 2711718400
Ref: PIMA CO Sewer Ref 2008 Trust Acct
Attn: Saul Ramirez (512) 236-6518

(B) The funds received by the Depository Trustee in (A) above will be applied as follows:

- (1) **\$16,601,584.82** will be deposited to the Trust Account and used to fund an initial cash deposit of **\$0.82** and purchase Escrow Securities (as described in Exhibit C) to provide for the Bonds Being Defeased;
- (2) **\$35,500.00** will be deposited to the Expense Account and used to pay costs associated with the defeasance.

**PIMA COUNTY, ARIZONA
SEWER REVENUE BONDS, SERIES 2008**

PREPAYMENT AND DEFEASANCE

Bonds Being Defeased			
Maturity Dates of Series 2008 Bonds Being Defeased	Outstanding Principal Amount	Principal Amount Prepaid	Redemption Date
07/01/2018	\$7,960,000	\$7,960,000	
07/01/2019	8,360,000	8,360,000	07/01/2018
Total	\$16,320,000	\$16,320,000	

**PIMACOUNTY, ARIZONA
SEWER SYSTEM REVENUE BONDS, SERIES 2008**

Prepayment and Defeasance

DISTRIBUTION LIST

PIMA COUNTY

Finance and Risk Management Department
130 West Congress, 6th Floor
Tucson, AZ 85701
Fax: (520) 770-4173

Keith Dommer
(520) 724-8496
keith.dommer@pima.gov

Michelle Campagne
(520) 724-8410
michelle.campagne@pima.gov

County Attorney's Office
32 N. Stone Avenue
Tucson, Arizona 85701

Regina Nassen
(520) 724-5411
regina.nassen@pcao.pima.gov

PIMA COUNTY TREASURER

Pima County Treasurer's Office
240 N Stone Ave.
Tucson, AZ 85701
Fax: (520) 724-4809

Honorable Beth Ford
County Treasurer
(520) 724-8341
beth.ford@pima.gov

Chuo Holliday
(520) 724-8828
chuo.holliday@pima.gov

Bin Luo
(520) 724-8824
bin.luo@pima.gov

SQUIRE PATTON BOGGS (US) LLP

1 E. Washington Street, Suite 2700
Phoenix, AZ 85004
Fax: (602) 253-8129

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RBC CAPITAL MARKETS

2398 East Camelback Road, Suite 700
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kurt.freund@rbccm.com

Kathryn Pong
(602) 381-5359
kathryn.pong@rbccm.com

Kathy Salcido
(602) 381-5371
kathy.salcido@rbccm.com

DEPOSITORY TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
601 Travis Street
Houston, TX 77002

Letha Glover, Transaction Manager
(713) 483-6561
letha.glover@bnymellon.com
**Document review/executes final documents*

Saul E Ramirez, Client Service Manager
(512) 236-6518
saul.e.ramirez@bnymellon.com
**Day-to-day contact & ongoing administration
subsequent to closing*

400 S Hope Street, Suite 500
Los Angeles, CA 90071

Stuart Weiss
Business Development
(213) 553-9510
stuart.weiss@bnymellon.com

**PIMACOUNTY, ARIZONA
SEWER SYSTEM REVENUE BONDS, SERIES 2008**

Prepayment and Defeasance

Escrow Securities for the Bonds Being Defeased *

Purchase Date	Type of Securities	Maturity Date	First Interest Payment Date	Par Amount	Rate	Max Rate
05/03/2018	SLGS Certificate	07/01/2018	07/01/2018	\$16,601,584	1.670%	1.670%

* Does not include \$0.82 held as initial cash deposit.



DEPARTMENT OF THE TREASURY

BUREAU OF THE FISCAL SERVICE

PARKERSBURG, WV 26106-0396

SUBSCRIPTION CONFIRMATION

State and Local Government Series Securities

Treasury Case Number:	201800599
Program Type:	Time Deposit
Issue Amount:	\$16,601,584.00
Issue Date:	05/03/2018
Owner Name:	Pima County, Arizona
TIN:	86-6000543
Rate Table Date:	04/25/2018
Status:	Complete
Confirmation Date:	04/25/2018
Confirmation Time:	03:51 PM EDT



**U.S. Treasury Securities
SLGS Time Deposit
Subscription View**

OMB: No: 1535-0092
Date/Time: 04/25/2018 03:53 PM EDT
Page: 1 of 2

Issue Information

Treasury Case Number 201800599
Status Complete
Issue Date 05/03/2018
Issue Amount \$16,601,584.00
Rate Table Date 04/25/2018

Owner

Taxpayer Identification Number 86-6000543
Underlying Bond Issue Pima County, Arizona Sewer System Revenue Bonds, Series 2008
Owner Name Pima County, Arizona
Address Line 1 601 Travis Street, 16th Floor
Line 2
Line 3
City Houston
State TX
Zip Code 77002
Contact Name Amanda Brslik
Telephone 713-483-6528
Fax 713-483-6001
E-mail amanda.brslik@bnymellon.com

Trustee

ABA Routing Number 021000018
Bank Reference Number
Bank Name The Bank of New York Mellon Trust Company, N.A.
Address Line 1 601 Travis Street, 16th Floor
Line 2
Line 3
City Houston
State TX
Zip Code 77002
Contact Name Amanda Brslik
Telephone 713-483-6528
Fax 713-483-6001
E-mail amanda.brslik@bnymellon.com

Funds for Purchase

ABA Routing Number 021000018
Bank Name The Bank of New York Mellon Trust Company, N.A.
Contact Name Amanda Brslik
Telephone 713-483-6528
Fax 713-483-6001
E-mail amanda.brslik@bnymellon.com



**U.S. Treasury Securities
SLGS Time Deposit
Subscription View**

OMB: No: 1535-0092
Date/Time: 04/25/2018 03:53 PM EDT
Page: 2 of 2

ACH Institutions & Instructions

ABA Routing Number 021000018	ABA Routing Number 021000018
Bank Name The Bank of New York Mellon Trust Company, N.A.	Account Name IMMS 2711718400
Address Line 1 601 Travis Street, 16th Floor	Account Number 8900101474
Line 2	Account Type Checking
Line 3	
City Houston	
State TX	
Zip Code 77002	
Contact Name Amanda Brslik	
Telephone 713-483-6528	
Fax 713-483-6001	
E-mail amanda.brslik@bnymellon.com	

Subscriber

ABA/TIN 021000018
Organization Name The Bank of New York Trust Company, N.A.
Address Line 1 601 Travis Street, 18th Floor
Line 2
Line 3
City Houston
State TX
Zip Code 77002
Contact Name Amanda Brslik
Telephone 713-483-6528
Fax 713-483-6001
E-mail amanda.brslik@bnymellon.com

Viewers

ABA/TIN	Organization Name
No Viewers Assigned	

Securities

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	\$16,601,584.00	1.670000000	07/01/2018		